

JAN 14 1997
COMMERCE AND REGULATION

HOUSE FILE 17
BY BRUNKHORST

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act increasing the percentage by which health insurance
2 premium rates charged to certain small employers may vary.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 17

1 Section 1. Section 513B.4, subsection 1, paragraph b, Code
2 1997, is amended to read as follows:

3 b. For a class of business, the premium rates charged
4 during a rating period to small employers with similar case
5 characteristics for the same or similar coverage, or the rates
6 which could be charged to such employers under the rating
7 system for that class of business, shall not vary from the
8 index rate by more than ~~twenty-five~~ fifty percent of the index
9 rate.

10 EXPLANATION

11 This bill increases the amount by which the health
12 insurance premium rates charged to small employers with
13 similar case characteristics for the same or similar coverage
14 may vary from the index rate from 25 percent to 50 percent of
15 the index rate. The "index rate" is defined as the average of
16 the applicable base premium rate and the corresponding highest
17 premium rate for each class of business for small employers
18 with similar case characteristics.

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