

MAR 2 2001

COMMERCE AND REGULATION

HOUSE FILE 487  
BY PETERSEN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to notice of rate increases for health insurance  
2 coverage.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF-487

1 Section 1. NEW SECTION. 509.20 NOTICE OF RATE INCREASE.

2 1. For purposes of this section, "policy or contract for  
3 group health benefit coverages, including a contract to  
4 provide services to a plan providing group health benefit  
5 coverages" applies to all of the following:

6 a. A group policy of health insurance under this chapter.

7 b. A plan established pursuant to chapter 509A for public  
8 employees.

9 c. A plan offered pursuant to chapter 513B.

10 d. A group contract of a nonprofit health service  
11 corporation under chapter 514.

12 e. A group plan of a health maintenance organization under  
13 chapter 514B.

14 f. An organized delivery system authorized under 1993 Iowa  
15 Acts, chapter 158, and licensed by the director of public  
16 health.

17 g. Preferred provider contracts limiting choice of  
18 specific provider.

19 h. Any other policy, contract, or plan for covering the  
20 health care costs of a defined group.

21 2. A person who issues a policy or contract for group  
22 health benefit coverages, including a contract to provide  
23 services to a plan providing group health benefit coverages to  
24 a group, shall provide notice of a rate increase for the  
25 policy or contract at least ninety days prior to the effective  
26 date of the rate increase to the policyholder, contract  
27 holder, or sponsor of the group health benefit plan.

28 Sec. 2. NEW SECTION. 513C.5A NOTICE OF RATE INCREASE.

29 A carrier shall provide notice of a rate increase for the  
30 plan at least ninety days prior to the effective date of the  
31 rate increase to the individual covered by the plan.

32 Sec. 3. Section 514.6, Code 2001, is amended to read as  
33 follows:

34 514.6 RATES -- APPROVAL BY COMMISSIONER -- NOTICE OF  
35 INCREASE.

