

HSB 148

Shey, Chair
Hoffman
Chioda

Succeeded By
SF (HF) 233

COMMERCE AND REGULATION

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE AND REGULATION
BILL BY CHAIRPERSON HANSEN)

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

A BILL FOR

1 An Act relating to the Iowa individual health benefit reinsurance
2 association and the Iowa comprehensive health insurance
3 association, by changing the board of directors, membership,
4 assessment, and premium tax offset related to the
5 associations.

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

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1 Section 1. Section 513C.3, subsection 5, Code 2001, is
2 amended to read as follows:

3 5. "Carrier" means any entity that provides individual
4 health benefit plans in this state. For purposes of this
5 chapter, carrier includes an insurance company, a group
6 hospital or medical service corporation, a fraternal benefit
7 society, a health maintenance organization, and any other
8 entity providing an individual plan of health insurance or
9 health benefits subject to state insurance regulation, except
10 any entity establishing a plan under chapter 509A. "Carrier"
11 does not include an organized delivery system.

12 Sec. 2. Section 513C.5, subsection 2, Code 2001, is
13 amended to read as follows:

14 2. Notwithstanding subsection 1, the commissioner, with
15 the concurrence of the board of the Iowa individual health
16 benefit reinsurance association established ~~in section 513C.10~~
17 under chapter 514E, may by order reduce or eliminate the
18 allowed rating bands provided under subsection 1, paragraphs
19 "a", "b", "c", and "e", or otherwise limit or eliminate the
20 use of experience rating. ~~The commissioner shall also develop~~
21 ~~a recommendation for the elimination of age as a rating~~
22 ~~characteristic, and shall submit such recommendation by~~
23 ~~January 8, 1996.~~

24 Sec. 3. Section 513C.10, subsection 1, Code 2001, is
25 amended to read as follows:

26 1. ~~A nonprofit corporation is established to be known as~~
27 The Iowa individual health benefit reinsurance association
28 is established as a nonprofit corporation.

29 a. All persons that provide health benefit plans in this
30 state including insurers providing accident and sickness
31 insurance under chapter 509, 514, or 514A; fraternal benefit
32 societies providing hospital, medical, or nursing benefits
33 under chapter 512B; and health maintenance organizations,
34 organized delivery systems, and all other entities providing
35 health insurance or health benefits subject to state insurance

1 regulation, except any entity establishing a plan under
2 chapter 509A, shall be members of this association.

3 b. The association shall be incorporated under chapter
4 504A, shall operate under a plan of operation established and
5 approved pursuant to chapter 504A, and shall exercise its
6 powers through a the board of directors established under this
7 section chapter 514E.

8 Sec. 4. Section 513C.10, subsections 2 through 5, Code
9 2001, are amended by striking the subsections.

10 Sec. 5. Section 514E.2, subsections 1, 2, and 13, Code
11 2001, are amended to read as follows:

12 ~~1. There-is-established-a-nonprofit-corporation-known-as~~
13 ~~the~~ The Iowa comprehensive health insurance association which
14 is established as a nonprofit corporation. The association
15 shall assure that health insurance, as limited by sections
16 514E.4 and 514E.5, is made available to each eligible Iowa
17 resident and each federally eligible individual applying to
18 the association for coverage. The association shall also be
19 responsible for administering the Iowa individual health
20 benefit reinsurance association pursuant to all of the terms
21 and conditions contained in chapter 513C.

22 a. All carriers as defined in section 514E.1, subsection
23 3, and all organized delivery systems licensed by the director
24 of public health providing health insurance or health care
25 services in Iowa shall be members of the association.

26 b. The association shall operate under a plan of operation
27 established and approved under subsection 3 and shall exercise
28 its powers through a board of directors established under this
29 section.

30 2. The board of directors of the association shall consist
31 ~~of-four~~ of all of the following:

32 a. Four members who shall be representatives of the four
33 largest domestic carriers of individual health insurance in
34 the state as of the calendar year ending December 31, 2000,
35 based on earned premium standards.

1 b. Three members who shall be representatives of the three
2 largest carriers of health insurance in the state, based on
3 earned premium standards, excluding Medicare supplement
4 coverage premiums, that are not otherwise represented.

5 c. Four members selected by the members of the
6 association, two of whom shall be representatives from
7 corporations operating pursuant to chapter 514 on July 1,
8 1989, or any successors in interest, and two of whom shall be
9 representatives of organized delivery systems or insurers
10 providing coverage pursuant to chapter 509 or 514A~~7-four~~.

11 d. Four public members selected by the governor~~7-the~~.

12 e. The commissioner or the commissioner's designee from
13 the division of insurance~~7-and-two~~.

14 f. Two members of the general assembly, one of whom shall
15 be appointed by the speaker of the house and one of whom shall
16 be appointed by the president of the senate, after
17 consultation with the majority leader and the minority leader
18 of the senate, who shall be ex officio, and nonvoting members.

19 PARAGRAPH DIVIDED. The composition of the board of
20 directors shall be in compliance with sections 69.16 and
21 69.16A. The governor's appointees shall be chosen from a
22 broad cross-section of the residents of this state.

23 Members of the board may be reimbursed from the moneys of
24 the association for expenses incurred by them as members, but
25 shall not be otherwise compensated by the association for
26 their services.

27 13. A member who, after July 1, 1986 2001, has paid one or
28 more assessments levied under this chapter or chapter 513C may
29 take a credit against the premium taxes, or similar taxes,
30 upon revenues or income of the member that are imposed by the
31 state on health insurance premiums pursuant to chapter 432 or
32 payments subject to taxation under section 514B.31, up to the
33 amount of twenty percent of those taxes due, for each of the
34 five calendar years following the year for which an assessment
35 was paid, or until the aggregate of those assessments has been

1 offset by credits against those taxes if this occurs first.
2 If a member ceases doing business, all uncredited assessments
3 may be credited against its premium tax liability for the year
4 it ceases doing business.

5 EXPLANATION

6 This bill amends sections of Code chapters 513C and 514E,
7 dealing with the Iowa individual health benefit reinsurance
8 association and the Iowa comprehensive health insurance
9 association, respectively.

10 The bill amends Code section 513C.10 to exclude from
11 membership in the Iowa individual health benefit reinsurance
12 association entities that establish plans under Code chapter
13 509A, the chapter that addresses group insurance for public
14 employees. The bill also amends the definition of "carrier"
15 in Code section 513C.3 to exclude the same entities from the
16 definition.

17 The bill also amends Code section 513C.10 to provide that
18 the board of directors governing the Iowa individual health
19 benefit reinsurance association is established under Code
20 chapter 514E, rather than under Code section 513C.10, and also
21 divides existing language into paragraphs. A similar change
22 is made to Code section 513C.5 regarding the reference to Code
23 chapter 514E. Code section 513C.5 also deletes a reference to
24 a study that the commissioner has completed.

25 The bill deletes subsections of Code section 513C.10 that
26 address the board of directors for the Iowa individual health
27 benefit reinsurance association.

28 The bill amends Code section 514E.2 to provide that the
29 Iowa comprehensive health insurance association shall be
30 responsible for administering the Iowa individual health
31 benefit reinsurance association pursuant to all of the terms
32 and conditions contained in Code chapter 513C. The bill also
33 divides existing language into paragraphs.

34 The bill also amends Code section 514E.2 regarding the
35 composition of the board of directors of the Iowa individual

1 health benefit reinsurance association, resulting in a merger
2 of the boards of the Iowa comprehensive health insurance
3 association and the Iowa individual health benefit reinsurance
4 association. The bill adds as member representatives the four
5 largest domestic carriers of the individual health insurance
6 in the state as of the calendar year ending December 31, 2000,
7 measured by an earned premium standard, and representatives of
8 the three largest carriers of health insurance in the state,
9 measured by an earned premium standard, excluding Medicare
10 supplement coverage premiums, that are not otherwise
11 represented. These are the same groups deleted under Code
12 section 513C.10 as the board of directors for the Iowa
13 individual health benefit reinsurance association. The bill
14 also divides existing language into paragraphs.

15 The bill also amends Code section 514E.2 to provide that a
16 credit against the premium taxes, or similar taxes, is
17 available to members who have paid one or more assessments
18 levied under Code chapter 514E or Code chapter 513C after July
19 1, 2001, rather than just under Code chapter 514E.

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WAYS & MEANS CALENDAR

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Commerce
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HOUSE FILE 733
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 568)
(SUCCESSOR TO HSB 148)

(P. 1573)
Passed House, Date 4/26/01
Vote: Ayes 94 Nays 0

(P. 1398)
Passed Senate, Date 4/30/01
Vote: Ayes 44 Nays 0

Approved May 7, 2001

A BILL FOR

1 An Act relating to the Iowa individual health benefit reinsurance
2 association and the Iowa comprehensive health insurance
3 association, by changing the board of directors, membership,
4 and assessment related to the associations, and making changes
5 related to adjustments in the coverage of basic and standard
6 health benefit plans.

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

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HF 733

1 Section 1. Section 513B.14, subsection 1, Code 2001, is
2 amended to read as follows:

3 1. The commissioner shall adopt by rule the form and level
4 of coverage of the basic health benefit plan and the standard
5 health benefit plan to be made available by a small employer
6 carrier pursuant to section 513B.10, but which shall be
7 appropriately adjusted at least every three years to reflect
8 the current state of the small group market. The
9 commissioner's rules shall include the benefit levels, cost-
10 sharing levels, exclusions, and limitations for the basic
11 health benefit plan and the standard health benefit plan, and
12 shall define for purposes of this subchapter, a basic health
13 benefit plan and a standard health benefit plan which contain
14 benefit and cost-sharing levels that are consistent with the
15 basic method of operation and the benefit plans of health
16 maintenance organizations, including any restrictions imposed
17 by federal law.

18 Sec. 2. Section 513C.5, subsection 2, Code 2001, is
19 amended to read as follows:

20 2. Notwithstanding subsection 1, the commissioner, with
21 the concurrence of the board of the Iowa individual health
22 benefit reinsurance association established ~~in section 513C.10~~
23 under chapter 514E, may by order reduce or eliminate the
24 allowed rating bands provided under subsection 1, paragraphs
25 "a", "b", "c", and "e", or otherwise limit or eliminate the
26 use of experience rating. ~~The commissioner shall also develop~~
27 ~~a recommendation for the elimination of age as a rating~~
28 ~~characteristic, and shall submit such recommendation by~~
29 ~~January 8, 1996.~~

30 Sec. 3. Section 513C.8, Code 2001, is amended to read as
31 follows:

32 513C.8 HEALTH BENEFIT PLAN STANDARDS.

33 The commissioner shall adopt by rule the form and level of
34 coverage of the basic health benefit plan and the standard
35 health benefit plan for the individual market which shall

1 provide benefits substantially similar to those as provided
2 for under chapter 513B with respect to small group coverage,
3 but which shall be appropriately adjusted at least every three
4 years to reflect the current state of the individual market.

5 Sec. 4. Section 513C.10, subsection 1, Code 2001, is
6 amended to read as follows:

7 1. ~~A-nonprofit-corporation-is-established-to-be-known-as~~
8 the The Iowa individual health benefit reinsurance association
9 is established as a nonprofit corporation.

10 a. All persons that provide health benefit plans in this
11 state including insurers providing accident and sickness
12 insurance under chapter 509, 514, or 514A; fraternal benefit
13 societies providing hospital, medical, or nursing benefits
14 under chapter 512B; and health maintenance organizations,
15 organized delivery systems, and all other entities providing
16 health insurance or health benefits subject to state insurance
17 regulation shall be members of the association.

18 b. The association shall be incorporated under chapter
19 504A, shall operate under a plan of operation established and
20 approved pursuant to chapter 504A, and shall exercise its
21 powers through a the board of directors established under this
22 section chapter 514E.

23 Sec. 5. Section 513C.10, subsections 2 through 5, Code
24 2001, are amended by striking the subsections.

25 Sec. 6. Section 513C.10, subsection 6, Code 2001, is
26 amended to read as follows:

27 6. Rates for basic and standard coverages as provided in
28 this chapter shall be determined by each carrier or organized
29 delivery system as the product of a basic and standard factor
30 and the lowest rate available for issuance by that carrier or
31 organized delivery system adjusted for rating characteristics
32 and benefits. Basic and standard factors shall be established
33 annually by the Iowa individual health benefit reinsurance
34 association board with the approval of the commissioner.
35 Multiple basic and standard factors for a distinct grouping of

1 basic and standard policies may be established. A basic and
2 standard factor is limited to a minimum value defined as the
3 ratio of the average of the lowest rate available for issuance
4 and the maximum rate allowable by law divided by the lowest
5 rate available for issuance. A basic and standard factor is
6 limited to a maximum value defined as the ratio of the maximum
7 rate allowable by law divided by the lowest rate available for
8 issuance. The maximum rate allowable by law and the lowest
9 rate available for issuance is determined based on the rate
10 restrictions under this chapter. For policies written after
11 January 1, 2002, rates for the basic and standard coverages as
12 provided in this chapter shall be calculated using the basic
13 and standard factors and shall be no lower than the maximum
14 rate allowable by law. However, to maintain assessable loss
15 assessments at or below one percent of total health insurance
16 premiums or payments as determined in accordance with
17 subsection 10, the Iowa individual health benefit reinsurance
18 association board with the approval of the commissioner may
19 increase the value for any basic and standard factor greater
20 than the maximum value and.

21 The Iowa individual health benefit reinsurance association
22 may, with the approval of the commissioner, may increase cost
23 sharing provisions including, but not limited to, basic and
24 standard plan deductibles, coinsurance, or copayments.

25 Sec. 7. Section 514E.2, subsections 1 and 2, Code 2001,
26 are amended to read as follows:

27 1. ~~There-is-established-a-nonprofit-corporation-known-as~~
28 the The Iowa comprehensive health insurance association which
29 is established as a nonprofit corporation. The association
30 shall assure that health insurance, as limited by sections
31 514E.4 and 514E.5, is made available to each eligible Iowa
32 resident and each federally eligible individual applying to
33 the association for coverage. The association shall also be
34 responsible for administering the Iowa individual health
35 benefit reinsurance association pursuant to all of the terms

1 and conditions contained in chapter 513C.

2 a. All carriers as defined in section 514E.1, subsection
3 3, and all organized delivery systems licensed by the director
4 of public health providing health insurance or health care
5 services in Iowa shall be members of the association.

6 b. The association shall operate under a plan of operation
7 established and approved under subsection 3 and shall exercise
8 its powers through a board of directors established under this
9 section.

10 2. The board of directors of the association shall consist
11 of-four of all of the following:

12 a. Two members who shall be representatives of the two
13 largest domestic carriers of individual health insurance in
14 the state as of the calendar year ending December 31, 2000,
15 based on earned premium standards.

16 b. Three members who shall be representatives of the three
17 largest carriers of health insurance in the state, based on
18 earned premium standards, excluding Medicare supplement
19 coverage premiums, that are not otherwise represented.

20 c. Two members selected by the members of the association,
21 two one of whom shall be representatives-from-corporations a
22 representative from a corporation operating pursuant to
23 chapter 514 on July 1, 1989, or any successors successor in
24 interest, and two one of whom shall be representatives-of a
25 representative of an organized delivery systems-or-insurers
26 system or an insurer providing coverage pursuant to chapter
27 509 or 514A~~7~~-four.

28 d. Four public members selected by the governor~~7~~-the.

29 e. The commissioner or the commissioner's designee from
30 the division of insurance~~7~~-and-two.

31 f. Two members of the general assembly, one of whom shall
32 be appointed by the speaker of the house and one of whom shall
33 be appointed by the president of the senate, after
34 consultation with the majority leader and the minority leader
35 of the senate, who shall be ex officio, and nonvoting members.

1 PARAGRAPH DIVIDED. The composition of the board of
2 directors shall be in compliance with sections 69.16 and
3 69.16A. The governor's appointees shall be chosen from a
4 broad cross-section of the residents of this state.

5 Members of the board may be reimbursed from the moneys of
6 the association for expenses incurred by them as members, but
7 shall not be otherwise compensated by the association for
8 their services.

9 EXPLANATION

10 This bill amends sections of Code chapters 513B, 513C, and
11 514E, dealing with the Iowa individual health benefit
12 reinsurance association, and the Iowa comprehensive health
13 insurance association, and adjustment in coverage of basic and
14 standard health benefit plans.

15 The bill amends Code sections 513B.14 and 513C.8 to provide
16 that the insurance commissioner will adjust the health plan
17 standards at least every three years to reflect the current
18 state of the applicable market.

19 The bill amends Code section 513C.10 to provide that the
20 board of directors governing the Iowa individual health
21 benefit reinsurance association is established under Code
22 chapter 514E, rather than under Code section 513C.10, and also
23 divides existing language into paragraphs. A similar change
24 is made to Code section 513C.5 regarding the reference to Code
25 chapter 514E. Code section 513C.5 also deletes a reference to
26 a study that the commissioner has completed.

27 The bill deletes subsections of Code section 513C.10 that
28 address the board of directors for the Iowa individual health
29 benefit reinsurance association.

30 The bill amends Code section 513C.10 to provide that for
31 policies written after January 1, 2002, rates for the basic
32 and standard coverages shall be no lower than the maximum rate
33 allowable by law. In addition, the Iowa individual health
34 benefit reinsurance association may increase cost sharing
35 provisions with the approval of the commissioner.

1 The bill amends Code section 514E.2 to provide that the
2 Iowa comprehensive health insurance association shall be
3 responsible for administering the Iowa individual health
4 benefit reinsurance association pursuant to all of the terms
5 and conditions contained in Code chapter 513C. The bill also
6 divides existing language into paragraphs.

7 The bill also amends Code section 514E.2 regarding the
8 composition of the board of directors of the Iowa individual
9 health benefit reinsurance association, resulting in a merger
10 of the boards of the Iowa comprehensive health insurance
11 association and the Iowa individual health benefit reinsurance
12 association. The bill adds as member representatives the two
13 largest domestic carriers of the individual health insurance
14 in the state as of the calendar year ending December 31, 2000,
15 measured by an earned premium standard, and representatives of
16 the three largest carriers of health insurance in the state,
17 measured by an earned premium standard, excluding Medicare
18 supplement coverage premiums, that are not otherwise
19 represented. These are the same groups deleted under Code
20 section 513C.10 as the board of directors for the Iowa
21 individual health benefit reinsurance association. The bill
22 adjusts the total number of members of the merged board, and
23 also divides existing language into paragraphs.

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HOUSE FILE 733

AN ACT

RELATING TO THE IOWA INDIVIDUAL HEALTH BENEFIT REINSURANCE ASSOCIATION AND THE IOWA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION, BY CHANGING THE BOARD OF DIRECTORS, MEMBERSHIP, AND ASSESSMENT RELATED TO THE ASSOCIATIONS, AND MAKING CHANGES RELATED TO ADJUSTMENTS IN THE COVERAGE OF BASIC AND STANDARD HEALTH BENEFIT PLANS.

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

Section 1. Section 513B.14, subsection 1, Code 2001, is amended to read as follows:

1. The commissioner shall adopt by rule the form and level of coverage of the basic health benefit plan and the standard health benefit plan to be made available by a small employer carrier pursuant to section 513B.10, but which shall be appropriately adjusted at least every three years to reflect the current state of the small group market. The commissioner's rules shall include the benefit levels, cost-sharing levels, exclusions, and limitations for the basic health benefit plan and the standard health benefit plan, and shall define for purposes of this subchapter, a basic health benefit plan and a standard health benefit plan which contain benefit and cost-sharing levels that are consistent with the basic method of operation and the benefit plans of health maintenance organizations, including any restrictions imposed by federal law.

Sec. 2. Section 513C.5, subsection 2, Code 2001, is amended to read as follows:

2. Notwithstanding subsection 1, the commissioner, with the concurrence of the board of the Iowa individual health benefit reinsurance association established ~~in section 513C.10~~ under chapter 514E, may by order reduce or eliminate the allowed rating bands provided under subsection 1, paragraphs "a", "b", "c", and "e", or otherwise limit or eliminate the

~~use of experience rating. The commissioner shall also develop a recommendation for the elimination of age as a rating characteristic, and shall submit such recommendation by January 8, 1996.~~

Sec. 3. Section 513C.8, Code 2001, is amended to read as follows:

513C.8 HEALTH BENEFIT PLAN STANDARDS.

The commissioner shall adopt by rule the form and level of coverage of the basic health benefit plan and the standard health benefit plan for the individual market which shall provide benefits substantially similar to those as provided for under chapter 513B with respect to small group coverage, but which shall be appropriately adjusted at least every three years to reflect the current state of the individual market.

Sec. 4. Section 513C.10, subsection 1, Code 2001, is amended to read as follows:

1. ~~A nonprofit corporation is established to be known as the~~ The Iowa individual health benefit reinsurance association is established as a nonprofit corporation.

a. All persons that provide health benefit plans in this state including insurers providing accident and sickness insurance under chapter 509, 514, or 514A; fraternal benefit societies providing hospital, medical, or nursing benefits under chapter 512B; and health maintenance organizations, organized delivery systems, and all other entities providing health insurance or health benefits subject to state insurance regulation shall be members of the association.

b. The association shall be incorporated under chapter 504A, shall operate under a plan of operation established and approved pursuant to chapter 504A, and shall exercise its powers through ~~a~~ the board of directors established under ~~this~~ section chapter 514E.

Sec. 5. Section 513C.10, subsections 2 through 5, Code 2001, are amended by striking the subsections.

Sec. 6. Section 513C.10, subsection 6, Code 2001, is amended to read as follows:

6. Rates for basic and standard coverages as provided in this chapter shall be determined by each carrier or organized delivery system as the product of a basic and standard factor and the lowest rate available for issuance by that carrier or organized delivery system adjusted for rating characteristics and benefits. Basic and standard factors shall be established annually by the Iowa individual health benefit reinsurance association board with the approval of the commissioner.

Multiple basic and standard factors for a distinct grouping of basic and standard policies may be established. A basic and standard factor is limited to a minimum value defined as the ratio of the average of the lowest rate available for issuance and the maximum rate allowable by law divided by the lowest rate available for issuance. A basic and standard factor is limited to a maximum value defined as the ratio of the maximum rate allowable by law divided by the lowest rate available for issuance. The maximum rate allowable by law and the lowest rate available for issuance is determined based on the rate restrictions under this chapter. For policies written after January 1, 2002, rates for the basic and standard coverages as provided in this chapter shall be calculated using the basic and standard factors and shall be no lower than the maximum rate allowable by law. However, to maintain assessable loss assessments at or below one percent of total health insurance premiums or payments as determined in accordance with subsection 10, the Iowa individual health benefit reinsurance association board with the approval of the commissioner may increase the value for any basic and standard factor greater than the maximum value and.

The Iowa individual health benefit reinsurance association may, with the approval of the commissioner, may increase cost sharing provisions including, but not limited to, basic and standard plan deductibles, coinsurance, or copayments.

Sec. 7. Section 514E.2, subsections 1 and 2, Code 2001, are amended to read as follows:

1. ~~There is established a nonprofit corporation known as the~~ The Iowa comprehensive health insurance association which

is established as a nonprofit corporation. The association shall assure that health insurance, as limited by sections 514E.4 and 514E.5, is made available to each eligible Iowa resident and each federally eligible individual applying to the association for coverage. The association shall also be responsible for administering the Iowa individual health benefit reinsurance association pursuant to all of the terms and conditions contained in chapter 513C.

a. All carriers as defined in section 514E.1, subsection 3, and all organized delivery systems licensed by the director of public health providing health insurance or health care services in Iowa shall be members of the association.

b. The association shall operate under a plan of operation established and approved under subsection 3 and shall exercise its powers through a board of directors established under this section.

2. The board of directors of the association shall consist of ~~four~~ of all of the following:

a. Two members who shall be representatives of the two largest domestic carriers of individual health insurance in the state as of the calendar year ending December 31, 2000, based on earned premium standards.

b. Three members who shall be representatives of the three largest carriers of health insurance in the state, based on earned premium standards, excluding Medicare supplement coverage premiums, that are not otherwise represented.

c. Two members selected by the members of the association, two one of whom shall be representatives from corporations a representative from a corporation operating pursuant to chapter 514 on July 1, 1989, or any successors successor in interest, and two one of whom shall be representatives of a representative of an organized delivery systems or insurers system or an insurer providing coverage pursuant to chapter 509 or 514A~~7~~-four.

d. Four public members selected by the governor, the

e. The commissioner or the commissioner's designee from the division of insurance, and two.

f. Two members of the general assembly, one of whom shall be appointed by the speaker of the house and one of whom shall be appointed by the president of the senate, after consultation with the majority leader and the minority leader of the senate, who shall be ex officio, and nonvoting members.

PARAGRAPH DIVIDED. The composition of the board of directors shall be in compliance with sections 69.16 and 69.16A. The governor's appointees shall be chosen from a broad cross-section of the residents of this state.

Members of the board may be reimbursed from the moneys of the association for expenses incurred by them as members, but shall not be otherwise compensated by the association for their services.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 733, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved May 7, 2001

THOMAS J. VILSACK
Governor