



NEWS RELEASE

JOHN OXENDINE
COMMISSIONER OF INSURANCE
SAFETY FIRE COMMISSIONER
INDUSTRIAL LOAN COMMISSIONER
COMPTROLLER GENERAL

Seventh Floor, West Tower
2 Martin Luther King Jr. Dr.
Atlanta, Georgia 30334
www.gainsurance.org

For Immediate Release
January 18, 2008

Contact: Glenn Allen or Wayne Whitaker
404-651-7902
inscomm@oci.ga.gov

OXENDINE: HEALTH INSURANCE REFORM LEGISLATION WILL HOLD THE LINE ON RATE INCREASES AND ADD PROTECTION FOR SMALL BUSINESSES

Atlanta – Insurance Commissioner John W. Oxendine today revealed new legislation, House Bill 923, which will subject all rate hike requests by health insurance companies to increased scrutiny – and possible rejection – before they are allowed to be enacted. The bill will also level the playing field for small business sole proprietors by allowing them access to the group insurance market.

“If this bill is enacted, we will be able to make sure insurance companies are held accountable when they file health rate increases,” Oxendine said. “We will be empowered to hold the line on increases, and make sure that health rates are in line with market realities.”

The bill, sponsored by Representatives Carl Rogers, R-Gainesville, Ben Harbin, R- Evans, Mark Burkhalter, R- Duluth and Jay Shaw, D- Lakeland will give Commissioner Oxendine the authority to thoroughly examine, accept or reject rate increase requests by health insurers before any increase can be implemented.

If the new prior-approval legislation is passed by the Legislature, health insurance companies will not be allowed to issue new health insurance products or impose renewal increases on health products until rates have been approved. Also, premium rates will be subject to extensive new supporting data requirements.

Other aspects of health insurance regulation will also be impacted by the bill. For example, the definition of a small group will be increased. Currently a small group is defined as two to 50 members; under the new bill the definition would be one to 99 members. This change will give sole proprietors of small business additional rights and safeguards when purchasing health coverage. The bill also allows larger groups of employees to come under the small group umbrella.

Another change that will benefit individuals shopping for policies will be the requirement that any insurance company offering group coverage must also offer at least two individual policies: one must be a high deductible plan; the other can be a comprehensive, individual health product.

“With these and other changes allowed by this bill, we intend to check the rapid rise in health insurance costs,” Oxendine said.