

SENATE FILE NO. SF0104

Health insurance-small employer carrier reinsurance.

Sponsored by: Senator(s) Case and Representative(s)
Gingery

A BILL

for

1 AN ACT relating to health insurance; amending the small
2 employer carrier reinsurance program; authorizing separate
3 pools for reinsured persons; expanding the program as
4 specified; authorizing reduced premium rates; and providing
5 for an effective date.

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7 *Be It Enacted by the Legislature of the State of Wyoming:*

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9 **Section 1.** W.S. 26-19-307(k) is amended to read:

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11 **26-19-307. Small employer carrier reinsurance**
12 **program.**

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14 (k) The board, as part of the plan of operation,
15 shall establish a methodology for determining premium rates
16 to be charged by the program for reinsuring small employers

1 and individuals pursuant to this section. The methodology
2 shall include a system for classification of small
3 employers that reflects the types of case characteristics
4 commonly used by small employer carriers in the state. The
5 methodology shall provide for the development of base
6 reinsurance premium rates, which shall be multiplied by the
7 factors set forth in paragraphs (i) and (ii) of this
8 subsection to determine the premium rates for the program.
9 The base reinsurance premium rates and number and type of
10 insured groupings shall be established by the board,
11 subject to the approval of the commissioner, and shall be
12 set at levels which reasonably approximate gross premiums
13 charged to small employers by small employer carriers. ~~for~~
14 ~~health benefit plans with benefits similar to the standard~~
15 ~~health benefit plan.~~ The board periodically shall review
16 the methodology established under this subsection,
17 including the system of classification and any rating
18 factors, to assure that it reasonably reflects the claims
19 experience of the program. The board may propose changes
20 to the methodology which shall be subject to the approval
21 of the commissioner. The board shall take steps to expand
22 the usage of the reinsurance program and to reduce the
23 impacts of high risk individuals on any particular group.
24 Premiums for the program shall be as follows:

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(i) An entire small employer group may be reinsured for a rate that is up to one and one-half (1.5) times the base reinsurance premium rate for the group established pursuant to this subsection;

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(ii) An eligible employee or dependent may be reinsured for a rate that is up to five (5) times the base reinsurance premium rate for the individual established pursuant to this subsection.

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12 **Section 2.** This act is effective July 1, 2005.

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14 (END)