

HB1224_L.004

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee_____
DateCommittee on State, Veterans & Military Affairs.

After consideration on the merits, the Committee recommends the following:

HB09-1224 be amended as follows:

1 Amend reengrossed bill, page 2, strike everything below the enacting
2 clause and substitute the following:

3 "SECTION 1. 10-16-107 (1.5), Colorado Revised Statutes, is
4 amended to read:

5 **10-16-107. Rate regulation - rules - approval of policy forms**
6 **- benefit certificates - evidences of coverage - benefits ratio -**
7 **disclosures on treatment of intractable pain.** (1.5) Rates for an
8 individual sickness, accident, or health insurance policy, contract,
9 certificate, or other evidence of coverage issued or delivered to any
10 policyholder, enrollee, subscriber, or member in Colorado by an insurer
11 subject to the provisions of part 2 of this article or an entity subject to the
12 provisions of part 3 or 4 of this article shall not be excessive, inadequate,
13 or unfairly discriminatory to assure compliance with the requirements of
14 this section that rates are not excessive in relation to benefits. Rates are
15 excessive if they are likely to produce a long run profit that is
16 unreasonably high for the insurance provided or if expenses are
17 unreasonably high in relation to services rendered. In determining if rates
18 are excessive, the commissioner may consider the expected filed rates in
19 relation to the actual rates charged. Concerning inadequacy, rates are not
20 inadequate unless clearly insufficient to sustain projected losses and
21 expenses, or the use of such rates, if continued, will tend to create a
22 monopoly in the market. Concerning unfair discrimination, unfair
23 discrimination exists if, after allowing for practical limitations, price
24 differentials fail to reflect equitably the differences in expected losses and



1 expenses. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE,
2 A CARRIER MAY NOT VARY THE PREMIUM RATE DUE TO THE GENDER OF
3 THE INDIVIDUAL.

4 **SECTION 2. Act subject to petition - effective date -**
5 **applicability.** (1) This act shall take effect at 12:01 a.m. on the day
6 following the expiration of the ninety-day period after final adjournment
7 of the general assembly that is allowed for submitting a referendum
8 petition pursuant to article V, section 1 (3) of the state constitution,
9 (August 4, 2009, if adjournment sine die is on May 6, 2009); except that,
10 if a referendum petition is filed against this act or an item, section, or part
11 of this act within such period, then the act, item, section, or part, if
12 approved by the people, shall take effect on the date of the official
13 declaration of the vote thereon by proclamation of the governor.

14 (2) The provisions of this act shall apply to rates for individual
15 health insurance policies set on or after the applicable effective date of
16 this act."

17 Page 1, strike lines 102 through 105 and substitute the following:

18 **"SETTING RATES FOR INDIVIDUAL HEALTH INSURANCE**
19 **POLICIES."**

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