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THERESE M. GOLDSMITH
Commissioner

KAREN STAKEM HORNIG
Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
1-800-492-6116 TTY: 1-800-735-2258
www.mdinsurance.state.md.us

BULLETIN 12-09

Date: May 29, 2012

To: Insurers Offering Health Benefit Plans through Associations in Maryland

Re: Prior Approval of Premium Rates for Association Health Benefit Plans

The purpose of this bulletin is to notify insurers of new premium rate review requirements that will apply to insurers that sell health benefit plans through associations in Maryland. Currently, insurers are required to receive prior approval of premium rates if the association health benefit plan contract is issued in Maryland.

The 2012 Maryland General Assembly passed Senate Bill 456 (Chapter 513, Acts of 2012) and House Bill 465 (Chapter 514, Acts of 2012). Pursuant to these bills, effective July 1, 2012, insurers will be required to receive prior approval of premium rates for certificates issued, delivered, or renewed in Maryland under association health benefit plan contracts issued in a jurisdiction other than Maryland.

All insurers that issue association health benefit plan contracts under which certificates are issued, delivered or renewed in the State are required to submit premium rate filings to the MIA for approval. Insurers that have issued, delivered, or renewed certificates in Maryland under a health benefit plan contract issued to an out of state association are required to submit their premium rate filings for approval for certificates that renew on and after October 1, 2012 no later than July 1, 2012 to continue doing business in Maryland.

Insurers that have issued, delivered, or renewed certificates in Maryland under a health benefit plan contract issued to an out of state association health benefit plans may continue to administer these certificates as usual during the period between July 1, 2012 and September 30, 2012 while the premium rate filings are being reviewed. However, the premium rates for the Maryland certificates that renew on October 1, 2012 and after are required to have been reviewed and approved by the MIA.

Questions regarding this bulletin should be directed to the Office of the Chief Actuary at 410-468-2050

Dennis Yu
Chief Actuary