

CHAPTER 355

AN ACT concerning certain health insurance rate increases and supplementing Title 17B of the New Jersey Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C.17B:27A-61 Carrier seeking rate increase.

1. In addition to any other applicable laws or regulations, a carrier that seeks a rate increase as part of an informational filing for an individual or small employer health benefits plan shall comply with all of the provisions of this act. The Department of Banking and Insurance shall review informational filings that are subject to this act in the manner set forth in the provisions of this act.

C.17B:27A-62 Information to support, justify rate requests.

2. a. An informational rate filing by a carrier for an individual or small employer health benefits plan offered in this State shall contain information to support and justify rate requests. A rate increase shall be subject to expanded review by the department pursuant to the provisions of this act if the informational rate filing requests a rate increase of 10 percent or more annually.

b. A rate increase meets or exceeds 10 percent annually if the average increase for all enrollees weighted by premium volume for any plan within the product meets or exceeds the 10 percent threshold.

c. With respect to small employer plans, rate increases submitted on a quarterly basis shall be considered both for each specific quarter and in combination with any previous quarterly rate increase or increases applicable to the same calendar year when determining whether the rate increase meets or exceeds the 10 percent threshold for expanded review.

d. For the purposes of this act, "informational filing" means a submission, by a carrier to the department, of rate-filings which specify the plans offered, premium rates, all factors to be used in the calculation of premium rates, and a detailed actuarial memorandum supporting the calculation of the rates including a certification by a qualified member of the American Academy of Actuaries, the Society of Actuaries, or the Casualty Actuarial Society, all supporting data for the premium rates and such other information as required by the department.

C.17B:27A-63 Additional information requested by department.

3. a. If the department determines that a carrier's requested rate increase exceeds the 10 percent threshold for expanded rate review set forth in section 2 of this act, the department shall require the carrier to submit to the department, in addition to any other information required to be filed, a written description justifying the rate increase that complies with all of the provisions of this section.

b. The carrier shall include in its written description all information prescribed by the department, including:

(1) a simple and brief narrative describing the data and assumptions that were used to develop the rate increase;

(2) an explanation of the most significant factors causing the rate increase, including a brief description of the relevant claims and non-claims expense increases reported in the rate increase summary;

(3) a brief description of the overall experience of the plan, including historical and projected expenses, and loss ratios; and

(4) an actuarial memorandum that contains the reasoning and assumptions supporting the data.

c. (1) Upon completion of the department's review of the rate filing, the department shall promptly make available to the public a consumer-friendly version of the written description justifying the rate increase as provided by the carrier, excluding information that is a trade secret or that is confidential commercial or financial information.

(2) The department shall include on its website, along with each written description posted on the website, information that explains:

(a) the purpose and role of the expanded rate review process; and

(b) how the public can submit comments to the department on the written description justifying the rate increase.

C.17B:27A-64 Disclosure of information.

4. a. Any information filed with the department pursuant to this act may be disclosed in accordance with P.L.1963, c.73 (C.47:1A-1 et seq.), except that confidential information shall not be disclosed by the department to any person other than employees and representatives of the department.

b. A carrier shall separately identify any confidential information filed with the department pursuant to this act. Any information that is not identified as confidential information shall be considered public information and subject to disclosure.

c. As used in this section, "confidential information" means information contained in an actuarial memorandum filed with the department pursuant to this act that has been certified by the actuary preparing the memorandum as confidential or proprietary information.

5. This act shall take effect immediately.

Approved January 16, 2020.