

**NAIC CONSUMER LIAISON
REPRESENTATIVE RECOMMENDATION
TO THE NAIC EXECUTIVE (EX) COMMITTEE**

RECOMMENDED BY: Jesse Ellis O'Brien, Lynn Quincy, Debra Judy

DATE: 11/6/14 (see 3/27/15 update below)

ISSUE:

Health insurance rate review, state rate review programs and the NAIC's role in supporting efforts to strengthen health insurance rate review for consumers.

COMMITTEE REFERRAL RECOMMENDATION:

(A)_____ (B) X (C)_____ (D)_____ (E)_____ (F)_____ (G)_____

ACTION REQUESTED/CHARGE RECOMMENDED:

We recommend that the NAIC reconvene the State Rate Review Working Group for the purpose of using a public, multi-stakeholder process to examine:

- evidence for and against redacting filings for trade secret reasons, and track/document experience in states such as CA and OR that do not permit it;
- the desirability of a lower threshold for rate review in states that don't review all rates;
- the value of a public review and comment period, with public access to the complete filing when the filing is made – not after rates go into effect;
- the value of giving consumers the right to a public hearing to review proposed rates increases (in some states the insurance company has a right to a hearing if their request is denied, but consumers have no right to a hearing);
- commission expert opinions on improved methods for taking into account market innovations (like the impact of narrow provider networks on proposed rates), thus arming reviewers across the country with better tools.

The NAIC should then incorporate these findings into a consumer-friendly model rule.

NAIC ACTION:

RECOMMENDATION ACCEPTED: _____

RECOMMENDATION DECLINED: _____

03/27/15 UPDATE: No change.

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