

Bulletin 273

EMPLOYEE AND SPOUSE RATES UNDER SMALL GROUP HEALTH INSURANCE

In recent months, the Bureau has taken the position that under Maine's small group law, the rate for an employee and spouse can be no more than double the rate for an employee only. This position was based on the prohibitions against rating by health status or gender, which were considered to take precedence over the explicit provision permitting unlimited rate variations based on family membership. However, after reconsidering this issue, we have concluded that our previous interpretation of the law is incorrect. While we continue to believe that the law generally prohibits the use of rating factors which are a surrogate for health status, this does not apply to factors which are explicitly permitted. Therefore we will no longer limit the relationship between the rate for a spouse and the rate for an employee under small group plans. As required by law, any rating factors used must be filed for informational purposes and must be consistently applied. Please refer to Bulletin 255 for further information on filing requirements for small group rates.

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NOTE: This bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties or privileges nor is it intended to provide legal advice. Readers are encouraged to consult applicable statutes and regulations and to contact the Bureau of Insurance if additional information is needed.