



General Assembly

February Session, 2002

**Raised Bill No. 133**

LCO No. 715

Referred to Committee on Select Committee on Aging

Introduced by:  
(AGE)

**AN ACT CONCERNING THE APPLICABILITY OF MEDICARE  
SUPPLEMENT INSURANCE RATE INCREASES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-495c of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

3 (a) [Any] Each insurance company, fraternal benefit society, hospital  
4 service corporation, medical service corporation, health care center or  
5 any other entity in this state, on or after January 1, 1994, [which] that  
6 delivers, issues for delivery, continues or renews any Medicare  
7 supplement insurance policies or certificates shall base the premium  
8 rates charged on a community rate. Such rate shall not be based on  
9 age, gender, previous claims history or the medical condition of the  
10 person covered by such policy or certificate. Except as provided in  
11 subsection (c) of this section, coverage shall not be denied on the basis  
12 of age, gender, previous claim history or the medical condition of the  
13 person covered by such policy or certificate, except for plans "H" to "J",  
14 inclusive, as provided in section 38a-495b. In plans "H" to "J", inclusive,  
15 previous claims history and the medical condition of the applicant may  
16 be used in determining rates and granting coverage under Medicare

17 supplement policies and certificates.

18 (b) Nothing in this section shall prohibit an insurance company,  
19 fraternal benefit society, hospital service corporation, medical service  
20 corporation, health care center or any other entity in this state issuing  
21 Medicare supplement insurance policies or certificates from using its  
22 usual and customary underwriting procedures, provided no such  
23 company, society, corporation, center or other entity shall issue a  
24 Medicare supplement policy or certificate based on the age, gender,  
25 previous claims history or the medical condition of the applicant,  
26 except that the previous claims history and the medical condition of  
27 the applicant may be used in determining rates and granting coverage  
28 under Medicare supplement policies and certificates for plans "H" to  
29 "J", inclusive.

30 (c) Nothing in this section shall prohibit an insurance company,  
31 fraternal benefit society, hospital service corporation, medical service  
32 corporation, health care center or any other entity in this state when  
33 granting coverage under a Medicare supplement policy or certificate  
34 from excluding benefits for losses incurred within six months from the  
35 effective date of coverage based on a preexisting condition, in  
36 accordance with section 38a-495a and the regulations adopted  
37 pursuant to section 38a-495a.

38 (d) [Every] Each insurance company, fraternal benefit society,  
39 hospital service corporation, medical service corporation, health care  
40 center or other entity in the state issuing Medicare supplement policies  
41 or certificates for plan "A", "B" or "C", or any combination thereof, to  
42 persons eligible for Medicare by reason of age, shall offer for sale the  
43 same such policies or certificates to persons eligible for Medicare by  
44 reason of disability.

45 (e) [Every] Each insurance company, fraternal benefit society,  
46 hospital service corporation, medical service corporation, health care  
47 center or other entity in the state issuing Medicare supplement policies  
48 or certificates shall make all necessary arrangements with the Medicare

49 Part B carrier and all Medicare Part A intermediaries to allow for the  
50 forwarding, to the issuing entity, of all Medicare claims containing the  
51 name of the entity issuing a Medicare supplement policy or certificate  
52 and the identification number of an insured. The entity issuing the  
53 Medicare supplement policy or certificate shall process all benefits  
54 available to an insured from a Medicare claim so forwarded, without  
55 requiring any additional action on the part of the insured.

56 (f) The provisions of subsections (a) to (e), inclusive, of this section  
57 shall apply to all Medicare supplement policies or certificates issued  
58 on and after January 1, 1994. For Medicare supplement policies or  
59 certificates issued prior to January 1, 1994, the provisions of this  
60 section shall apply as of the first rating period commencing on or after  
61 January 1, 1994, but no later than January 1, 1995.

62 (g) For a Medicare supplement policy or certificate first issued by an  
63 entity to a person on or after October 1, 2002, the entity may not  
64 impose a rate increase on such person until at least six months after the  
65 initial date of issue.

66 (h) For a Medicare supplement policy or certificate delivered, issued  
67 for delivery, renewed, amended or continued on or after October 1,  
68 2002, the entity may not impose a rate increase on a person until at  
69 least six months after any prior rate increase was imposed on the  
70 person.

71 [(g)] (i) The Insurance Commissioner shall adopt such regulations as  
72 he deems necessary, in accordance with chapter 54, to carry out the  
73 purposes of this section.

This act shall take effect as follows:	
Section 1	October 1, 2002

**Statement of Purpose:**

To prohibit Medicare supplement insurers from raising rates against initial purchasers for at least six months after the policy is first

purchased, and to prohibit Medicare supplement insurers from applying a rate increase to insureds more than once in any six-month period.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*