

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2500

59th Legislature
2006 Regular Session

Passed by the House March 4, 2006
Yeas 96 Nays 1

Speaker of the House of Representatives

Passed by the Senate March 1, 2006
Yeas 46 Nays 1

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2500** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2500

AS AMENDED BY THE SENATE

Passed Legislature - 2006 Regular Session

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Health Care (originally sponsored by Representatives Green, Morrell, Cody, Schual-Berke, Clibborn and Conway; by request of Insurance Commissioner)

READ FIRST TIME 1/31/2006.

1 AN ACT Relating to health carrier information; adding a new section
2 to chapter 48.43 RCW; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** Health carriers are currently required to
5 file statutory annual statements with the office of the insurance
6 commissioner or the national association of insurance commissioners.
7 These annual statements are extensive and contain a significant amount
8 of financial information. These annual statements are public
9 documents; however, such financial information can be complex and
10 difficult to read and understand.

11 It is the intent of this act to provide a method of reporting
12 certain financial data in a user friendly format. It is also the
13 intent of this act, to the extent possible, to utilize existing
14 information from the annual statements when developing the additional
15 or supplemental data statement required by this act, and to the extent
16 possible, avoid imposing additional reporting requirements that have
17 the unintended consequences of unduly increasing administrative costs
18 for carriers required to file such information.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.43 RCW
2 to read as follows:

3 (1) Each health carrier offering a health benefit plan shall submit
4 to the commissioner on or before April 1st of each year as part of the
5 additional data statement or as a supplemental data statement the
6 following information:

7 (a) The following information for the preceding year that is
8 derived from the carrier's annual statement, including the exhibit of
9 premiums, enrollments, and utilization for its Washington business, and
10 the additional data to the annual statement. The information must be
11 shown for five categories, total, individual contracts, small group
12 contracts, and large group contracts (excluding government contracts),
13 and government contracts:

14 (i) The total number of members;

15 (ii) The total amount of revenue;

16 (iii) The total amount of hospital and medical payments;

17 (iv) The medical loss ratio, that is computed by dividing the total
18 amount of hospital and medical payments by the total amount of
19 revenues;

20 (v) The average amount of premiums per member per month; and

21 (vi) The percentage change in the average premium per member per
22 month, measured from the previous year; and

23 (b) The following aggregate financial information for the preceding
24 year that is derived from the carrier's annual statement:

25 (i) The total amount of claim adjustment expenses;

26 (ii) The total amount of general administrative expenses, including
27 identification of the five largest nonmedical administrative expenses
28 and the assessment against the carrier for the Washington state health
29 insurance pool;

30 (iii) The total amount of the reserves maintained for unpaid
31 claims;

32 (iv) The total net underwriting gain or loss;

33 (v) The carrier's net income after taxes;

34 (vi) Dividends to stockholders;

35 (vii) The net change in capital and surplus from the prior year;

36 and

37 (viii) The total amount of the capital and surplus.

1 (2) A carrier shall electronically submit the information described
2 in subsection (1) of this section in a format and according to
3 instructions prescribed by the commissioner.

4 (3) The commissioner shall make the information reported under this
5 section available to the public in a format that allows comparison
6 among carriers through a searchable public web site on the internet.

7 (4) For the purposes of licensed disability insurers, the
8 commissioner shall work collaboratively with insurers to develop an
9 additional or supplemental data statement that utilizes to the maximum
10 extent possible information from the annual statement forms that are
11 currently filed by these entities.

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