
A BILL FOR AN ACT

RELATING TO INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the public welfare
2 would be best served by requiring the insurance commissioner to
3 regulate dental insurance rates to ensure that they are not
4 excessive, inadequate, or unfairly discriminatory.

5 The purpose of this Act is to expand the insurance
6 commissioner's powers to regulate health insurance rates to
7 include dental insurance rates.

8 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
9 amended by amending the title of article 14G, to read as
10 follows:

11 " [{}ARTICLE 14G[{}]

12 HEALTH AND DENTAL INSURANCE RATE REGULATION"

13 SECTION 3. Section 431:14G-101, Hawaii Revised Statutes,
14 is amended to read as follows:

15 " [{}§431:14G-101[{}] **Scope and purpose.** (a) This article
16 shall apply to all types of health insurance offered by managed



1 care plans [-] and dental insurance offered by a dental insurance
2 provider.

3 (b) The purpose of this article is to promote the public
4 welfare by regulating health insurance and dental insurance
5 rates to the end that they shall not be excessive, inadequate,
6 or unfairly discriminatory. Nothing in this article is intended
7 to:

8 (1) Prohibit or discourage reasonable competition; or

9 (2) Prohibit or encourage, except to the extent necessary
10 to accomplish the aforementioned purposes, uniformity
11 in insurance rates, rating systems, rating plans, or
12 practices.

13 This article shall be liberally interpreted to carry into effect
14 this section."

15 SECTION 4. Section 431:14G-102, Hawaii Revised Statutes,
16 is amended as follows:

17 1. By adding a new definition to be appropriately inserted
18 and to read:

19 "Dental insurance provider" means any person who
20 undertakes to provide or to arrange for or administer one or
21 more dental insurance plans."

22 2. By amending the definition of "enrollee" to read:



1 ""Enrollee" means a person who enters into a contractual
2 relationship or who is provided with health care services or
3 benefits through a managed care plan[-] or dental care services
4 or benefits by a dental insurance provider."

5 SECTION 5. Section 431:14G-104, Hawaii Revised Statutes,
6 is amended by amending subsection (a) to read as follows:

7 "(a) Except as otherwise provided by law, the commissioner
8 may mandate filings for health and dental insurance under
9 section 431:14G-105 when the commissioner has actuarially sound
10 information that current rates may be excessive, inadequate, or
11 unfairly discriminatory."

12 SECTION 6. Section 431:14G-105, Hawaii Revised Statutes,
13 is amended by amending subsection (i) to read as follows:

14 "(i) The commissioner, by written order, may suspend or
15 modify the requirement of filing as to any class of health or
16 dental insurance, subdivision, or combination thereof, or as to
17 classes of risks, the rates which cannot practicably be filed
18 before they are used. The order shall be made known to the
19 affected managed care plan[-] or dental insurance provider. The
20 commissioner may make examinations that the commissioner deems
21 advisable to ascertain whether any rates affected by the order
22 meet the standards set forth in section 431:14G-103."



1 SECTION 7. Section 431:14G-105, Hawaii Revised Statutes,
2 is amended by amending subsection (k) to read as follows:

3 "(k) The commissioner may make the following rate
4 effective when filed: any special filing with respect to any
5 class of health or dental insurance, subdivision, or combination
6 thereof that is subject to individual risk premium modification
7 and has been agreed to under a formal or informal bid process."

8 SECTION 8. Section 431:14G-107, Hawaii Revised Statutes,
9 is amended by amending subsection (d) to read as follows:

10 "(d) (1) Any enrollee of a managed care plan, dental insurance
11 provider, or organization that purchases health
12 insurance from a managed care plan or dental insurance
13 from a dental insurance provider aggrieved with
14 respect to any filing that is in effect may make a
15 written demand to the commissioner for a hearing
16 thereon; provided that the managed care plan or dental
17 insurance provider that made the filing shall not be
18 authorized to proceed under this subsection;

19 (2) The demand shall specify the grounds to be relied upon
20 by the aggrieved enrollee or organization and the
21 demand shall show that the enrollee or organization



1 has a specific economic interest affected by the
2 filing;

3 (3) If the commissioner finds that:

4 (A) The demand is made in good faith;

5 (B) The applicant would be so aggrieved if the
6 enrollee's or organization's grounds are
7 established; and

8 (C) The grounds otherwise justify a hearing;

9 the commissioner, within thirty days after receipt of
10 the demand, shall hold a hearing. The hearing shall
11 be held upon not less than ten days' written notice to
12 the aggrieved party and to every managed care plan
13 that made the filing. The aggrieved party shall bear
14 the burden of proving that the filing fails to meet
15 the standards set forth in section 431:14G-103; and

16 (4) If, after the hearing, the commissioner finds that the
17 filing does not meet the requirements of this article,
18 the commissioner shall issue an order specifying in
19 what respects the filing fails to meet the
20 requirements of this article, and stating when, within
21 a reasonable period, the filing shall be deemed no
22 longer effective. Copies of the order shall be sent



1 to the applicant and to every affected managed care
2 plan. The order shall not affect any contract or
3 policy made or issued prior to the expiration of the
4 period set forth in the order."

5 SECTION 9. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 10. This Act shall take effect upon its approval.
8

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Report Title:

Dental Insurance; Rate Regulation

Description:

Expands the power of the insurance commissioner to include regulating the rates of dental insurance providers.

