

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1481

Introduced by

Representatives Kasper, Dockter, Koppelman, Louser, Ostlie, D. Ruby

Senators Bekkedahl, Cleary, Clemens, Hogan, Lee, Paulson

1 A BILL for an Act to create and enact a new section to chapter 26.1-36.9 of the North Dakota
2 Century Code, relating to dental insurer rate filing requirements.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 26.1-36.9 of the North Dakota Century Code is
5 created and enacted as follows:

6 **Dental insurer rate filing - Approval.**

- 7 1. A dental insurer annually shall file proposed plan rates and any changes to group
8 rating factors that will be effective the following January first with the commissioner, as
9 prescribed by the commissioner.
- 10 2. The commissioner shall disapprove a:
- 11 a. Proposed plan rate that is excessive, inadequate, or unreasonable in relation to
12 the benefits; and
- 13 b. Group rating factor that is discriminatory or not actuarially sound.
- 14 3. The commissioner shall deem a proposed plan rate to be excessive and disapprove
15 the proposed plan rate if the dental insurer files a rate change and the:
- 16 a. Reported contribution to surplus exceeds two percent of total revenue; or
17 b. Dental loss ratio for the plan is less than eighty-three percent.
- 18 4. a. If the commissioner disapproves a proposed plan rate or group rating factor
19 under subsection 2, the commissioner shall provide notice of disapproval to the
20 dental insurer forty-five days before the proposed effective date of the proposed
21 plan rate or group rating factor.
- 22 b. Within ten days of the notice of disapproval being issued, the dental insurer may
23 request the commissioner hold a hearing.

- 1 c. If a dental insurer requests a hearing under this subsection, the commissioner
2 shall hold a hearing within fifteen days of receipt of the request.
- 3 d. The commissioner shall issue a decision within thirty days following the hearing.
4 A dental insurer may not implement the disapproved proposed plan rate or group
5 rating factor unless the commissioner reverses the disapproval decision following
6 the hearing.
- 7 5. a. If the commissioner disapproves a proposed plan rate under subsection 3, the
8 commissioner shall provide notice of disapproval to the dental insurer forty-five
9 days before the proposed effective date of the proposed plan rate and schedule a
10 public hearing.
- 11 b. Upon notice of the public hearing by the commissioner, the dental insurer shall
12 provide notice of the public hearing and the presumptive disapproval of the
13 proposed plan rate to all employers and individuals covered by the plan.
- 14 c. The commissioner shall issue a decision within thirty days following the public
15 hearing. A dental insurer may not implement the disapproved proposed plan rate
16 unless the commissioner reverses the presumptive disapproval decision following
17 the hearing.
- 18 6. a. If the annual dental loss ratio for a dental benefit plan is less than eighty-three
19 percent, the dental insurer offering the plan shall refund the excess premium to
20 covered individuals and groups.
- 21 b. A dental insurer shall provide notice to all individuals and groups that were
22 covered under the plan during the applicable twelve-month period that such
23 individuals and groups are entitled to a refund on the premium, or if the individual
24 or group remains covered by the dental insurer, that the individual or group is
25 eligible for a credit on the premium for the following twelve-month period.
- 26 c. The total of all refunds issued under this subsection must equal the amount of the
27 dental insurer's earned premium which exceeds the amount necessary to
28 achieve a dental loss ratio of eighty-three percent, calculated using data reported
29 by the dental insurer, as prescribed by the commissioner.
- 30 7. The commissioner may:

- 1 a. Authorize a waiver or adjustment of the refund requirements in this section only if
- 2 it is determined by the commissioner that issuing refunds would result in financial
- 3 impairment for the dental insurer.
- 4 b. Adopt rules to implement and administer this section.