

SB 149 - AS AMENDED BY THE SENATE

03/16/2017 0796s

2017 SESSION

17-0814

01/10

SENATE BILL **149**

AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state companies.

SPONSORS: Sen. Sanborn, Dist 9; Sen. French, Dist 7; Rep. Pearl, Merr. 26; Rep. Cordelli, Carr. 4; Rep. Vose, Rock. 9

COMMITTEE: Health and Human Services

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ANALYSIS

This bill authorizes individuals and certain businesses to purchase health insurance from out-of-state companies. The bill grants rulemaking authority to the insurance commissioner for the purposes of the bill.

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Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears ~~[in brackets and struck through]~~  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Seventeen*

AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state companies.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 New Chapter; Health Care Insurance From Out-of-State Insurance Companies. Amend  
2 RSA by inserting after chapter 404-I the following new chapter:

3 CHAPTER 404-J

4 HEALTH CARE INSURANCE FROM  
5 OUT-OF-STATE INSURANCE COMPANIES

6 404-J:1 Health Care Insurance Purchased From Out-of-State Insurance Companies Authorized;  
7 Plan Requirements.

8 I. In this chapter "commissioner" means the insurance commissioner.

9 II. An individual who is a resident of this state or an employer with under 100 employees  
10 may purchase health insurance from out-of-state health insurance carriers which are approved by  
11 the state where the carrier does business; provided that such state is a member of the National  
12 Association of Insurance Commissioners (NAIC).

13 404-J:2 Rulemaking. The commissioner shall adopt rules, pursuant to RSA 541-A, relative to  
14 procedures for resolution of disputes, including hearing procedures.

15 404-J:3 Applicability. This chapter shall not be construed to require the out-of-state insurers to  
16 offer or provide state-mandated health benefits required by New Hampshire law or rules in health  
17 insurance policies sold to New Hampshire residents.

18 404-J:4 Resolution of Disputes. Resolution of disputes between the insurer and the insured  
19 shall take place in New Hampshire in accordance with rules adopted by the commissioner under  
20 RSA 541-A.

21 2 Applicability. If the 10 essential benefits under the Patient Protection and Affordable Care  
22 Act of 2009, as amended, are changed or eliminated, an out-of-state insurance company offering  
23 health insurance plans in New Hampshire shall offer 2 plans, one of which shall be inclusive of all  
24 requirements of New Hampshire law. The insurance department shall determine to what extent  
25 any benefits under such Act have changed as certified to the secretary of state and the director of  
26 legislative services.

27 3 Effective Date. This act shall take effect 60 days after its passage.

**SB 149- FISCAL NOTE**  
AS AMENDED BY THE SENATE (AMENDMENT #2017-0796s)

AN ACT authorizing individuals and certain businesses to purchase health insurance from out-of-state companies.

**FISCAL IMPACT:**    ☒ State                      ☒ County                      ☒ Local                      ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2018	FY 2019	FY 2020	FY 2021
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	\$0	\$0	\$0
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

**COUNTY:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable

**LOCAL:**

<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	Indeterminable	Indeterminable	Indeterminable	Indeterminable

**METHODOLOGY:**

The Department of Insurance assumes this bill permits non-New Hampshire licensed companies, who are licensed to sell in other states, to sell forms approved in other states in New Hampshire without being licensed and without forms being approved. The Department assumes this bill would prohibit a licensed New Hampshire company, which is licensed in another State, from selling products in New Hampshire that have not been approved for use in New Hampshire. The Department assumes this bill would create a new category of unauthorized insurance, as defined pursuant to RSA 406-B, and further assumes the applicable premium tax rate for this newly created insurance type is 4 percent. The applicable premium tax rate for New Hampshire licensed companies is 2 percent. The Department states to estimate the impact on the insurance premium tax, an anti-selection assumption would have to be made. Anti-selection refers to a situation in which insurance purchasers have relevant information that the sellers lack. Anti-selection usually involves a pricing spiral. Products that are required to have New Hampshire mandates would be expected to increase in price as these will be the ones that are anti-selected against. Due to the many varying assumptions that must be made, the Department is unable to develop an estimate of the fiscal impact of this bill. The

impact on county and local expenditures, relative to insurance costs, is indeterminable.

**AGENCIES CONTACTED:**

Department of Insurance