

Kentucky Department of Insurance
Financial Impact Statement
BR 1216 HB 483

I. Mandating health insurance coverage of HB 483 is not expected to materially impact administrative expenses of insurers, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The proposed mandate prohibits health benefit plans from imposing preexisting condition exclusions, charging different premiums due to Insured's gender, rescinding of coverage except under certain defined conditions or having lifetime limits on the dollar value of benefits for any insured. The mandate requires guarantee issue to individuals and small groups purchasing coverage during open or special enrollment periods and that coverage includes at least 10 essential health benefits and no cost-sharing requirements for preventive services. HB 483 also proposes the elimination of Kentucky Guaranteed Acceptance Program (GAP).

Mandating health insurance coverage of HB 483 is not expected to materially impact premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The proposed mandate prohibits health benefit plans from imposing preexisting condition exclusions, charging different premiums due to Insured's gender, rescinding of coverage except under certain defined conditions or having lifetime limits on the dollar value of benefits for any insured. The mandate requires guarantee issue to individuals and small groups purchasing coverage during open or special enrollment periods and that coverage includes at least 10 essential health benefits and no cost-sharing requirements for preventive services. HB 483 also proposes the elimination of Kentucky Guaranteed Acceptance Program (GAP). Our analysis is based primarily on the current regulatory requirements for health benefit plans due to the Affordable Care Act (ACA) compared to the substantially similar mandates proposed in HB 483. Additionally, the elimination of the GAP program would not be expected to have a material given the limited number of Insureds currently still covered by the program.


Mandating health insurance coverage of HB 483 is not expected to materially impact the total cost of health care in the Commonwealth, including any potential cost savings that may be realized, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The proposed mandate prohibits health benefit plans from imposing preexisting condition exclusions, charging different premiums due to Insured's gender, rescinding of coverage except under certain defined conditions or having lifetime limits on the dollar value of benefits for any insured. The mandate requires guarantee issue to individuals and small groups purchasing coverage during open or special enrollment periods and that coverage includes at least 10 essential health benefits and no cost-sharing requirements for preventive services. HB 483 also proposes the elimination of Kentucky Guaranteed Acceptance Program (GAP). Our analysis is based primarily on the current regulatory requirements for health benefit plans due to the Affordable Care Act (ACA) compared to the substantially similar mandates proposed in HB 483. Additionally, the elimination of the GAP program would not be expected to have a

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LEWIS & ELLIS, INC.
February 27, 2017



H. Brian Maynard, Commissioner
KY Department of Insurance
March 1, 2017