CHAPTER 177
HB 1322 - FINAL VERSION

26Apr2018... 1812-EBA

2018 SESSION

18-2500
01/03

HOUSE BILL ***1322***

AN ACT **relative to risk-based capital for health maintenance organizations.**

SPONSORS: **Rep. Butler, Carr. 7; Sen. Lasky, Dist 13**

COMMITTEE: **Commerce and Consumer Affairs**

ANALYSIS

This bill clarifies the formula for calculating risk-based capital for health maintenance organizations.

This bill is a request of the insurance department.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eighteen

AN ACT relative to risk-based capital for health maintenance organizations.

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

177:1 Risk-Based Capital for Insurers; Health Maintenance Organizations. Amend RSA 404-F:1, VI to read as follows:

VI. "Life and/or health insurer" means any insurance company licensed under title XXXVII writing life, accident and health insurance[~~, health maintenance organizations, limited health service organizations, dental or vision plans, health service corporations,~~] or a licensed property and casualty insurer writing only accident and health insurance.

177:2 New Paragraph; Risk-Based Capital for Insurers; Reports. Amend RSA 404-F:2 by inserting after paragraph III the following new paragraph:

III-a. A health organization's RBC shall be determined in accordance with the formula set forth in the RBC instructions. The formula shall take into account, and may adjust for the covariance between:

(a) Asset risk;

(b) Credit risk;

(c) Underwriting risk; and

(d) All other business risks and such other relevant risks as are set forth in the RBC instructions.

177:3 Effective Date. This act shall take effect 60 days after its passage.

Approved: June 08, 2018
Effective Date: August 07, 2018