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**A message from the Insurance Commissioner...**

Cooperation between the Insurance Department and insurance professionals is key to maintaining and growing Pennsylvania's competitive market, which keeps this segment of the economy strong and benefits consumers by providing more choices at better prices.



That has been a consistent part of the consumer protection message since I took office along with Governor Wolf. I was pleased to be able to share that message with 150 insurance pros at the Central PA I-Day meeting. Coming away from that meeting I believe most people in the insurance business share this cooperative spirit, and I am reinvigorated to continue our work.

This need to work together is exemplified as the department begins its work reviewing the rate requests submitted by insurers for individual and small group health insurance plans for 2017 under the Affordable Care Act. Insurers are still adapting to this new market and working to find the right pricing for their plans. Our job at the department is to work with the

many insurers who remain in the market, to find pricing that will have the least impact on consumers' budgets, while making sure companies continue to provide varied and competitive products to meet consumers' needs. That is our job over the next five months, until we settle on final 2017 rates, to be announced in October.

Another priority of mine over the past several months has been to make more homeowners aware that private market flood insurance may be an option.

*(continued on page 2)*



## A message from the Insurance Commissioner... (continued from page 1)

I am pleased 37 agents offering surplus lines flood coverage and 13 Pennsylvania licensed insurers offering private coverage are now listed on our one-stop shop webpage on flood insurance. This is yet another area of cooperation between the department and the industry, and I am happy to report a bill that would make it easier for private flood coverage to be accepted by

mortgage lenders has now cleared the full U.S. House in Washington.

I look forward to continuing to work cooperatively with insurers and insurance professionals for the benefit of Pennsylvania consumers.

Thank you,

Teresa Miller  
Insurance Commissioner

## Letter to College Grads

May is graduation month for most of Pennsylvania's colleges, and that means many graduates may face the need to buy their own health insurance for the first time. Although the Affordable Care Act allows dependents to stay on their parents' plans until age 26, and Pennsylvania law allows some dependents to stay on their parents' plan until age 30, there may be circumstances where a change needs to be made.

If a graduate is moving to another city or state to start their career or continue their education, the parent's plan may not be available in the new area. Also, with the rising cost of dependent coverage and many recent college graduates likely qualifying for federal government subsidies, it may be less expensive to buy a plan on the federal health care exchange than stay on a parent's plan.

Commissioner Miller issued a news release reminding college graduates of a letter she announced last fall specifically to help people entering the health insurance market for the first time. The letter, along with a video that can be found on the Health section of the Insurance Department's website, is designed to help people gain an understanding of how to buy health insurance.

The commissioner is also encouraging insurers to make special efforts to work with young adults and others buying health insurance for the first time. This can be a confusing process, and insurance professionals, along with the Insurance Department, can be a big help to make sure people get the coverage they need for the most affordable price. Recent grads can contact the department at [www.insurance.pa.gov](http://www.insurance.pa.gov) with any questions.

## 2017 ACA Health Insurance Rate Filings Announced

Providing increased access to health insurance under the Affordable Care Act is an objective requiring continued cooperation between regulators and the insurance industry. As the Insurance Department begins its review of proposed rates submitted by insurers for 2017, Commissioner Miller will need to balance consumer protection and concerns about the impact significant rate increases will have on consumers with the desire to keep the market accessible for consumers by maintaining a healthy and desirable market for companies to do business.

Pennsylvania's health insurance market does remain competitive, with 20 companies in the state offering plans to small groups and 18 companies offering plans to individuals. However, proposed rates, especially for individual plans, are a concern.

Commissioner Miller noted in a news release announcing the filing of proposed rates that there are several factors unique to this year that may be contributing to the higher rate proposals. These include the end of two facets of the ACA that helped reduce insurer costs — one provision to cover the expense of a

small number of patients with very high costs, as well as another to reimburse insurers who anticipated lower expenses for the individuals who signed up for this coverage.

In addition, some insurers in the first few years of the ACA priced their products to attract customers and are now adjusting those rates to more accurately reflect the cost of providing coverage for these individuals.

Given the competitive market, the commissioner is urging consumers to shop and find the plan that best meets their needs at the best price. The Insurance Department also released a third video in a series designed to help consumers understand their health insurance, titled "How Are Health Insurance Rates Decided?", which explains the rate review process the department uses.

Commissioner Miller will announce final approved rates for 2017 in October.

**Looking for more information  
on 2017 ACA rates?  
Click here!**

### Commissioner Miller Discusses Department Priorities at Central PA I-Day

Emphasizing the importance of a vibrant and competitive market to benefit consumers, Commissioner Miller spoke to about 150 insurance professionals at the Central PA I-Day gathering about the need for the Insurance Department and industry to work together to maintain a healthy market.

Central PA I-Day is a non-profit, volunteer organization that promotes education and networking in the insurance industry.

Commissioner Miller told the group that she and Governor Wolf have made consumer protection and outreach the top priorities for her department, and she outlined key initiatives in these areas. These efforts include promoting private

market flood insurance and creating a one-stop shop for flood coverage information, encouraging more tenants to get renters insurance, and reminding insurers that price optimization, a practice where an insurer charges some customers who present the same risk as others a higher premium because they are less likely to shop around, is illegal and will not be approved in Pennsylvania.

While the Insurance Department maintains a policy of vigorous enforcement against any licensees who violate laws or regulations, Commissioner Miller said these violators are a tiny percentage of the roughly 234,000 insurance professionals in the state.

She said she looks forward to continuing to work with the industry to provide the kind of insurance market which gives consumers good choices of products at competitive prices.



Commissioner Miller addresses insurance professionals at Central PA I-Day on May 5th.

### Commissioner Miller Commends U.S. House's Passage of Flood Insurance Modernization Act

Commissioner Miller recently commended the U.S. House of Representatives for the unanimous passage of a bill that will help homeowners facing rising flood insurance premiums.

The Flood Insurance Market Parity and Modernization Act encourages more private insurers to write flood insurance by making this private coverage more acceptable to mortgage lenders. The bill would define flood insurance as acceptable for meeting federal government backed mortgage standards if a policy is issued by a private insurance company that is licensed, admitted, or otherwise approved in the state in which the insured property is located. A policy issued by a non-admitted insurer, also known as a surplus lines policy, would also qualify.

Commissioner Miller testified on behalf of the National Association of Insurance Commissioners in favor of this proposal before a

Congressional subcommittee in January. She said that this idea ties in perfectly with the Wolf Administration's consumer protection efforts and the Insurance Department's creation earlier this year of a one-stop shop for flood

insurance information, which can be accessed at [www.insurance.pa.gov](http://www.insurance.pa.gov).

Commissioner Miller is urging the U.S. Senate to now take action on this bill.



Commissioner Miller testified before the United States House of Representatives Financial Services' Subcommittee on Housing and Insurance in January in support of HR 2901, the Flood Insurance Market Parity and Modernization Act.

# Insurance Department on the Road

## For Consumer Groups & the Public

- 5/26/2016, 10:30 a.m. - Consumer Fair, First National Bank Field, City Island, Harrisburg, PA
- 6/1/2016, 7 p.m. - 8:45 p.m. - Flood Insurance Workshop with Rep. Steve Santarsiero, Pennsbury High School West, Fairless Hills, PA
- 6/3/2016, 8:30 a.m. - 12:30 p.m. - Making a Difference in the Lives of People with Dementia, Cross Keys Village, New Oxford, PA

## Rate Review Video

In conjunction with the announcement of 2017 ACA rate filings, the department released a video to help consumers learn how the rate review process works.

“How Are Health Insurance Rates Decided?” is the third video in a series designed to help consumers gain an understanding of how health insurance works. To watch the video, click the picture. To view previous videos in the series, visit our Health page.



## Recent Press Releases

- May 25, 2016 - Pennsylvania Market Remains Competitive As Review Process Begins for Health Plans in 2017
- May 17, 2016 - Insurance Commissioner Offers Consumer Tips as U.S. Open and DNC May Spur Airbnb Use
- May 11, 2016 - Insurance Commissioner Congratulates Recent College Graduates, Offers Advice on New Health Insurance Needs
- May 5, 2016 - Insurance Commissioner Outlines Wolf Administration Consumer Protection and Outreach Initiatives
- April 29, 2016 - Insurance Commissioner Commends U.S. House on Unanimous Passage of Private Flood Insurance Bill
- April 28, 2016 - Insurance Commissioner Continues Consumer Protection Effort by Encouraging Purchase of Renters Insurance
- April 27, 2016 - Governor Wolf Applauds PA Insurance Commissioner for Issuing Non-Discrimination Guidance to Insurers
- April 26, 2016 - Insurance Commissioner Announces Significant Reductions in Long-Term Care Insurance Rate Requests
- April 4, 2016 - Insurance Commissioner Issues Consumer Alert for Homeowners on Appealing Flood Maps