

State Corporation Commission

2022 Fiscal Impact Statement

1. **Bill Number:** SB422

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Edwards

3. **Committee:** Commerce and Labor

4. **Title:** Health insurance; tobacco surcharge.

5. **Summary:** Eliminates the authority of a health carrier to vary its premium rates based on tobacco use. Under current law, a health carrier may charge premium rates up to 1.5 times higher for a tobacco user than for a nonuser. This bill is a recommendation of the Joint Commission on Health Care.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** No Fiscal Impact on the State Corporation Commission

8. **Fiscal Implications:** None for the State Corporation Commission

9. **Specific Agency or Political Subdivisions Affected:** State Corporation Commission
Bureau of Insurance

10. **Technical Amendment Necessary:** The State Corporation Commission Bureau of Insurance recommended to the patron that in order to clarify the intent of the tobacco use provision and its effective date, Senate Bill 422 should be amended as follows:

At Line 19, the overstrike of subdivision 4 should be removed and at the end of the sentence, add a second sentence as follows:

4. Tobacco use, except that the rate shall not vary by more than 1.5 to 1.
Individual and Small group health insurance coverage premium rates effective January 1, 2023 and after shall not vary for tobacco use.

11. **Other Comments:** None

Date: 1/23/22/V. Tompkins