

(ii) The methodology shall provide for the development of base reinsurance premium rates that shall be multiplied by the factors set forth in paragraph (2) of this subsection to determine the premium rates for the Pool.

(iii) The Board shall establish the base reinsurance premium rates at levels that reasonably approximate gross premiums charged to groups by carriers for health benefit plans up to the level of coverage that the Board determines.

(2) Premiums for the Pool shall be as follows:

(i) an entire group may be reinsured for a rate that is 1.5 times the base reinsurance premium rate for the group established under this subsection; and

(ii) an individual may be reinsured for a rate that is 5 times the base reinsurance premium rate for the individual established under this subsection.

(3) (i) The Board periodically shall review the methodology established under paragraph (1) of this subsection, including the system of classification and any rating factors, to ensure that it reasonably reflects the claims experience of the Pool.

(ii) The Board may propose changes to the methodology, subject to the approval of the Commissioner.

(b) Premiums charged to groups.

If a health benefit plan for a group is entirely or partially reinsured with the Pool, the premium charged to the group for any rating period for the coverage issued shall meet the requirements that relate to premium rates set forth in § 4 of this subheading.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 709(b) and (c) (effective subject to Ch. 9, §§ 5 and 7, Acts of 1993, as amended by Ch. 258, § 3, Acts of 1994).

In subsection (a)(2)(ii) of this section, the former reference to a "group member" is deleted as included in the reference to an "individual".

In subsection (b) of this section, the reference to the "Pool" is substituted for the former reference to the "program" because there is no "program" of reinsurance, only the "Pool".

Defined terms: "Board" § 1

"Carrier" § 1

"Commissioner" IN § 1-101

"Health benefit plan" § 1

"Pool" § 1

"Premium" IN § 1-101

"Reinsurance" IN § 1-101

16. Assessments to recoup losses by Pool.

(a) Determination and reporting of net loss.