

Survey of Neighboring States Health Insurance Premium Increases

OCI conducted a telephone survey of our neighboring states asking whether they were seeing the same large health insurance premium rate increases that we have in Wisconsin. All of the states that responded agreed that in the recent past rates have been rising at a faster pace than they had been previously. The following information relates to premium increases from January 2000 to January 2001.

Nebraska

Nebraska requires insurers to file the rates for small employer groups. Based on these filings, small employers have been experiences rates rise at about 16 to 20% per year.

Minnesota

Minnesota believes that rates have been rising much faster in recent months but they have no data to back this up. According to the Office of Management and Budget, premium rates in Minnesota increased 19%.

Illinois

In Illinois only HMO insurers are required to file their rates. According to these filings they believe that HMO rates are rising at 10 to 15% per year. Though they have no data for indemnity companies, they believe that the increases have been greater than they have been for HMO's.

Indiana

Indiana believes that rates have been rising "in the double digits" but have no data at this time.

Wisconsin

In Wisconsin there is no requirement for insurers to file their group rates so we too have no data to support the contention that rates are rising rapidly, however, through the complaint process we have seen a large number of companies taking rate increases in the 15 to 20% range with a fair number of increases over 20%. Data on rate increases taken during 2000 is being collected now but will not be available until May.