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**MARYLAND INSURANCE ADMINISTRATION ANNOUNCES GRANT AWARD OF
NEARLY \$4 MILLION TO ENHANCE HEALTH INSURANCE RATE REVIEW**

BALTIMORE—Commissioner Therese M. Goldsmith announced today that the Maryland Insurance Administration (MIA) has been awarded nearly \$4 million by the U.S. Department of Health and Human Services to continue to enhance its health insurance rate review process.

“The MIA is committed to protecting consumers against unjustified increases in health insurance rates,” said Insurance Commissioner Therese M. Goldsmith. “We are pleased with the federal government’s grant award, and will use the funds to continue to improve the rate review process and to make it more transparent to consumers.”

Specifically, the grant money will be used to expand rate filing requirements and the scope of rate review, hire new staff, and enhance the MIA’s website to include disclosure of filing information and an opportunity for public comment.

As of September 1, 2011, the Affordable Care Act (ACA) requires health insurers seeking to increase their rates by 10 percent or more in the individual or small group market to submit such requests for review to determine whether the rates are justified. In Maryland, the MIA has the authority to make this determination. The ACA also requires insurance companies to publicly disclose information used to justify premium rate increases of 10 percent or more.

The grant awarded to the MIA is part of the second round of a \$250 million, five-year federal program to improve oversight of health insurance rates. The MIA received the first round of federal grant funds in August 2010 and used some of those funds to engage an actuarial firm to provide recommendations on enhancing the health insurance premium rate review process and on providing information to consumers about that process. Based upon recommendations from the firm and comments received from the public, the MIA is in the process of making a number of changes to improve its rate review process, such as expanding the information provided to consumers about the key drivers of premium rate increases, and providing opportunities for public comment on proposed rate increases.

The MIA, founded as the Maryland Insurance Division in 1872, is an independent state agency located in downtown Baltimore. The agency regulates Maryland’s \$26 billion insurance industry and makes certain that insurance companies, health plans and producers (agents and brokers) comply with Maryland insurance law. The MIA also licenses over 110,000 producers and approximately 1,500 insurance companies, regulates insurance rates, monitors insurer solvency, investigates consumer complaints and travels across the state to provide consumers with educational materials on insurance. These materials are available at www.mdinsurance.state.md.us.

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