

Illinois Department of Insurance Reports on Individual Health Insurance Rate Increases

Department promoting transparency on health insurance rates

CHICAGO—March 7, 2010. To promote transparency and further inform Illinois consumers, the Illinois Department of Insurance reported on individual health insurance rate increases received from insurance companies and HMOs on individual major medical health policies. The Department also provided a guide to the report in order to inform consumers about the many factors that may increase premiums other than a base rate.

“Even during the best economy, Illinois' families and businesses want information about the hard-earned dollars used to pay health insurance premiums,” said Michael T. McRaith, Director of the Illinois Department of Insurance. “While the Department does not have authority to reject a rate change, our report and guide inform health insurance consumers about an insurance company's rate increases and explain the factors that insurance companies in Illinois consider when setting an individual health policy premium.”

The Department's Report permits a consumer to see when and how an individual health plan's base rate changes. A "base rate" is a starting point for a premium before other factors are taken into account. Illinois law does not require insurance companies to provide the Department with small or large group health insurance rates or rate changes. The Department's Guide offers information on how numerous factors affect a consumer's premium, including:

- **Health status.** Illinois law requires actuarial support but does not limit the extent to which an insurance company may increase a consumer's premium based on past or present medical conditions.
- **Geographic location.** Consumers living in urban areas like Chicago are typically charged more than consumers living in rural areas.
- **Gender.** Women pay significantly more than men for the same policy.
- **Age.** Premiums rise as a consumer ages.
- **Renewal Penalty/Policy Duration.** Individuals who renew a policy may experience an increase due only to the renewal.

The Department will provide periodic updates to the Report. The report can be viewed at http://insurance.illinois.gov/Reports/special_reports/IMMHPFRFG.pdf

More Information

The Department's mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto,

life, and homeowners. Consumers in need of information or assistance should visit the Department's Web site at insurance.illinois.gov or call our toll-free hotline at (866) 445-5364.