

**DIRECTIVE
01-EX-1**

TO: All Licensed Life & Health Insurance Companies, Health Maintenance Organizations, Health Care Plans and Provider Sponsored Health Care Corporations

DATE: February 22, 2001

RE: Small Group Health Insurance Rating

It has come to my attention that some insurers may be in violation of Georgia's small group health insurance rating laws and regulations as it pertains to the development of group experience factors. As such, it is the purpose of this Directive to remind insurers writing small group health insurance in the state of Georgia that the use of health status, in any manner, for the development of group experience factors at renewal is prohibited pursuant to the provisions of Georgia Insurance Department Regulation 120-2-10-.12.

Insurers currently in violation of said Directive are hereby directed to immediately take steps to change their methodology for the development of group experience factors at renewal to eliminate the use of health status. Insurers that are using an incorrect methodology may be subject to penalties up to \$1,000 per violation. Additionally, insurers that fail to correct their methodology by May 31, 2001, may be subject to penalties up to \$5,000 for each and every violation incurred after May 31, 2001.

Should you have any questions regarding this Directive, please contact the Office of the Commissioner of Insurance, Regulatory Services Division, Suite 604, West Tower, Floyd Building, 2 Martin Luther King, Jr. Drive, Atlanta, Georgia 30334, (404) 656-2074.

JOHN W. OXENDINE
INSURANCE AND SAFETY FIRE COMMISSIONER
STATE OF GEORGIA

Note: If you are an individual with a disability and wish to acquire this document in an alternative format, please contact the ADA Coordinator, Office of the Commissioner of Insurance, 2 Martin Luther King, Jr. Drive, Atlanta, GA 30334. Telephone Number (404) 656-2056; TTY/TDD (404) 656-4031.