

## **SB 908 – Premium rate change notice, Small Group Market**

Per Senate Bill 908, beginning January 1, 2017, an insurer in the individual market must notify the policyholder when a rate has been found unreasonable or not justified by the Insurance Commissioner. The notice must be in 14-pt font type. The notice shall also be provided to the agent of record for the policyholder.

Per Insurance Code section 10199.1(d), the department has developed the following notice for insurers to provide to policyholders and agents in the small group market:

**The Insurance Commissioner has determined that the rate for this product is unreasonable or not justified after the Department of Insurance reviewed information in the rate filing submitted by the insurer. Although the Insurance Commissioner has determined the rate to be unreasonable or not justified, state law does not give the Commissioner the authority to reject this rate. Under state law, the insurance company may still impose this rate, notwithstanding the determination that the rate is unreasonable or not justified.**

**The policyholder has the option to obtain other coverage from this insurer or another insurer, or to keep this coverage. An applicant shopping for new insurance coverage has the option to purchase this coverage, or to obtain other coverage from this insurer or another insurer. Small business purchasers may want to contact Covered California at [www.coveredca.com](http://www.coveredca.com) or an insurance agent for help in understanding available options, including open enrollment periods and special enrollment rights. Information about insurance agents can be found at [www.insurance.ca.gov](http://www.insurance.ca.gov).**

*Optional:*

*The insurer may include in the notification to the policyholder the Internet Web site address at which the insurer's final justification for implementing an increase that has been determined to be unreasonable by the Commissioner is available.*