

1 SENATE BILL NO. 415
2 INTRODUCED BY G. HERTZ

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE MONTANA DENTAL INSURANCE
5 TRANSPARENCY AND ACCOUNTABILITY ACT; PROVIDING DEFINITIONS; PROVIDING FOR
6 TRANSPARENCY OF DENTAL INSURANCE PREMIUMS; PROVIDING FOR INSURANCE REBATES TO
7 CONSUMERS IN THE EVENT OF EXCESS REVENUE; PROVIDING FOR RULEMAKING BY THE
8 COMMISSIONER OF INSURANCE; AMENDING SECTION 33-18-208, MCA; AND PROVIDING A DELAYED
9 EFFECTIVE DATE AND AN APPLICABILITY DATE."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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13 NEW SECTION. **Section 1. Short title -- purpose -- scope -- exceptions.** (1) [Sections 1 through 5]
14 may be cited as the "Montana Dental Insurance Transparency and Accountability Act".

15 (2) The purpose of [sections 1 through 5] is to require that dental insurance coverage has a
16 medical loss ratio that is transparent to the public and fair to covered individuals.

17 (3) The provisions of [sections 1 through 5] apply to all policies and certificates of individual and
18 group dental insurance offered to, renewed for, or issued to Montana residents by any disability insurer offering
19 dental coverage.

20 (4) [Sections 1 through 5] do not apply to health insurance coverage that has dental benefits
21 imbedded in the plan in addition to other medical benefits and is subject to the minimum medical loss ratio
22 requirements of Public Law 111-148, the Patient Protection and Affordable Care Act.

23 (5) [Sections 1 through 5] do not apply to dental care services covered under medicaid or the
24 healthy Montana kids plan provided for in Title 53, chapter 4, part 11.

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26 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 5] the following definitions
27 apply:

28 (1) "Dental insurer" means any insurance company licensed to do business in Montana that offers

1 coverage for dental services, including excepted benefits as defined in 33-22-140, except health insurance
2 coverage described in [section 1(4)].

3 (2) "Medical loss ratio" is the minimum percentage of all premium funds collected by an insurer
4 each year that must be spent on actual patient care rather than overhead costs. This minimum required
5 percentage that dental insurance plans must meet for the portion of patient premiums must be dedicated to
6 patient care rather than administrative and overhead costs or the difference must be refunded to individuals and
7 groups in the form of a rebate.

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9 **NEW SECTION. Section 3. Transparency of dental insurance premiums.** (1) A dental insurer that
10 issues, sells, or renews a plan, policy, contract, or certificate covering dental services shall file a medical loss
11 ratio report with the commissioner of securities and insurance that is organized by market and product type and
12 contains the same information required in the 2013 federal Medical Loss Ratio Annual Reporting Form.

13 (2) (a) The medical loss ratio reporting year must be for the policy year during which dental
14 coverage is provided by the insurer. All terms used in the medical loss ratio annual report have the same
15 meaning as used in the federal Public Health Service Act, 42 U.S.C. 300gg-18, and 45 CFR, part 158.

16 (b) If data verification of the dental insurer's representations in the medical loss ratio annual report
17 is considered necessary, the commissioner shall provide the dental insurer with a notification of the additional
18 information needed.

19 (c) The dental insurer has 30 days from the date of notification to submit to the commissioner all
20 requested data. The commissioner may extend the time for a dental insurer to comply with this subsection
21 (2)(c) upon a finding of good cause.

22 (3) The commissioner shall make available to the public all of the data provided to the
23 commissioner pursuant to this section.

24
25 **NEW SECTION. Section 4. Excess revenue -- rebate to policyholder and certificate holders.** (1)
26 (a) A dental insurer that issues, sells, or renews a plan, policy, contract, or certificate covering any dental
27 services shall provide an annual rebate to each policyholder or certificate holder, on a pro rata basis, if the ratio
28 of the amount of premium revenue expended by the dental insurer on the costs for reimbursement for services

1 provided to policyholders or certificate holders, plus the cost of activities that improve dental care quality, to the
2 total amount of premium revenue, as reported in [section 3(1)], is less than 80%.

3 (b) The total amount of premium revenue must exclude federal and state taxes and licensing or
4 regulatory fees.

5 (c) The total amount of an annual rebate required under this section must equal the product of the
6 amount by which the percentage in (1)(a) exceeds the insurer's reported percentage in [section 3(1)] multiplied
7 by the annual premium revenue less federal and state taxes and licensing or regulatory fees.

8 (2) A dental insurer shall provide any rebate owing to a policyholder or certificate holder no later
9 than August 1 of the calendar year following the year for which the ratio described in subsection (1) calculated.

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11 NEW SECTION. Section 5. Rulemaking. The commissioner of securities and insurance may adopt
12 rules to implement the provisions of [sections 1 through 5].

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14 **Section 6.** Section 33-18-208, MCA, is amended to read:

15 **"33-18-208. Contract to contain agreements -- rebates prohibited -- life, disability, and annuity**
16 **contracts.** (1) Except as otherwise expressly provided by law, no person shall knowingly:

17 ~~(1)(a)~~ permit or offer to make or make any contract of life insurance, life annuity, or disability
18 insurance or agreement as to such contract other than as plainly expressed in the contract issued thereon;

19 ~~(2)(b)~~ pay or allow or give or offer to pay, allow, or give, directly or indirectly, as inducement to such
20 insurance or annuity any rebate of premiums payable on the contract or any special favor or advantage in the
21 dividends or other benefits thereon or any paid employment or contract for services of any kind or any valuable
22 consideration or inducement whatever not specified in the contract;

23 ~~(3)(c)~~ directly or indirectly give or sell or purchase or offer or agree to give, sell, purchase, or allow as
24 inducement to such insurance or annuity or in connection therewith and whether or not to be specified in the
25 policy or contract, any agreement of any form or nature promising returns and profits or any stocks, bonds, or
26 other securities or interest present or contingent therein or as measured thereby of any insurance company or
27 other corporation, association, or partnership or any dividends or profits accrued or to accrue thereon; or

28 ~~(4)(d)~~ offer, promise, or give anything of value whatsoever not specified in the contract.

1 (2) This section does not apply to rebates provided in [section 4]."

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3 NEW SECTION. Section 7. Codification instruction. [Sections 1 through 5] are intended to be
4 codified as an integral part of Title 33, chapter 22, and the provisions of Title 33, chapter 22, apply to [sections
5 1 through 5].

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7 NEW SECTION. Section 8. Effective date. [This act] is effective July 1, 2024.

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9 NEW SECTION. Section 9. Applicability. [This act] applies to dental insurance policies, plans,
10 contracts, and certificates issued or renewed on or after January 1, 2024.

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