

House Bill Version – H 7082

March 4, 2024

The Honorable Joseph J. Solomon, Jr.
Chairman, House Corporations Committee
Rhode Island State House
Providence, RI 02903

Re: Opposition to House Bill – H 7082

Dear Chairman Solomon:

On behalf of Ameritas Life Insurance Corp. (“Ameritas”), I am writing in opposition to the proposed legislation H 7082, which would impose a medical loss ratio on dental benefit plans.

A carriers’ perspective is dental loss ratios are different from medical loss ratios, and for good reason, as dental plan premiums nationally are typically 1/20th the premium of a medical plan. To date, no financial analysis rooted in data, or based on a proper study, has been done of the impact of dental loss ratios on affordability and dental accessibility for individuals and businesses. Arbitrary loss ratios for dental plans that are haphazardly modeled after medical plans are punitive to Rhode Islanders and are not good economics.

What would a dental loss ratio be, all things equal, if it was aligned with medical? A monthly individual medical premium averages \$684 in Rhode Island, while a monthly dental premium averages \$32. With an 85% loss ratio, a medical plan has \$103 left for administrative expenses such as processing claims, answering calls, providing policy documents, and fraud prevention. A dental plan would have about \$5 to perform these same activities. There is a wide gap between \$5 and \$103, when both carriers perform very similar administrative activities to adhere to regulatory requirements. Dental carriers would be forced to increase premiums in order to continue to provide the same service for their customers while meeting regulatory obligations.

In 2022, Massachusetts passed a ballot initiative applying an 83% loss ratio, however, residents of that state were not given the full detail of the potential ramifications of applying a loss ratio that is intended for medical plans. At least 5 dental carriers have stopped offering dental plans in the individual and small group markets in that state because they could not continue to provide affordable plans. Ameritas was one of those carriers.

The bottom line is that a loss ratio as required under this bill will raise dental premiums, which is counterproductive to increasing access to quality care and improving oral health for Rhode Islanders. For these reasons, we oppose H 7082 and urge you not to move the bill forward.

Thank you for your consideration of our opposition on this matter.

Sincerely,



Kate McCown
Vice President, Compliance
Ameritas Life Insurance Corp.