



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

SUMMARY OF ALL PUBLIC COMMENT

The Insurance Department (Department) sought comment through publication of Notice of Intent to amend the regulations concerning Minimum Reserve Standards for Individual and Group Health Insurance Contracts. The Department received one comment from the American Council of Life Insurers (ACLI) through the eRegulations system dated March 29, 2018. A copy of the comment letter is posted in the eRegulations system. No public hearing was sought or held.

The ACLI suggests changing the effective date for mandatory use of the 2012 GLTD termination table to determine minimum reserves for group long-term disability income claims from those incurred on or after January 1, 2020 to those incurred on or after January 1, 2017. It is stated that the rationale behind this request is that the retroactive date would synchronize with the provisions of Appendix A-010 of the National Association of Insurance Commissioners ("NAIC") Accounting Practices & Procedures Manual ("APPM"). Appendix A-010 stipulates the 2012 GLTD table should be used, for Annual Statement reporting purposes, to determine the benchmark reserve level for GLTD claims incurred on or after January 1, 2017.

The Department has declined to make the suggested edits, as the ACLI proposal advocates for the use of a retroactive effective date (e.g., January 1, 2017) without citing any authority to do so. While achieving internal consistency between the APPM and our regulations does have appeal, drafting conventions provide that retroactive effective dates are not to be incorporated into a regulation without appropriate authority or a compelling circumstance. Internal consistency with the NAIC APPM is not considered to satisfy the threshold for a compelling circumstance.



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INSURANCE DEPARTMENT

April 11, 2018

Via email (steveclayburn@acli.com)

Steven M. Clayburn, FSA, MAAA
The American Council of Life Insurers
101 Constitution Avenue,
NW Suite 700
Washington, DC 20001-2133

Re: Proposed Amendment to Regulations Concerning Minimum Reserve Standards for Individual and Group Health Insurance Contracts

Dear Mr. Clayburn:

Thank you for your comments of March 29, 2018 concerning the Connecticut Insurance Department's (Department) proposed amended regulations concerning Minimum Reserve Standards for Individual and Group Health Insurance Contracts.

The Department has decided to decline making your suggested edits because they advocate for the use of a retroactive effective date (e.g., January 1, 2017) without citing any authority to do so. While achieving internal consistency between the APPM and our regulations does have appeal, drafting conventions provide that retroactive effective dates are not to be incorporated into a regulation without appropriate authority or a compelling circumstance. Internal consistency with the NAIC APPM is not considered to satisfy the threshold for a compelling circumstance.

If you have any questions, please feel free to contact me at 860-297-3998 or by email at jared.kosky@ct.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jared T. Kosky".

Jared T. Kosky
Counsel, Connecticut Insurance Department