

Secretary of the State File Number

**6222**

Regulation of the  
**Insurance Department**  
Concerning

**Health Insurance Rate and Form Filings**

Regulations adopted after July 1, 2013, become effective upon posting to the Connecticut eRegulations System, or at a later date if specified within the regulation.

Posted to the Connecticut eRegulations System on **August 2, 2016**

EFFECTIVE DATE

**August 2, 2016**

Approved by the Attorney General on

**June 29, 2016**

Approved by the Legislation Regulation Review Committee on

**July 26, 2016**

Electronic copy with agency head certification statement electronically submitted to and received by the Office of the Secretary of the State on

**August 2, 2016**

The text of this approved regulation will be published in the Connecticut Law Journal

Form Regs-2 (NEW 7/2013)  
State of Connecticut  
Office of the Secretary of the State  
Legislation and Elections Administration Division

**Purpose and Legal Disclaimer:** This form was designed to facilitate submission of the “statement from the department head” required by CGS 4-172(a) as amended by PA 12-92, Section 6. This form does not constitute legal advice. The Office of the Secretary of the State (SOTS) is not authorized to provide legal advice to state agencies. Consult with your agency’s legal counsel before completing and submitting this form for filing

**Instructions:** (1) Save a copy of this document to your computer; (2) To enter data, use the Tab key to move between fields, or click-and-highlight an entire <text field>; (3) When complete, submit to your agency’s legal counsel for review and approval; (4) After approval by counsel, PRINT and submit to your agency head for his/her original signature; (5) Scan the originally-signed form and submit it as an email attachment, along with the electronic copy of the regulation that the statement certifies, to [regulations.sots@ct.gov](mailto:regulations.sots@ct.gov); (6) retain the originally-signed copy for your agency’s regulation-making record.

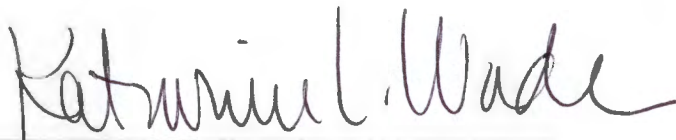
**Submit the electronic copy and its certification statement to the Secretary of the State at [regulations.sots@ct.gov](mailto:regulations.sots@ct.gov) concurrently with the paper copy of the original regulation, as required by CGS Section 4-172 as amended.**

## Electronic Copy Certification Statement

I, **Katharine L. Wade**, Commissioner of the Connecticut Insurance Department, in accordance with the provisions of Section 4-172 of the *General Statutes of the State of Connecticut*, do hereby certify:

That the electronic copy of a regulation concerning **Rate Review and Form Filing**, which was approved by the Legislative Regulation Review Committee on **July 26, 2016**, and which shall be submitted electronically for filing to the Secretary of the State by **Kristin Campanelli** of this agency on **August 2, 2016**, is a true and accurate copy of the original regulation approved in accordance with Sections 4-169 and 4-170 of the *General Statutes of the State of Connecticut*.

In testimony whereof, I have hereunto set my hand on **August 1, 2016**.



(Signature of agency head)

**State of Connecticut**  
**Regulation of**  
**Insurance Department**  
**Concerning**  
**Health Insurance Rate and Form Filings**

**Section 38a-481-1 of the Regulations of Connecticut State Agencies is amended to read as follows:**

**Sec. 38a-481-1. Definitions**

As used in Sections 38a-481-1 to 38a-481-[4] 9, inclusive, of the Regulations of Connecticut State Agencies, unless the context otherwise requires:

[(a)](1) “Commissioner” means the Insurance Commissioner of the State of Connecticut.

(2) “Department” means the Connecticut Insurance Department

(3) “Excessive rate” means the rate is unreasonably high for the insurance provided.

(4) “Experience period” means the most recent twelve-month period from which the insurer accumulates the data to support a rate filing.

[(b)](5) “Form” means a policy of insurance against loss or expense from sickness, or from bodily injury or death by accident, or application, rider or endorsement used in connection therewith.

(6) “Inadequate rate” means a rate that is unreasonably low for the insurance provided, and continued use of it would endanger solvency of the insurer.

[(c)](7) “Insurer” means a health care center, as defined in Section 38a-175 of the Connecticut General Statutes, or an insurance company licensed by the Commissioner to write accident and health insurance.

(8) “Loss ratio” has the same meaning as provided in Section 38a-481(a) of the Connecticut General Statutes.

(9) “PPACA” means Patient Protection and Affordable Care Act, P.L. 111-148, as amended from time to time, and regulations adopted thereunder.

[(d)] (10) “SERFF” means the National Association of Insurance [Commissioners] Commissioners’ System for Electronic Rate and Form Filing.

(11) “Unfairly discriminatory” means rating practices that reflect differences based on age, disability, race, ethnicity, gender, sexual orientation or health status that are not actuarially justified or otherwise prohibited by law.

(12) “Utilization data” means the number of services used by a fixed number of covered persons, as defined in Section 38a-591a of the Connecticut General Statutes, over a fixed length of time.

**The Regulations of Connecticut State Agencies are amended by adding sections 38a-481-5 to 38a-481-9, inclusive, as follows:**

**(NEW) Sec. 38a-481-5. Timing for rate filings**

(a) Rate filings shall be made no later than ninety (90) days prior to the date an insurer intends to market such plans.

(b) For plans subject to the requirements of the PPACA, rate filings shall be filed annually no

later than a date prescribed by the Commissioner. The Commissioner shall provide notice to insurers no later than thirty (30) days prior to the prescribed date each year.

**(NEW) Sec. 38a-481-6. Transparency of rate filings**

The information supplied to the Department to fulfill its statutory rate review requirement is not confidential. Complete rate filings including all correspondence and documentation are available through SERFF and may be posted on the Department website for review and comment by the public. All public comments shall be reviewed by the Department and considered as an additional element of the review determination.

**(NEW) Sec. 38a-481-7. Rate filing process**

- (a) All rate filings shall be submitted via SERFF.
- (b) For filings subject to the requirements of the PPACA, all fields in SERFF added for reporting requirements to the federal Department of Health and Human Services in accordance with PPACA shall be populated.
- (c) All rate filings shall be made in accordance with Department bulletins, notifications, and other written guidance.
- (d) Incomplete submissions may be rejected.
- (e) No rate filing shall be approved if the Department determines that it is excessive, inadequate or unfairly discriminatory.
- (f) Rates shall not be approved unless the policy forms to which they apply are approved.
- (g) No rate may be marketed until the rates are approved. The Commissioner may grant conditional approval to enhance the fairness and efficiency of the marketplace.

**(NEW) Sec. 38a-481-8. Minimum rate filing requirements**

- (a) All rate filings shall include, at a minimum, the following:
  - (1) A cover letter describing all policy forms affected by the requested rates or rate changes as well as the effective date of the requested rates or rate changes.
  - (2) The detailed development for the initial rate or rate increase.
  - (3) Historical experience from inception-to-date including earned premium, paid claims, incurred claims, membership, actual loss ratios and expected loss ratios.
    - (A) Both state-specific and nationwide experience shall be provided.
    - (B) Annual experience shall be provided for all years.
  - (4) A certification by a member of the American Academy of Actuaries that the rate filing is in compliance with this section. Such certification shall include a statement by a member of the American Academy of Actuaries that the rates are reasonable in relation to the benefits provided, and that they are not excessive, inadequate or unfairly discriminatory.
  - (5) Claim lag triangles.
  - (6) Cost for each newly mandated benefit that applies to the type of insurance for which the rate filing has been submitted.
  - (7) Any additional information the Commissioner deems necessary to review the rate filing.
- (b) Any changes submitted after the initial rate filing shall include a version that shows the changes made as well as a clean copy to facilitate the Department's review.
- (c) When the information required under subsection (a) of this section is received, actuarial review shall commence. Rate filings shall be reviewed in the order received by the Department.

**(NEW) Sec. 38a-481-9. Additional rate filing requirements**

(a) All rate filings for individual health insurance providing coverage of the types specified in Connecticut General Statutes Section 38a-469 (1), (2), (4), (11) and (12) shall include:

(1) A demonstration that the experience data submitted is consistent with the most recent financial statement filed by the insurer with the Department pursuant to section 38a-53a of the Connecticut General Statutes.

(2) Utilization trend by broad service category, including utilization data.

(3) Impact of cost sharing leverage on trend.

(4) Medical technology trend.

(5) Benefit buy-down analysis and impact on trend.

(6) Cost of each new benefit mandate or requirement due to a change in state or federal law, separately identified, from the experience period to the rating period.

(7) Unit cost trend by broad service category, including actual unit cost data and impact of provider contract changes from experience period to rating period (medical and prescription drug separately).

(8) An annual certification of compliance with mental health parity. For plans that have a copayment for a mental health office visit set at the specialist level, a demonstration that the copayment is in compliance with mental health parity shall also be filed.

(9) A certification and demonstration that any substitution of a non-dollar limit on an essential health benefit as permitted by the PPACA is actuarially justified.

(10) A comparison of the proposed retention charge in the filing to the most recently filed financial statement for the insurer for which this filing is being made.

(11) Monthly historical experience including earned premium, paid claims, incurred claims, membership, actual loss ratios and expected loss ratios shall be provided for the most recent two (2) years.

(12) The current capital and surplus for the insurer for which this filing is being made.

(13) For filings subject to the PPACA, a demonstration that the rate increase requested in this filing will generate an expected medical loss ratio, for rebate purposes, that is consistent with the medical loss ratio prescribed by the federal law for individual health insurance.

(14) For filings subject to the PPACA, the Uniform Rate Review Template (URRT), the Part III Actuarial Memorandum, and the Health Insurance Oversight System rate tables. The Health Insurance Oversight System rate tables shall be filed in a portable document format. Insurers shall also provide a summary of benefits for each plan design along with the federal Department of Health and Human Services' Actuarial Value Calculator output that confirms compliance with the corresponding metal tier set forth in the PPACA. The Health Insurance Oversight System plan ID and the corresponding plan name on the summary of benefits for each plan shall be indicated.

(b) Every rate filing submission for individual health insurance providing coverage of the types specified in Connecticut General Statutes Section 38a-469 (1), (2), (4), (11) and (12) that includes an increase to previously approved rates shall include a summary of the rate increases requested and shall be clearly marked as Appendix A. The appendix shall include, but not be limited to, the following:

(1) The requested rate increase for each product contained within the rate filing and the effective date of each proposed rate increase. The requested increase for each product shall be identified as a specific percent increase or, if appropriate, a range of percent increases with an explanation of what the variance is that produces the range.

(2) Number of covered individuals for each product; number of covered policyholders; minimum current premium on a per member per month (pmpm) basis; minimum proposed premium on a pmpm basis; maximum current premium on a pmpm basis; maximum proposed premium on a pmpm basis

and the percentage change.

(3) Each component of the rate increase including trend, experience adjustments and any other factors that are a component of the requested rate increase. These may be identified as a specific percent or, if appropriate, a percent range.

(4) A footnote listing any other factors that can have an impact on premium rates that have not been specifically identified in the appendix, including, but not limited to, age bands, gender, geographic area, and smoking.

R-39 Rev. 02/2012

**Statement of Purpose: CGS § 38a-481(a) and CGS §38a-481(b) require that regulations pertaining to filing procedures for individual health insurance rates shall be adopted by the Commissioner and that the Commissioner shall adopt a regulation to prescribe standards to ensure that rates are not excessive, inadequate, or unfairly discriminatory. All amendments reflect updates to existing regulations to conform to the current statutes and requirements.**

The revisions are being made as a result of the requirements in CGS § 38a-481(a) and CGS §38a-481(b). All updates to existing regulations contained herein are to conform to the current state and federal statutes, including the Affordable Care Act. The updates include changes to codify the Department's rate review process in regulation for individual health insurance to ensure that rates are not excessive, inadequate or unfairly discriminatory. The updates provide definitions for rate filing and provide requirements for filing of individual health insurance rates. As required by Conn. Gen. Stat. § 4-168a, the Insurance Department considered the impact of the proposed amended regulations on small business, and in doing so, determined that the preparation of a regulatory flexibility analysis, as contemplated by this statute, was not needed. The amendments reflect activities to be undertaken by insurance companies offering health insurance products which are not small businesses.

Explanation for Re-submittal to AG and LRRC

These regulations are being resubmitted under CGS § 4-170(e) to the Attorney General's office after being rejected without prejudice from the regulation review committee because they required substantive edits. The Department made all substantive and all but one of the technical corrections requested in the LCO memo including changing the definition of "unfairly discriminatory" to the definition used by the federal government in determining rates. All other provisions of these regulations remain unchanged. The Department declined to make technical correction #3 in the LCO memo that requested we change the definition of "experience period" to "experience". The Department declined to make this change because the two terms are actuarial terms of art and are separate things.

Form Agency-Cert-PR-TR-ICM (NEW 6/2015)  
State of Connecticut  
Secretary of the State



**IMPORTANT NOTICE FOR CONNECTICUT STATE AGENCIES**  
This form is to be used for proposed permanent and technical amendment regulations only and must be completed in full.

**AGENCY CERTIFICATION**

**Connecticut Insurance Department**

Proposed Regulation Concerning

**Rate Review**

eRegulations System Tracking Number **PR2015-175**

**I hereby certify the following:**

(1) The above-referenced **regulation** is proposed pursuant to the following statutory authority or authorities: **38a-481(a) and 38a-481(b)**

*For technical amendment regulations proposed without a comment period, complete #2 below, then skip to #8.*

(2) As permitted by Section 4-168(h) of the *Connecticut General Statutes*, the agency elected to proceed without prior notice or hearing and posted the text of the proposed technical amendment regulation on eRegulations System website on **<<select and enter the date of posting>>**.

*For all other non-emergency proposed regulations, complete #3 - #7 below, then complete #8)*

(3) The agency posted notice of intent with a specified comment period of not less than 30 days to the eRegulations System website on **February 2, 2016**.

(4) *(Complete one)*  No public hearing held or was required to be held. **OR**  One or more public hearings were held on: **<<select and enter dates>>**.

(5) The agency posted notice of decision to move forward with the proposed regulation to the eRegulations System website on **March 8, 2016**.

(6) *(Complete one)*  No comments were received. **OR**  Comments were received and the agency posted the statements specified in subdivisions (2) and (3) of CGS Section 4-168(e) to the eRegulations System website on **March 8, 2016**.

(7) The final wording of the proposed regulation was posted to the eRegulations System website on **March 8, 2016**.

(8) Subsequent to approval for legal sufficiency by the Attorney General and approval by the Legislative Regulation Review Committee, **the final regulation shall be effective**

*(Check one and complete as applicable)*

When posted to the eRegulations System website by the Secretary of the State.

**OR**  On \_\_\_\_\_

*(Date must be a specific calendar date not less than 11 days after submission to the Secretary of the State)*

*Katharine Wade*

*Commissioner*

*6-2-16*

**SIGNED**

**OFFICIAL TITLE**

**DATE**

*(Head of Board, Agency or Commission, or duly authorized deputy)*



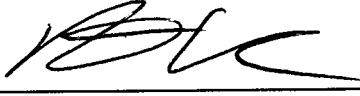
**OFFICE OF THE ATTORNEY GENERAL  
REGULATION CERTIFICATION**

**Agency Insurance Department**

***REGULATION NUMBER PR2015-175***

**This Regulation is hereby APPROVED by the Attorney General as to legal sufficiency in accordance with Connecticut General Statutes Section 4-169.**

**DATE: 6/29/2016**

**Signed: **  
***Robert W. Clark, Special Counsel***  
***Duly Authorized***

# The Connecticut General Assembly

## Legislative Regulation Review Committee

Senator Clark Chapin  
Senate Chair



Representative Brian Becker  
House Chair

### Official Record of Committee Action

July 26, 2016

Agency: Insurance Department  
Description: Health Insurance Rate and Form Filings  
LRRC Regulation Number: 2016-003A  
eRegulation Tracking Number: PR2015-175

The above-referenced regulation has been

### Approved with Technical Corrections

by the Legislative Regulation Review Committee in accordance  
with CGS Section 4-170.

Kirstin L. Breiner  
Committee Administrator



State of Connecticut  
Office of the Secretary of the State

## Confirmation of Electronic Submission

Re: Regulation of the Insurance Department concerning Health Insurance Rate  
and Form Filings  
eRegulations System Tracking Number PR2015-175  
Legislative Regulation Review Committee Docket Number 2016-003A

The above-referenced regulation was electronically submitted to the Office of the Secretary of the State in accordance with Connecticut General Statutes Section 4-172 on August 2, 2016.

Said regulation is assigned Secretary of the State File Number 6222.

The effective date of this regulation is August 2, 2016.

A handwritten signature in black ink that reads "Denise W. Merrill".

Denise W. Merrill  
Secretary of the State  
August 2, 2016

By:

/s/ Kristin M. Karr  
Kristin M. Karr  
Administrative Law  
Information Systems Manager