**Maine Bureau of Insurance  
Rate Filing Review Requirements Checklist  
Medicare Supplement Policies**

**Policies Subject to Title 24-A M.R.S.A. Chapter 67**

**MS02G, MS02I, MS05G & MS05I**

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| **S**  **E**  **C**  **T**  **I**  **O**  **N** | **REVIEW REQUIREMENTS** | **REFERENCE** | **DESCRIPTION OF REVIEW STANDARDS REQUIREMENT** | | **SPECIFIC LOCATION OF COMPLIANCE IN FILING** |
| **A.** | **General Rate Filing Requirements:**  **Separate Filings:** | [Rule 275, §15. A. & B.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc)  [Title 24-A, §2701, 2.A](http://janus.state.me.us/legis/statutes/24-A/title24-Asec2701.html). & [Title 24-A, §2736](http://janus.state.me.us/legis/statutes/24-A/title24-Asec2736.html), §[2736-A](http://janus.state.me.us/legis/statutes/24-A/title24-Asec2736-A.html)., & §[2736-B](http://janus.state.me.us/legis/statutes/24-A/title24-Asec2736-B.html).  [Rule 275, §15. G.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Every individual and/or group policy, rider, or endorsement form affecting Medicare Supplement policy benefits which is submitted for approval must be accompanied by a rate filing. If the form does not require a change in the premium rates, the submission must include a complete explanation of the effect on the anticipated loss ratio.  The rate filing must include all rates, rating formulas, and revisions. Rates must be filed with the form rather than separately.  The Superintendent may request additional information as necessary. | | ` |
| **B.** | **Electronic (SERFF) Filing Requirements:** | [Title 24-A, §2701, 2.A](http://janus.state.me.us/legis/statutes/24-A/title24-Asec2701.html). & [Title 24-A, §2736, 1](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736.html),  [Title 24-A, §2736, 1](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736.html) | Effective September 12, 2009, all filings must be filed electronically, using the NAIC System for Electronic Rate and Form Filing (SERFF). See <http://www.serff.com>.  If the filing is found to be in compliance with the applicable requirements, the SERFF record will show the rates to be “Approved,” and the record will be closed. | |  |
| **C.** | **Timeliness and Completeness of Filings; Non-compliant filings:** | [Rule 275, §15. B. & G.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | 1. The filing must be received by the Bureau at least 60 days before the implementation date, unless the Superintendent waives this requirement pursuant to [Title 24-A § 2736, 1](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736.html).  2. The filing must include sufficient supporting information to demonstrate that the rates are not excessive, inadequate, or unfairly discriminatory. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards, as set forth in [Rule 275, §14.A](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc)., can be expected to be met over the entire period for which rates are computed. Such demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three (3) years. Issuers are required to review their experience no less frequently than annually and to file rate revisions, upward or downward, as appropriate. Upward revisions must be filed in a timely manner to avoid the necessity of large increases.  3. If the Bureau requests additional information or finds rates not to be in compliance, rates approved previously must continue to be used. | |  |
| **D.** | **Additional Rate Filing Requirements:** | [Rule 275, §15](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Every rate submission must contain the following: | |  |
|  | **1. Carrier Information:** | [Rule 275, §15, G. 1.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | The name and address of the carrier, and the name, title, email address and direct phone number of the person responsible for the filing, must be provided in the SERFF “Filing Contact Information” section. | |  |
|  | **2.** **Scope and Purpose of Filing:** | [Rule 275, §15. G. 2.;](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) [Title 24-A, §5011, C.](http://janus.state.me.us/legis/statutes/24-A/title24-Asec5011.html) | Specify whether this is a new form and rate filing, a rate revision, or a justification of an existing rate. Include the policy type and form number. In revising rates for standardized plans, an issuer shall pool all experience for standardized plans under individual policies. Experience may be pooled separately for each standardized plan or experience for similar benefits in different standardized plans may be pooled, including, but not limited to, basing the component of the rate for skilled nursing coinsurance on the pooled experience of all standardized plans that include that benefit. Group plans may be rated separately. A group with credible experience may be rated differently than other groups. | | *Location, page:* |
|  | **3. Rate Revisions:** | [Rule 275, §15. G. 3.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | If this is a rate revision, describe the reason(s) for the revision, and provide the proposed percentage change in rates for each plan and the average increase for all plans. | | *Location, page:* |
|  | **4.** **Discounts:** | [Rule 275, §15. G. 4.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Identify any discounts to be offered pursuant to [Rule 275, § 15. F](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc). and the anticipated impact on aggregate premium and claims experience. | | *Location, page:* |
|  | **5.** **Proposed Effective Date(s):** | [Rule 275, §15. G. 5.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | State the proposed effective date and method of implementation of the proposed rate (e.g., next anniversary or next premium due date). | | *Location, page:* |
|  | **6.** **Description of Benefits:** | [Rule 275, §15 G. 6.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | For pre-standardized plans, include a brief description of the benefits provided by each policy form, any attached riders or endorsements and whether there are any benefit maximums. | | *Location, page:* |
|  | **7.** **Pre-existing Condition Exclusion:** | [Rule 275, §15. G. 7.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc); [Title 24-A, § 5002-A](http://janus.state.me.us/legis/statutes/24-A/title24-Asec5002-A.html) | Describe the provision, including any exclusion period. No more than a six month pre-existing condition exclusion period with a six-month “look-back” is permitted. | | *Location, page:* |
|  | **8.** **Marketing Method:** | [Rule 275, §15. G. 8.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Provide a brief description of the market and the marketing method. Specify whether the form is still being sold and whether the filing applies only to new business, only to in-force business, or both, and the reasons therefor. | | *Location, page:* |
|  | **9.** **Medical Underwriting:** | [Rule 275, §15. G. 9.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Provide a description of the extent to which this product will be medically underwritten, if any, and the expected impact, by duration and in total, on claim costs. An issuer that offers both group and individual plans may not use stricter underwriting standards for any group plan than it uses for individual plans ([Title 24-A, § 5011, C.](http://janus.state.me.us/legis/statutes/24-A/title24-Asec5011.html)). An issuer may not use stricter medical underwriting standards than any affiliated issuer uses for its individual plans ([Title 24-A, § 5011, D.](http://janus.state.me.us/legis/statutes/24-A/title24-Asec5011.html)). | | *Location, page:* |
|  | **10. In-Force Business:** | [Rule 275, §15, G. 10.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Provide the number of inforce policies and annualized premium for Maine policyholders or certificate holders since inception.  **For standardized plans:** Provide the number of covered lives and the annualized premium for the Maine policyholders who *will be affected* by the proposed rate revision. Include the number of Maine lives covered under in-force business for all standardized plans combined in these age categories (under 65, 65-69, 70-74, 75-79, 80-84 and 85 and over), whether or not currently marketed. | | *Location, page:* |
|  | **11.** **History of Rate Adjustments:** | [Rule 275, §15. G. 11.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | List the approval dates, implementation dates, and average percentage rate adjustments, both nationwide and in Maine, since inception of the policy form. | | *Location, page:* |
|  | **12. Loss Ratio Standards:** | [Rule 275, §14. C, §15. G. 12.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) & [§15. G. 20.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc); [Rule 270, §11. A. & B.](http://www.maine.gov/sos/cec/rules/02/031/031c270.doc); [Title 24-A, §2413, 1. F.](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2413.html) | State the minimum loss ratio and the anticipated future and lifetime loss ratios. Provide a demonstration that the ratio of expected claims to premium complies with the requirements of [Rule 275, § 14. A (1)](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) (“Loss Ratio Standards”) when combined with actual experience to date.  Filings of rate revisions must also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are to be in effect can be expected to meet the appropriate loss ratio standards.  Loss Ratio Standards are:  a. 75% for group policies  b. 65% for individual policies. | | *Location, page:* |
|  | **13. Rating and Compliance Requirements:** | [Rule 275, §14. C. & §15. G. 13.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | A. Describe the morbidity basis for the form, including the source(s) used. Any substantive adjustments from the source or from earlier assumptions must be explained. Specify the issue age range of the form (see “D” below). The filing must include sufficient supporting information to demonstrate that the rates are not excessive, inadequate, or unfairly discriminatory.  B. In accordance with [Bulletin 327](https://www.maine.gov/pfr/insurance/themes/insurance/pdf/327.pdf), premiums must take into account the value of the benefits covered by each plan in relation to the premium differences between plans. If the rate differential between two plans exceeds the maximum possible difference in benefits, it must be clearly disclosed in writing to prospective policyholders as well as to renewing policyholders under the more expensive plan.  C. Issuers are required to review and file their experience no less frequently than annually and to file rate revisions, upward or downward, as appropriate. Upward revisions must be filed in a timely manner to avoid the necessity of large increases**.** A filing is required whether or not an issuer is seeking a rate revision**.**  D. Rates may not vary based on age, gender, health status, claims experience, policy duration, industry or occupation ([Title 24-A, § 5011, A.](http://janus.state.me.us/legis/statutes/24-A/title24-Asec5011.html)). Carriers must offer coverage to all individuals, regardless of age, who are entitled to Medicare benefits due to disability ([Title 24-A §5010-A](http://janus.state.me.us/legis/statutes/24-A/title24-Asec5010-A.html)).  E. The supporting documentation must also demonstrate, in accordance with actuarial standards of practice using reasonable assumptions, that the appropriate loss ratio standards as set forth in [Rule 275, § 14. A.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) can be expected to be met over the entire period for which rates are to be in effect. This demonstration must exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage must be demonstrated for policies or certificates in force less than three (3) years**.** | | *Location, page:* |
|  | **14. Medical Trend Assumptions:** | [Rule 275, §15. G. 14.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Provide the medical trend used and the assumptions used to calculate the trend. (See **“D. 18.c,”** below.) | | *Location, page:* |
|  | **15.** **Administrative Expenses:** | [Rule 275, §15. G. 15.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Include a breakdown of the administrative expenses, including home office and overhead costs (including policy administration costs), advertising costs, commissions and other acquisition costs, taxes, capital costs (including profit), and claims processing costs. [See [Rule 275, §14, A. (1) b.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc)] | | *Location, page:* |
|  | **16. Commission Schedule:** | [Rule 275, §15. G. 16.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) [Rule 275, §16. A.-E.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) [Rule 270, §12. A.-D.](http://www.maine.gov/sos/cec/rules/02/031/031c270.doc) | Provide the level of compensation for new issues and renewals, which must be in compliance with Rule 275, §16. First year commissions may be no more than twice the commission in renewal years 2 through 6. During open enrollments, commissions must be the same regardless of age of enrollee. | | *Location, page:* |
|  | **17. Maine Experience:** | [Rule 275, §15. G. 17.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Issuers shall consider experience solely within the State of Maine in developing its rates. However, if there is insufficient experience within Maine upon which a rate can be based, the issuer may use nationwide experience.  If nationwide experience is used, premiums must be adjusted to the Maine rate level and, where appropriate, claims must be adjusted to Maine utilization and price levels.  If premiums incorporate area factors that adjust for variations in utilization and price levels such that adjusting experience to Maine levels would result in the same percentage adjustment to both premiums and claims, then neither adjustment need be made.  In its rate filing, the issuer must expressly show what geographic experience it is using. Experience from inception for each calendar year and, where appropriate, each policy year, must be displayed, including the following information:  a. Year  b. Collected premium  c. Earned premium  d. Paid claims  e. Paid loss ratio  f. Incurred claims, reflecting actual claim runoff for periods where the runoff is complete.  g. Incurred loss ratio, including ratios of incurred losses to earned premiums by policy duration.  h. Expected incurred claims  i. Actual-to-expected claims  For future years, columns (c), (f), and (g) must be displayed. | | *Location, page:* |
|  | **18. Rate Projections:** | [Rule 275, §15. G. 18.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | The filing must clearly state the assumptions used to project future experience, including:  a. Base period of projection and whether based on state or national experience  b. Lapse rates  c. Trend and rationale for trend  d. Impact of scheduled or anticipated changes in Medicare, including but not limited to changes in the Part A deductible and changes in provider reimbursement rates.  e. Interest rate for discounting and accumulating premiums and claims. | | *Location, page:* |
|  | **19. National Experience:** | [Rule 275, §15. G. 19.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Same data as required in **“D. 17”** and **“D. 18”.** | | *Location, page:* |
|  | **20. Rate Schedules and Rating Attributes:** | [Rule 275, §15. G. 21.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Provide the current rate schedule and the proposed rate schedule appropriate for Maine and specify the period for which the proposed rates are expected to be in effect. List the percentage difference(s) between the current and proposed rates. Include any additional rating factors, such as area factors, smoker/non-smoker factors, etc. State whether any such factors have been applied to the filed rates. | | *Location, page:* |
|  | **21. Confidentiality of Filings:** | [Title 24-A, § 2736, 2.](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736.html) | Rate filings for Medicare supplement health insurance policies subject to Title 24-A, § 2736 and all supporting information are public records, except:  (1) Protected health information required to be kept confidential by state or federal statute ***must*** be kept confidential, and  (2) Descriptions of the amount and terms or conditions or reimbursement in a contract between an insurer and a 3rd party ***may*** be kept confidential.  Any confidential information should be clearly identified as described in the [*confidentiality protocol*](http://www.maine.gov/pfr/insurance/company/confidential_treatment.htm)*,* available on the Bureau of Insurance website. | |  |
|  | **22. Actuarial Certification:** | [Rule 275, §15. G. 23.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | Include a certification by a qualified actuary that, to the best of the actuary’s knowledge and judgment, the entire rate filing is in compliance with the applicable requirements of the State of Maine and with the rules of the Bureau of Insurance. “Qualified actuary,” as used herein, means a member in good standing of the American Academy of Actuaries. | | *Location, page:* |
|  | **23.** **Closed Block:** | [Rule 275, §15. G.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) & [Title 24-A, § 2736, 2.](http://janus.state.me.us/legis/statutes/24-A/title24-Asec2736.html) | If the form is no longer actively marketed, a statement must be included specifying whether a similar form is actively marketed and, if so, a discussion of the equity between the two forms, including a comparison of the benefits and premium rates. Rates for policy forms with closed blocks must not significantly exceed rates for an open block unless the difference is justified by differences in benefits or other conditionsor the fact that renewal rates could exceed new business rates was disclosed at the time the form was originally issued. | | *Location, page:* |
|  | **24. Closed Block Disclosure:** | [Rule 275, §17. D.3.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) [Rule 275, §20. A.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) [Rule 275, §21. A.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) | When the company has an open block of business, closed block policyholders need to be notified that the company has available plans in the open block and that they can switch coverage provided that they are eligible. Submit a copy of the renewal notice reflecting the disclosure that will be sent to policyholders in the closed block. | | *Location, page:* |
|  | **25.** **Combination of Forms:** | [Rule 275, §15. G.](http://www.maine.gov/sos/cec/rules/02/031/031c275.doc) & [Title 24-A, § 2736, 2.](http://janus.state.me.us/legis/statutes/24-A/title24-Asec2736.html) | When a block of business in force under a form no longer being sold has declined to a size such that the number of actual claims nationally in a twelve-month period is less than two hundred (200), then the business under such form must be combined with other blocks of business in the same class, which are on a consistent rate basis, for rating and monitoring purposes. | |  |
|  | **Completed by:** | | | **Date:** | Rev. 4/18/13 |