

Bulletin 342

TIMING REQUIREMENTS AND FILING FEES FOR HEALTH INSURANCE RATE FILINGS

Timing

Pursuant to amendments to 24-A M.R.S.A. §§ 2735-A and 2839-A enacted last year, the timing requirements for notifying policyholders of filed health insurance rate increases has been reduced, for 2006 only, from 60 days to 30 days. However, the timing requirements for filing rates with the Bureau of Insurance have not changed. The requirements vary by market segment as follows:

* Large group: Rates must be filed before the policy is delivered [24-A M.R.S.A. § 2839]. For renewals, we interpret this to mean before the rates are implemented.

* Small group:

o For companies that have elected the guaranteed loss ratio "file and use" option, rates must be filed at least 60 days prior to implementation. [Rule 940, Section 9(E)(3)]

o For companies that have not elected (or are ineligible for) the guaranteed loss ratio "file and use" option, rates must be filed at least 60 days prior to implementation unless the Superintendent waives this requirement [§ 2808-B(2-A)(A)].

* Individual: Rates must be filed at least 60 days prior to implementation unless the Superintendent waives this requirement [24-A M.R.S.A. § 2736(1)].

Filing fees

Pursuant to 24-A M.R.S.A. § 601(17), a \$20 filing fee is required with all insurance company rate filings. In the past, the Bureau has not required a fee for informational rate filings. However, this was inconsistent with the statute and we are now requiring the fee. HMO rate filings are not subject to a filing fee pursuant to 24-A M.R.S.A. § 4222(1).

We encourage all carriers to submit rate filings and filing fees electronically through the SERFF (System for Electronic Rate and Form Filing). It is the practice of the Bureau to give priority to those filings made electronically through SERFF. Further information is available at serffmktg@naic.org or 816-783-8787.

Questions concerning this bulletin can be addressed to Rick Diamond at Richard.H.Diamond@maine.gov or 207-624-8428.

January 23, 2006 _____
Alessandro A. Iuppa
Superintendent of Insurance

NOTE: This bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties or privileges nor is it intended to provide legal advice. Readers are encouraged to consult applicable statutes and regulations and to contact the Bureau of Insurance if additional information is needed.