**Maine Bureau of Insurance  
Rate Filing Review Requirements Checklist  
Credit Insurance**

**Insurance Subject to Title 24-A M.R.S.A. Chapter 37**

**CR02G & CR04G**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **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:** | [Title 24-A, § 2858, 2](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2858.html); [Rule 220](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc); | Every individual and/or group policy, rider, or endorsement form affecting credit 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 statement that there is no effect on the rates. The rate filing must include all rates, rating formulas and revisions. Rates must be filed with the form rather than separately. | |  |
| **B.** | **Electronic (SERFF) and Paper Filing Requirements:** | [Title 24-A, § 2736](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736.html)  [Title 24-A, § 2839](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2839.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 “Acceptable,” and the record will be closed. | |  |
| **C.** | **Timeliness and Completeness of Filings; Non-compliant filings:** | [Title 24-A, § 2736](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736.html) | The filing must be received by the Bureau at least 60 days before the implementation date, unless the Superintendent waives this requirement. The Superintendent may request additional information as necessary. 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 220](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc) | Rule 220 applies to all insurance subject to Title 24-A M.R.S.A., Ch. 37, except that §§ 9, 10, & 13 do not apply to noncontributory credit insurance.  **Every rate submission must contain the following:** | |  |
|  | **1.** **Carrier Information:** | [Title 24-A, § 2736](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736.html) | 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:** | [Title 24-A, § 2736](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736.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. | | *Location, page:* |
|  | **3. Basis of premiums:** | [Rule 220, § 8](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc) | If a single insurance charge is made to the debtor, whether or not the charge is financed, a single premium must be used.  Premiums for credit insurance provided in connection with open-end credit transactions shall be calculated on the basis of the balance upon which a finance charge may be imposed, including any principal amounts upon which no finance charge is actually imposed, plus any earned finance or insurance charges which are uncollected or delinquent.  In no event shall any anticipated delinquency value be included in the amount on which the insurance premiums are calculated. | |  |
|  | **4. Prima Facie Credit Life Insurance Rates:** | [Rule 220, § 9](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc) | Credit life insurance benefits shall be deemed prima facie reasonable in relation to the premiums charged if the schedule of premium rates filed with such forms does not exceed the premium rate standard set forth in Rule 220, § 9. | |  |
|  | **5. Prima Facie Credit Accident and Health Insurance Rates:** | [Rule 220, § 10](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc) | Credit Accident and Health insurance benefits shall be deemed prima facie reasonable in relation to the premiums charged if the schedule of premium rates filed with such forms does not exceed the premium rate standard set forth in Rule 220, § 10. | |  |
|  | **6. Critical period Disability Coverage:** | [Rule 220, §10, D](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc) | For critical period disability coverage, the prima facie single premium rates are those shown in Appendix B. | |  |
|  | **7. Closed-end loans:** | [Rule 220, §§ 9, D(9) & 10, F(8)](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc); [Title 24-A, §2859](http://janus.state.me.us/legis/statutes/24-A/title24-Asec2859.html) | Upward deviations shall not be applied to debtors with closed-end loans whose coverage is already in force on the effective date of the deviation. Downward deviations need not be applied to debtors with closed-end loans whose coverage is already in force on the effective date of the deviation. | |  |
|  | **8. Evidence of individual insurability:** | [Rule 220, §§ 9. E & 10. H](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc) | If the credit insurance requires evidence of individual insurability, a 10% reduction in the prima facie rate is required unless deviated rates based on experience are in use. No reduction is required if the death benefit exceeds $25,000 or for credit health if the monthly benefit exceeds $1,000. The Bureau may consider a different reduction if the insurer can provide support for the difference. | |  |
|  | **9. Refund Formulas:** | [Rule 220, § 11, D](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc) | The following formulas for computing refunds of credit insurance premiums are hereby declared acceptable to the Superintendent for the kinds of coverage specified. Other refund formulas which any insurer desires to use must be filed with and approved by the Superintendent prior to use.  (1) Monthly premium credit accident and health and monthly premium credit life refunds shall be either the full monthly premium or nothing, according to subsection F.  (2) Single premium credit life and credit accident and health refunds shall be calculated on the “Rule of Anticipation” method.  (3) For purposes of this rule, the “Rule of Anticipation” provides a refund equal to the premium cost of scheduled benefits subsequent to the date of cancellation or termination, computed at the schedule of premium rates in effect on the date of issue of the coverage.  The refund calculations should utilize the 15 day rule. No refund of less than $5 need be made. | |  |
|  | **10. Rate Revisions Annual Reporting Requirement:** | [Rule 220, § 13](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc) | Each insurer doing a credit life and/or credit accident and health insurance business in the State of Maine shall file annually, prior to June 1, reports of its credit life insurance and credit accident and health insurance experience in this State on forms prescribed by the Superintendent and attached to this Rule as Appendix A. | |  |
|  | **11. Actuarial Certification:** | [Rule 220, § 14](http://www.maine.gov/sos/cec/rules/02/031/031c220.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:* |
|  | **12. Commission Schedule:** | [Rule 220, § 15](http://www.maine.gov/sos/cec/rules/02/031/031c220.doc); [Title 24-A, § 2860-A](http://janus.state.me.us/legis/statutes/24-A/title24-Asec2860-A.html) | Commissions payable to any Creditor, who is a Licensed Credit Insurance Agent, can not exceed 5% of Premium, and Fees payable to a Lender for handling or processing the Life or Disability Insurance can not exceed 10% of the Prima Facie Premium. | |  |
|  | **13. Confidentiality of Filings:** | [Title 24-A, § 2736](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736.html) | A filing and supporting information are public records within the meaning of [Title 1, §402, 3](http://www.mainelegislature.org/legis/statutes/1/title1sec402.html) and become part of the official record of any hearing held pursuant to [Title 24-A, §2736-A](http://www.mainelegislature.org/legis/statutes/24-A/title24-Asec2736-A.html). A filing may be prepared in a manner that protects the confidentially of proprietary information by following the [*confidentiality protocol*](http://www.state.me.us/pfr/insurance/company/confidential_treatment.htm), available on the Bureau of Insurance website. | |  |
|  | **Completed by:** | | | **Date:** | Rev. 4/28/2016 |