



**STATE OF NEW YORK  
INSURANCE DEPARTMENT**  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

**Circular Letter No. 31 (1999)  
November 1, 1999**

**TO: All Article 43 Corporations And Public Health Law Article 44 Health Maintenance Organizations (herein referred to as "plans")**

**RE: Rate Adjustment Applications To Be Effective On Or After January 1, 2000**

The uncertainty as to whether the 10% annual limit provision of Section 4308(g) ("file and use") will sunset as of January 1, 2000, be extended, or be modified has raised concerns for plans, their policyholders and the public. The Department hereby advises that any "file and use" application shall be deemed disapproved and returned to the plan if the file and use rates contained therein are not in compliance with the law in effect on the application's effective date.

In the case of prior approval rate adjustment applications, plans are reminded that such a submission must be made to the Department at least 90 days in advance of the requested effective date. File and use rate adjustment applications must be submitted 30 days in advance of the requested effective date. [Instructions](#) for making such applications are posted on the Department's website.