



**STATE OF NEW YORK
INSURANCE DEPARTMENT**

AGENCY BUILDING ONE
EMPIRE STATE PLAZA
ALBANY, NY 12257

NOTE: WITHDRAWN EFFECTIVE SEPTEMBER 15, 2003

**Circular Letter No. 28 (2000)
August 22, 2000**

TO: All Insurers Authorized to Write Accident and Health Insurance in New York State, Including Article 43 Corporations and Health Maintenance Organizations

RE: Procedural Changes in the Filing Process for Accident and Health Insurance Policy Form and Rate Submissions: Optional "Fast Track" Prior Approval Process

As part of the overall Department initiative to improve the "speed to market" objective for Accident and Health insurance, the Department has developed an optional prior approval procedure. The new procedure involves the use of standard transmittal forms, certifications of compliance, underlining (or highlighting) changes made to previously approved forms and expanded submission letters. The Department anticipates that this new procedure will assist in streamlining the current review and approval process as we continue our efforts toward establishing a timeframe that is responsive to the needs of the changing marketplace.

Pursuant to Sections 3201 and 4308 of the Insurance Law, the Superintendent must approve policy forms prior to delivery in this state and rates prior to their use in this state. The policy form submissions addressed in this Circular Letter are those of commercial insurers writing accident and health insurance, Article 43 corporations and health maintenance organizations. The accident and health rate submissions addressed in this Circular Letter are filings for initial rates and rate changes for products of commercial insurers and filings for initial rates for products of Article 43 corporations and health maintenance organizations. This statutory approval process involves the industry's submission of thousands of form and rate filings each year that must be reviewed by Department legal, actuarial and financial personnel. To the extent that it is feasible, it is the Department's intent to encourage use of standardized and previously approved contract language in order to minimize the amount of material that must be reviewed within each submission prior to approval.

Material designed to assist commercial insurers, Article 43 corporations and health maintenance organizations in making complete and accurate initial submissions of form and rate filings is currently available on the Insurance Department web page. We encourage insurers, Article 43 corporations, and health maintenance organizations to make use of this material to the fullest extent possible. This material is in the process of being updated and reformatted to make it more useful and usable. The web page material directed to insurers is intended to serve as a tool to assist in expediting reviews in addition to providing information to the industry. Comments and suggestions relating to this material are sought as are comments and ideas of ways to expedite the approval process in general. Such comments and suggestions may be forwarded to H. Stanley Kaltenborn, Associate Insurance Attorney, Health Bureau, at the following addresses:

E-mail: Health/NRES/NYC/SIDNY@NYSInsurance

U.S. Mail: H. Stanley Kaltenborn, Associate Insurance Attorney
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Among the items to be added to the web page is a standard transmittal form which, when accurately completed, will provide the Health Bureau with the information that it needs to enter, track and monitor a submission's progress through the approval process. The standardized format will reduce data entry errors and eliminate the need to return submissions or communicate with insurers to obtain omitted data elements required to be furnished pursuant to Sections 52.31 and 52.33 of Department Regulation No. 62.

In order to improve the speed and accuracy of the process and to enable the Department to better monitor progress of submissions, the Health Bureau has accelerated its efforts to improve its data management systems and practices. The Bureau is in the midst of a major project to replace and integrate the functions of its current multiple systems into a centralized electronic document management and workflow imaging system. The overall goal is to implement a system that will accept form and rate submissions in multiple formats, including paper, diskette, electronic, or a combination of these formats. The system will allow the Bureau to keep all correspondence and other documentation concerning a submission in one readily accessible electronic file. It is anticipated that submissions through various electronic sources such as e-mail, the internet, and the NAIC's SERFF system will be accommodated.

The Health Bureau will implement an optional "fast track" prior approval process that will allow insurers, Article 43 corporations and health maintenance organizations the ability to take specified actions and provide specified certifications that will lessen the amount of material that is required to be reviewed prior to approval of a form or rate submission. Insurers, Article 43 corporations and health maintenance organizations electing to utilize this process will be held to a high standard with regard to the accuracy of the certifications and the contract language and rating information that is the subject of those certifications. Significant penalties, including monetary penalties and withdrawal of the ability to use the "fast track" prior approval process will be imposed for any abuse of the process. Inaccurate certifications by a company officer will result in that officer being precluded from signing future certifications to the Department. The Department will also continue to utilize the remedies of Circular Letter No. 14 (1997) and Circular Letter No. 18 (1999) for all submissions, including the prior approval "fast track" submissions.

The following are the practices and procedures that will allow access to the "fast track" prior approval process. We will modify this list over time as we see what works and learn of other actions or processes that can be encompassed within the "fast track" scope.

- A certification, signed by a company officer, must be included certifying as to the accuracy of all information submitted as part of the "fast track" prior approval process and that the policy forms and rates submitted are in compliance with the laws and regulations applicable to the type of insurance coverage and policy forms submitted. The certification(s) shall be in the form prescribed by the Department (see Attachments 1 and 2).
- Insurers, Article 43 corporations and health maintenance organizations will be given the option of having standard administrative contract provisions and standard provisions required by statute approved as a generic template that can be incorporated into later submissions. Utilization of such a template will be required to access the prior approval fast track system. Details as to the template's prior approval must also be included as part of the submission.
- Utilization of the standard transmittal form discussed above will be required.
- Submission of a black lined copy of the forms submitted showing all changes from similar previously approved forms will be required.
- Forms and supporting rate material must be submitted together.
- Rates accompanying a form submission must contain an actuarial memorandum describing all significant data, methods and assumptions used and other supporting materials, accompanied by requisite rate manual pages. If rates supporting the form submission are already on file, the memorandum should provide specific reference(s) as needed. If the form submission has no premium rate implications, the actuarial memorandum must state and justify this as appropriate. Finally, where no form submission is involved (e.g. rate increases/decreases, modification in rating methodology, etc.), a detailed actuarial memorandum and all rate manual pages as required by law or regulation must be included.
- All forms and supporting rate material must have been completely developed. Submission of preliminary drafts in order to secure a place in the review process with the intent of substituting a more concrete proposal at a later date will result in an insurer, Article 43 corporation or health maintenance organization being precluded from accessing the prior approval fast track process for future submissions.

Neil D. Levin
Superintendent of Insurance

Attachments

Policy Form Certification

- **Policy Form Certification - *Word Format***
- **Policy Form Certification - *PDF Format***

Premium Rates Certification

- **Premium Rates Certification - *Word Format***
- **Premium Rates Certification - *PDF Format***

Standard Transmittal

- **Standard Transmittal - *PDF Format***
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