



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
ONE COMMERCE PLAZA
ALBANY, NEW YORK 12257

George E. Pataki
Governor

Gregory V. Serio
Superintendent

Circular Letter No. 4 (2003)
September 15, 2003

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

RE: Procedural Changes in the Filing Process for Accident and Health Insurance Policy Form and Rate Submissions: Optional Process for Expedited Prior Approval with Certification

STATUTORY REFERENCE: Insurance Law Sections 3201 and 4308

As part of the Insurance Department's initiative to improve the "speed to market" objective for insurance products, the Health Bureau had previously implemented procedural changes in the filing process for accident and health insurance policy form and rate submissions to provide for an optional "fast track" prior approval process. This new process was announced and explained in the Department's Circular Letter No. 28 (2000). As part of the Health Bureau's continued commitment to the "speed to market" objective, we are announcing changes to the "fast track" prior approval process that we believe will simplify and streamline the process and thereby encourage more insurers to avail themselves of the new process. As such, Circular Letter No. 28 (2000) is repealed and replaced by this new Circular Letter No. 4 (2003) which provides for an optional expedited prior approval using a certification process.

Submissions made under the new procedure will be given priority over submissions made in the normal course under Section 3201(b). Therefore, it is to the benefit of insurers that they familiarize themselves with the new procedure and use it when making a policy form submission.

Pursuant to Sections 3201 and 4308 of the Insurance Law, the Superintendent must approve policy forms and premium rates prior to delivery and 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 the Circular Letter are filings for initial rates for products of commercial insurers, Article 43 corporations and health maintenance organizations. This statutory approval process involves the industry's submission of thousands of policy forms and the accompanying rate filings each year.

Recognizing the significant differences amongst the insurers that write accident and health insurance products (Commercial Insurers, Article 43 Corporations and Health Maintenance Organizations), the many different types of products that they write and the differing frequency with which they make product filings, the Health Bureau is making available three different processes under the [new procedure](#) so as to meet these differing needs of the health insurance industry. These are:

- (1) [Certified Policy Form Submission Based Upon a Checklist](#),
- (2) [Certified Policy Form Submission Based Upon a Template](#), and
- (3) [Certified Policy Form Submission Based Upon a Previously Approved Policy Form](#).

The new procedure involves the use of:

- a new standard transmittal form
- product outlines and checklists
- templates
- underlining, black-lining or highlighting changes made to previously approved forms
- certifications of compliance

Standard transmittal form:

We have created a new [transmittal form](#) that may be accessed from the Department's website at <http://www.ins.state.ny.us>. The transmittal form must be completed and accompany any certified policy form submission. The form has been designed with a series of checkboxes and drop-down boxes that will facilitate the ease of use of the form and its proper completion. The form will assist insurers by furnishing guidance so that the filing will be complete upon its initial submission to the Department. An accurately completed transmittal form will provide the Health Bureau with the information that it needs to enter the submission into the Health Bureau's record system, identify the type of product filing, and expeditiously route it to the appropriate Unit within the Bureau for assignment, review and disposition. 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 (11 NYCRR 52).

[Product outlines and checklists:](#)

The Health Bureau has developed a product outline and checklist for each of the following accident and health insurance product offerings:

- Individual Disability Income Insurance
- Individual Business Overhead Expense Insurance
- Individual Tax-Qualified Long Term Care Insurance (Non-Partnership)
- Individual Tax-Qualified Nursing Home and Home Care Insurance (Non-Partnership)
- Individual Tax-Qualified Nursing Home Insurance Only
- Individual Tax-Qualified Home Care Insurance Only
- Individual Specified Disease Coverage: Non-Recurring (Lump Sum)
- Individual Specified Disease Coverage: Recurring (Conditions Benefits on Ongoing Treatment)

Each of the above product outlines and checklists are being posted to the Department's website simultaneously with the issuance and posting of this Circular Letter No. 4. As additional outlines and checklists are completed, they too will be posted to the Department's website. The checklists identify required and optional provisions and provide space to specify the location in the policy form where the complying language or provisions may be found. The checklists also include an actuarial section pertaining to the rate filing portion of a submission.

Templates:

In addition to the use of available product outlines and checklists in the preparation of policy

form submissions, the Health Bureau strongly encourages insurers that are frequent filers of policy form submissions to use a template to facilitate and expedite review and approval of their submissions. A template may be comprised of either:

- standard administrative contract provisions and standard provisions required by statute (e.g. mandated benefits) submitted to the Health Bureau for review and approval as a generic template that can be incorporated into later submissions or
- an approved policy form in its entirety.

Use of a template affords insurers the opportunity to submit policy provisions that are commonly used by the insurer in its various form filings and have those provisions reviewed and approved by the Department. Once approved, such provisions may be used in future submissions without additional review or comment by the Department. Use of a template will minimize the amount of material that must be reviewed within each submission prior to approval. Accordingly, the amount of time needed to review the submission should be reduced as the reviewing attorney will only need to review the new language. The insurer benefits by knowing in advance of making the submission that major portions of the policy forms are acceptable and that review of the submission will be expedited.

Underlining, black-lining or highlighting changes to previously approved forms:

For those insurers that may file submissions infrequently, they may avail themselves of the process for prior approval with certification without an approved template if the new submission is similar to a recently approved policy form and the insurer submits a black-lined copy of the previously approved form that clearly identifies the differences between the earlier form and the new form submitted for approval. The previously approved policy form upon which the new submission is based must have been approved within three years of the date of the new submission.

Certifications of Compliance:

Appropriate certifications of compliance in the form prescribed by the Department (see Attachments 1, 2, and 3) must be completed by the insurer. The certification prescribed in [Attachment 1](#) should be completed where the certified policy form submission is based upon a Department checklist. The certification prescribed in [Attachment 2](#) should be completed where the certified policy form submission is based upon either a template or a previously approved policy form. The certification prescribed in [Attachment 3](#) relates to premium rates and should be completed for all certified policy form submissions and submitted with either of the certifications prescribed in Attachments 1 or 2.

[Instructions](#) for insurers to access the new optional process for expedited prior approval with certification are available on the Department's website at <http://www.ins.state.ny.us>. Please also note that the Department's prior Circular Letters [No. 14 \(1997\)](#) and [No. 18 \(1999\)](#) remain in effect.

Questions regarding this circular letter may be directed to Mary L. Burns, Assistant Bureau Chief, Health Bureau, New York State Insurance Department, One Commerce Plaza, Albany, NY 12257 or by e-mail at mburns@ins.state.ny.us.

Very truly yours,

Thomas C. Zyra

[Attachment 1](#)

[Attachment 2](#)

[Attachment 3](#)