



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

George E. Pataki
Governor

Gregory V. Serio
Superintendent

Circular Letter No. 9 (2004)
October 20, 2004

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

RE: Implementation of Electronic Rates and Forms Filings Using the System for Electronic Rate and Form Filings (SERFF)

STATUTORY REFERENCE: Insurance Law Sections 3201 and 4308

On July 13, 2004 the Health Bureau hosted a seminar wherein we met with insurers to discuss the Department’s commitment to moving the accident and health insurance industry towards electronic filing of its policy form and rate submissions through SERFF. Since that date we have been working closely with the National Association of Insurance Commissioners (NAIC) to enable us to become SERFF-ready. SERFF allows insurers to obtain state approval by submitting policy forms and rate filings electronically. Communication between insurers and the Department during the review process and disposition of the submissions are also completed in this electronic environment. An important aspect of SERFF is the submission requirements data base, which helps eliminate incomplete filings and improves the quality of the submissions by detailing the necessary components of the various types of form and rate filings.

In creating the submission requirements database, we have updated and reformatted our many existing checklists for various accident and health insurance products and have added several new checklists. These checklists are now in the "best practices" format prescribed by SERFF. In addition to being able to access these checklists through SERFF, insurers may also access them from the Department’s website at <http://www.ins.state.ny.us>. Our SERFF-formatted checklists are now interactive. Another new feature to these checklists is that they now contain direct links to the relevant provisions of statute, regulation and circular letter that are referred to in the various requirements set forth in each checklist. As additional checklists are completed, they too will be posted to the Department’s website and added to New York’s SERFF submission requirements database. We encourage insurers to regularly check the Department’s website for updates and new announcements on both SERFF and our speed to market initiatives.

We are pleased to announce that effective as of November 1, 2004, the Health Bureau will be accepting accident and health policy form and rate filings submitted through SERFF. This includes policy form submissions made by commercial insurers, Article 43 corporations and health maintenance organizations. It also includes filings for initial rates and rate adjustments for products of commercial insurers, Article 43 corporations and health maintenance organizations.

We believe that the health insurance industry's use of SERFF, in conjunction with the Department's existing optional process for expedited approval as outlined in previous Circular Letter No. 4 (2003), will result in "speed to market" of insurance products. As such, Health Bureau attorneys and actuaries will prioritize the review of policy form or rate submissions assigned to them in the following order:

(1) Expedited Approval with Certification Submissions made in accordance with Circular Letter No. 4 (2003) and filed through SERFF.

(2) Expedited Approval with Certification Submissions made in accordance with Circular Letter No. 4 (2003) and filed through paper transmittal.

(3) Traditional Submissions **not** made in accordance with Circular Letter No.4 (2003) and filed through SERFF.

(4) Traditional Submissions **not** made in accordance with Circular Letter No. 4 (2003) and filed through paper transmittal.

Given the foregoing, it is to the benefit of insurers that they familiarize themselves with the electronic filing process offered by SERFF and use it in conjunction with the Expedited Approval with Certification procedures when making a policy form or rate submission. There are steps to take that will assist insurers in their entry into and utilization of SERFF. These are outlined below:

SERFF Licensing and Remote Hosting

First, to make filings through SERFF an insurer, which has not already done so, should obtain and execute a SERFF licensing agreement from the NAIC. Licensing fees have been eliminated and this is a simple process. Next, contact a remote hosting vendor. The remote host provides the infrastructure and services to keep each insurer's data in a secure environment. The remote host will also provide maintenance, back up, and other technology services that will allow insurers to remain focused on business. While there is a cost for this service, it is nominal and is less than the costs otherwise associated with such functions and services. Information on licensing, remote hosts and cost analyses may be found at www.serff.com.

SERFF Training

Next, insurers should learn how to use SERFF. The Department and the NAIC are committed to the success of this initiative and are prepared to assist all filers with training and information needed to become conversant with the SERFF filing process and achieving the maximum benefits of its streamlined efficiencies, compliance features and cost savings. The NAIC may be contacted at 816-783-8787 or serffmktg@naic.org for information on industry user training sessions.

Test and Production Filings

Once insurers have received SERFF training, we encourage them to arrange for test filings through the NAIC and the Insurance Department so that they become comfortable with the application and the process. The final step is to start making filings with our Department and with other states in which insurers write accident and health insurance.

Contact Us

Your questions, comments and suggestions on this enhancement to our Speed to Market

process are welcome. They may be directed to Mary L. Burns, Assistant 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,

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