



North Dakota Insurance Department

Adam Hamm, Commissioner

Memo

To: All insurers selling health insurance in North Dakota
From: Adam Hamm, Insurance Commissioner
Re: Health insurance cancelled policy transitional renewal
Date: November 21, 2013

The purpose of this memorandum is to notify all licensed health insurers that had in-place non-grandfathered health insurance policies before or on October 1, 2013 that may not have met all of the federal requirements on January 1, 2014 that the Commissioner is asking them to follow the recently-announced federal recommendation allowing renewal of all policies for a transitional period.

Companies should follow the guidelines released in the November 14 letter from the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services Center for Consumer Information and Insurance Oversight signed by Director Gary Cohen and any subsequent guidance on this issue from the same department. This includes notifying policyholders quickly and using the yet-to-be-developed federal template for notification. The notification must include specific company contact information should policyholders have questions. Additionally, companies should consider other ways to reach out to policyholders through advertising, social media and their agents.

To streamline the approval of rate increase filings on these policies, the Department requests carriers:

- File all filings in the State Electronic Rate and Form Filing (SERFF) system.
- Do not submit individual market and small group market request under the same filing.
- Clearly indicate in the general information tab that the submission is to take advantage of the process outlined in this memorandum.
- Reference the last approved rate increase SERFF tracking number for the same product in the general information tab.
- Categorize the filings as rate filings since no benefit/form changes are allowed.

- Ensure the information on the rate/rule schedule tab in SERFF is completed including the average annual previous premium and the calculated new average premium, the number of policies impacted, the written premium and the premium change.

The actuarial data required includes:

- The experience history (year, month, member months, earned premium, incurred claims) in an Excel file for the past 24 to 36 months.
- The trend assumption used and an explanation of that trend.
- The administrative charges included and an explanation of those charges.
- The ACA fees and taxes included and explanation of those fees and taxes.
- Any changes in administrative charges and/or ACA fees from the prior filing and explanation of those changes.
- The anticipated/target loss ratio.
- The components of retention.
- The detailed calculation of the rate request.

Companies must also certify in writing that the plans subject to the rate revision request meet the criteria outlined in the federal guidance and that all notices required by that guidance will be issued as required. This should be included in the supporting documents within SERFF.

The Commissioner encourages insurers to submit filings as quickly as possible and no later than December 15 in order to provide consumers with options as soon as possible. Upon submission of these filings, companies should send an email to cabartuska@nd.gov advising the submission of the filing. Place the filing number in the subject of the email. The Department will make every effort to expedite filings complying with this memorandum.

Companies must continue to follow all insurance North Dakota laws and regulations. Questions on any of those provisions or on filings can be directed to Chrystal Bartuska at cabartuska@nd.gov or 701-328-2441.