

Credit Life and Disability Insurance, Individual Accident and Health Insurance (other than ACA), Long-Term Care Insurance, and/or Medicare Supplement Insurance Rate Filing

The purpose of this document is to outline the requirements for the filing of rates and supplementary rate information (rules) required by s. 625.13 (1), Wis. Stat., and ss. Ins 3.13, 3.39, 3.455, Wis. Adm. Code. This document addresses rate filings for the following lines of insurance:

1. Individual Accident and Health (not subject to the Affordable Care Act¹)
2. Medicare Supplement
3. Long-Term Care
4. Credit Life and Disability

Pursuant to s. 625.13 (1), Wis. Stat., rates for the following types of insurance are not required to be filed:

1. Group accident and health other than credit disability and Medicare supplement.
2. Life insurance other than credit life insurance.
3. Variable and fixed annuities

Information regarding rate filings for health insurance products subject to the Affordable Care Act can be found on our Web site at <http://oci.wi.gov/ociforms/comphealth-ratefilings.htm>.

Information regarding rate filings for Property and Casualty can be found in the [Property and Casualty Rate/Rule Filing Procedures](#).

Rate Filings for Individual Accident and Health (not subject to the Affordable Care Act)

Initial rate filings for an individual accident and health policy form (not subject to the Affordable Care Act) should be submitted with the policy form filing. No additional state form is required for the rate portion of the filing. An actuarial memorandum that describes the methodology used to develop the rates should accompany the rates. If the experience of another policy form was used in the rate development, then that experience should be included. Please refer to [Form Filing Procedures](#) for further information regarding policy form filings.

Filings for rate changes to previously approved policy forms (not subject to the Affordable Care Act) are required to have a completed [NAIC uniform transmittal document](#) plus an actuarial memorandum that contains the experience for the policy and the methodology used to revise the rates.

For a more complete description of the rate filing requirements refer to s. Ins 3.13 (6), Wis. Adm. Code.

Rate Filings for Medicare Supplement

Initial rate filings for a Medicare supplement policy form should be submitted with the policy form filing. No additional state form is required for the rate portion of the filing. Please refer to [Form Filing Procedures](#) for further information regarding policy form filings.

¹ Affordable Care Act means comprehensive health insurance products subject to the Patient Protection and Affordable Care Act of 2010 and the Health Care and Education Reconciliation Act of 2010.

The rate portion of the initial filing should include an actuarial memorandum that includes all of the following:

1. The methodology used to develop the rates.
2. The experience of another policy form if that experience was used to develop the rates.
3. A demonstration that the rates will generate future claims experience that is expected to exceed 65% for individual policies or 75% for group policies.

Filings for rate changes to previously approved policy forms are required to include all of the following:

1. Ratios of incurred losses to earned premiums by policy duration.
2. A demonstration that:
 - a. The rates will generate future claims experience that is expected to exceed 65% for individual policies or 75% for group policies.
 - b. The same loss ratio standards can be expected to be met when the future claims experience is combined with the actual experience to date.
3. A completed [NAIC uniform transmittal document](#).
4. Historical experience by each issue year within each calendar year included in the historical timeframe. Such historical experience should be provided separately for Nationwide and Wisconsin experience.

For rate filings filed through SERFF the Rate/Rule Schedule tab should be completed.

A rate filing is required at least once a year even if no changes are made to the premium rates. For a year in which no rate changes were made, a filing that contains all of the above must be submitted before the end of the year.

Rate filings for Medicare supplement policies that are currently being marketed should be sent at least 60 days before the intended effective date so that there will be sufficient time to file and receive approval of the outline of coverage that contains the new rates.

For a more complete description of the premium rate standards and rate filing requirements for Medicare supplement policy forms refer to s. Ins 3.39 (4) (e), (g) and (16), Wis. Adm. Code.

Rate Filings for Long-Term Care

The rate filing requirements for a long-term care policy depend on which year the policy was first introduced.

Policies first introduced prior to January 2, 2002:

Filings for rate changes to previously approved policy forms that were first introduced prior to January 2, 2002, are required to include all of the following:

1. A demonstration that past and future claims experience are expected to exceed:
 - a. 65% for individual policies.
 - b. 65% for group policies that issue coverage as the result of solicitation of individuals through the mail or mass media.
 - c. 75% for all other group policies.
 - d. The rate increase history of the policy form.
2. A demonstration that the filed rates will not produce a 3-year cumulative rate increase greater than 50%.
3. A completed [NAIC uniform transmittal document](#).

4. Historical experience by each issue year within each calendar year included in the historical timeframe. Such historical experience should be provided separately for Nationwide and Wisconsin experience.

For a more complete description of the premium rate standards and rate filing requirements refer to s. Ins 3.455 (9), Wis. Adm. Code.

For rate filings filed through SERFF the Rate/Rule Schedule tab should be completed.

Policies first introduced after January 1, 2002:

Initial rate filings for all long-term care policy forms first issued after January 1, 2002, should be included with the policy form filing. No additional state form is required for the rate portion of the filing. Please refer to [Form Filing Procedures](#) for further information regarding policy form filings.

The rate portion of the initial policy form filing shall include:

1. The consumer disclosure of the 10-year rate increase history of any similar policy forms issued in this or any other state.
2. A description of the methodology used to develop the rates.
3. The experience of another policy form if that experience was used to develop the rates.
4. An actuarial certification that the rate development reflects that, under moderately adverse experience, no additional rate increases are anticipated.
5. Lifetime projections of earned premium and incurred claims.

Initial rate filings must be submitted at least 30 days prior to the intended effective date. Please refer to s. Ins 3.455 (10) (b), Wis. Adm. Code, for a more complete description of the filing requirements.

Filings for rate changes to previously approved policy forms are required to include all of the following:

1. The consumer disclosure of the 10-year rate increase history of this or any similar policy forms issued in this or any other state.
2. An actuarial memorandum that certifies that the rate increase reflects that, under moderately adverse experience, no additional rate increases are anticipated.
3. Experience from the policy form.
4. Lifetime projections of earned premium and incurred claims.
5. A completed [NAIC uniform transmittal document](#).
6. Historical experience by each issue year within each calendar year included in the historical timeframe. Such historical experience should be provided separately for Nationwide and Wisconsin experience.

For rate filings filed through SERFF the Rate/Rule Schedule tab should be completed.

These rate filings must be submitted 60 days prior to the notice given to policyholders.

For a more complete description of the premium rate standards and rate filing requirements refer to s. Ins 3.455 (9m), Wis. Adm. Code.

Rate Filings for Credit Life and Disability

This office publishes prima facie rates for both credit life and credit accident (disability) insurance. These rates are updated every 3 years. Rates are updated for January 1 of the years 2000, 2003, 2006, etc. These rates are published in a bulletin in October of the year preceding the rate change. This bulletin also contains an update of the basic loss ratio.

Before January 1 of the year the new rates become effective, insurers who use these rates are required to make a rate filing adopting these rates. No documentation is required. A completed transmittal form must be included. See the last paragraph in this section regarding which form is to be used.

Insurers wishing to adopt rates that are lower than the published rates may also file their rates with no documentation.

An insurer may file for approval of rates higher than the prima facie rates if it can be shown that these higher rates will not produce a loss ratio that is below the basic loss ratio. These rates may apply uniformly over all the insurer's credit insurance policies or may be applied according to a case rating procedure. Please refer to s. Ins 3.25 (17), Wis. Adm. Code, for further instructions.

Credit life and disability rates must be approved by this office before they can be used. Use the [NAIC rate transmittal form](#) to submit both initial rate filings and subsequent rate change filings.

It is recommended that rate filings for credit life and disability be submitted at least 60 days before the requested effective date.

For a more complete description of the premium rate standards and rate filing requirements refer to s. Ins 3.25 (8), (12) through (17), Wis. Adm. Code.

General Information:

Rate filings should be sent to:

OFFICE OF THE COMMISSIONER OF INSURANCE
BUREAU OF MARKET REGULATION
ACCIDENT AND HEALTH RATE FILINGS
125 S WEBSTER ST
P O BOX 7873
MADISON WI 53707-7873

Insurers are encouraged to submit rate filings through the System for Electronic Rate and Form Filing (SERFF). Further information is available at <http://www.serff.org>.

If you submit the filing in paper, one complete filing is required for our files. Please provide a copy of the cover letter and the transmittal form to which we will affix our stamp and return to you for your files. Please include a self-addressed, postage paid envelope for this purpose.

There are no filing fees.

Questions

Any questions that you have concerning rate filings may be addressed to Shasta Hoffhein, telephone: (608) 264-8117, e-mail: shasta.hoffhein@wisconsin.gov.

Thank you for your cooperation.