

PUBLIC PROTECTION CABINET
Department of Insurance
Division of Health and Life Insurance and Managed Care
(Amendment)

806 KAR 14:007. Rate and form filing for health insurers.

RELATES TO: KRS 304.1-010, 304.1-050, 304.3-270, 304.4-010, 304.14-120, 304.14-190, 304.17-380, 304.17A-005, 304.17A-095, 304.17A-096, 304.17C-010(5)

STATUTORY AUTHORITY: KRS 304.2-110(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the Commissioner of Insurance to promulgate reasonable administrative regulations necessary for or as an aid to the effectuation of the Kentucky Insurance Code, as defined by KRS 304.1-010. This administrative regulation establishes rate and form filing procedures for health insurers.

Section 1. Definitions.

- (1) "Commissioner" means the Commissioner of Insurance as defined by KRS 304.1-050(1).
- (2) "Department" means Department of Insurance as defined by KRS 304.1-050(2).
- (3) "Filing entity" means a health insurer authorized to transact business in Kentucky or an entity authorized by that health insurer to submit filings on its behalf.
- (4) "Health benefit plan" is defined by KRS 304.17A-005(22).
- (5) "Health policy form" or "form" means application, policy, certificate, contract, rider, endorsement, and for long-term care, short term nursing and Medicare Supplement products, including advertising.
- (6) Limited health service benefit plan is defined by KRS 304.17C-010(5).

Section 2. Filing Procedures.

- (1) A health insurance rate and form filing shall be accompanied by a Face Sheet and Verification Form, Form HIPMC-F1.
- (2) An individual health insurance rate filing shall be accompanied by an Individual Health Forms Actuarial Certification Form, Form HIPMC-R4.
- (3) An insurer issuing, delivering, or renewing a health benefit plan or a limited health service benefit plan shall complete and attach to each plan filed a Health Summary Sheet – Form Filings, Form HL-F11.
- (4) Except for a health benefit plan rate filing pursuant to KRS 304.17A-095, a rate filing shall be accompanied by a Rate Filing Information Form, Form HIPMC-R36.
- (5) If a rate or form filing submitted by a health insurer does not contain the information necessary to review the filing, the department shall use an Additional Health Information Request Form, Form HIPMC-F16, to request submittal of the incomplete information.
- (6)
 - (a) Each form shall be identified by a unique form number in the lower left-hand corner of the first page of the form; and
 - (b) Other numbers shall not appear in close proximity to the form number.
- (7) Each submission shall be accompanied by a submittal letter listing all forms by number with a brief description of each form and listing all of the forms that will be submitted together.
- (8) If a form is submitted with alternate pages or alternative benefits, the submittal letter required by subsection (7) of this section shall:
 - (a) State under what conditions each alternate page or alternative benefit may be used; and

- (b) Identify by a unique form number each alternate page or alternative benefit.
- (9) If a filing entity files a form containing variable text, the filing entity shall file an explanation of each variation the health insurer proposes to use.
- (10) Except for an insert page or alternate page, each form shall contain the corporate name and address of the health insurer.
- (11) A form filed for approval by the department shall not contain advertising or marketing material.
- (12) If a new form is submitted, the filing entity shall identify the unique features of the form.
- (13) If a filing includes a form which was previously disapproved by the department, the filing entity shall assign the form a new form number.

Section 3. Filing Entity. A filing entity may include in a filing multiple forms or documents pertaining to a single line of insurance, filed together on a particular date.

Section 4. Date of Filing. Pursuant to KRS 304.4-010(2), a fee payable under the Kentucky Insurance Code shall be collected in advance, unless an insurer is excluded from paying the fee in advance pursuant to KRS 304.4-010(3). The period of time in which the commissioner may approve or disapprove a filing shall not commence, and the submission shall not be given a filing date, until the following are received by the department:

- (1) The rate or form filing;
- (2) The appropriate fee pursuant to 806 KAR 4:010; and
- (3) The form or letter of explanation required by Sections 2 and 6 of this administrative regulation, as appropriate.

Section 5. Use of Forms and Rates.

- (1) A form or rate shall not be used in Kentucky until:
 - (a) The form or rate has been approved by the department, which shall occur within the sixty (60) day timeframe~~[time frame]~~ identified in KRS 304.14-120(2) except as follows:
 - 1. If the 60th day falls on a weekend or holiday, the 60th day shall be the following business day; and
 - 2. If the commissioner grants an extension of the sixty (60) day time period required for approval or disapproval of a form or rate, and the insurer does not submit a corrected form or rate or additional requested information at least five (5) days prior to the expiration of the extended time period, the filing shall be disapproved; and
 - (b) If a rate for the form is required by KRS 304.14-120 to be approved, the appropriate rate schedule has been approved.
- (2) A document subject to a filed only process, including advertisements and provider directories, shall be:
 - (a) Filed with the department; and
 - (b) Subject to review in accordance with KRS 304.14-120.

Section 6. Form Revision. If a filing includes a form which amends, replaces, or supplements a form which has been previously filed, it shall be accompanied by a letter of explanation from the filing entity which identifies:

- (1) All changes contained in the newly filed form;
- (2) The form being replaced;
- (3) The date the replaced form was:
 - (a) Approved;
 - (b) Disapproved;
 - (c) Withdrawn; or
 - (d) Submitted; and
- (4) The effect the changes have upon the policy or the rates applicable to the policy.

Section 7. Rate Revision and Annual Rate Filings.

- (1) The following shall be included and properly completed in a filing for rate revision or annual rate filing:
 - (a) Signed actuarial memorandum, in accordance with 806 KAR 17:070, Sections 3 and 4;
 - (b) New rate sheet, in accordance with 806 KAR 17:070, Section 3; and
 - (c) Forms required by Section 2 of this administrative regulation.
- (2) An appropriate fee ~~[pursuant to 806 KAR 4:010,]~~ shall be submitted with each filing, pursuant to 806 KAR 4:010.

Section 8. Officer Signature. A change of signature of the executing officer on a policy form shall not, because of this change alone, require a new filing.

Section 9. Electronic Filings.

- (1) A health insurer may file a rate or form electronically through the National Association of Insurance Commissioners' electronic system for rate and form filings via the Web site www.serff.com.
- (2) An electronic filing as identified in subsection (1) of this section shall be in lieu of a paper filing.

Section 10. Incorporation by Reference.

- (1) The following material is incorporated by reference:
 - (a) Form HIPMC-F1, "Face Sheet and Verification Form", 10/2021~~[07/2020]~~ edition;
 - (b) Form HL-F11, "Health Summary Sheet – Form Filings", 07/2020 edition;
 - (c) Form HIPMC-R4, "Individual Health Forms Actuarial Certification Form", 07/2020 edition;
 - (d) Form HIPMC-R36, "Rate Filing Information Form", 07/2020 edition; and
 - (e) Form HIPMC-F-16, "Additional Health Information Request Form", 07/2020 edition.
- (2) This material may be inspected, copied or obtained, subject to applicable copyright law, at the Department of Insurance, Mayo-Underwood Building, 500 Mero Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available on the department's Web site at: <https://insurance.ky.gov/ppc/CHAPTER.aspx>~~[http://insurance.ky.gov]~~.

SHARON P. CLARK, Commissioner
RAY A. PERRY, Secretary

APPROVED BY AGENCY: October 13, 2021

FILED WITH LRC: October 14, 2021 at 3:30 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held at 9:00 a.m. on December 21, 2021 at 500 Mero Street, Frankfort, Kentucky 40602. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 p.m. on December 30, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

CONTACT PERSON: Abigail Gall, Regulations Coordinator, 500 Mero Street, Frankfort, Kentucky 40601, phone +1 (502) 564-6026, fax +1 (502) 564-1453, email abigail.gall@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Abigail Gall

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes rate and form filing procedures for health insurers so the Commissioner will have relevant information to approve or disapprove a filing.

(b) The necessity of this administrative regulation:

KRS 304.14-120 requires that all policy forms to be delivered or issued in Kentucky be filed with and approved by the Commissioner before being issued or delivered. KRS 304.14-130 requires the Commissioner to determine whether the benefits in the policy are reasonably related to the premium charged. This administrative regulation is necessary to establish the procedures for insurers to file forms and rates with the Commissioner in accordance with the law.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 304.2-110 authorizes the Commissioner to promulgate reasonable administrative rules and administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code, KRS 304.1-010 through 304.99-152. This administrative regulation establishes rate and form filing procedures for health insurers.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation will assist the Commissioner in the proper review of form and rate filings in accordance with the law.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

The proposed amendments to this regulation incorporate the updated HIPMC-F1 Form, and address fee filing inconsistencies with 806 KAR 4:010 and KRS 304.4-010. These amendments were requested by subcommittee staff during the promulgation of 806 KAR 17:150.

(b) The necessity of the amendment to this administrative regulation:

The amendments to this administrative regulation are necessary to ensure that the Department's fee and fee filing requirements are consistent among both statutes and regulations.

(c) How the amendment conforms to the content of the authorizing statutes:

KRS 304.2-110 authorizes the Commissioner to promulgate administrative regulations that aide in the effectuation of the Insurance Code. KRS 304.4-010 also prescribes that the Commissioner determine fees of the Department, and HIPMC F-1 lays out fees and fee schedules.

(d) How the amendment will assist in the effective administration of the statutes:

These proposed amendments will assist in the effective administration of statutes because there are currently inconsistencies about the advancement of fee payments; as amended, the regulation and statute will require the same procedures/processes.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

This regulation affects the 470 licensed insurers writing health insurance in the state of Kentucky. (4) Provide an analysis of how the entities identified in the previous question will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including: (a) List the actions each of the regulated entities have to take to comply with this regulation or amendment: The proposed amendments do not require new actions of regulated entities, and do not require regulated entities to file fees in advance if they are submitting documents pursuant to KRS 304.4-010(3). (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities: The insurers will be responsible for copying and delivery costs. Because insurers are currently required to file this information, the cost to insurers should not increase significantly, if at all. (c) As a result of compliance, what benefits will accrue to the entities: Meeting the proper filing requirements means that filings are more likely to be approved by the Commissioner, thereby assisting with their transaction of insurance business.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

No answer provided.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

No answer provided.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

No answer provided.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

Implementation of this amendment is not anticipated to have an initial cost on the Department of Insurance.

(b) On a continuing basis:

Implementation of this amendment is not anticipated to have an ongoing cost on the Department of Insurance.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

The Department will use funds from its current operational budget to perform the tasks necessary.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

An increase of fees will not be necessary because additional personnel is likely unnecessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees:

This administrative regulation does not establish any fees.

(9) TIERING: Is tiering applied?

Tiering is not applied because this administrative regulation applies to all insurers.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?

The Department as the implementer.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 304.2-110(1)

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?

This administrative regulation is revenue neutral.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years?

This administrative regulation is revenue neutral.

(c) How much will it cost to administer this program for the first year?

There is no associated cost with this administrative regulation.

(d) How much will it cost to administer this program for subsequent years?

There is no associated cost with this administrative regulation.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):Neutral

Expenditures (+/-):Neutral

Other Explanation: