

# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

BULLETIN HC-88  
OCTOBER 3, 2011

TO: ALL INSURANCE COMPANIES, FRATERNAL BENEFIT SOCIETIES, HOSPITAL SERVICE CORPORATIONS, MEDICAL SERVICE CORPORATIONS AND HEALTH CARE CENTERS THAT DELIVER OR ISSUE INDIVIDUAL AND GROUP HEALTH INSURANCE POLICIES IN CONNECTICUT

SUBJECT: HEALTH INSURANCE RATE AND FORM FILING SUBMISSION GUIDELINES FOR ASSOCIATION BUSINESS

Health insurance for association business has historically been treated as group insurance in Connecticut if a master group policy was issued to the association and certificates were issued to enrollees. The purpose of this bulletin is to modify the state requirements for rate and form filing submissions for association business based on recent amendments made to the Federal Rate Increase Disclosure and Review Final Rule (76 FR 29964 (May 23, 2011)). This final rule was recently amended to clarify the treatment of rate filings for association business. Coverage that would be regulated as individual market coverage if it were not sold through an association is subject to rate review as individual market coverage. Similarly, coverage that would be regulated as small group market coverage if it were not sold through an association is subject to rate review as small group market coverage. The amendment is effective for rate increase filings made on or after November 1, 2011.

This bulletin supersedes Bulletin HC-32 dated July 15, 1983 and Bulletin HC-75 dated October 13, 2009. Health insurance coverage offered to associations of small employer groups continue to be subject to the requirements of Bulletin HC-46 dated December 15, 2000.

### State Rate Filing Submissions

Beginning November 1, 2011, rate filings for health insurance issued to associations must be filed with the Insurance Department in accordance with state requirements pursuant to sections 38a-183, 38a-208, 38a-218 and 38a-481 of the Connecticut General Statutes as applicable to individual or small group market coverage. Rate filings must also be submitted pursuant to the requirements of the rate review regulations promulgated by the US Department of Health and Human Services pursuant to the Patient Protection and Affordable Care Act, P.L. 111-148, as amended, to report unreasonable premium increases for review to determine if the unreasonable rates are justified. In accordance with the final regulations at 45 CFR Subtitle A, Subchapter B, part 154, the company must provide a preliminary justification that consists of a Rate Increase Summary (Part I) and a written description justifying the rate increase (Part II) that is consistent with 45 CFR §154.215. A rate filing must accompany the form approved by the Department of Health and Human Services to report unreasonable rate increases and will serve as the basis to determine if the unreasonable rates are justified. While multiple market segments can be filed in one rate filing submission, the Department requests that the carrier include separate filings for each market segment (individual, small group and large group). All submissions must conform to the rate filing submission guidelines set forth in Bulletin HC-81-2.

### State Form Filing Submissions

All health insurance policies or certificates issued or delivered in Connecticut are required to be filed for prior approval. Form filings for health insurance issued to associations of individuals that are submitted to the Insurance Department on or after November 1, 2011 will be subject to the statutory and regulatory requirements for individual health insurance policies. The carrier can continue to issue a group master policy to such association and certificates to members as long as the contracts meet the minimum requirements for individual policies. Form filings for health insurance issued to associations of small employers that are submitted to the Insurance Department on or after November 1, 2011 will be subject to the statutory and regulatory requirements for small employer group health insurance.

### Out of State Group Trusts

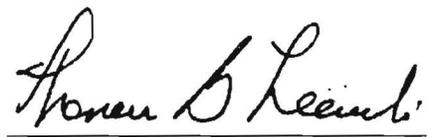
The requirements set forth in this bulletin apply to out of state group trusts if any certificates are issued or delivered in the state of Connecticut. This applies to any certificates that are sent by mail as well as those sent electronically that may be opened and printed in Connecticut by Connecticut insureds.

### Producers

Producers licensed in Connecticut are not permitted to sell health insurance coverage offered through out of state trusts and associations to Connecticut residents unless such policy form and certificates have been filed and approved by the Insurance Department. If a producer is not compliant, the Insurance Department will take disciplinary action against the producer as well as the health insurer.

### Questions

Please contact the Insurance Department Life and Health Division at [cid.lh@ct.gov](mailto:cid.lh@ct.gov) with any questions.



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