



OKLAHOMA INSURANCE DEPARTMENT
STATE OF OKLAHOMA

BULLETIN NO. LH 2011-01

**TO: ALL LIFE AND HEALTH INSURERS
ALL HEALTH MAINTENANCE ORGANIZATIONS
Attention: State Filing Division**

RE: RATE FILINGS

FROM: OKLAHOMA INSURANCE DEPARTMENT

DATE: JUNE 1, 2011

In 2011, Oklahoma's legislature enacted SB 778 and HB2072 which, in part, add a new section (4250) to the Oklahoma Insurance Code. This new section is effective as of August 26, 2011. On and after that date, every health benefit plan must file all group and individual initial rates and group and individual rate adjustments with the Insurance Commissioner. If the initial rate or rate adjustment is determined to be unreasonable, excessive, unjustified or unfairly discriminatory, the Commissioner shall make a written decision stating the reason or reasons for the determination, and shall deliver a copy of the determination to the company offering the health benefit plan within thirty (30) calendar days unless the determination period is extended.

While similar requirements have been applicable to some types of health insurance for some time, the new law broadens the Insurance Commissioner's rate review authority to include all health benefit plans. A health benefit plan is a plan offered by any insurance company, group hospital services corporation, health maintenance organization, or (to the extent legally permissible) a multiple employer welfare arrangement, that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness.

A health benefit plan does not include a plan issued to a large employer (more than 50 employees) or a plan that provides coverage: only for specified disease or accidental death or dismemberment; for dental or vision care; a hospital confinement indemnity policy or other fixed indemnity insurance; disability income; Medicare supplement; workers' compensation; medical payment

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insurance issued as part of a motor vehicle insurance policy; long term care insurance; short term health insurance issued on a nonrenewable basis, or Medicaid.

Pursuant to OAC 365:1-13-1, filings are required to be submitted through the System for Electronic Rate and Form Filings (SERFF). The filing fees must be submitted by EFT through the SERFF system as well. Pursuant to 36 O.S. 321 A.4, the applicable fee is \$50.00 per contract, \$25.00 **per** form and if applicable a \$25.00 fee for a separately submitted rate filing. Filing requirements are set up in the SERFF system.

The SERFF filing should be submitted in the following format:

- Rate/Rule Schedule Tab
 - Complete all portions of the Rate/Rule Schedule Tab
 - Attach the rating plan and/or rates
- Supporting Documentation Tab
 - Supporting actuarial documentation with underlying adjustments to the statistical analysis
 - Step by step procedure for rate determination
 - Side by Side Rate comparison if rates are being revised
 - Rate history with Oklahoma filing numbers and/or SERFF filing numbers

Bulletin No. LH 2010-02 is **withdrawn**. Withdrawn effective June 6, 2011.

Questions or comments applicable to this bulletin should be directed to Greg Lawson, Manager of Statistical Analysis at Greg.Lawson@oid.ok.gov of the Rate and Form Compliance Division of the Oklahoma Insurance Department, Five Corporate Plaza, 3625 NW 56th, Suite 100, Oklahoma City, OK 73112.

The Oklahoma Insurance Department encourages readers of this notice to periodically check the Department's web site <http://oid.ok.gov> for news and updates to Bulletins and other relevant material.