



**OKLAHOMA INSURANCE DEPARTMENT**  
STATE OF OKLAHOMA

**BULLETIN NO. LH 2010-02**

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

**RE: HEALTH INSURER AND HEALTH MAINTENANCE ORGANIZATION  
RATE FILINGS**

**FROM: OKLAHOMA INSURANCE DEPARTMENT**

**DATE: AUGUST 6, 2010 (REVISED SEPTEMBER 1, 2010)** (Withdrawn Effective June 6, 2011)

Effective September 1, 2010, the Oklahoma Insurance Department (OID) will begin requiring all insurers and health maintenance organizations (HMO) to file all health insurance rates prior to their use. While this requirement has been applied to some types of health insurance, such as small group and HMO contracts, for some time, it will now apply to all forms of health insurance.

A common consumer complaint to the Oklahoma Insurance Department is that the consumer received a premium increase that seemed unjustified to the consumer. And, as you are all aware, the Affordable Care Act contains a provision requiring insurers to file a justification for an "unreasonable" premium increase with state insurance departments as well as the Secretary of Health and Human services. Although the term "unreasonable" has yet to be defined, a determination whether a premium increase is unreasonable has to include a consideration as to how the premium rate was determined in the first place and how that premium rate relates to the benefits provided by the policy.

All insurers currently file their initial premium rates, pursuant to 36 O.S. § 4402, which prohibits the use of any health insurance policy until the form, the classification of risks, and the premium rates pertaining thereto have been filed with OID. But, with some exceptions, premium rate increases have not been filed. Thus, we do not have complete information regarding premium rates that are being used in Oklahoma. In order to judge whether the premium rate is "unreasonable" as that term is ultimately defined in federal law, or whether the premium rate renders the policy form unjust, unfair, or inequitable to the insured pursuant to 36 O.S. § 3611, all insurers and HMOs must file all rate increases for health insurance products as outlined in more detail below. **This requirement should not be taken as an indication that the Oklahoma Insurance Department intends to apply the "unreasonable" test beyond that which is required by the Affordable Care Act or that we are only interested in acquiring health insurance rates related to the Affordable Care Act.**

**Filing Requirements**

Beginning September 1, 2010 and pursuant to 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 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

Note that all submissions made to the Oklahoma Insurance Department are subject to Oklahoma's Open Records Act. Essentially, that Act provides that every state record is open unless there is a specific law making that record confidential. There is no specific exemption in the Act for the rate filings that insurers are being asked to file now. However, it is possible that some of the information contained in the rate filing could be considered proprietary or trade secret. Insurers should carefully review 51 O.S. § 24A.19.

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

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