



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION
DIVISION OF INSURANCE
280 FRIEND STREET BOSTON 02114
(617) 727-7189

TIMOTHY H. GAILEY
COMMISSIONER OF INSURANCE

March 1990

TO: ALL LIFE AND ACCIDENT & HEALTH COMPANIES LICENSED
IN THE COMMONWEALTH OF MASSACHUSETTS

FROM: Timothy H. Gailey

Timothy H. Gailey

RE: DIVISION OF INSURANCE BULLETIN SRB 90-02
EFFECTIVE MAY 1, 1990

The enclosed bulletin SRB 90-02 is designed to provide licensed insurers with instructions for filing all life and individual accident and health forms and to outline information needed to help expedite the review of these submissions. The instructions and requirements, which expand upon the procedural instructions set forth in Bulletin SRB 89-01, provide uniform standards and resolve many administrative and technical issues.

Many of the Bulletin elements are designed to complement the automation of the entire Policy Review Section, and as such should serve to improve the Section's review and disposition of all policy form and endorsement filings and related submissions.

Please reproduce the enclosed and disseminate it to any staff member responsible for filing content and documentation for all life (including annuity) and individual accident and health insurance policies in Massachusetts. Your full cooperation in this regard will minimize any transitional problems. As the need for clarification or amendment arises, the Division will again notify you by bulletin.

MASSACHUSETTS DIVISION OF INSURANCE
BULLETIN SRB 90-02

Filing Guidelines for Life and Accident & Health Insurance Forms
March 1990

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MASSACHUSETTS DIVISION OF INSURANCE
ACCIDENT & HEALTH FORMS
FORM SRB-H1

Checklist
Mandated Health Benefits

1. Cardiac Rehabilitation. C.175 S.47D
2. Cytologic Screening/Mammography examination. C.175 S.47G
3. Baby/Child Well Care up to Age 6 Benefits. C.175 S.47C
4. Infertility Benefits. C.175 S.47H, 211 CMR 37:00
5. Maternity Benefits. C.175 S.47F, 211 CMR 48:00
6. Mental Health. C.175 S.47B
7. Screening for Lead Poisoning. C.175 S.47C
8. Services by Nurse Midwives. C.175 S.47E
9. Services by Chiropractors. C.175 S.108D
10. Rates and Policy must be Unisex. 211 CMR 35:00
11. Nonprescription Enteral Formulas for Home Use. C.175 S.47I
12. Dependent Coverage for Newborn Infants and Adoptive
Children. C.175 S.47C
13. Diethylstilbestrol Exposure Discrimination. C.175 S.108C
14. Coverage of Early Intervention Services. C.721 S.765
15. Refusal to Contract With Blind or Deaf Persons.
Prohibition C.175, S.108A

MASSACHUSETTS DIVISION OF INSURANCE
Accident & Health Rate Filing Checklist
FORM SRB-R1

1. A rate filing is required with a Policy, Rider, or Endorsement which may affect the premium to be charged. (211 CMR 47.09 (3)(a))
2. An actuarial memorandum is required for all rate filings. (211 CMR 47.09 (3)(b))
3. Actuarial Memorandum requires certification by a qualified actuary, as defined in the instructions for the Life and Accident and Health Annual Statement Blank. (211 CMR 47.09 (3)(b))
4. Actuarial Memorandum must include formulas or methods used to obtain gross premiums.¹ (211 CMR 47.09 (3)(b)(1))
5. The formulas or method used to obtain gross premiums must explicitly recognize investment income. (211 CMR 47.09 (3)(b)(2))
6. Actuarial Memorandum must include a list of all assumptions² made in the rate calculations, including but not limited to¹:
(211 CMR 47.09 (3)(b)(2))

Mortality Table.

Experience Studies.

Morbidity Table

Interest Rate.

Lapse/Persistency Rate Tables.

7. Rates and/or benefits may not discriminate on the basis of sex. (211 CMR 35.00)
8. Actuarial Memorandum must include the commission scale applicable to each form.¹ (211 CMR 47.09 (3)(b)(4))
9. Actuarial Memorandum must include a detailed list of all other anticipated expenses, such as: ¹. (211 CMR 47.09 (3)(b)(4))

Per Claim Expenses by category. Taxes.
Underwriting expenses by category. Acquisition Expenses by category.
10. Actuarial Memorandum must identify those expenses which are fixed and those which are variable.¹ (211 CMR 47.09 (3)(b)(4))
11. Actuarial Memorandum must include expected claim costs.¹
(211 CMR 47.09 (3)(b)(5))

¹. For loss of income, business buyout and business expense policy forms, this information may be omitted.

2. If none for a particular item, so state.

MASSACHUSETTS DIVISION OF INSURANCE
BULLETIN SRB 90-02

Filing Guidelines for Life and Accident & Health Insurance Forms
March 1990

All life and accident and health filings and related forms should be submitted with a cover letter and/or transmittal checklist and comply with requirements noted below:

I. Cover Letter

A. Heading Format. The covering letter should be headed with the following:

- Company Name
- Company NAIC Identification
- Type of Coverage
- Type of Submission
- Form Numbers
- New Submission or Resubmission identification

Example: ABC Life Company
NAIC I.D. 11111
Single Premium Whole Life Policy, Child Term Rider
Policy and Rider
Policy Numbers 89100, 89100-A
New Submission

B. Content of letter:

1. New Forms. If the form is new, a statement to that effect shall be included, along with one of the following statements: (a) the new form is not substantially similar to any other previously-approved form; or (b) the new form is substantially similar to a previously-approved form; (c) the form is replacing a previously-approved identical form. The insurer shall then also specify the following:

- (i) the company name for which the previously-approved form was approved;
- (ii) the form number of the previously-approved form;
- (iii) the approval date of the previously-approved form;
- (iv) a statement that unfair discrimination does not result, and insurer's justification for the issuance of similar forms (MGL C. 175 S. 120);
- (v) a summary of the differences between the previously approved form and the new form. A copy of the previously-approved form shall be included with the portions of the form which are changed highlighted.

2. Pending Forms. If the form is a corrected version of a pending form which has been reviewed, a statement to that effect shall be included in the transmittal letter addressed to the analyst reviewing the form. The following information shall also be provided:

B. Description of General Use - If the submitted form is for general use with various policies, include a description of the types of policies with which the submitted form is to be used, and a statement explaining when the form will be used with these policies.

C. Form Numbering - Each form shall be designated by a form number sufficient to distinguish it from all other forms used by the insurer. The form number shall be located in the lower left-hand corner of the cover page or on the first page of the form if the form number would be visible with the cover closed.

D. Print and Paper Formats - Forms and corrections shall be submitted in final print, if possible. However, they may be submitted in computer-generated or printer's proof format. Handwritten forms or handwritten corrections will not be accepted. Forms shall be submitted on paper that will accept a rubber stamp and that is suitable for permanent filing.

E. Certification and Flesch Scores - Each submission must include a certification by a company official that each form meets the objective standards of Section 2B of Chapter 175 of the Massachusetts General Laws. The Flesch score for each form must be stated in the certification; a statement to the effect that the score exceeds 50 is not permitted. If a rider or endorsement fails to score 50, an explanation must be given and the certification must indicate that such form, in conjunction with any other form or combination of forms, will achieve a score of at least 50.

F. Specimen Language/Hypothetical Data - All forms shall be filled-in with specimen language and specimen fill-in material. The fill-in material shall be, when appropriate, for specimen age 35 unless the form is not issued at age 35. If reduced death benefits are provided for any age at issue, the specimen form shall be filled in for the age at issue for which the greatest reduction in benefits is made.

For Individual Life and Annuity forms only, if the form is not a policy, then policy schedule/data pages showing all material pertinent to the form shall be submitted.

G. Contract Classification - When submitting products developed for use in certain specific markets, a company must provide the following: 1) a statement in the cover letter identifying the marketing purposes of such form; 2) illustrated information clarifying any question regarding the benefits, premiums and any peculiarities of the particular form.

VI. Status Checks

Given the large volume of filings, we ask that companies refrain from status calls. If necessary, however, status checks should be made 45 days after the submission is made.

VII. Transmittal Checklist Form (Form SRB-CH1)

The attached transmittal checklist form is included to assist in the review of filings. The checklist should be included with the cover letter.

MASSACHUSETTS DIVISION OF INSURANCE
LIFE AND ACCIDENT & HEALTH FORMS
FORM SRB-CH1
Transmittal Letter/Information Checklist

- Company Name _____
Name & Title of Person to Contact _____
Telephone Number _____ Fax Number _____
(1) Form Number _____
(2) Domiciliary Approval: Yes _____ Date of Approval _____
No _____ Why _____
(3) New Form: Yes _____ / No _____
New Form is similar to form number _____ / Approval Date _____
Explanation of the differences _____
(4) Resubmission for Disapproved Form # _____
Disapproved on _____ Changes made _____
(6) Substitution for Form # _____
Approved on _____ Changes made to substitute form _____
(7) Submitted Form is for use with Form # _____
Approved on _____ Purpose of filing _____
(8) Corrections to Pending Form # _____
Submitted on _____ Analyst reviewing forms _____
Corrections made _____
(9) Form changes a provision in form # _____ / Approval Date _____
Title of Provision changed _____
Language modified _____
(10) Miscellaneous information pertinent to the submission _____
(11) Filing Fees Included - Yes _____ / No _____
Amount of Fee Included _____
Reason Not Included _____
(12) Actuarial Information included - Yes _____ / No _____