

TITLE 4: ECONOMIC RESOURCES
DIVISION 7: INSURANCE

§ 7605. Filing Rates, Plans with Commissioner; Prior Approval by Commissioner; Public Inspection of Rate Filings.

(a) Every insurer shall file with the Commissioner copies of the rates, rating plans, and rating systems used by it. All premium rates for tariff lines of insurance including life insurance, motor vehicle insurance, and worker's compensation and health insurance policies, plans, or contracts must be approved by the Commissioner prior to those rates being implemented, advertized, publicized, or otherwise represented. All filings shall be submitted at least sixty days before the effective date and policy holders shall be notified at least thirty days prior to the effective date.

(b) An insurer may satisfy its obligation to make such filings by becoming a member of or a subscriber to a licensed rating organization which makes such filings, and by authorizing the Commissioner to accept such filings on its behalf. Such insurer may so adopt the filings of a rating organization on part of the classes of risks insured by it and may make its own filings as to other classes which shall be uniform throughout the insurer's territorial classification.

(c) If an insurer will not implement charge, advertise, publicize, or otherwise represent new rates for a health insurance market in a given year, the insurer must certify this fact with the commissioner at least five business days before the first day of the open enrollment period.

(d) If an insurer elects to discontinue offering and non-renews all of its health benefit plans in an individual, small group, or large group market in the CNMI as defined in this statute:

(1) It must provide a notice of this decision to the Commissioner and all affected individuals at least 180 calendar days prior to the discontinuance and nonrenewal.

(2) The notice to the Commissioner must be provided at least 3 business days prior to the notice to the individuals.

(3) An affidavit signed by both resident and general agent must be submitted within 60 calendar days of withdrawal from the market segment, verifying that all existing claims arising out of insurance transacted in that market segment have been paid in full.

(e) Expedited approval is granted if the rate filing meets one of the following conditions:

(1) The rate only applies to large group plans;

(2) The rate increase is less than 10 percent; or

(3) There has been no rate revision within the past 12 months.

(f) Any proposed rate revision in either the individual and/or small group market that meets or exceed any one of the following thresholds shall comply with the process set out in subsection (g) of this section:

(1) The rate increase is equal to or greater than 10%; or

(2) A rate revision has been made within the past 12 months; or

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(3) The rate increase has accumulated to more than 27% over three consecutive years.

(g) Insurers making premium rate filings that meet or exceed either of the applicable thresholds set out in subsection (d) of this section shall furnish the following data:

(1) A description of the plan, policy, or contract form number affected by the rate filing;

(2) For all rate filings that represent a rate increase, a rate summary worksheet as prescribed by the Commissioner by rule, a written description justifying the rate increase as prescribed by the Commissioner by regulation, and any and all of the reporting requirements prescribed by the Commissioner by regulation;

(3) A statement of the approximate number of persons in the Commonwealth affected by the rate increase;

(4) An actuarial certification indicating that, in the belief of the actuary;

(i) the proposed rate or rate revision does not discriminate unfairly between policyholders or contract holders;

(ii) in the case of health insurance plans, the medical loss ratio as calculated under federal guidelines including the actual data elements used in the medical loss ratio calculation; and

(5) An officer of the insurer shall certify the completeness and accuracy of the data furnished in the filing;

(h) In reviewing all rate filings under this section, the Commissioner shall review the following to the extent applicable to the filing under review:

(1) The impact of medical trend changes by major service categories;

(2) The impact of utilization changes by major service categories;

(3) The impact of cost-sharing changes by major service categories;

(4) The impact of benefit changes;

(5) The impact of changes in enrollee risk profile;

(6) The impact of any overestimate or underestimate of medical trend for prior year periods related to the rate increase;

(7) The impact of changes in reserve needs;

(8) The impact of changes in administrative costs related to programs that improve health care quality;

(9) The impact of changes in other administrative costs;

(10) The impact of changes in application taxes, licensing, or regulatory fees; medical loss ratio*;

(11) The insurer's capital and surplus; and

(12) Consumer comments regarding rate filing.

(i) Any filing made pursuant to this chapter is a public record as defined by 1 CMC § 9902(f), and shall be open to public inspection pursuant to the procedures set forth in the Commonwealth Open Government Act (1 CMC § 9901 *et seq.*).

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* So in original.

Source: PL 18-34 § 4 (Feb. 14, 2014).

Commission Comment: The Commission corrected capitalization throughout the section pursuant to 1 CMC § 3806(f). The Commission inserted commas after the words “plans” and “insurance” in subsection (a)(1) and “policy” in subsection (a)(7)(i) pursuant to 1 CMC § 3806(g).

The Commission struck the figures “60” and “30” from subsection (a)(1), and “5” from subsection (a)(3) pursuant to 1 CMC § 3806(f).

Section 2 of PL 18-34 contained an index of new sections to be added, and specified that 4 CMC § 7605 would be titled “Filing rates, plans with Commissioner; Prior Approval by Commissioner; Public inspection of Rate Filings.”

Section 4 of PL 18-34 begins as follows:

Section 4. Repeal and Re-enactment. 4 CMC § 7504(a) shall be repealed and amended as follows:

Filing rates, plans with Commissioner; Prior Approval by Commissioner; Public inspection of Rate Filings.

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The Commission codified the text that followed at 4 CMC § 7605.