



Department of Commerce

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ADMINISTRATIVE NOTICE: 2013-07

Date: December 11, 2013

To: All Insurance Carriers / Providers

From: Insurance Commissioner

Subject: Rate and Form Filing

All insurance issuers in the Commonwealth of the Northern Mariana Islands (CNMI), for all lines of insurance, must file forms¹ and rates² with the CNMI Insurance Commissioner, before they are used, advertised, or publicized. All forms will require pre-approval before use. Rates are “file and use”, with the exception of tariff lines of insurance including Life Insurance, Motor Vehicle Insurance, and Worker’s Compensation, which must be approved before they may be charged, advertised, publicized or otherwise represented.³

Specifically relating to the Affordable Care Act⁴ (ACA), and as a general overview, health insurance issuers offering non-grandfathered⁵ coverage in the CNMI must submit a Rate Filing Justification to the CNMI and Centers for Medicare and Medicaid Services⁶ (CMS) for all non-grandfathered products regardless of the percentage of rate increase⁷. The Rate Filing Justification includes (1) Part I (the Unified Rate Review Template (URRT)); (2) Part II as applicable (a consumer-friendly written description justifying the rate increase); and (3) Part III (the rating filing documentation).⁸ All CMS rate filings must be sent to CMS in Health Insurance Oversight System (HIOS) (§ 154.220). Insurance issuers in the CNMI are responsible for uploading Parts I, II (as applicable) and III directly into the Rate Review Module in

¹ 4 CMC § 7502(h) – It is unlawful for an insurer to use a policy form in affecting insurance without first obtaining the commissioner’s approval.

² 4 CMC § 7504(a)(1) – All rates, rate schedules, rate plans, methods of computing rates, and changes thereto to be applied to any insurance transacted in the Commonwealth shall be filed in the office of the commissioners, before any rates may be charges, advertised, publicized, or otherwise represented.

³ 4 CMC § 7504(a)(2)

⁴ See Administrative Notice 2013-3 “Affordable Care Act”: Implementation of Title I, subsection C and D of the Patient Protection and Affordable Care Act, Public Law No. 111-148, as amended by The Health Care and Education Reconciliation Act of 2010, Public Law 111-152 (“PPACA”) for non-grandfathered health insurance policies and health plans on January 1, 2014

⁵ Pursuant to 45 C.F.R. §154.103(b), the provisions of Part 154 do not apply to Grandfathered health plan coverage

⁶ 45 C.F.R. § 154.215(a) – If any product is subject to a rate increase, a health insurance issuer must submit a Rate Filing Justification for all products in the single risk pool, including new or discontinuing products, on a form and in a manner prescribed by the Secretary (Secretary of the U.S. Department of Health and Human Services).

⁷ 45 C.F.R § 154.220 Timing of providing the rate filing justification – A health insurance issuer must submit a Rate Filing Justification for all rate increases that are filed in a state [or territory] on or after April 1, 2013, or effective on or after January 1, 2014 in a state [territory] that does not require the rate increase to be filed... If a state [territory] does require rate filing, the issuer must submit to CMS on the date on which the health insurance issuer submits the proposed rate increase to the state.

⁸ 45 C.F.R. §154.215

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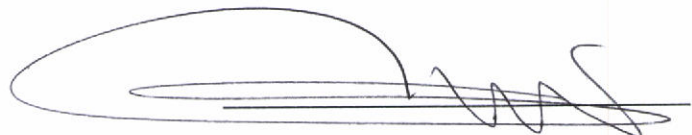
HIOS. It is the issuer's responsibility to upload the documents to CMS in HIOS; the CNMI Insurance Commissioner will not be responsible for uploading this information to HIOS.

Instructions for rate filings with CMS are posted on the CMS/CCIIO website under training resources at <http://www.cms.gov/CCIIO/Resources/Files/Downloads/rr-tech-instructions-092012.pdf>. Other training resources may be found at <http://www.cms.gov/cciio/Resources/Training-Resources/index.html#Review of Insurance Rates>. The user guide is also available through the Consumer Assistance Program (CAP) website at: <http://cnmicap.wordpress.com/insurance-carriers/>

Note: *If you are not able to access the link, you may need to contact your internet service provider for technical assistance. This issue may be due to the CNMI being outside the authorized access area. As a territory outside the continental United States, this access error may be a security restriction to prevent any unlawful tapping or extraction of information by non-authorized individuals.*

With regards to the CNMI requirements for health insurance issuers' rate and form filing, the CNMI Insurance Section will accept hard copy versions for all rate and form filings, until the CNMI-SERFF (State Electronic Rate and Form Filing) online filing system is available. All hard copy submissions must include the CMS Rate Filing Justification; Part I (the Unified Rate Review Template (URRT)) and Part III (the rating filing documentation. If the rate increase is 10% or more, and thus is subject to review by CMS under § 154.200⁹, the issuer must also upload Part II (a consumer-friendly written description justifying the rate increase). CMS will conduct a reasonableness review in the CNMI for only those rate increases that are 10% or more (i.e., subject to review under § 154.200).

Once the CNMI is online (through web access) with the SERFF, all insurance issuers will be required to submit CNMI rate and form filing via SERFF only. A separate notice will be issued once the SERFF is online and all issuers will be required to access SERFF. SERFF will streamline and accelerate the rate and form filing process. SERFF will also assist the CNMI through identifying state (or territory) filing Submission Requirements, and through the use of checks and balances within the system, ensure greater accuracy and completeness during the filing process. In addition, SERFF's workflow features will assist the CNMI in their review process, allowing a quicker review process with fewer problems for companies to resolve. The result is speed-to-market for the insurance issuers.



**SIXTO K. IGISOMAR
CNMI INSURANCE COMMISSIONER**

⁹ 45 C.F.R § 154.200 Rate increases subject to review