

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

DATE: NOVEMBER 9, 2016

BULLETIN NO.: 14-2016

TO: ALL ACCIDENT AND HEALTH INSURERS, HEALTH MAINTENANCE ORGANIZATIONS AND HOSPITAL AND MEDICAL SERVICE CORPORATIONS & OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: RATE AND FORM REVIEW TIMELINES UNDER ARK. CODE ANN. § 23-79-109(b)

The Arkansas Insurance Department (“Department”) issues this Bulletin pursuant to AID Declaratory Order No. 2016-091 related to clarification of time periods for rate and form reviews subject to Ark. Code Ann. § 23-79-109(b). This Bulletin applies to the filings of policy forms, the filings of application forms, amendments, riders and endorsement forms to be made part of policies, as well as to the filings of individual accident and health contract premium rates subject to review under Ark. Code Ann. §23-79-109.


Filing Review Procedure

- a. An insurer filing for approval and review of forms or rates subject to Ark. Code Ann. §23-79-109 shall make form and rate filings not less than thirty (30) days in advance of any delivery. At the expiration of thirty days from the date of the filing, the form or rate so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by the Commissioner. The Commissioner may extend by not more than an additional thirty (30) days the period within which he or she may so affirmatively approve or disapprove the form or rate by giving notice of the extension before expiration of the initial thirty (30) day period.
- b. The Department’s past procedures did not start the initial thirty (30) day period until a filing was complete. The Department considered a filing “complete” when all deficiencies were resolved and there were no further objections, inquiries, or requests for information to the insurer remaining. This procedure could result in the time period going beyond the total net time period of sixty (60) days. As this procedure potentially provided unclear timelines and uncertainty impacting an insurer’s product and business planning, the Department issued a Declaratory Order clarifying the procedures and

processes related to the calculation of time for the Insurance Commissioner to approve or disapprove the form or rate filed by insurers.

- c. The Department's procedure as clarified in AID Declaratory Order No. 2016-091 shall apply from the effective date of this Bulletin and until or unless replaced or superseded by a Rule or change in law. The rate and form review time period that the Insurance Commissioner has to affirmatively approve or disapprove the form or rate under § 23-79-109(b)(1) **begins when the rate or form is filed with the Department.** The Commissioner may extend that time period by not more than an additional thirty (30) days by giving notice of the extension before expiration of the initial thirty (30) day period pursuant to Ark. Code Ann. §23-79-109(b)(3). The initial time frame will no longer be tolled due to unresolved deficiencies or outstanding objections, inquiries, or requests for information to the insurer. The Department will communicate any deficiencies in the filing to the insurer and attempt to resolve prior to the expiration of the time period, however, outstanding deficiencies may result in filings being affirmatively disapproved in order to guard against deficient filings being approved by operation of law. If disapproved, an insurer may submit, within any applicable deadlines, a new filing for the Department's consideration.
- d. As this Bulletin is only intended to clarify procedures and processes related to the calculation of time for the Insurance Commissioner to approve or disapprove the insurers form or rate filings, all provisions in Ark. Code Ann. §23-79-109 are still applicable.
- e. For purposes of the standards in this Bulletin, a filing contains a "deficiency" if:
 - (1) It fails to provide data or information required to be filed with the forms or rates by current or future state or federal law or by Bulletin of the Department;
 - (2) It fails to follow instructions for filing through the System for Electronic Rate and Form Filing (SERFF), which are issued annually by the Arkansas Insurance Department;
 - (3) The filer fails to respond to written inquiries or written objections from the Department related to data or information which was submitted with the rate or form.

For any questions regarding this Bulletin, please contact Booth Rand in the Legal Division of the Arkansas Insurance Department at 501-371-2820.



ALLEN W. KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS

11-9-2016
DATE