

CHAPTER 4
ACTUARIAL SERVICES

Authority

N.J.S.A. 17:1C-6e.

Source and Effective Date

R.2001 d.7, effective November 30, 2000.
See: 32 N.J.R. 3546(a), 33 N.J.R. 101(a).

Executive Order No. 66(1978) Expiration Date

Chapter 4, Actuarial Services, expires on November 30, 2005.

Chapter Historical Note

Chapter 4, Actuarial Services, was adopted and became effective prior to September 1, 1969.

Subchapter 2, Replacement of Life Insurance Policy, was adopted as R.1972 d.21, effective April 1, 1972.

Subchapter 7, Procedure for the Regulation of Consent to Higher Rate Filings, was adopted as R.1973 d.82, effective April 15, 1973. See: 4 N.J.R. 220(a), 5 N.J.R. 113(b).

Subchapter 8, Charitable Annuities, was adopted as R.1974 d.258, effective September 20, 1974. See: 6 N.J.R. 315(a), 6 N.J.R. 399(c).

Subchapter 11, Life Insurance Solicitation, was adopted as R.1976 d.329, effective October 18, 1976. See: 8 N.J.R. 336(a), 8 N.J.R. 517(a).

Subchapter 13, Group Student Health Insurance, was adopted as R.1977 d.309, effective August 22, 1977. See: 9 N.J.R. 343(c), 9 N.J.R. 438(d).

Subchapter 14, Home Health Care Insurance Coverage, was adopted as R.1977 d.476, effective December 15, 1977. See: 9 N.J.R. 479(f), 10 N.J.R. 16(d).

Subchapter 15, Alcoholism Benefits, was adopted as R.1978 d.165, effective May 22, 1978. See: 10 N.J.R. 162(a), 10 N.J.R. 257(a).

Subchapter 20, Blindness; Partial Blindness or other Physical or Mental Impairments; Unfair Discrimination, was adopted as R.1979 d.434, effective December 6, 1979. See: 11 N.J.R. 384(a), 11 N.J.R. 627(f).

Subchapter 16, Minimum Standards for Individual Health Insurance, Subchapter 17, Health Insurance Solicitation, and Subchapter 18, Individual Health Insurance Rate Filings, were adopted as new rules by R.1980 d.176, effective April 21, 1980. See: 11 N.J.R. 348(a), 12 N.J.R. 342(c).

Pursuant to Executive Order No. 66(1978), Subchapter 16, Minimum Standards for Individual Health Insurance, Subchapter 17, Health Insurance Solicitation, and Subchapter 18, Individual Health Insurance Rate Filings, were readopted as R.1980 d.343, effective August 5, 1980. See: 12 N.J.R. 420(c), 12 N.J.R. 538(b).

Subchapter 21, Limited Death Benefits Forms, was adopted as R.1980 d.265, effective June 18, 1980. See: 12 N.J.R. 279(b), 12 N.J.R. 423(c).

Subchapter 2, Replacement of Life Insurance Policy, was repealed and Subchapter 2, Replacement of Life Insurance Policy, was adopted as new rules by R.1982 d.16, effective February 1, 1982, operative June 1, 1982. See: 13 N.J.R. 18(e), 14 N.J.R. 158(d).

Pursuant to Executive Order No. 66(1978), Subchapter 15, Alcoholism Benefits, expired on May 22, 1983.

Subchapter 22, Individual Life Insurance: Use of Gender Blended Mortality Tables, was adopted as R.1984 d.478, effective November 5, 1984. See: 16 N.J.R. 1452(a), 16 N.J.R. 3040(a).

Pursuant to Executive Order No. 66(1978), Subchapter 6, Reserve Standards for Individual Health Insurance Policies, was readopted as R.1984 d.512, effective November 5, 1984. See: 16 N.J.R. 2225(a), 16 N.J.R. 3039(a).

Subchapter 23, Medicare Supplement Policies and Contracts, was adopted as R.1985 d.70, effective February 19, 1985, operative June 19, 1985. See: 16 N.J.R. 2945(a), 17 N.J.R. 460(a).

Pursuant to Executive Order No. 66(1978), Subchapter 20, Blindness; Partial Blindness or Other Physical or Mental Impairments; Unfair Discrimination, was readopted as R.1985 d.161, effective April 1, 1985. See: 17 N.J.R. 168(a), 17 N.J.R. 820(a).

Pursuant to Executive Order No. 66(1978), Subchapter 16, Minimum Standards for Individual Health Insurance, Subchapter 17, Health Insurance Solicitation, and Subchapter 18, Individual Health Insurance Rate Filings were readopted as R.1985 d.221, effective April 15, 1985. See: 17 N.J.R. 554(a), 17 N.J.R. 1129(a).

Subchapter 21 was readopted as R.1985 d.325, effective June 3, 1985. See: 17 N.J.R. 891(a), 17 N.J.R. 1660(a).

Subchapter 24, Smoker and Nonsmoker Mortality Tables, was adopted as R.1985 d.617, effective December 2, 1985. See: 17 N.J.R. 2348(a), 17 N.J.R. 2907(a).

Subchapter 26, Annuity Mortality Tables, was adopted as R.1985 d.616, effective December 2, 1985. See: 17 N.J.R. 2349(a), 17 N.J.R. 290(a).

Subchapter 15, Alcoholism Benefits, was adopted as R.1986 d.228, effective June 16, 1986. See: 18 N.J.R. 607(a), 18 N.J.R. 1302(a).

Subchapter 19, Optional Coverage for Pregnancy and Childbirth Benefits, was adopted as R.1988 d.455, effective September 19, 1988. See: 20 N.J.R. 43(a), 20 N.J.R. 2377(c).

Subchapter 28, Group Coordination of Benefits, was adopted as new rules by R.1988 d.499, effective October 17, 1988. See: 20 N.J.R. 1773(b), 20 N.J.R. 2581(a).

Subchapter 29, Homeowners Comparison Survey, was adopted as R.1989 d.50, effective January 17, 1989. See: 20 N.J.R. 2181(a), 21 N.J.R. 164(a).

Subchapter 31, Term Life Insurance Comparison Survey, was adopted as R.1989 d.122, effective February 21, 1989. See: 20 N.J.R. 2990(a), 21 N.J.R. 566(a).

Subchapter 32, Health Service Corporation Notice of Increased Rates, was adopted as R.1989 d.522, effective October 2, 1989. See: 21 N.J.R. 973(b), 21 N.J.R. 3173(c).

Subchapter 33, Excess Interest Reserve Adjustment, was adopted as R.1989 d.523, effective October 2, 1989. See: 21 N.J.R. 1308(a), 21 N.J.R. 3175(c).

Subchapter 34, Long-Term Care Insurance, was adopted as R.1989 d.571, effective November 6, 1989. See: 21 N.J.R. 1964(a), 21 N.J.R. 3465(a).

Subchapter 25, Medicare Supplement Interim Standards, was adopted as R.1990 d.214, effective April 16, 1990. See: 22 N.J.R. 320(a), 22 N.J.R. 1266(b).

Pursuant to Executive Order No. 66(1978), Chapter 4 was readopted as R.1991 d.3, effective November 30, 1990, Subchapter 1, Contracts on a Variable Basis, was repealed by R.1991 d.3, effective January 7, 1991. See: 22 N.J.R. 1689(a), 23 N.J.R. 111(a).

Subchapter 35, Annual Medicare Supplement Policy Survey, was adopted as R.1991 d.122, effective March 4, 1991. See: 22 N.J.R. 1226(b), 23 N.J.R. 698(a).

Petition for Rulemaking. See: 23 N.J.R. 2546(c), 23 N.J.R. 3827(a).

Subchapter 25, Medicare Supplement Interim Standards, was repealed by R.1993 d.26, effective January 4, 1993. See: 24 N.J.R. 12(a), 25 N.J.R. 141(a).

Subchapter 37, Selective Contracting Arrangements of Insurers, was adopted as R.1994 d.45, effective January 18, 1994. See: 25 N.J.R. 4554(b), 26 N.J.R. 381(a).

Subchapter 9, Personal Lines Insurance: Prospective Loss Costs Filing Procedures, was adopted as R.1995 d.406, effective August 7, 1995. See: 27 N.J.R. 1356(b), 27 N.J.R. 2931(a).

Subchapter 30, Accelerated Death Benefits, was adopted as R.1995 d.521, effective September 18, 1995. See: 27 N.J.R. 2046(a), 27 N.J.R. 3613(c).

Subchapter 40, Life/Health/Annuity Forms, was adopted as R.1995 d.569, effective November 6, 1995. See: 27 N.J.R. 2857(a), 27 N.J.R. 2867(a), 27 N.J.R. 4317(a).

Administrative correction. See: 27 N.J.R. 4728(a).

Pursuant to Executive Order No. 66(1978), Chapter 4, Actuarial Services, was readopted as R.1996 d.4, effective November 30, 1995, and Subchapter 5, Amendment to Instructions to Life and Accident and Health Annual Statement Blank, Subchapter 10, Expense Experience, Subchapter 32, Health Service Corporation Notice of Increased Rates, Subchapter 35, Annual Medicare Supplement Policy Survey, and Exhibits A and B of the Appendix to Subchapters 16 and 23 were repealed by R.1996 d.4, effective January 2, 1996. See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

Subchapter 47, Actuarial Requirements for Flexible-Factor Policy Forms, was adopted as new rules by R.1996 d.83, effective February 5, 1996. See: 27 N.J.R. 3750(a), 28 N.J.R. 1215(a).

Subchapter 44, Standards for Contracts on a Variable Basis, was adopted as new rules by R.1996 d.149, effective March 18, 1996. See: 27 N.J.R. 3743(a), 28 N.J.R. 1546(a).

Subchapter 45, Periodic Reports, was adopted as new rules by R.1996 d.150, effective March 18, 1996. See: 27 N.J.R. 3744(a), 28 N.J.R. 1548(a).

Subchapter 43, Individual Annuity Contract Form Standards, was adopted as new rules by R.1996 d.181, effective April 1, 1996. See: 27 N.J.R. 3740(a), 28 N.J.R. 1885(a).

Subchapter 48, Unfair Discrimination, was adopted as new rules by R.1996 d.182, effective April 1, 1996. See: 27 N.J.R. 3756(a), 28 N.J.R. 1887(a).

Subchapter 23A, Medicare Supplement—Under 50 Coverage, and Subchapter 23B, Medicare Supplement—Age 50 through 64 Coverage were adopted as new rules by R.1996 d.195, effective April 15, 1996. See: 27 N.J.R. 3719(a), 28 N.J.R. 1987(a).

Subchapter 42, Group Life, Group Health and Blanket Insurance: General Standards for Contract Provisions, was adopted as new rules by R.1996 d.196, effective April 15, 1996. See: 27 N.J.R. 3735(a), 28 N.J.R. 2003(a).

Subchapter 41, Standards for Individual Life Insurance Policy Forms, was adopted as new rules by R.1996 d.197, effective April 15, 1996. See: 27 N.J.R. 3727(a), 28 N.J.R. 1992(a).

Subchapter 25, Funeral Insurance Policies, was adopted as new rules by R.1996 d.328, effective July 15, 1996. See: 28 N.J.R. 1656(a), 28 N.J.R. 3671(a).

Subchapter 49, Mandated Diabetes Benefits, was adopted as new rules by R.1997 d.86, effective February 18, 1997. See: 28 N.J.R. 4340(a), 29 N.J.R. 562(a).

Subchapter 46, Synthetic Guaranteed Investment Contract Forms, was adopted as new rules by R.1997 d.332, effective August 4, 1997. See: 29 N.J.R. 1472(a), 29 N.J.R. 3452(b).

Subchapter 50, Reimbursement of Inmate Health Care Costs, was adopted as new rules by R.1997 d.513, effective December 1, 1997. See: 29 N.J.R. 2232(a), 29 N.J.R. 5066(a).

Subchapter 52, Life Insurance Illustrations, was adopted as new rules by R.1998 d.338, effective July 6, 1998. See: 30 N.J.R. 47(a), 30 N.J.R. 2495(a).

Subchapter 32, Valuation of Life Insurance Policies, was adopted as new rules by R.1999 d.442, effective December 20, 1999 (operative January 1, 2000, except as provided in N.J.A.C. 11:4-32.6). See: 31 N.J.R. 2845(a), 31 N.J.R. 4268(c).

Pursuant to Executive Order No. 66(1978), Chapter 4, Actuarial Services, was readopted as R.2001 d.7, effective November 30, 2000. See: Source and Effective Date.

Subchapter 54, Benefit Standards for Infertility Coverage, was adopted as new rules by R.2003 d.160, effective April 21, 2003. See: 34 N.J.R. 2521(a), 35 N.J.R. 1692(b).

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. NEW JERSEY INSOLVENT HEALTH MAINTENANCE ORGANIZATION ASSISTANCE ASSOCIATION

- 11:4-1.1 Purpose and scope
- 11:4-1.2 Definitions
- 11:4-1.3 Establishment of Association and Fund
- 11:4-1.4 Relief
- 11:4-1.5 Application procedures and filing format
- 11:4-1.6 Informational filing requirements
- 11:4-1.7 Confidentiality of request for relief
- 11:4-1.8 Disposition of request for relief
- 11:4-1.9 Rates
- 11:4-1.10 Penalties

SUBCHAPTER 2. REPLACEMENT OF LIFE INSURANCE POLICY

- 11:4-2.1 Purpose
- 11:4-2.2 Definitions
- 11:4-2.3 Exemptions
- 11:4-2.4 Duties of agent
- 11:4-2.5 Duties of replacing insurers
- 11:4-2.6 Duties of insurers with respect to direct-response sales
- 11:4-2.7 Duties of the existing insurer
- 11:4-2.8 Penalties
- 11:4-2.9 Separability

SUBCHAPTER 3. COUPON POLICIES AND POLICIES CONTAINING GUARANTEED ANNUAL ENDOWMENT BENEFITS

- 11:4-3.1 Payments
- 11:4-3.2 Gross premium shown
- 11:4-3.3 Gross premium regarding additional insurance
- 11:4-3.4 Coupons
- 11:4-3.5 Guaranteed annual endowments
- 11:4-3.6 Severability
- 11:4-3.7 Effective date

SUBCHAPTER 4. PASSBOOKS USED IN CONNECTION WITH COUPON POLICIES OR POLICIES CONTAINING GUARANTEED ANNUAL ENDOWMENT BENEFITS

- 11:4-4.1 General provisions
- 11:4-4.2 Unfair practice
- 11:4-4.3 Scope
- 11:4-4.4 Severability
- 11:4-4.5 Effective date

SUBCHAPTER 5. (RESERVED)**SUBCHAPTER 6. MINIMUM RESERVE STANDARDS FOR INDIVIDUAL AND GROUP HEALTH INSURANCE CONTRACTS**

- 11:4-6.1 Purpose and scope
- 11:4-6.2 Definitions
- 11:4-6.3 Claim reserves—general requirements
- 11:4-6.4 Claim reserves—minimum standards for claim reserves
- 11:4-6.5 Claim reserves—claim reserve methods
- 11:4-6.6 Premium reserves—general requirements
- 11:4-6.7 Premium reserves—minimum standards for unearned premium reserves
- 11:4-6.8 Premium reserves—premium reserve methods
- 11:4-6.9 Contract reserves—general requirements
- 11:4-6.10 Contract reserves—minimum standards for contract reserves
- 11:4-6.11 Contract reserves—alternative valuation methods and assumptions generally
- 11:4-6.12 Tests for adequacy and reasonableness of contract reserves
- 11:4-6.13 Reinsurance
- 11:4-6.14 Specific standards for morbidity for valuation of specified individual contract health insurance benefits
- 11:4-6.15 Specific standards for morbidity for valuation of specified group contract health insurance benefits
- 11:4-6.16 Specific standards for interest
- 11:4-6.17 Specific standards for mortality
- 11:4-6.18 Reserves for waiver of premium

SUBCHAPTER 7. PROCEDURE FOR THE REGULATION OF CONSENT TO HIGHER RATE FILINGS

- 11:4-7.1 Filing requirements
- 11:4-7.2 Premium charges
- 11:4-7.3 Approval of applications

SUBCHAPTER 8. CHARITABLE ANNUITIES

- 11:4-8.1 Purpose
- 11:4-8.2 Definitions
- 11:4-8.3 Application for a special permit
- 11:4-8.4 Forms of agreement
- 11:4-8.5 Annuity rates
- 11:4-8.6 Surplus and reserves
- 11:4-8.7 Compliance with investment requirements
- 11:4-8.8 Annual report
- 11:4-8.9 Effect on previously filed forms
- 11:4-8.10 Separability of provisions
- 11:4-8.11 Penalties

SUBCHAPTER 9. PERSONAL LINES INSURANCE: PROSPECTIVE LOSS COSTS FILING PROCEDURES

- 11:4-9.1 Purpose and scope
- 11:4-9.2 Definitions
- 11:4-9.3 Prospective loss cost filing requirements for rating organizations
- 11:4-9.4 Prospective loss costs filing requirements for insurers
- 11:4-9.5 Penalties

APPENDIX A**APPENDIX B****SUBCHAPTER 10. (RESERVED)****SUBCHAPTER 11. LIFE INSURANCE SOLICITATION**

- 11:4-11.1 Purpose
- 11:4-11.2 Scope
- 11:4-11.3 Definitions
- 11:4-11.4 Disclosure requirements
- 11:4-11.5 General provisions
- 11:4-11.6 Failure to comply
- 11:4-11.7 Effective date

11:4-11.8 (Reserved)

APPENDIX. LIFE INSURANCE BUYER'S GUIDE**SUBCHAPTER 12. STUDENT LIFE INSURANCE**

- 11:4-12.1 Student life insurance solicitation

SUBCHAPTER 13. GROUP STUDENT HEALTH INSURANCE

- 11:4-13.1 Scope
- 11:4-13.2 Definitions
- 11:4-13.3 Prohibited provisions

SUBCHAPTER 14. HOME HEALTH CARE INSURANCE COVERAGE

- 11:4-14.1 Scope
- 11:4-14.2 Definitions
- 11:4-14.3 Home health care benefits required
- 11:4-14.4 Exclusions
- 11:4-14.5 Effective date

SUBCHAPTER 15. ALCOHOLISM BENEFITS

- 11:4-15.1 Scope
- 11:4-15.2 Benefits
- 11:4-15.3 Exclusions

SUBCHAPTER 16. MINIMUM STANDARDS FOR INDIVIDUAL HEALTH INSURANCE

- 11:4-16.1 Purpose
- 11:4-16.2 Applicability and scope
- 11:4-16.3 Effective date
- 11:4-16.4 Policy definitions
- 11:4-16.5 Prohibited policy provisions
- 11:4-16.6 Minimum standards for benefits
- 11:4-16.7 Application forms
- 11:4-16.8 Required disclosure provisions
- 11:4-16.9 Forms submission requirements
- 11:4-16.10 Separability
- 11:4-16.11 Penalties

APPENDIX A**SUBCHAPTER 17. HEALTH INSURANCE SOLICITATION**

- 11:4-17.1 Purpose
- 11:4-17.2 Applicability and scope
- 11:4-17.3 Definitions
- 11:4-17.4 Unfair and deceptive acts
- 11:4-17.5 Replacement
- 11:4-17.6 Complaint record to be maintained
- 11:4-17.7 Penalties
- 11:4-17.8 Separability
- 11:4-17.9 Effective date

SUBCHAPTER 18. INDIVIDUAL HEALTH INSURANCE RATE FILINGS

- 11:4-18.1 Purpose
- 11:4-18.2 Applicability and scope
- 11:4-18.3 Definitions
- 11:4-18.4 Rate submission requirements
- 11:4-18.5 Loss ratio standards
- 11:4-18.6 Annual review of calendar year experience data on filed individual health insurance policy forms
- 11:4-18.7 Rate manual
- 11:4-18.8 Separability
- 11:4-18.9 Penalties
- 11:4-18.10 Compliance

SUBCHAPTER 19. OPTIONAL COVERAGE FOR PREGNANCY AND CHILDBIRTH BENEFITS

- 11:4-19.1 Purpose
- 11:4-19.2 Scope
- 11:4-19.3 Second surgical opinions
- 11:4-19.4 Maternity benefits option

SUBCHAPTER 20. BLINDNESS; PARTIAL BLINDNESS OR OTHER PHYSICAL OR MENTAL IMPAIRMENT; UNFAIR DISCRIMINATION

- 11:4-20.1 Purpose
- 11:4-20.2 Unfair discriminatory acts or practices

SUBCHAPTER 21. LIMITED DEATH BENEFITS FORMS

- 11:4-21.1 Purpose; scope
- 11:4-21.2 Definitions
- 11:4-21.3 General requirements
- 11:4-21.4 Severability

SUBCHAPTER 22. INDIVIDUAL LIFE INSURANCE: USE OF GENDER BLENDED MORTALITY TABLES

- 11:4-22.1 Purpose
- 11:4-22.2 Definitions
- 11:4-22.3 Construction of gender blended tables for use in the determination of minimum nonforfeiture benefits and minimum reserves
- 11:4-22.4 Construction of Gender Blended Smoker and Nonsmoker Mortality Tables for use in the determination of minimum nonforfeiture benefits and minimum reserves
- 11:4-22.5 Use of gender blended mortality tables in the non-Norris market
- 11:4-22.6 Effect on previously filed forms
- 11:4-22.7 Unfair discrimination
- 11:4-22.8 Separability

APPENDIX A. MORTALITY TABLES**APPENDIX B. 1980 CSO-SA SMOKER TABLES****SUBCHAPTER 23. MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT COVERAGE**

- 11:4-23.1 Purpose
- 11:4-23.2 Applicability and scope
- 11:4-23.3 Definitions
- 11:4-23.4 Policy definitions and terms
- 11:4-23.5 Policy provisions
- 11:4-23.6 General minimum benefit standards
- 11:4-23.7 Minimum benefits for policies and certificates delivered or issued for delivery prior to January 4, 1993
- 11:4-23.8 Minimum benefit standards for policies and certificates delivered or issued for delivery on or after January 4, 1993
- 11:4-23.9 Open enrollment
- 11:4-23.10 Standards for claims payment
- 11:4-23.11 Loss ratio standards, annual filing of premium rates and refund or credit calculation
- 11:4-23.12 Guaranteed issue for eligible persons
- 11:4-23.13 Filing requirements for policies, certificates and premium rates
- 11:4-23.14 Compensation arrangements
- 11:4-23.15 Required disclosure provisions
- 11:4-23.16 Requirements for application forms and replacement coverage
- 11:4-23.17 Filing requirements for advertising
- 11:4-23.18 Standards for marketing
- 11:4-23.19 Appropriateness of recommended purchase and excessive coverage
- 11:4-23.20 Reporting of multiple policies
- 11:4-23.21 Addresses for submission for filing
- 11:4-23.22 Penalties

- 11:4-23.23 Severability

APPENDIX TO SUBCHAPTERS 16 AND 23**EXHIBITS A AND B (RESERVED)**

EXHIBIT C

EXHIBIT D

EXHIBIT E

EXHIBIT F

EXHIBIT G

EXHIBIT H

SUBCHAPTER 23A. MEDICARE SUPPLEMENT—UNDER 50 COVERAGE

- 11:4-23A.1 Purpose and scope
- 11:4-23A.2 Definitions
- 11:4-23A.3 Creation of Medicare Supplement—Under 50 Coverage Plan
- 11:4-23A.4 Governing Board
- 11:4-23A.5 Plan of operation
- 11:4-23A.6 Open enrollment
- 11:4-23A.7 Rates
- 11:4-23A.8 Reports
- 11:4-23A.9 Equitable sharing of losses and audit
- 11:4-23A.10 Assessments
- 11:4-23A.11 Appeal to the Commissioner
- 11:4-23A.12 Assessment relief requests

SUBCHAPTER 23B. MEDICARE SUPPLEMENT—AGE 50 THROUGH 64 COVERAGE

- 11:4-23B.1 Purpose and scope
- 11:4-23B.2 Definitions
- 11:4-23B.3 Open enrollment
- 11:4-23B.4 Rates

SUBCHAPTER 24. SMOKER AND NONSMOKER MORTALITY TABLES

- 11:4-24.1 Purpose
- 11:4-24.2 Definitions
- 11:4-24.3 Smoker and nonsmoker mortality tables
- 11:4-24.4 Juvenile insureds
- 11:4-24.5 Separability

SUBCHAPTER 25. FUNERAL INSURANCE POLICIES

- 11:4-25.1 Purpose; scope
- 11:4-25.2 Definitions
- 11:4-25.3 Forms submission requirements
- 11:4-25.4 Disclosure requirements
- 11:4-25.5 Loss ratio standard
- 11:4-25.6 Severability
- 11:4-25.7 Penalties

SUBCHAPTER 26. ANNUITY MORTALITY TABLES

- 11:4-26.1 Purpose
- 11:4-26.2 Definitions
- 11:4-26.3 Individual annuity or pure endowment contracts
- 11:4-26.4 Group annuity or pure endowment contracts
- 11:4-26.5 Application of the 1994 GAR Table
- 11:4-26.6 Separability

SUBCHAPTER 27. THE 2001 COMMISSIONER'S STANDARD ORDINARY (CSO) MORTALITY TABLE FOR USE IN DETERMINING MINIMUM RESERVE LIABILITIES AND NONFORFEITURE BENEFITS

- 11:4-27.1 Purpose and scope
- 11:4-27.2 Definitions
- 11:4-27.3 2001 CSO Mortality Table effective dates
- 11:4-27.4 Conditions

- 11:4-27.5 Applicability of the 2001 CSO Mortality Table to N.J.A.C. 11:4-32
- 11:4-27.6 Gender-blended tables
- 11:4-27.7 Separability

APPENDIX 1

APPENDIX 2

APPENDIX 3

APPENDIX 4

APPENDIX 5

APPENDIX 6

APPENDIX 7

SUBCHAPTER 28. GROUP COORDINATION OF BENEFITS

- 11:4-28.1 Purpose and scope
- 11:4-28.2 Definitions
- 11:4-28.3 Coordination permissive
- 11:4-28.4 Model COB contract provision
- 11:4-28.5 Prohibited coordination; benefit design
- 11:4-28.6 Rules for coordination of benefits
- 11:4-28.7 Procedure to be followed by other than primary plans to calculate benefits
- 11:4-28.8 Notice to covered persons
- 11:4-28.9 Excess and other nonconforming provisions
- 11:4-28.10 Substitute terminology in contracts
- 11:4-28.11 Compliance
- 11:4-28.12 Severability

APPENDIX A. MODEL COB PROVISIONS

APPENDIX B. COORDINATION OF BENEFITS EXAMPLES

SUBCHAPTER 29. HOMEOWNERS COMPARISON SURVEY

- 11:4-29.1 Purpose and scope
- 11:4-29.2 Definitions
- 11:4-29.3 Coverage option survey requirements

APPENDIX A

APPENDIX B

APPENDIX C

SUBCHAPTER 30. ACCELERATED DEATH BENEFITS

- 11:4-30.1 Purpose
- 11:4-30.2 Application and scope
- 11:4-30.3 Definitions
- 11:4-30.4 Permitted forms of accelerated death benefit provisions
- 11:4-30.5 Partial surrender
- 11:4-30.6 Lien
- 11:4-30.7 Payment options
- 11:4-30.8 Terms of accelerated death benefit contract provisions
- 11:4-30.9 Exercise of the option to accelerate the payment of death benefits
- 11:4-30.10 Form submission requirements
- 11:4-30.11 Illustrations
- 11:4-30.12 Discrimination
- 11:4-30.13 Severability
- 11:4-30.14 (Reserved)

SUBCHAPTER 31. TERM LIFE INSURANCE COMPARISON SURVEY

- 11:4-31.1 Purpose and scope
- 11:4-31.2 Definitions
- 11:4-31.3 Coverage option survey
- 11:4-31.4 Survey forms

APPENDIX A

APPENDIX B

APPENDIX C

SUBCHAPTER 32. VALUATION OF LIFE INSURANCE POLICIES

- 11:4-32.1 Purpose and scope
- 11:4-32.2 Definitions
- 11:4-32.3 General calculation requirements for basic reserves and premium deficiency reserves
- 11:4-32.4 Calculation of minimum valuation standard for policies with guaranteed non-level gross premiums or guaranteed non-level benefits (other than universal life policies)
- 11:4-32.5 Calculation of minimum valuation standard for flexible premium and fixed premium universal life insurance policies that contain provisions resulting in the ability of a policyowner to keep a policy in force over a secondary guarantee period
- 11:4-32.6 Operative date

APPENDIX. SELECT MORTALITY FACTORS

SUBCHAPTER 33. EXCESS INTEREST RESERVE ADJUSTMENT

- 11:4-33.1 Purpose
- 11:4-33.2 Applicability and scope
- 11:4-33.3 Requirements
- 11:4-33.4 Separability

SUBCHAPTER 34. LONG-TERM CARE INSURANCE

- 11:4-34.1 Purpose
- 11:4-34.2 Applicability and scope
- 11:4-34.3 Definitions
- 11:4-34.4 Filing requirement
- 11:4-34.5 Policy definitions
- 11:4-34.6 Policy practices, provisions and prohibitions
- 11:4-34.7 Continuation or conversion of group coverage
- 11:4-34.8 Required disclosure provisions
- 11:4-34.9 Requirements for replacement
- 11:4-34.10 Discretionary powers of the Commissioner
- 11:4-34.11 Outline of coverage
- 11:4-34.12 Severability
- 11:4-34.13 Actuarial requirements for rate submissions
- 11:4-34.14 Loss ratio standards for individual long-term care insurance
- 11:4-34.15 Spousal discount

SUBCHAPTER 35. VIATICAL SETTLEMENTS

- 11:4-35.1 Purpose and scope
- 11:4-35.2 Definitions
- 11:4-35.3 General licensing requirements
- 11:4-35.4 Viatical settlement provider's license application
- 11:4-35.5 Viatical settlement broker's or representative's license application
- 11:4-35.6 License renewals
- 11:4-35.7 Denial of license
- 11:4-35.8 Appointment requirements for viatical settlement representatives
- 11:4-35.9 Approval of contracts and disclosure statements; right of rescission
- 11:4-35.10 Standards for evaluation of reasonable viatical settlement proceeds
- 11:4-35.11 Reporting requirement
- 11:4-35.12 Payment of the proceeds
- 11:4-35.13 Viatical settlement provider/broker/representative conduct
- 11:4-35.14 Viatical settlement provisions
- 11:4-35.15 Advertising standards
- 11:4-35.16 Disclosure
- 11:4-35.17 Prohibited practices
- 11:4-35.18 Imposition of administrative penalties/suspension/ revocation of license

APPENDIX

SUBCHAPTER 36. (RESERVED)

SUBCHAPTER 37. SELECTIVE CONTRACTING
ARRANGEMENTS OF INSURERS

- 11:4-37.1 Purpose and scope
- 11:4-37.2 Definitions
- 11:4-37.3 Standards for selective contracting arrangements
- 11:4-37.4 Selective contracting arrangement approval and amendment procedures
- 11:4-37.5 Confidentiality
- 11:4-37.6 Denial, suspension and revocation
- 11:4-37.7 Monitoring; auditing
- 11:4-37.8 Filing and review fees
- 11:4-37.9 Penalties

SUBCHAPTERS 38 THROUGH 39. (RESERVED)

SUBCHAPTER 40. LIFE/HEALTH/ANNUITY FORMS

- 11:4-40.1 Purpose and scope
- 11:4-40.2 Definitions
- 11:4-40.3 Life/health/annuity form approval standards
- 11:4-40.4 General requirements
- 11:4-40.5 Life/health/annuity form approval procedures
- 11:4-40.6 Individual life and annuities variable form approval procedures
- 11:4-40.7 Valuation and non-forfeiture interest rates form approval procedures
- 11:4-40.8 Certificate of assumption form approval procedures
- 11:4-40.9 File and use eligibility
- 11:4-40.10 File and use procedures
- 11:4-40.11 Service fees

APPENDIX

SUBCHAPTER 40A. "40 STATES" FILE AND USE
STANDARDS AND PROCEDURES

- 11:4-40A.1 Purpose and scope
- 11:4-40A.2 Definitions
- 11:4-40A.3 Eligibility
- 11:4-40A.4 Submission procedures
- 11:4-40A.5 Penalties
- 11:4-40A.6 Effect on previously acknowledged forms

SUBCHAPTER 41. STANDARDS FOR INDIVIDUAL
LIFE INSURANCE POLICY FORMS

- 11:4-41.1 Purpose and scope
- 11:4-41.2 Definitions
- 11:4-41.3 General standards
- 11:4-41.4 Exclusions and prohibitions
- 11:4-41.5 Prohibition of bail-out features
- 11:4-41.6 Indexed benefits
- 11:4-41.7 Standards for pre-existing conditions exclusions
- 11:4-41.8 Standards for field issue contracts
- 11:4-41.9 Standards for other insured coverage
- 11:4-41.10 Standards for survivorship forms
- 11:4-41.11 Standards for re-entry or requalification features
- 11:4-41.12 Standards for custom design products
- 11:4-41.13 Effect on previously filed forms
- 11:4-41.14 Standards for smoker/nonsmoker and/or tobacco/nontobacco reclassification
- 11:4-41.15 through 11:4-41.16 (Reserved)

SUBCHAPTER 42. GROUP LIFE, GROUP HEALTH
AND BLANKET INSURANCE: GENERAL
STANDARDS FOR CONTRACT PROVISIONS

- 11:4-42.1 Purpose and scope
- 11:4-42.2 Definitions
- 11:4-42.3 Applicability of other standards
- 11:4-42.4 General standards
- 11:4-42.5 Prohibited provisions

- 11:4-42.6 Provisions for aggregate limits
- 11:4-42.7 Provisions for offsets in group policies and certificates providing disability income insurance
- 11:4-42.8 Provisions setting forth pre-authorization requirements
- 11:4-42.9 Provisions for pre-existing condition exclusions and limitations
- 11:4-42.10 Prohibition on subrogation/third party liability provisions
- 11:4-42.11 Provisions concerning exclusions and limitations for the use of alcohol and drugs or relating to illegal occupations
- 11:4-42.12 Provisions for payment of benefits payable for automobile related injuries
- 11:4-42.13 Conversion of group life insurance coverage to an individual life insurance policy

APPENDIX. BENEFITS PAYABLE FOR AUTOMOBILE
RELATED INJURIESSUBCHAPTER 43. INDIVIDUAL ANNUITY CONTRACT
FORM STANDARDS

- 11:4-43.1 Purpose and scope
- 11:4-43.2 Definitions
- 11:4-43.3 General requirements and prohibitions
- 11:4-43.4 Individual immediate annuities
- 11:4-43.5 Individual deferred annuities
- 11:4-43.6 Waiver of surrender charges
- 11:4-43.7 Surrender charges for individual deferred annuities

SUBCHAPTER 44. STANDARDS FOR CONTRACTS ON
A VARIABLE BASIS

- 11:4-44.1 Purpose and scope
- 11:4-44.2 Definitions
- 11:4-44.3 Standards for variable contracts
- 11:4-44.4 Prohibited provisions
- 11:4-44.5 (Reserved)

SUBCHAPTER 45. PERIODIC REPORTS

- 11:4-45.1 Purpose and scope
- 11:4-45.2 Definitions
- 11:4-45.3 General requirements
- 11:4-45.4 Flexible factor forms; reporting requirements
- 11:4-45.5 Individual variable annuity forms; reporting requirements
- 11:4-45.6 Variable life insurance; periodic report requirements
- 11:4-45.7 Illustrated forms
- 11:4-45.8 Penalties

SUBCHAPTER 46. SYNTHETIC GUARANTEED
INVESTMENT CONTRACT FORMS

- 11:4-46.1 Purpose and Scope
- 11:4-46.2 Definitions
- 11:4-46.3 Form submission requirements
- 11:4-46.4 Plan of operation requirements
- 11:4-46.5 Contract requirements
- 11:4-46.6 General requirements
- 11:4-46.7 Reserves
- 11:4-46.8 Severability

SUBCHAPTER 47. ACTUARIAL REQUIREMENTS FOR
FLEXIBLE-FACTOR POLICY FORMS

- 11:4-47.1 Purpose and Scope
- 11:4-47.2 Definitions
- 11:4-47.3 General requirements
- 11:4-47.4 Modification of flexible factors
- 11:4-47.5 Nonforfeiture benefits—actuarial certification
- 11:4-47.6 Penalties

APPENDIX. RESERVED

SUBCHAPTER 48. UNFAIR DISCRIMINATION

- 11:4-48.1 Purpose and scope
- 11:4-48.2 Definitions

ACTUARIAL SERVICES

- 11:4-48.3 General requirements
- 11:4-48.4 Conversion credits
- 11:4-48.5 Non-smoker only coverage
- 11:4-48.6 Policy benefits determined by ownership
- 11:4-48.7 Forgiveness of surrender charge
- 11:4-48.8 Discounts and reductions in premium in individual health insurance
- 11:4-48.9 (Reserved)

SUBCHAPTER 49. MANDATED DIABETES BENEFITS

- 11:4-49.1 Purpose and scope
- 11:4-49.2 Definitions
- 11:4-49.3 Benefits
- 11:4-49.4 Payment of benefits under multiple coverage plans

SUBCHAPTER 50. REIMBURSEMENT OF INMATE HEALTH CARE COSTS

- 11:4-50.1 Purpose and scope
- 11:4-50.2 Definitions
- 11:4-50.3 Liability for medical care
- 11:4-50.4 Amount of inmate liability
- 11:4-50.5 Health coverage plans
- 11:4-50.6 Filing of claims for reimbursement
- 11:4-50.7 Coordination of benefits
- 11:4-50.8 Policy forms

SUBCHAPTER 51. (RESERVED)

SUBCHAPTER 52. LIFE INSURANCE ILLUSTRATIONS

- 11:4-52.1 Purpose and scope
- 11:4-52.2 Definitions
- 11:4-52.3 Policies to be illustrated
- 11:4-52.4 General rules and prohibitions
- 11:4-52.5 Standards for basic illustrations
- 11:4-52.6 Standards for supplemental illustrations
- 11:4-52.7 Delivery of illustration and record retention
- 11:4-52.8 Annual report; notice to policy owners
- 11:4-52.9 Annual certifications
- 11:4-52.10 Penalties
- 11:4-52.11 Transition

SUBCHAPTER 53. MINIMUM STANDARDS FOR SPECIFIED DISEASE AND CRITICAL ILLNESS COVERAGES

- 11:4-53.1 Purpose and scope
- 11:4-53.2 Definitions
- 11:4-53.3 General standards
- 11:4-53.4 Standards for specified disease coverage
- 11:4-53.5 Standards for critical illness coverage
- 11:4-53.6 Loss ratio standards
- 11:4-53.7 Advertising

APPENDIX

SUBCHAPTER 54. BENEFIT STANDARDS FOR INFERTILITY COVERAGE

- 11:4-54.1 Purpose and scope
- 11:4-54.2 Definitions
- 11:4-54.3 Infertility coverage provided to the same extent as other pregnancy-related procedures
- 11:4-54.4 Required benefits
- 11:4-54.5 Permissible benefit exclusions
- 11:4-54.6 Religious employer exclusions
- 11:4-54.7 Effect on previously filed forms

SUBCHAPTER 55. PHARMACY CARDS

- 11:4-55.1 Definitions
- 11:4-55.2 Requirement to issue cards
- 11:4-55.3 Time limits
- 11:4-55.4 Access to information
- 11:4-55.5 Informational filing
- 11:4-55.6 Operative date

SUBCHAPTER 56. SELF-FUNDED MULTIPLE EMPLOYER WELFARE ARRANGEMENTS AND INSURED MULTIPLE EMPLOYER ARRANGEMENTS

- 11:4-56.1 Purpose and scope
- 11:4-56.2 Definitions
- 11:4-56.3 Initial registration of self-funded MEWAs
- 11:4-56.4 Subsequent annual registration of self-funded MEWAs
- 11:4-56.5 Eligibility requirements for self-funded MEWA coverage
- 11:4-56.6 Rating requirements of self-funded MEWAs
- 11:4-56.7 Notice of change in documents of self-funded MEWAs
- 11:4-56.8 Financial requirements of self-funded MEWAs
- 11:4-56.9 Financial reporting of self-funded MEWAs
- 11:4-56.10 Financial examinations of self-funded MEWAs
- 11:4-56.11 Notification to the Department by carriers of contracts with MEAs
- 11:4-56.12 Violations and penalties

APPENDIX A

APPENDIX B

SUBCHAPTER 1. NEW JERSEY INSOLVENT HEALTH MAINTENANCE ORGANIZATION ASSISTANCE ASSOCIATION

Authority

N.J.S.A. 17:1-8.1; 17:1-15e; and 17B:32B-1 et seq.

Source and Effective Date

R.2001 d.122, effective April 2, 2001.
See: 32 N.J.R. 3907(a), 33 N.J.R. 1109(a).

(g) A self-funded MEWA shall file with the Commissioner proof of the stop-loss coverage required by section N.J.A.C. 11:4-56.8(g) above within 15 days of the renewal date of the stop-loss agreement.

(h) A self-funded MEWA shall file with the Commissioner within 60 days after the end of each fiscal quarter a report certifying that it maintains, in a claim reserve account within the trust account established pursuant to N.J.A.C. 11:4-56.8, cash or liquid assets sufficient to provide for all incurred losses, including paid claims.

11:4-56.10 Financial examinations of self-funded MEWAs

(a) The Commissioner may, upon reasonable notice, conduct an examination of a registered self-funded MEWA as often as he or she deems necessary in order to protect the interests of enrollees, members, providers and the residents of this State. A registered self-funded MEWA shall make its books and records available for examination by the Commissioner, and retain its records for not less than seven years.

(b) The Commissioner may commission and employ such persons to conduct or assist in conducting the examination as he or she may deem advisable.

(c) The self-funded MEWA being examined shall bear the reasonable cost of the examination.

11:4-56.11 Notification to the Department by carriers of contracts with MEAs

(a) A carrier shall notify the Department by December 31 of each year of all health insurance contracts, health maintenance organization contracts, stop-loss contracts and administrative services only (ASO) contracts it issued, renewed, or had in force at any time during the 12-month period ending on September 30 of that calendar year, that covered a multiple employer arrangement (MEA) with employees and dependents in New Jersey.

(b) Such notice shall include:

1. The name and address of each MEA with whom the carrier contracted;

2. The state in which the health insurance contract, health maintenance organization contract, stop-loss contract or ASO contract was issued to the MEA;

i. If the issue state was New Jersey, the unique identifying form number of the health insurance contract, health maintenance organization contract or stop-loss contract issued to the MEA, and the date such form was approved by the Department;

3. The names and addresses of all employers covered by the MEA with employees or dependents in New Jersey and, for each such employer, the number of employees eligible for coverage; and

4. A copy of the health insurance contract, health maintenance organization contract, stop-loss contract or ASO contract between the carrier and the MEA in force at any time during the calendar year.

(c) Such notice shall be addressed to:

MEA Notice, Life and Health Section
Department of Banking and Insurance
PO Box 325
Trenton, New Jersey 08625

11:4-56.12 Violations and penalties

(a) Persons failing to comply with any of the requirements of this subchapter shall be subject to revocation or suspension of a certificate of registration and/or a penalty of not more than \$1,000 for a first offense, and not more than \$5,000 for each subsequent offense pursuant to N.J.S.A. 17B:27C-10.

(b) A self-funded MEWA that fails to submit an application for registration, and covers employers domiciled in New Jersey or who have their principal headquarters or principal administrative offices in New Jersey, shall terminate coverage of such employers by February 7, 2005, and shall provide 180 days notice of termination to affected employers.

(c) A self-funded MEWA whose application for initial or subsequent annual registration is denied or withdrawn, but that covers employers domiciled in New Jersey or who have their principal headquarters or principal administrative office in New Jersey, shall terminate coverage of such employers within eight months of the date of withdrawal or denial and shall provide 180 days notice of termination to affected employers.

(d) If the Commissioner rejects a complete initial registration application filed pursuant to N.J.A.C. 11:4-56.3, or a subsequent annual registration application filed pursuant to N.J.A.C. 11:4-56.4, the Department shall advise the applicant in writing that the registration request is denied; shall specify the reasons for the denial; and shall advise the applicant of the right to request a contested case hearing as defined at N.J.A.C. 1:1-2.1, and of the procedures for filing the request.

1. A request for a hearing shall be filed within 20 days of receipt of the letter denying the request for registration, and shall be forwarded to:

Assistant Commissioner
Life and Health
New Jersey Department of Banking and Insurance
20 West State Street
PO Box 325
Trenton, NJ 08625-0325

2. The request for a hearing shall include a statement of the legal and factual basis upon which the applicant disagrees with the denial of either an initial or subsequent annual registration, and all documentation in support thereof.

3. Upon receipt of a request for a hearing on a registration denial, the Department shall review the application and attachments, the Department's records and any additional information submitted, and shall determine whether the registration will be issued.

APPENDIX A

State of New Jersey
Department of Banking and Insurance
Checklist and Certification
Multiple Employer Welfare Arrangement (MEWA) Health Plans
Filing Made Pursuant to P.L. 2001, c.352

Plan Name: _____

ERISA Filing Identification: _____

List of Forms Submitted (Identify each as contract, insert pages, rider or amendment, summary plan description, application, enrollment form or other (please identify)).

		YES	NO
1.	Do the forms contain any provision, statements or questions that pertain to race, creed, color, national origin, ancestry or sexual orientation?		
2.	Are the forms in final printed format?		
3.	Do the forms contain unique identifying form numbers at the lower left corner of the first page?		
4.	Have persons covered under the plans been issued information identifying the benefits the plans do not provide as required by N.J.S.A. 34:11A-14? If yes, attach a copy of the most recent list. If no, explain why below.		
5.	Do the forms comply with the readability requirements set forth at N.J.S.A. 17B:17-21a?		
6.	Do the forms comply with the regulation on domestic violence set forth at N.J.A.C. 11:4-42.5(a)?		
7.	Do the forms comply with the requirements of Discontinuance and Replacement set forth at N.J.A.C. 11:2-13?		
8.	Do the forms contain a Coordination of Benefits provision consistent with the requirements of N.J.A.C. 11:4-28?		
9.	Do the plans contain definitions of the following terms which are at least as favorable to consumers as those contained in Appendix Exhibit A of N.J.A.C. 11:21?		
	a. Ambulatory Surgical Center		
	b. Birthing Center		
	c. Dependent		
	d. Diagnostic Services		
	e. Emergency		
	f. Employee		
	g. Experimental or Investigational		
	h. Extended Care Center		
	i. Health Status-Related Factor		
	j. Hospice		
	k. Hospital		
	l. Medically Necessary and Appropriate		
	m. Nurse		
	n. Pre-Approval (or similar term)		
	o. Pre-Existing Condition		
	p. Private Duty Nursing		
	q. Reasonable and Customary (or similar term)		
	r. Rehabilitation Center		
	s. Skilled Nursing Care		
	t. Special Care Unit		
	u. Total Disability or Totally Disabled		
	v. Urgent Care		
10.	Do the plans contain provisions as identified below which are at least as favorable to consumers as those contained in Appendix Exhibit A of N.J.A.C. 11:21?		
	a. Incontestability		
	b. Payment of Premiums—Grace period		
	c. Participation Requirements		
	d. Term of Policy—Renewal Privilege—Termination		
	e. Waiting Period		
	f. Incapacitated Children		
	g. If a network based plan, Continuation of Care		
	h. Preexisting conditions and continuity of coverage		
11.	Do the forms provide benefits and coverage as identified below which are at least as favorable to consumers as those contained in Appendix Exhibit A of N.J.A.C. 11:21?		
	a. Charges while hospitalized up to 30 days per calendar year (room and board) and ancillary charges.		
	b. Emergency and Urgent Care Services		
	c. Testing Charges—X-ray and laboratory prior to hospitalization		
	d. Charges while confined in an Extended Care or Rehabilitation Facility up to 60 days per calendar year (in lieu of hospital confinement, 2 for 1 exchange for hospital days)		
	e. Charges for home health care up to 60 days per calendar year (2 for 1 exchange for hospital days)		
	f. Charges for hospice care up to 60 days per calendar year (2 for 1 exchange for hospital days)		
	g. Food and food products for inherited metabolic diseases		

	h.	Practitioner charges for nonsurgical treatment, while hospitalized		
	i.	Practitioner charges for surgery		
	j.	Second opinion charges		
	k.	Ambulatory surgical center charges		
	l.	Pregnancy as any other illness		
	m.	Birth center charges		
	n.	Newborn child coverage		
	o.	Anesthesia		
	p.	Therapy services (as listed in Appendix Exhibit A)		
	q.	Preventive care (\$100.00 per person; \$300.00 per family per calendar year; first dollar coverage)		
	r.	Immunizations and lead screening		
	s.	Autologous bone marrow transplant and associated dose intensive chemotherapy, peripheral blood stem cell transplants.		
	t.	Prescription drugs—inpatient		
	u.	Insulin needles, syringes, glucose test strips, lancets		
	v.	Colostomy bags, belts and irrigators		

Explanation or clarification of response(s) to any item above:

I understand and agree that:

- To the best of my knowledge the forms described herein provide benefits and coverage at least as favorable to the consumer as that provided by Plan A as set forth at Appendix Exhibit A of N.J.A.C. 11:20.
- I understand that the Department of Banking and Insurance will rely on this certification in accepting this submission.
- If it is determined that the forms do not provide at least the minimum level of benefits and coverage of Plan A*,* I agree the plan will be amended to provide such benefits or coverage.
- I am aware of the penalties for submitting an improper certification or false submission.

Signature of Responsible Officer

Printed Name of Responsible Officer and Title

Date

APPENDIX B

Self-Funded MEWA Loss Ratio Report Form

Small Employer Business

Reporting Year (Year in which this report was prepared) _____
 For Preceding Calendar Year Ending December 31, _____

Name of MEWA: _____

Address of MEWA: _____

- 1. Premiums _____
- 2. Claims (a. + b.-c. + d.-e.) _____
 - a. _____
 - b. _____
 - c. _____
 - d. _____
 - e. _____

- 3. Loss Ratio (2./1.) _____
- 4. Dividends (.75 x 1.) - 2. _____

Signature of Preparer Date _____ Date _____
 Name of Preparer Title _____ Title _____
 Address _____
 Telephone Number _____

- 1. Premiums are total earned premiums for small employer business, before any dividends or credits applicable to prior year's Loss Ratio Reports.
- 2. Claims for small employer business are equal to:
 - a. claims paid in the preceding calendar year regardless of year incurred; plus
 - b. claims paid from January 1 to June 30 of the reporting year for claims incurred prior to January 1 of the reporting year; less
 - c. claims paid from January 1 through June 30 of the preceding calendar year for claims incurred prior to January 1 of the preceding calendar year (as reported in the preceding year's Loss Ratio Report); plus
 - d. a residual reserve equal to 3.3 percent of a. + b.-c.; less
 - e. a residual reserve (as reported in the preceding year's Loss Ratio Report).
- 3. Loss Ratio is the quotient, to the nearest.1 percent, of the Claims dividend by the Premiums (2. divided by 1.)
- 4. Dividends are 0 if the amount on Line 3 is 75.0% or greater. Otherwise, dividends are equal to (75% of Line 1.) minus Line 2.