



ADMINISTRATIVE RULES OF MONTANA

6.6.508A FILING AND APPROVAL OF POLICIES AND CERTIFICATES AND PREMIUM RATES

- (1) An issuer may not deliver, or issue for delivery, a policy or certificate to a resident of this state unless the policy form or certificate has been filed with and approved by the commissioner in accordance with filing requirements and procedures prescribed by the commissioner.
 - (a) An issuer's name must be as prominently displayed as the name of the association, tradename, or other sponsoring organization.
 - (b) The policy and certificate must be identified by the proper plan designation letter which must be included anywhere in the form number for the policy.
- (2) An issuer must file any riders or amendments to policy or certificate forms to delete outpatient prescription drug benefits as required by the MMA with the commissioner in the state in which the policy or certificate was issued.
- (3) An issuer shall not use or change premium rates for a Medicare supplement policy or certificate unless the rates, rating schedule, and supporting documentation, together with the outline of coverage, have been filed with and approved by the commissioner in accordance with the filing requirements and procedures adopted by the commissioner.
- (4) Except as provided in (4)(a), an issuer shall not file for approval more than one form of a policy or certificate of each type for each standard Medicare supplement benefit plan.
 - (a) An issuer may offer, with the approval of the commissioner, up to four additional policy forms or certificate forms of the same type for the same standard Medicare supplement benefit plan, one for each of the following cases:
 - (i) the inclusion of new or innovative benefits;
 - (ii) the addition of either direct response or agent marketing methods;
 - (iii) the addition of either guaranteed issue or underwritten coverage; or
 - (iv) the offering of coverage to individuals eligible for Medicare by reason of disability.
 - (b) For the purposes of this rule, a "type" means an individual policy, a group policy, an individual Medicare select policy, or a group Medicare select policy.
- (5) Except as provided in (5)(a), an issuer shall continue to make available for purchase any policy form or certificate form issued after the effective date of this rule that has been approved by the commissioner. A policy form or certificate form shall not be considered to be available for purchase unless the issuer has actively offered it for sale in the previous 12 months.

- (a) An issuer may discontinue the availability of a policy form or certificate form if the issuer provides to the commissioner in writing its decision at least 30 days prior to discontinuing the availability of the form of the policy or certificate. After receipt of the notice by the commissioner, the issuer shall no longer offer for sale the policy form or certificate form in this state.
- (b) An issuer that discontinues the availability of a policy form or certificate form pursuant to (5)(a) may not file for approval a new policy form or certificate form of the same type for the same standard Medicare supplement benefit plan as the discontinued form for a period of five years after the issuer provides notice to the commissioner of the discontinuance. The period of discontinuance may be reduced if the commissioner determines that a shorter period is appropriate.
- (c) The sale or other transfer of Medicare supplement business to another issuer shall be considered a discontinuance for the purposes of this subsection.
- (d) Any change in the rating structure or methodology shall be considered a discontinuance under (5) unless the issuer complies with the following requirements:
 - (i) the issuer provides an actuarial memorandum, in a form and manner prescribed by the commissioner, describing the manner in which the revised rating methodology and resultant rates differ from the existing rating methodology and existing rates; and
 - (ii) the issuer does not subsequently put into effect a change of rates or rating factors that would cause the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change. The commissioner may approve a change to the differential which is in the public interest.
- (6) The experience of all policy forms or certificate forms of the same type in a standard Medicare supplement benefit plan must be combined for purposes of the refund or credit calculation prescribed in ARM 6.6.508, except that forms assumed under an assumption reinsurance agreement shall not be combined with the experience of other forms for purposes of the refund or credit calculation.
- (7) An issuer may not file a rate structure for its Medicare supplement policies and certificates after January 1, 2006, based upon a structure or methodology with any groupings of attained ages greater than one year for each year the rate increases. The rate change may be flat at the beginning and end of the rate structure, but otherwise the ratio between rates for successive ages must exhibit a smooth pattern as age increases. For example, the commissioner may allow a rate structure that has the same rate for policyholders younger than 68, a rate that smoothly increases some percentage each successive year through age 90, and then maintains the same rate for policyholders older than 90.
- (8) An issuer has the option of offering Medicare supplement policies on an attained age basis, issue age basis, or a dual rating basis. Only one of those rating methodologies may be chosen per Medicare supplement benefit policy form, except as provided in (4)(a).
 - (a) Regardless of the rating methodology chosen, an issuer must provide adequate information to consumers so they may make informed decisions on their Medicare supplement purchases.
 - (b) If an issuer elects to offer dual rating, the issuer must:

- (i) provide a choice between an issue age or attained age rating methodology to individual policyholders, for individual policies, or to group policyholders (not certificate holders) for group policies;
- (ii) develop materials which disclose both rating methodologies, including how the methodologies differ in the near term and the long term;
- (iii) provide the same commission for both methodologies;
- (iv) allow consumers to switch from an attained age rating methodology to an issue age rating methodology; and
- (v) prohibit consumers from switching from an issue age rating methodology to an attained age rating methodology.

Authorizing statute(s): 33-1-313, 33-22-904, 33-22-905, 33-22-906, MCA

Implementing statute(s): 33-22-904, 33-22-906, MCA

History: NEW, 1993 MAR p. 1487, Eff. 7/16/93; AMD, 1996 MAR p. 1637, Eff. 6/21/96; AMD, 2004 MAR p. 313, Eff. 2/13/04; AMD, 2005 MAR p. 1910, Eff. 9/9/05; AMD, 2009 MAR p. 1107, Eff. 7/17/09; AMD, 2018 MAR p. 572, Eff. 3/17/18.