

**WEST VIRGINIA
SECRETARY OF STATE
JOE MANCHIN, III
ADMINISTRATIVE LAW DIVISION**

Form #5

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FILED

2004 AUG 26 P 2:34

OFFICE WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF AGENCY ADOPTION OF A PROCEDURAL OR INTERPRETIVE RULE
OR A LEGISLATIVE RULE EXEMPT FROM LEGISLATIVE REVIEW**

AGENCY: Insurance Commissioner TITLE NUMBER: 114

CITE AUTHORITY: WV Code §33-2-10

RULE TYPE: PROCEDURAL INTERPRETIVE _____

EXEMPT LEGISLATIVE RULE _____

CITE STATUTE(S) GRANTING EXEMPTION FROM LEGISLATIVE REVIEW

AMENDMENT TO AN EXISTING RULE: YES NO _____

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 67

TITLE OF RULE BEING AMENDED: Rate and Form Filing Abstracts

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: _____

TITLE OF RULE BEING PROPOSED: _____

THE ABOVE RULE IS HEREBY ADOPTED AND FILED WITH THE SECRETARY OF STATE. THE
EFFECTIVE DATE OF THIS RULE IS September 25, 2004


Authorized Signature

RESPONSE TO COMMENTS

Three sets of comments were received during the comment period in response to the proposed legislative rule; one from Jill C. Bentz, on behalf of the West Virginia Insurance Federation, one from T. Randolph Cox, on behalf of America's Health Insurance Plans, and one from T. Randolph Cox, on behalf of the West Virginia HMO Association.

A. Regarding proposed 114 C.S.R. 67, Jill C. Bentz, on behalf of the West Virginia Insurance Federation, submits the following comments by letter dated July 30, 2004:

1. Ms. Bentz suggests that the proposed revisions to two forms appear to require additional, and, at times, duplicative information from insurers. Specifically, Ms. Bentz points to PCA-R-2004 P&C Insurance Rate Filing Abstract, 6 (a) states that the premium effect information (annual written premium, percent change requested, and additional annual premium) is now required to be submitted by coverage along the lines of 6 (b). The certification has been reworded, now requiring insurers' name, address and telephone number for the individual signing the statement. In PCA-F-2004 P&C Form Filing Abstract, Ms. Bentz states that the certification has been reworded, now requiring the name, address and telephone number of the individual signing the statement. Ms. Bentz does not believe these revisions are particularly problematic, however, she states there is some concern with the general direction advanced by these proposed revisions and that the NAIC uniform transmittal forms, both general and specific, should be adopted rather than West Virginia adopting its own versions of forms required with filings.

While no specific amendments were proposed, Ms. Bentz's concerns on behalf of the West Virginia Insurance Federation have been considered. The Commissioner declines to amend the aforementioned rate and form filing abstracts due to prior experience with basic filing packages that frequently fail to contain the level of detail necessary in order to properly consider the rate or form filing. The proposed rule ensures that the necessary information is provided and ensures uniformity in the process.

B. Regarding proposed 114 C.S.R. 67, T. Randolph Cox, on behalf of America's Health Insurance Plans (AHIP), submits the following comments by letter dated July 30, 2004:

1. Mr. Cox states that under the current regulations, group health insurance policies which are "negotiated and experience rated" are not subject to these filing requirements. This exception is established pursuant to W.Va. Code § 33-16B-3. Further, the current regulations define "experience rated groups." The proposed regulations appear to eliminate this exception. Mr. Cox also states that group health policies which are negotiated and experience rated should not be required to submit a rate abstract for approval by the Commissioner.

While no specific amendments to the regulations were proposed, Mr. Cox's comments on behalf of AHIP have been considered. The Commissioner declines to amend the proposed rule because group accident and sickness policies, which are negotiated and experience rated, are exempt from filing rate abstracts pursuant to W.Va. Code § 33-16B-3.

C. Regarding proposed 114 C.S.R. 67, T. Randolph Cox, on behalf of the West Virginia HMO Association, submits the following comments by letter dated July 30, 2004:

1. Mr. Cox states that under the current regulations, group health insurance policies which are "negotiated and experience rated" are not subject to these filing requirements. This exception is established pursuant to W.Va. Code § 33-16B-3. Further, the current regulations define "experience rated groups." The proposed regulations appear to eliminate this exception. Mr. Cox also states that group health policies which are negotiated and experience rated should not be required to submit a rate abstract for approval by the Commissioner.

While no specific amendments to the regulations were proposed, Mr. Cox's comments on behalf of the West Virginia HMO Association have been considered. The Commissioner declines to amend the proposed rule because group accident and sickness policies, which are negotiated and experience rated, are exempt from filing rate abstracts pursuant to W.Va. Code § 33-16B-3.



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ATTORNEYS AT LAW

Direct Dial: 304.340.3880
E-Mail: jbentz@spilmanlaw.com

July 30, 2004

BY HAND-DELIVERY

Ms. Jane Cline, Commissioner
West Virginia Division of Insurance
1124 Smith Street
Charleston, West Virginia 25301

RECEIVED

JUL 30 04

**LEGAL DIV.
WV INS. DEPT.**

**RE: Comments – Proposed Administrative Rules
Title 114, Series 3, 67, and 72**

Dear Commissioner Cline:

These comments to the proposed amendments to CSR 114, Series 3, 67, and 72, are submitted on behalf of the West Virginia Insurance Federation (“WVIF”), the state trade association for property and casualty insurance companies doing business in West Virginia.

1. Title 114, Series 3 – Cancellation and nonrenewal of automobile liability insurance policies.

This proposed rule was ostensibly promulgated pursuant to the authority set forth in W. Va. Code § 33-6A-4a(f) (2004). Because this statute clearly applies to “nonrenewals”, rather than new business or cancellations, for example, it would be helpful if the text of the rule itself clarified that it does not apply to other guidelines.

Another general concern is that the terminology used in the rule and the statute; namely, the proposed rule’s interchangeable use of the phrases “underwriting standards,” “underwriting guidelines,” and “underwriting principles,” allows differing interpretations of the rule and its application.

West Virginia Code § 33-6A-4a(f) requires the filing of “underwriting standards” and requires the Commissioner to review such standards to ensure their consistency with “generally accepted underwriting principles.” The proposed rule, however, requires the filing of “underwriting guidelines,” which must comply with “generally accepted underwriting standards.” Thus, the term “standards” is used differently in the statute and the rule. The statute refers to the documentation that an insurer must file, while the proposed rule refers to generally accepted practices in the industry, against which an insurer’s filing will be measured.

Jane Cline, Commissioner
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Additionally, Section 33-6A-4a(f) requires only that an insurer's underwriting be consistent with generally accepted underwriting principles. It appears that the Commissioner lacks the statutory authority to regulate insurers' practices to any further degree through the use of more constrictive terminology. To the extent that there is concern that similarly-situated policyholders could be treated differently, the Commissioner already has the authority to conduct market conduct exams designed to ensure that similarly-situated policyholders are treated fairly and consistently through the application of appropriate underwriting guidelines. Further language governing this issue in the context of this proposed rule is unnecessary.

Succinctly, the proposed rule is not clear as to how these phrases will be interpreted and applied. It appears that the first term is intended to refer to general underwriting practices utilized by an individual insurer, and the second term is intended to refer to industry-wide practices. The term "guideline," however, connotes some measure of flexibility and the term "standard" suggests rules to which there are no exceptions. The WVIF is concerned that the potential for varying interpretations of these phrases will result in insurers' being forced to use specifically-defined rules-based standards, as opposed to more flexible underwriting guidelines.

The WVIF also is concerned that the proposed rule appears to create a new requirement on companies not opting into the newly-adopted one percent nonrenewal system. Article 4a, captioned "Alternative method for nonrenewal for automobile liability and physical damages insurance", establishes the alternative one percent method for nonrenewal of automobile liability and physical damage insurance. Subsections (a) through (g) of W. Va. Code § 33-6A-4a outline the process for insurers' implementation of the one percent nonrenewal alternative. Subsection 4a(a) provides that an insurer may nonrenew for any reason consistent with its underwriting standards, and Subsection 4a(f) requires the filing of such underwriting guidelines for the Commissioner's review.

The filing of underwriting guidelines was not required prior to the enactment of the alternative one percent nonrenewal method. Indeed, this is a new requirement, solely designed to provide the Commissioner with the ability to review guidelines for compliance with the alternative one percent nonrenewal requirements and the prohibitions established by W. Va. Code § 33-6A-4a.

As stated in the last sentence of subsection 4a(f), the Commissioner is required to promulgate legislative rules "to implement the provisions of this section." As used in that sentence, the phrase "[t]his section" refers to Chapter 33, Article 6A, *Section 4a*. Section 4a applies exclusively to the one percent nonrenewal alternative, and presumably is *not* intended to apply to insurers that have *not* selected the one percent alternative nonrenewal method.

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A legislative rule requiring filing of underwriting guidelines by all insurers, regardless of the method of nonrenewal an insurer has selected, appears to exceed the intended scope of the statute. Accordingly, insurers not selecting the alternative one percent nonrenewal alternative and continuing to use the traditional nonrenewal method should not be subject to the new filing requirements of W. Va. Code § 33-6A-4a.

Section 114-3-4.4 provides that a hearing may be called if the nonrenewal notice was issued for a discriminatory reason. The WVIF believes the rule could be made more clear by citing to specific sections of the Code that already identify prohibited types of discrimination.

Finally, Section 114-3-5 of the proposed rule, captioned "Filing of Underwriting Guidelines", appears to exceed what was intended by the Legislature's enactment of W. Va. Code § 33-6A-4a. Specifically, it states "[a]ll underwriting standards and modifications thereto must be specific and clear, must promote the similar treatment of risks, and must be applied consistently and uniformly."

Companies review each potential nonrenewal on an individual, case-by-case basis, using underwriting judgment, to make a risk retention or termination decision. This proposed rule appears to suggest that companies adopt precise underwriting rules for nonrenewing risks. For example, a company may terminate a risk it has insured for only two years with two recent chargeable accidents, but it likely would not terminate a risk it has insured for thirty years with the same record, naturally assuming the prior history was favorable. This proposed rule appears to negate companies' ability to use any sort of judgment in making these underwriting decisions.

2. Title 114, Series 67 – Rate and Form Filing Abstracts.

Proposed revisions to two forms appear to require additional, and, at times, duplicative information from insurers:

a. PCA-R-2004 P&C Insurance Rate Filing Abstract.

In 6(a), the premium effect information (annual written premium, percent change requested, and additional annual premium) is now required to be submitted by coverage along the lines of 6(b).

The certification has been reworded, now requiring insurers' name, address and telephone number for the individual signing the statement.

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b. PCA-F-2004 P&C Insurance Form Filing Abstract.

The certification has been reworded, now requiring the name, address and telephone number of the individual signing the statement.

An additional requirement has been added to the forms list for any change that broadens or restricts coverage, indicating the filing should provide further description of the impact. This would typically be part of insurers' basic filing package.

Although the WVIF does not believe these revisions are particularly problematic for insurers, there is some concern with the general direction advanced by these proposed revisions. Specifically, the NAIC has been advocating -- and more and more states are adopting -- the uniform transmittal forms, rather than each state's adopting its own version of forms required with filings. The NAIC versions include a general transmittal submitted with all filings as well as specific ones for form and for rate/rule filings.

For form filings, the information requested by the PCA-F-2004 closely tracks the NAIC form filing schedule. For rate filings, the West Virginia abstract requires additional detail; however, much of this likely represents a duplication of effort. Since most of this information is included in our basic filing package, the WVIF assumes that companies will be required to duplicate some of this same information in order that it is also included in the Rate Filing Abstract format. Given that the rate filing abstract already requires companies to include "procedural information" in the filing package, it likely would be more efficient to simplify the abstract by permitting companies to add more specific items or by adopting the NAIC version. This would provide companies with more flexibility in submitting the requisite information.

3. Title 114, Series 72 --Withdrawal plan procedures for personal private passenger automobile insurance companies.

Section 114-72-3.2 defines what constitutes a withdrawal and appears to imply that the rule covers a total withdrawal from the private passenger auto or residential property lines of business. In Section 114-72-4.1h.3., and 3.B. in particular, however, it appears that even a partial withdrawal may be considered a withdrawal. This is especially the case in 3.B. The WVIF believes there should be some clarification of this issue.

Jane Cline, Commissioner
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Section 114-72-4.2 prohibits the filing of a consolidated withdrawal plan by a group of insurers within a holding company system. This seems inefficient. It would seem that much of the information in the withdrawal plan would be duplicative among insurers in the same holding company system, such that having to file separate plans would be redundant.

Finally, Section 114-72-5.4a appears to imply that the transfer of a line of business from one affiliated insurer within a holding company system to another insurer within the same holding company system requires the filing of a withdrawal plan. Companies prefer not to fill a plan in these situations. Accordingly, the WVIF respectfully requests that the definition of what constitutes a withdrawal be clarified.

Thank you for the opportunity to provide these comments. Naturally, please do not hesitate to contact me if you have any questions.

Very truly yours,


Jill C. Bentz

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LEGAL DIV.
WV INS. DEPT.



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July 30, 2004

HAND-DELIVERY

Mary Jane Pickens, Counsel
West Virginia Insurance Commission
1124 Smith Street
P. O. Box 50540
Charleston, West Virginia 25305-0540

Re: Comments to Series 15 and Series 67

Dear Ms. Pickens:

These comments are submitted on behalf of America's Health Insurance Plans ("AHIP") to Series 15 proposed regulations which amend "Examiners Compensation Qualifications and Classification Examiners and Examination" and Series 67 dealing with "Rate and Form Filing, Abstracts." AHIP is the national trade association representing nearly 1,300 member companies providing health insurance coverage to more than 200 million Americans.

SERIES 15

Our comments about the proposed changes to Series 15 are as follows:

1. Section 4.2(a) requires a health insurer to maintain its records "among other things" for "network adequacy," "utilization review," and "quality assessment and improvement." Health maintenance organizations are the only insurers with statutory requirements involving quality assessment, network adequacy and utilization review. In fact, the West Virginia Code is silent on these requirements for non-HMO's. These requirements appear to be beyond the scope of authority contained in Chapter 33 and request information for which there are no standards under West Virginia law. In the absence of statutory or regulatory requirements concerning these practices, for what purpose would a health insurer that is not an HMO maintain these records? These requirements as they apply to non-HMO health insurers should be deleted.

2. Sections 4.2(b), 4.3, 4.4 and 4.6 require a health insurer to maintain its records for five years. This is a new standard for which there does not appear to be any statutory authority.

3. Section 4.5 establishes a record retention policy for complaints and grievances. The only specific statutory authority for maintaining information about complaints and grievances is contained in Article 25A which deals with HMO's. Articles 15, 15A, 15B, 16, 16A, 16B and 16D are silent on this issue. Accordingly, there is no statutory requirement involving complaints or grievances for non-HMO's. These requirements are beyond the

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West Virginia Insurance Commission
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authority contained in the West Virginia Code and should not be required for non-HMO health insurers.

4. Section 4.9 requires an insurer to provide information within five working days. In many cases, these records will be stored off-site. This short time frame may place an undue burden on an insurer, and we would ask that it be increased to a more reasonable time frame.

5. In the alternative, companies will not be able to meet this five-year policy immediately because they have not been required to maintain records for any specific length of time. The requirement should be phased in beginning upon the effective date of this regulation.


SERIES 67

The Series 67 proposed regulations introduced by the Insurance Commissioner deal with "Rate and Form Filing, Abstracts." Under the current regulations, group health insurance policies which are "negotiated and experience rated" are not subject to these filing requirements. This exception is established pursuant to W. Va. Code § 33-16B-3. Further, the current regulations define "experience rated groups." The proposed regulations appear to eliminate this exception.

The underlying legal authority for this exception still exists. For clarification purposes, the current exception for negotiated and experience rated groups should be specifically included in the proposed regulations. Group health policies which are negotiated and experience rated should not be required to submit a rate abstract for approval by the Commissioner.

AAHP-HIAA greatly appreciates the consideration of its comments. If you have any questions, please do not hesitate to contact me.

Sincerely yours,


T. Randolph Cox
Counsel, AHIP

TRC/lb;317548

cc: Jeffrey E. Tindall



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JUL 30 04

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July 30, 2004

Mary Jane Pickens, Counsel
West Virginia Insurance Commission
1124 Smith Street
P. O. Box 50540
Charleston, West Virginia 25305-0540

Re: Comments to Series 15, Series 67, Series 71

Dear Ms. Pickens:

These comments are submitted on behalf of the West Virginia HMO Association to Series 15, Series 67 and series 71. The HMO Association is a state trade association consisting of the four licensed HMO's in West Virginia.

SERIES 15

Series 15 deals with amendments to the "Examiners Compensation Qualifications and Classification Examiners and Examination."

1. Section 4.2(a), (b) and (c), Section 4.3, and Section 4.6 require an insurer to maintain records for a period of five calendar years. These sections apply to health insurers. It appears that a health insurer should include health maintenance organizations.

Section 4.6 specifically applies to, among other things, complaint and grievance logs. West Virginia Code § 33-26A-12(k) provides that grievances and responses thereto shall be maintained for a period of three (3) years. The requirements of these sections are in conflict with the HMO Act and should be changed to three years for HMO's.

In the alternative, the five year requirement is a significant departure from the three year retention requirement currently employed by HMO's. At a minimum if this requirement is not amended to three years for HMO's, there should be a transition plan allowed for implementation.

2. Some of the definitions contained in this series concerning complaints and grievances are contrary to recently issued information letter 100A. This new information letter was a subject of much discussion between the Insurance Department and the WV HMO



Mary Jane Pickens, Counsel
West Virginia Insurance Commission
July 30, 2004
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Association. The provisions of this section should be amended to not apply to HMO's or corrected to be consistent with Information Letter 100A.

3. Section 4.9(a) requires an HMO to provide any requested document within five working days. This time frame is unreasonable. These documents may be stored off-site. This will place an unnecessary burden and cost on HMO's to comply with this time frame. This time frame should be extended to a more reasonable time frame.

4. Finally, unlike other health insurers, HMO's are required to be accredited. They are audited annually on quality, appeals, credentialing, etc. These new requirements are expensive and duplicative. These additional administrative expenses will be borne ultimately by the consumer through increased rates. The Association would ask if the Department would consider some relief on these requirements given the already heavy regulatory burden on HMO's.

SERIES 67

The Series 67 proposed regulations introduced by the Insurance Commissioner deal with "Rate and Form Filing, Abstracts." Under the current regulations, group health insurance policies which are "negotiated and experience rated" are not subject to these filing requirements. This exception is established pursuant to W. Va. Code § 33-16B-3. Further, the current regulations define "experience rated groups." The proposed regulations appear to eliminate this exception.

The underlying legal authority for this exception still exists. For clarification purposes, the current exception for negotiated and experience rated groups should be specifically included under the proposed regulations. Group health policies which are negotiated and experience rated should not be required to submit a rate abstract for approval by the Commissioner.

SERIES 71

Proposed Series 71 are entitled "Insurance Fraud Prevention." The proposed regulations reference the NAIC model Fraud Reporting Form (114-71-3.5). The current form is not attached to the regulations. For purposes of convenience, it might be helpful if the current form is attached to this regulation and/or information where the current forms may be found be included with this regulation.

 SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

Mary Jane Pickens, Counsel
West Virginia Insurance Commission
July 30, 2004
Page 3

Thank you for your consideration of our comments. If you have any questions, please contact me.

Sincerely yours,



T. Randolph Cox
Counsel, West Virginia HMO Association

TRC/lb;317521

cc: Patrick W. Dowd
John A. Bellante
Philip W. Wright
John M. Collins

TITLE 114

**WEST VIRGINIA PROCEDURAL RULE
INSURANCE COMMISSIONER**

**SERIES 67
RATE AND FORM FILING ABSTRACTS**

Section

114-67-1. General.

114-67-2. Filing Requirements.

114-67-3. Applicability of Forms.

Appendix A. Accident and Sickness Insurance Form Filing Abstract - ASA-F-2004

Appendix B. Mass Marketed Life and Health Insurance Form Filing Abstract - ASA-F-2004A

Appendix C. Mass Marketed Life and Health Insurance Advertising Filing Abstract - ASA-F-2004B

Appendix D. Accident and Sickness Insurance Rate Filing Abstract - ASA-R-2004

Appendix E. Adoption of Rating Organization Advisory Prospective Loss Costs Rate Filing Abstract - PCA-LCR-2004

Appendix F. Property and Casualty Insurance Rate Filing Abstract - PCA-R-2004

Appendix G. Property and Casualty Insurance Form Filing Abstract - PCA-F-2004

TITLE 114
WEST VIRGINIA PROCEDURAL RULE
INSURANCE COMMISSIONER

SERIES 67
RATE AND FORM FILING ABSTRACTS

FILED
2004 AUG 26 P 2: 34
OFFICE WEST VIRGINIA
SECRETARY OF STATE

§114-67-1. General.

1.1. Scope. -- This procedural rule establishes requirements for information and data to be provided to the Insurance Commissioner with the filing of advertisements, rates, and forms for all types of insurance which are subject to prior approval.

1.2. Authority. -- W. Va. Code §33-2-10.

1.3. Filing Date. -- August 26, 2004.

1.4. Effective Date. -- September 25, 2004.

§114-67-2. Filing Requirements.

2.1. Each filing shall include two copies of the cover letter explaining the nature and intent of the filing, the appropriate filing fee, the appropriate filing abstract(s), all relevant information supporting the filing, and a return envelope sufficient to accommodate the return copy of the cover letter or filing.

§114-67-3. Applicability of Forms.

3.1. When advertising, rates or forms are filed with the Office of the Insurance Commissioner for either accident and sickness, or property and casualty insurance, Appendix A, B, C, D, E, F, or G, as appropriate, must be completed and made a part of the filing.

a. Appendix A: Accident and Sickness Insurance Form Filing Abstract, ASA-F-2004, is to be used with any accident and sickness form filing except mass marketed life and health advertising and form filing.

b. Appendix B: Mass Marketed Life and Health Insurance Form Filing Abstract, ASA-F-2004A, is to be used with any mass marketed life and health form filing.

c. Appendix C: Mass Marketed Life and Health Insurance Advertising Filing Abstract, ASA-F-2004B, is to be used with any mass marketed life and health advertising filing.

d. Appendix D: Accident and Sickness Insurance Rate Filing Abstract, ASA-R-

2004, is to be used with any accident and sickness rate filing.

e. Appendix E: Adoption of Rating Organization Advisory Prospective Loss Costs Rate Filing Abstract, PCA-LCR-2004, is to be used with any property and casualty rate filing that proposes adoption, with or without modification, of a rating organization's advisory prospective loss costs.

f. Appendix F: Property and Casualty Insurance Rate Filing Abstract, PCA-R-2004, is to be used with any property and casualty rate filing, except the adoption of a rating organization advisory prospective loss costs, which requires a separate abstract.

g. Appendix G: Property and Casualty Insurance Form Filing Abstract, PCA-F-2004, is to be used with any property and casualty form filing.

APPENDIX A

**INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA**

**ACCIDENT AND SICKNESS INSURANCE
FORM FILING ABSTRACT**

INSTRUCTIONS: Respond to each statement. If the answer is “no” or “not applicable,” so state and enter the reason for such determination. If this filing is a combination form and rate filing, then Appendix D/Accident and Sickness Insurance Rate Filing Abstract ASA-R-2004 must also be completed.

1. Date filed: _____ Proposed effective date: _____
2. Company name: _____
3. Type of form (Life or Health): _____
4. Reason for the filing or for changes: _____

5. Complete page 2 of this Abstract and provide the information requested.

APPENDIX A

**ACCIDENT AND SICKNESS INSURANCE
FORM FILING ABSTRACT**

FORM NUMBER	REPLACES FORM # (If Applicable)	Description of Coverage and/or Intended Use of the Form—Indicate if Form is New, a Replacement,* or to be Withdrawn.

*Note: If the form replaces or changes a form approved previously, please explain the primary differences between the replacement form and the form it replaces in the cover letter.

APPENDIX B

**INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA**

**MASS MARKETED LIFE AND HEALTH INSURANCE
FORM FILING ABSTRACT**

INSTRUCTIONS: Respond to each question or statement. Please enclose: (1) One copy of the entire policy and contract provisions; (2) Two Cover Letters; (3) One self-addressed stamped envelope or pre-paid return label (One approved copy of the Cover Letter or other letter of determination will be returned to you). Every policy form, rider or endorsement submitted which affects the premium rate scheduled for the policy form shall be accompanied by a rate filing.

1. Date filed: _____ Proposed effective date: _____
2. State the policy types affected (Life or Health): _____
3. Does this form contain provisions, conditions, or concepts which depart from those generally accepted by the industry?

_____ YES or _____ NO
4. Has this form been approved or authorized for use by the Insurance Department of the Insurer's State of Domicile? If yes, give date.

_____ YES _____(date) or _____ NO
5. Complete page 2 of this Abstract and provide the information requested.

APPENDIX B

**MASS MARKETED LIFE AND HEALTH INSURANCE
FORM FILING ABSTRACT**

FORM NUMBER	MATERIALS REPLACED	Description of coverage and/or Intended Use of the Forms Indicate if form is new, a replacement,* or to be withdrawn.

*Note: If the form replaces or changes a form approved previously, please explain the primary differences between the replacement form and the form it replaces in the cover letter.

APPENDIX C

**INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA**

**MASS MARKETED LIFE AND HEALTH INSURANCE
ADVERTISING FILING ABSTRACT**

INSTRUCTIONS: Please indicate on the space provided the type of advertising material associated with your mass marketed life and health insurance advertising submission.

- _____ 1. **Television advertisements** submitted in the form of a $\frac{3}{4}$ inch VHS videocassette tape and accompanied by a written script.
- _____ 2. **Radio advertisements** submitted in the form of an audio cassette tape and accompanied by a written script.
- _____ 3. **Printed advertising and sales solicitation material** to be sent through the mail, submitted in the printed form in which it will be mailed.
- _____ 4. **All other printed advertising and sales solicitation material**, including but not limited to material appearing in newspapers and other periodicals, submitted in written form and accompanied by an explanation of its intended use.

APPENDIX D

**INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA**

**ACCIDENT AND SICKNESS INSURANCE
RATE FILING ABSTRACT**

INSTRUCTIONS: Respond to each statement. If the answer is "no" or "not applicable," so state and enter the reason for such determination. USE A SEPARATE ABSTRACT FOR EACH POLICY FORM AFFECTED OR FOR EACH PROPOSED PREMIUM RATE ADJUSTMENT. If this filing is a combination rate and form filing, then Appendix A/Accident and Sickness Insurance Form Filing Abstract ASA-F-2004 must also be completed.

I. GENERAL INFORMATION

1. Date filed: _____ Proposed effective date: _____
2. Company name(s): _____
Part of group: _____
3. Policy/Contract affected:
 - (a) Department ID Number: _____
(If form has previously been approved.)
 - (b) Form number: _____
 - (c) Date of approval: _____
(If over 2 years provide copies of all forms affected.)
 - (d) Type of policy: _____
4. Average, Current and Proposed Premium Rate Levels - Indicate mode for each (i.e. monthly, quarterly, annually)

Current rate:	Single _____	Family _____
Proposed rate:	Single _____	Family _____

II. DATA FOR NEW POLICY FORM - (USE SEPARATE SHEETS FOR RESPONSE IF NECESSARY)

1. Indicate anticipated loss ratio and how calculated.
2. Describe how rates were determined indicating all calculations, formula and variables used and a general description and source of each assumption used.

3. Provide the policy form, applications and any riders or endorsements that may be attached to the base policy.
4. Describe the marketing method to be used for this form.

III. ADJUSTMENTS TO APPROVED RATES

1. Provide rate sheets which compare revised premiums with current premiums at all benefit levels.
2. Provide all policy forms affected by this proposed rate adjustment if the forms have been in effect in West Virginia for more than two years.
3. Number of West Virginia policies in force in each of the last five years.

	Number of Policies	Percent Change
5th Prior Year _____	_____	_____
4th Prior Year _____	_____	_____
3rd Prior Year _____	_____	_____
2nd Prior Year _____	_____	_____
1st Prior Year _____	_____	_____

4. List all rate level changes for the last five years on the policy affected by this proposed premium rate adjustment.

	Effective Date	Percent Adjustment
(a) West Virginia		
5th Prior Year _____	_____	_____
4th Prior Year _____	_____	_____
3rd Prior Year _____	_____	_____
2nd Prior Year _____	_____	_____
1st Prior Year _____	_____	_____

Effective Date

Percent Adjustment

(b) Countrywide

5th Prior Year	_____	_____	_____
4th Prior Year	_____	_____	_____
3rd Prior Year	_____	_____	_____
2nd Prior Year	_____	_____	_____
1st Prior Year	_____	_____	_____

5. Provide the following information:

Earned
Premiums

Incurred
Losses

Loss
Ratio

(a) West Virginia

5th Prior Year	_____	\$ _____	\$ _____	_____ %
4th Prior Year	_____	\$ _____	\$ _____	_____ %
3rd Prior Year	_____	\$ _____	\$ _____	_____ %
2nd Prior Year	_____	\$ _____	\$ _____	_____ %
1st Prior Year	_____	\$ _____	\$ _____	_____ %
TOTAL		\$ _____	\$ _____	_____ %

(b) Countrywide

5th Prior Year	_____	\$ _____	\$ _____	_____ %
4th Prior Year	_____	\$ _____	\$ _____	_____ %
3rd Prior Year	_____	\$ _____	\$ _____	_____ %
2nd Prior Year	_____	\$ _____	\$ _____	_____ %
1st Prior Year	_____	\$ _____	\$ _____	_____ %
TOTAL		\$ _____	\$ _____	_____ %

6. Provide a summary of the developed data and experience in 5 above as follows:

	Earned Premiums at Current Level	Trended Incurred Losses	Adjusted Loss Ratio
(a) West Virginia			
5th Prior Year _____	\$ _____	\$ _____	_____ %
4th Prior Year _____	\$ _____	\$ _____	_____ %
3rd Prior Year _____	\$ _____	\$ _____	_____ %
2nd Prior Year _____	\$ _____	\$ _____	_____ %
1st Prior Year _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	_____ %

(b) Countrywide			
5th Prior Year _____	\$ _____	\$ _____	_____ %
4th Prior Year _____	\$ _____	\$ _____	_____ %
3rd Prior Year _____	\$ _____	\$ _____	_____ %
2nd Prior Year _____	\$ _____	\$ _____	_____ %
1st Prior Year _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	_____ %

7. (a) Provide a breakdown of the percentage of earned premium associated with each of the following areas of cost:

Commission and brokerage	_____ %
Taxes, License, Fees	_____ %
General Administrative	_____ %
Risk Retention	_____ %
Profit	_____ %
Other (describe)	_____ %
TOTAL EXPENSES	_____ %

(b) Indicate minimum loss ratio for this type of policy.

8. Address in narrative form the following requests for information:
 - (a) Explain trending methods used. Provide trended loss data (by significant loss category) and provide a clear explanation of the trending methodology and mathematics. Provide all formulas and calculations used in formulation of the trended data.
 - (b) Explain the manner in which credibility of data is considered in your ratemaking process. Show all formulas, applications and methodology used to formulate credibility measurements.
 - (c) Explain your indicated rate level. Provide all mathematical formulas and calculations which show the complete deliniation of the method used to calculate the indicated rate level.
 - (d) Explain the manner in which investment income is considered when a final rate level is selected. Provide a complete breakdown of the formulas, variables and methodology used to calculate investment income yield. Further, the weighted average investment income yield earned on reserves for the five years prior to the proposed effective date of new rates.
9. Was any consideration given to mitigating the proposed rate adjustment through benefit restructuring? If not, why not? If so, describe benefit changes proposed and effect on rate adjustment.
10. What is the average age of the policyholder group affected by this filing?
11. Are losses reported on a calendar year or policy year basis?

12. Describe the stop loss provisions of the policy affected by this filing.
13. The amount of Annual Earned Premium entered in Section III Question No. 6 of this Rate Filing Abstract accounts for what proportion of the total annual written premium on a countrywide basis for this particular policy/contract? Please be specific in both total dollars and percentage-proportions in West Virginia.
14. Has this proposed premium rate adjustment filing been submitted to any other state insurance departments? If "yes", give specific information as to which states, when filed, each state's proportionate share of the total annual written premium for this particular policy/contract, the status of said filing in each state, and any other pertinent information which may be helpful in our review. Please attach additional sheets if more space is needed.

CERTIFICATION: I hereby certify that the information contained in this Rate Filing Abstract is true and correct to the best of my knowledge.

(Signed) _____

(Title) _____

(Company) _____

(Address) _____

(Telephone) _____

APPENDIX E

**INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA**

**ADOPTION OF RATING ORGANIZATION ADVISORY PROSPECTIVE
LOSS COSTS RATE FILING ABSTRACT**

I. GENERAL INFORMATION

1. INSURER NAME: _____

ADDRESS: _____

GROUP: _____

2. INSURER NAIC # _____

3. LINE OF INSURANCE: _____

4. RATING ORGANIZATION: _____

LOSS COST REFERENCE FILING # _____

The above insurer hereby declares that it is a participant of the named rating organization. The insurer hereby files to be deemed to have independently submitted as its own filing the prospective loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the prospective loss costs and the loss cost adjustments specified below.

5. CURRENT LOSS COST MULTIPLIER: _____

6. PROPOSED LOSS COST MULTIPLIER: _____

If you are proposing to make a change to your current multiplier, you must submit an explanation and justification which supports the proposed change.

7. AMOUNT OF CHANGE DUE TO ADOPTION ONLY _____ %
 AMOUNT OF CHANGE DUE TO MULTIPLIER CHANGE _____ %
 PROPOSED OVERALL CHANGE _____ %

8. PROPOSED EFFECTIVE DATE FOR THIS FILING _____

9. AMOUNT OF OVERALL PRIOR RATE CHANGE _____ %
 EFFECTIVE DATE OF PRIOR RATE CHANGE _____
 LOSS COST REFERENCE FILING # OF PRIOR CHANGE _____

10. NUMBER OF POLICYHOLDERS AFFECTED BY THIS PROPOSAL _____

The insurer hereby requests that its loss costs adjustment be applicable to future revisions of the rating organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the rating organization's loss costs and the insurer's loss cost adjustments. The rates will apply to policies written on or after the effective date of the rating organization's prospective loss costs. This authorization is effective until amended or withdrawn by the insurer, except that Loss Cost Modifications are renewable annually.

II. PRICING INFORMATION

1. NSURER LOSS COST MODIFICATION

SELECT ONE

The above insurer hereby files to adopt the prospective loss costs in the captioned Reference Filing without modification.

The above insurer hereby files to adopt the prospective loss costs in the captioned Reference Document with the following modification(s). (Cite nature and percent deviation, and attach supporting data and /or rationale for the deviation

2. INSURER EXPENSE COMPONENT (Attach exhibit detailing insurer expense data/and or other supporting information. Use separate sheets if more than one set of expenses is to be used.)

a) Total Production Expense _____ %
 b) General Expense _____ %
 c) Taxes, Licenses & Fees _____ %
 d) Underwriting Profit and Contingencies _____ %
 e) Miscellaneous _____ %
 f) Investment Income _____ %
 g) TOTAL _____ %

3. INSURER LOSS COST ADJUSTMENT MULTIPLIER (combination of Insurer Loss Cost Modification [A. Above] and Insurer Expense Component [B. Above]) Attach separate sheets if needed. _____

If the information is not available and the proposed adjustments are based on other than the above information, explain basis for development of adjustments.

4. INSURER EXPENSE CONSTANT (if applicable) _____

CERTIFICATION: I hereby certify that the information contained in this Rate Filing Abstract is true and correct to the best of my knowledge.

(Signed) _____

(Title) _____

(Company) _____

(Address) _____

(Telephone) _____

APPENDIX F

**INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA**

PROPERTY AND CASUALTY INSURANCE RATE FILING ABSTRACT

INSTRUCTIONS: All questions must be answered; if the answer is "none" or "not applicable", so state. Companies filing as a group must use a consolidated abstract if the rates are identical. If this is a combination Rate and Form Filing, then Appendix G/Property and Casualty Insurance Form Filing Abstract (PCA-F-2004) must also be completed.

1. Date filed: _____ Proposed effective date: _____

2. a) Company name(s): _____

b) Part of group: _____

3. a) Class/Coverage affected by filing: _____

b) Term of policy to be written: _____

c) Is coverage written on a claims-made or occurrence basis?

Claims-Made Occurrence

d) Company gross written premium (latest calendar year) for 3(a)

West Virginia \$ _____ Countrywide \$ _____

4. List all rate level changes for the last five years for the class/coverage affected by this filing:

Effective Date		Individual Coverages	All Coverages Combined
New	Renewal		
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. Number of West Virginia policies in force in each of the last five years:

	<u>Number of Policies</u>	<u>Percent Change</u>
5th Prior Year _____	_____	_____
4th Prior Year _____	_____	_____
3rd Prior Year _____	_____	_____
2nd Prior Year _____	_____	_____
1st Prior Year _____	_____	_____

6. a) Estimated premium effect of the filing:

<u>Coverage</u>	<u>Annual Written Premium</u>	<u>Percent Change Requested</u>	<u>Additional Annual Premium</u>
_____	\$ _____	_____ %	\$ _____
_____	\$ _____	_____ %	\$ _____
_____	\$ _____	_____ %	\$ _____
_____	\$ _____	_____ %	\$ _____
_____	\$ _____	_____ %	\$ _____

b) Components of proposed rate level change(s):

<u>Coverage</u>	<u>Indicated Rate Level Change(s)</u>	<u>Proposed Rate Level Change(s)</u>	<u>Components of Proposed Rate Level Changes</u>			
			<u>(A) Basic Rate Change</u>	<u>(B)*</u>	<u>(C)*</u>	<u>(D)*</u>
_____	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
_____	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
_____	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
_____	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
_____	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

**Examples of some components are classification changes, increased limit changes, deductible changes, age or symbol changes, policy form changes, changes in tier factors, and other manual rate changes.*

7. Provide the following calendar year information for the coverage stated in 3(a):

7(a)

WEST VIRGINIA

	<u>Earned Premium</u> (000)	<u>Incurred Losses</u> (000)	<u>Unadjusted Loss Ratio</u>
5th Prior Year _____	\$ _____	\$ _____	_____ %
4th Prior year _____	\$ _____	\$ _____	_____ %
3rd Prior Year _____	\$ _____	\$ _____	_____ %
2nd Prior Year _____	\$ _____	\$ _____	_____ %
1st Prior Year _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	_____ %

7(b)

COUNTRYWIDE

	<u>Earned Premium</u> (000)	<u>Incurred Losses</u> (000)	<u>Unadjusted Loss Ratio</u>
5th Prior Year _____	\$ _____	\$ _____	_____ %
4th Prior year _____	\$ _____	\$ _____	_____ %
3rd Prior Year _____	\$ _____	\$ _____	_____ %
2nd Prior Year _____	\$ _____	\$ _____	_____ %
1st Prior Year _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	_____ %

8. PROPERTY CASUALTY PROCEDURAL INFORMATION (include exhibits)

The filing should be easy to read and understand. It should be self-explanatory and should be well documented.

The answers to the following questions should be a part of the filing:

- a) If the methods used in this filing differ from those used in the last rate filing for this coverage in West Virginia, or if the West Virginia methods differ from those used countrywide, attach an explanation of the differences.
- b) Are the proposed rates specific to West Virginia, or are the same rates to be charged on a Countrywide basis?
- c) Are there any insureds that will be affected by the proposed changes (i.e. do you have any West Virginia business that will be impacted by the proposal)? If so, what is the overall impact of all of the proposed changes?
- d) Explain the type of loss information used in this rate filing. For example, was it Calendar Period or Accident period; and was it based on Basic limits data or Total limits data? Provide the date at which the data was evaluated.
- e) Explain and support any premium trend, premium-on-level, or loss trend factors utilized in the indication.
- f) If Policy or Accident period data has been used, explain any tests or adjustments that were made to loss development factors so as to make them appropriate for use in this filing. Loss development factors should be shown by coverage both for West Virginia and countrywide. Provide support for loss development factors utilized.
- g) Explain any adjustments for large or catastrophic losses that were made in the statistical information on losses. Provide support for catastrophic loss factors utilized
- h) Demonstrate how the expected income from investments have been taken into account in arriving at the proposed rates?
- i) Provide the derivation of your permissible and expected loss ratios. Explain any changes in those provisions between this filing and the previous filing.
- j) Provide any additional information supporting and clarifying your request.

9. Provide a summary of the developed data and experience in 7(a) above as follows:

	Current Level Earned	Trended Developed Incurred <u>Losses</u>	Adjusted Loss <u>Ratio</u>
5th Prior Year _____	\$ _____	\$ _____	_____ %
4th Prior year _____	\$ _____	\$ _____	_____ %
3rd Prior Year _____	\$ _____	\$ _____	_____ %
2nd Prior Year _____	\$ _____	\$ _____	_____ %
1st Prior Year _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	_____ %

10. Business Expense Provisions that are used to determine Permissible Loss Ratio.

Commission and Brokerage	_____ %
New Acquisition	_____ %
General	_____ %
Taxes, Licenses, Fees, Etc.	_____ %
Other	_____ %
Profit and Contingencies	_____ %
TOTAL EXPENSES	_____ %
Pure Permissible Loss Ratio	_____ %
Loss Adjustment Expenses	_____ %
Allocated	_____ %
Unallocated	_____ %
Total permissible loss and loss adjustment expense ratio	_____ %

11. Insurance Expense Exhibit. Expense Ratios (%) on a written premium basis over the past 5 years for the coverage in 3(a) above:

	Percent Annual					5 year Average
	YEAR	YEAR	YEAR	YEAR	YEAR	
	—	—	—	—	—	
a) Commission & Brokerage	_____	_____	_____	_____	_____	_____
b) New Acquisition	_____	_____	_____	_____	_____	_____
c) General	_____	_____	_____	_____	_____	_____
d) Taxes, etc.	_____	_____	_____	_____	_____	_____
e) SUBTOTAL (a)+(b)+(c)+(d)	_____	_____	_____	_____	_____	_____
f) WV Calendar Yr Loss Ratio	_____	_____	_____	_____	_____	_____
g) Combined Ratio (e)+(f)	_____	_____	_____	_____	_____	_____
h) Investment Gain/(Loss)	_____	_____	_____	_____	_____	_____

CERTIFICATION: I hereby certify that the information contained in this Rate Filing Abstract is true and correct to the best of my knowledge.

(Signed) _____

(Title) _____

(Company) _____

(Address) _____

(Telephone) _____

APPENDIX G

**INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA**

PROPERTY AND CASUALTY INSURANCE FORM FILING ABSTRACT

INSTRUCTIONS: All questions must be answered. (If none, state none.) If this is a combination Rate & Form Filing, then Appendix F/Property and Casualty Insurance Rate Filing Abstract PCA-R-2004 must also be completed. Companies filing as a group may use a consolidated abstract if all forms are identical. Individual companies and Group must be identified.

1. Date filed: _____ Proposed effective date: _____

2. Company name(s): _____

Group name: _____

3. (a) Annual statement line of business number: _____

(b) Class of business: _____

(c) Coverages affected: _____

(d) Number of present policyholders potentially affected by this filing: _____

4. (a) Name of rating organization, if any: _____

(b) Affiliation: Member Subscriber

For Rules Rates Forms

5. Is this a reference filing? Yes No If yes, provide the following:

- (a) Filing designation and name: _____
- (b) Date of filing: _____
- (c) Date approved for use in WV: _____

6. Provide the information requested on Page 2 of this form.

CERTIFICATION: I hereby certify that the informion contained in this Form Filing Abstract is true and correct to the best of my knowledge.

(Signed) _____

(Title) _____

(Company) _____

(Address) _____

(Telephone) _____

APPENDIX G

PROPERTY AND CASUALTY INSURANCE FORM FILING ABSTRACT

Old Form #	Old Form Effective Date	New form #	Description of changes	Mandatory or Optional?	Broaden, Restrict,* or Clarify Coverage?

*Note: If the form broadens or restricts coverage, please describe how the coverage is broadened or restricted in this filing.