DEPARTMENT OF INSURANCE
December 4, 2009
Bulletin 174
Group Accident and Health Loss History

This bulletin is directed to all insurers issuing, delivering, or renewing group policies of accident and sickness insurance in the state of Indiana as defined in IC 27-8-5-1 and all health maintenance organizations (HMOs) as defined in IC 27-13-1-19. This bulletin replaces Bulletin 69 and applies to any policy or HMO contract with a policy end-date on or after March 31, 2010. For policies with end-dates before March 31, 2010, Bulletin 69 remains in effect. The Department has become aware of difficulties many employers, agents, insurers, and HMOs are experiencing in obtaining and/or reviewing loss histories for employee accident and health plans. This bulletin clarifies the minimum standards insurers and HMOs must meet when responding to requests for loss history reports.

IC 27-4-1 prohibits unfair or deceptive acts or practices within the business of insurance. Review of an accurate accident and health loss history is a key component in effective underwriting, which promotes competitive and accurate pricing for employers and others seeking accident and health insurance coverage. Failure to provide a loss history or providing an incomplete or inaccurate loss history interferes with the policyholder's ability to obtain competitive prices and the competing insurer's ability to accurately price the group accident and health policy. The Department considers failure to provide a loss history or providing an incomplete or inaccurate loss history to be an unfair or deceptive competitive act under IC 27-4-1-4. Accordingly, the Department requires insurers and HMOs to provide an accurate and complete loss history for groups insuring 51 or more employees. The loss history must be provided within 15 business days of a written request from the policyholder. The written request may be electronic, facsimile, or in paper form.

Upon request of a loss history, insurers and HMOs must provide the following information in electronic or written form:

1. Effective date of coverage;
2. Total number of covered employees;
3. Total monthly earned premium;
4. Total monthly dollar value of paid claims regardless of the policy period in which the claims were incurred;
5. The beginning and ending date of the period for which claims were paid;
6. For groups insuring 100 or more employees, the reserve value as of the beginning of the policy period and the reserve value as of the date through which the paid claims data was obtained; and
7. Description of any large or catastrophic claims exceeding $50,000. Such description should include the diagnosis, dollar amount, and claim status (i.e., open or closed).

To the extent the employer has been covered by the same insurer or HMO for more than 12 months, at least 12 months of earned premium and paid claims data should be provided. In the event the employer has been covered by the same insurer or HMO for less than 12 months, earned premium and paid claims from inception should be provided. Paid claims information should be current within 45 calendar days prior to the loss history request date. The Department understands that information concerning the cost of claims received–but not yet processed–will not be included in the loss history. The insurer or HMO need not provide loss history reports to a policyholder more than twice annually. The data utilized to create the loss reports should be maintained by the insurer or HMO for at least three years after the policy terminates. All loss history reports provided to an employer, agent, or broker should comply with HIPAA and other laws and regulations enacted to protect employee privacy. An insurer may request a certification of HIPAA compliance prior to providing large or catastrophic claims information.

An insurer or HMO that fails to comply with this bulletin may be subject to administrative proceedings under IC 27-4-1-4 as engaging in an unfair and deceptive act or practice in the business of insurance and may be subject to penalties, including monetary fines and suspension or revocation of the insurer's or HMO's certificate of authority.

Questions concerning this bulletin should be addressed to Robyn S. Crosson, Chief Deputy Commissioner for Company Compliance Services at (317) 234-6293 or rcrosson@idoi.in.gov.

Indiana Department of Insurance

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Carol Cutter, Commissioner

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