

July 1, 1939

SUBJECT: INSURANCE

WITHDRAWN

To All Authorized Non-Profit Medical Indemnity or Hospital Service Corporations

Memorandum for Guidance of Corporations in filing Subscriber's Contracts or Certificates, Applications, Riders and Endorsements for Approval under Sections 253 and 255, Article IX-C of the New Insurance Code.

1. Preliminary Filing. The corporation should file two fair printer's proof copies of certificate forms for preliminary examination, in order that the form may be given due consideration and any defects therein pointed out and corrected before it is printed for formal submission and approval. Careful attention should be given to Subsection 3, provisions (a) to (g) inclusive and the requirements of Subsection 4, provisions (a), (b), (c) and (d). As soon as possible after receipt thereof and as nearly as possible in the order of their receipt, such forms will be taken up for examination.
2. Descriptive Matter. A brief description setting forth the benefits promised (Clause (b) Subsection 4, Section 253) should be printed in type not smaller than fourteen point at the top of the first page and on the filing back. "This certificate provides indemnity for hospitalization service to the extent herein provided." Suggested wording for such descriptive matter.
3. Form Number. Each contract or certificate submitted to the Department for approval must be designated by a form number, form letter or both, printed at the lower left-hand corner of the first page. The form number or letter alone should be sufficient to identify the form and all its printed contents, without reference to the date of the edition or date of printing.
4. Insuring Clause. The general terms of the insuring clause should be followed by limiting words, as for instance, "except as hereinafter limited and provided," or "subject to all conditions and limitations hereinafter contained."
5. Consideration Clause. The forms should contain a consideration clause making provision for stating the amount and the time payable to the corporation by the subscriber.
6. Attestation Clause. The contract or certificate should be attested, and be signed by the proper executive officers of the corporation.
7. Term. The contract or certificate shall contain a provision that it is issued for a period of twelve months, and also provision should be made for a date in a portion of the form preceding its execution. The form may also contain a provision for renewal from year to year unless there shall have been one month's prior written notice of termination by either the subscriber or the corporation.
8. Certificate How Printed. The printed portions of the text of the contract or certificate are required by statute to be plainly printed, and it is requested that the size of type used, be not smaller than ten point.
9. Formal Filing. For formal filing corporations are required to submit two complete printed copies of the contract or

certificate, together with two copies of the corresponding application form, if any; all blanks in both certificate or contract and application to be filled in with fictitious names and illustrative data. The word "printed" as expressed in the statute is used in the ordinary sense, and it does not mean work on the mimeograph, multigraph, or other styles of duplicating machines.

10. Manner of Approval. Forms found satisfactory will be formally approved by stamping on the face of each copy the word "Approved" and a facsimile of the signature of the Superintendent of Insurance, together with the usual Department stamp, showing the date of approval. One copy of each form thus approved will be returned to the corporation and the other copy of each such approved form will be retained on file in the Department.

11. Endorsements. Forms of endorsements for formal approval should be submitted by means of duplicate impressions of a rubber stamp in type of which the face shall not be smaller than ten point. A typewritten draft of a proposed form of endorsement should be submitted in duplicate for examination preliminary to the preparation of the rubber stamp. The rubber stamp should bear a form number or letter at the lower left-hand corner, it should provide a line for the date of execution, and it should show that the endorsement is to be executed in the name of the corporation by one or more of its executive officers, and their titles should appear on the stamp. The blanks in the impression of an endorsement stamp should be filled out in the same manner as contract or certificate forms. When duplicate impressions of the rubber stamp endorsements are submitted for formal approval each should be stamped on letter size paper, preferably with the corporation's letterhead thereon.

12. Rider Forms Printed. Rider forms should be printed in ten point type and submitted in duplicate with all blanks filled in with hypothetical data appropriate to the case. Each rider must be designated by a suitable form number or letter, printed at the lower left-hand corner of the form; it should provide a line for the date of execution, and it should show that it is to be executed in the name of the corporation by one or more of its executive officers, and their titles should be printed in the rider. The words "Attached to and made a part of certificate No." should also be printed therein.

13. Application Forms. The same rules applying to the submission of other forms apply to the submission of application forms, and each should contain a form number or letter at the lower left-hand corner, and should be submitted in duplicate with all blanks filled.

14. Group Contracts. The same general rules relating to the submission of forms for approval, both preliminary and formal, for individual contracts or certificates, apply to the submission of Group Contracts and individual certificates issued to members of the group. Such group of persons to be insured conforming with the requirements of Subsections two and three, Section 221 - defining Group Accident and Health Insurance.

15. Expiration Date for Present Forms. Forms of contracts now being used may continue to be used up to January 1, 1940, unless an extension is granted by the Superintendent of Insurance as provided by Section 253, subsection 5 of Article IX-C. It is unnecessary for certificates already outstanding to be reissued on new forms.

Very truly yours,

(Signed) LOUIS H. PINK

Superintendent of Insurance