



STATE OF NEW YORK  
INSURANCE DEPARTMENT

25 BEAVER STREET  
NEW YORK, NEW YORK 10004

David A. Paterson  
Governor

Eric R. Dinallo  
Superintendent

**INSTRUCTIONS FOR A SUBSCRIBER RATE ADJUSTMENT APPLICATION  
FOR AN ARTICLE 43 CORPORATION FILED PURSUANT TO  
INSURANCE LAW SECTION 4308(C)  
(PRIOR APPROVAL WITH PUBLIC HEARING)**

Circular Letter No. 13 issued on June 1, 1988 sets forth the Insurance Department's guidelines on rate adjustment applications and preliminary hearing criteria. A copy of Circular Letter No. 13 (1988) is available from the New York State Insurance Department's website at [http://www.ins.state.ny.us/circltr/1988/cl1988\\_13.pdf](http://www.ins.state.ny.us/circltr/1988/cl1988_13.pdf). Contained herein are the instructions that should be followed when an Article 43 corporation is requesting rate adjustments for a few contracts and for reasons other than or in addition to demographic and specified medical condition pooling (pursuant to Section 4308(c) of the Insurance Law).

**Jurat**

The 19th amendment to Insurance Department Regulation 62 (11 NYCRR 52) requires a jurat to the rate application subscribed to by the corporation's president or chief executive officer, treasurer or chief financial officer, and chief actuary or, if the corporation has no chief actuary, the person responsible for preparing the rate application.

**Exhibit A1**

The present and proposed subscriber rates for each community rated contract and rider that a premium rate adjustment is requested, the number of contracts for each coverage for individual, two persons, parent and child(ren) and family contracts, the overall weighted average increase (decrease), and the proposed effective date of implementation should be included. Include **only** those contracts and riders which have been approved by the Insurance Department. (include all tier structures and rating regions if applicable) Rates for new contracts and riders are not approved via the Section 4308(c) rate adjustment process.

The contract counts used in Exhibit A may be either projections or recent actual historical contract counts. The contract counts in Exhibits A, D-4 and E should be identical.

**Exhibit A2**

An outline of the essential benefits, copays, limitations, and exclusions of each contract or rider that listed in Exhibit A1.

**Exhibit A3**

An outline of general underwriting rules and the methods of marketing and rating the contract or rider that listed in Exhibit A1.

**Exhibit B**

The balance sheet should correspond to the latest quarterly or annual statement (whichever is later) filed with the Insurance Department.

**Exhibits C1, C2, C3, C4 & C5**

Operating results data for every community rated contract and rider listed in Exhibit A1 (for each rating region if applicable) for two prior actual calendar years and two projected calendar years must be included (i.e. rate increase effective January 1, 2010, show actual data for the years 2007 and 2008 (base periods) and projected data for the years 2009 (interim period) and 2010 (rate period)). Incurred claims pertaining to the two base periods must be restated to a common run-off date. For the rate period, two exhibits should be submitted, one indicating operating results data with the requested rate increase (decrease) and the other without a rate increase (decrease).

Aggregate figures are required for all other community rated contracts and riders. Be prepared to provide detailed operating results data for these contracts and riders upon request by the Insurance Department.

Aggregate figures are also required for local and national experience rated contracts. The restatement of experience rated results is not mandatory. However, if experience rated results are restated, both premiums and claims must be restated.

**Exhibits D 1, D 2, D 3 & D 4**

Claims and expense cost data are required for every community rated contract and rider listed in Exhibit A1 (by rating region) for the identical time frame indicated in Exhibit C.

Aggregate figures are required for all other community rated contracts and riders. Be prepared to provide detailed claims and expense cost data for these contracts and riders upon request by the Insurance Department. Aggregate figures are also required for local and national experience rated contracts.

Demographic and/or high risk pooling activity included in Exhibit D-4 should be in agreement with the demographic and/or specified medical condition pooling exhibits (Application

Format for a Subscriber Rate Adjustment Due to Demographic and/or Specified Medical Condition Pooling Factors) included as part of the rate application.

The contract counts used in Exhibit D-4 should be identical to those used in Exhibit A. No further revisions or adjustments to the Exhibit A contract counts may be made in Exhibit D-4 to further estimate the impact of increasing or decreasing enrollments.

### **Exhibit E**

Detail how the projected premium income for the community rated contracts and riders listed in Exhibit A was calculated.

The contract counts used in Exhibit E should be identical to those used in Exhibit A. No further revisions or adjustments to the Exhibit A contract counts may be made in Exhibit E to further estimate the impact of increasing or decreasing enrollments.

### **Exhibit F**

Exhibit F-1 requires cost and utilization trend assumptions for the interim and rate years for each contract and rider listed in Exhibit A1. Provide in detail the basis of these assumptions.

Exhibit F-2 requires a comparison of projected trends from the previous rate application to actual or projected trends in the current application. Provide an explanation for any variance in excess of 2%.

### **Exhibits G1, G2 & G3**

An analysis of actual and projected utilization and cost for each contract and rider listed in Exhibit A1 is required.

### **Exhibits H1 & H2**

If the Plan received a premium rate adjustment pursuant to Section 4308(c) of the Insurance Law within the preceding twelve months, a comparison should be made of the projections made in the prior application for the interim and rate period with the actual (or revised projected) experience for these periods. Explain any significant differences.

### **Exhibit I**

Provide a list of the community rated contracts and riders in Exhibit A1 and include the corresponding Insurance Department form number. Indicate adjustments that have been made to premium rates pursuant to Section 4308(g).

**As part of the application, the Plan should submit Exhibits J, K and L for Insurance Department approval.**

**Exhibit J**

Proposed wording of the text of the narrative summary, to be made available to the public, stating the Plan's reasons for requesting a premium rate adjustment.

After the Department approves the text of the narrative summary, the Plan should provide to the Department with at least ten hardcopies of the narrative summary, which includes:

1. The approved text explaining the request for a rate adjustment.
2. A schedule of present and proposed rates. (Exhibit A1)
3. The latest balance sheet and statement of income that should correspond to the latest filed quarterly or annual statement. (Exhibit B)

**Exhibit K**

Proposed letter to subscribers informing them of the requested rate adjustments. State the amount of notice required by each applicable contract.

**Exhibit L**

The proposed newspaper ad (Notice of Public Hearing) must contain at least the information in the sample ad. Please note that ALL public hearings must be webcasted, and the company shall be responsible for the cost of the webcast.

**Exhibit M**

If some or all of the proposed rates are increases over the present rates, the Plan must submit the salaries, compensation and emoluments earned for each senior level management executive employed by the Plan for the latest base period and for the interim period.

**Exhibit N**

Territorial rating region information is required.

## **Exhibit O**

Section 4312(a) of the Insurance Law has been amended to allow Article 43 corporations to accept business from agents and brokers on a commission basis. Commissions shall be included in the corporation's rate manual and rate filings. HMOs operating as a line of business of Article 43 corporations shall continue to be subject to existing regulations governing commissions payable by HMOs.

Any Article 43 corporation which exercises its prerogative to accept business from agents and brokers on a commission basis shall provide to the Superintendent, at the time it commences their use, a detailed plan explaining the purpose for which they are to be utilized, the lines of business or products where they are to be utilized, the commission scales to be employed in compensating them and such other information as may be required by the Superintendent. The required detailed plan is not to be submitted as part of the rate application, but is instead to be submitted as a separate filing to the attention of Mary Lee Kreuter, Assistant Chief of the Health Bureau.

## **SUBSTANTIAL CHANGES ON RATE FILING**

Section 4308 of the Insurance Law has been amended in 1994 to require that a re-hearing be held in the event that an Article 43 Corporation increases its requested rates for any contracts by two percent or more subsequent to the Department's public hearing, but before the issuance of the Superintendent's written decision. The time, location and notice requirements for such re-hearing shall be determined by the Superintendent.

## **SPECIFIED MEDICAL CONDITION POOL**

If the Plan wishes that anticipated payments to (reimbursements from) specified medical condition pools also be included as a basis for premium rate adjustment, the Plan should also submit a narrative explaining how the payment (reimbursement) will be applied. The narrative should be supplemented with detailed exhibits.

## **EXHIBITS DUE AFTER RATE ADJUSTMENT APPLICATION HAS BEEN FILED**

The following exhibits should be submitted from the quarterly statement and supplement or annual statement and supplement which is due to be filed after the rate adjustment application has been filed. These exhibits should be submitted directly to the Insurance Department's Health Bureau. For example, a rate request application with an effective date of January 1, 2010, the Article 43 corporation needs to submit the following exhibits from its September 30, 2009 quarterly.

1. Balance Sheet
2. Underwriting and Investment Exhibit
3. Hospital Underwriting Gains and Losses by Enrollment Classification
4. Surgical-Medical Underwriting Gains and Losses by Enrollment Classification
5. Major Medical Underwriting Gains and Losses by Enrollment Classification
6. Prescription Drug Underwriting Gains and Losses by Enrollment Classification

7. Dental Underwriting Gains and Losses by Enrollment Classification
8. Medicare Supplemental Underwriting Gains and Losses by Enrollment Classification
9. HMO Underwriting Gains and Losses by Enrollment Classification

**Five Copies of applications should be sent as follows:**

Mary Lee Kreuter, Assistant Chief Examiner  
Health Bureau  
NYS Insurance Department  
25 Beaver Street  
New York, New York 10004

**\*If Erie County is one of your Plan's service areas, six copies of the application should be sent to the above address.**

In addition to the hardcopy, the application should also be submitted electronically via SERFF. Instructions for SERFF filings in New York are posted on the Insurance Department's website at <http://www.ins.state.ny.us/ihealth.htm>.

The pages of the hardcopies of the application **must** be sequentially numbered and must be placed in loose-leaf ring binders. Each exhibit should be separated by labeled index tabs.

Applications should be submitted at least 3 months before the requested effective date. Applications received less than three months prior to the desired effective date may not be acted upon by such date.

**Jurat**

(insert name) , president (or chief executive officer), (insert name) , treasurer (or chief financial officer), (insert name) , chief actuary (or person responsible for preparing this application), of the (name of insurer or HMO) being duly sworn, each deposes and says that they are the above described employees of the said insurer or HMO and hereby affirm that the information in this premium rate application including all schedules and exhibits thereto has been prepared in accordance with the applicable provisions of Parts 52, 360 and 361 of Title 11 of the Official Compilation of Codes, Rules and Regulations of the State of New York (Regulations 62, 145 and 146) and the most recent instructions of the New York State Insurance Department and to the best of their knowledge and belief is accurate and complete.

\_\_\_\_\_,                      \_\_\_\_\_,                      \_\_\_\_\_,  
President                      Treasurer                      Chief Actuary

Subscribed and sworn to before me this

day of

Exhibit A

		Name of Company			
		<u>Proposed Effective Date</u>			
(1)	(2)	(3)	(4)	(5)	(6)
No. of Contracts* <u>as of</u>	Present Monthly <u>Rate</u>	Present Monthly <u>Income</u> (1 x 2)	Proposed Monthly <u>Rate</u>	Proposed Monthly <u>Income</u> (1 x 4)	% <u>Change</u> [(4-2) ÷ 2] x 100

Contract A

Individual  
Family

Contract B

Individual  
Family

Rider A

Individual  
Family

Rider B

Individual  
Family

Total \_\_\_\_\_

Overall Average Increase (Decrease)\*\*

\*No. of contracts should correspond with same contract count indicated in Exhibits D4 and E.

\*\*If the Plan has more than one rating region, the overall average increase (decrease) for each rating region must be calculated.

Exhibit C

Operating results data for each contract and rider being requested under prior approval process.

	<u>Group*</u>		<u>Direct*</u>		<u>Total</u>
	<u>Individual*</u>	<u>Family*</u>	<u>Individual*</u>	<u>Family*</u>	
<u>Contract A</u>					
Premiums earned					
Less: Claims incurred					
Expenses incurred					
Total claims and expenses incurred					
Underwriting Gain or (Loss)					
<u>Rider A</u>					
Same as above					

\*These categories should correspond to those used in Exhibit A.

Summary of Exhibit C

<b><u>I. Recast Basis</u></b>	Premiums	Claims	Expenses	Claims & Expenses	Total	Total
	<u>Earned</u>	<u>Incurred</u>	<u>Incurred</u>	<u>Incurred</u>	<u>Underwriting</u>	<u>Loss</u>
					<u>Gain or (Loss)</u>	<u>Ratio</u>
<u>Community-Rated</u>						
list each CR contract & rider requesting rate adj.						
Sub-total	_____	_____	_____	_____	_____	_____
All other CR contracts & riders						
Sub-total - CR	_____	_____	_____	_____	_____	_____
<u>Experience-Rated</u>						
Local*						
National*						
Sub-total	_____	_____	_____	_____	_____	_____
GRAND TOTAL(Recast)	_____	_____	_____	_____	_____	_____

**II. Reconciliation Between Recast and Reported (Annual Statement)**

**A. CLAIM RESERVES:**

(i) Over <Under> Statement in Ending Reserve	\$XXXX
(ii) Over <Under> Statement in Beginning Reserve	\$XXXX
Total Adjustment = (i) - (ii)	\$XXXX

**B. OTHER\*\***

**III. Reported (Annual Statement) Basis (I + II)**

GRAND TOTAL (Reported)	_____	Recast <u>Surplus</u>
Investment Income		
Other Gains or Losses***		
Total Change in Surplus		
Surplus Beginning of Period		\$XXXX
Surplus End of Period		\$XXXX
Required Statutory Reserve End of Period****		

NOTE: \$XXXX denotes where new amounts should be entered on Summary of Exhibit C.

\* Explain what constitutes local and national experience-rated business. The recasting of experience-rated business is optional.

\*\* A complete explanation of items categorized as "Other" is required.

\*\*\* An analysis of this item is required.

\*\*\*\* If the Plan has received permission to reduced the required statutory reserve fund, indicate date of approval and amount. (See Circular Letter No. 4, 1989).

Exhibit D

A. Claims and expense cost data for every non-Medicare hospital contract (show only those contracts listed in Exhibit A).

	Group*		Direct*		
	<u>Individual*</u>	<u>Family*</u>	<u>Individual*</u>	<u>Family*</u>	<u>Total</u>
<u>Contract A</u>					
1.	Average number of contracts in force				
2.	Inpatient cases per 1,000 contracts				
3.	Average inpatient cost per case				
4.	Outpatient cases per 1,000 contracts				
5.	Outpatient cost per case				
6.	Expenses factor per contract				
7.	Expenses incurred				
	<u>Claim Cost Incurred</u>				
8.	Inpatient				
9.	Outpatient				
10.	Cost (income) Due to Demographic Pool				
11.	Cost (income) Due to Specified Medical Condition Pool				
12.	New Benefits**				
13.	Total Claim Cost (8 + 9 + 10 + 11 + 12)				
14.	Claim cost per contract				
15.	Average family size				

\* These categories should correspond to those used in Exhibit A.

\*\* Explain new benefits and the basis of determination of cost.

Exhibit D

B. Claims and expense data for every non-Medicare medical/surgical contract, Major Medical, Prescription Drug, Dental and other riders (show only those contracts and riders listed in Exhibit A).

<u>Contract/Rider</u>	Group*		Direct*		<u>Total</u>
	<u>Individual*</u>	<u>Family*</u>	<u>Individual*</u>	<u>Family*</u>	
1. Average number of riders in force					
2. Claims per 1,000 riders					
3. Cost/Claim					
4. Claim cost per rider					
5. Claim cost incurred**					
6. Expense factor per rider					
7. Expenses incurred					
8. Average family size					

\*These categories should correspond to those used in Exhibit A.

\*\*Identify claim cost separately due to:

- 1) demographic pool
- 2) specified medical condition pool

C. Claims and expense cost data for every Medicare Supplement contract (show only those contracts listed in Exhibit A).

Hospital

Group and Direct

1. Average contracts in in force in year
2. Cases per 1,000 contracts
3. Claims incurred due to:
  - a. Deductible
  - b. Other
  - c. New Benefits
  - d. Total
4. Claim cost per contract
5. Expense factor per contract
6. Expenses incurred

Medical

7. Average contracts in force in year
8. Claim cost per contract
9. Expense factor per contract
10. Claims incurred
11. Expenses incurred

Demographic and High Risk Pooling Factors

12. Cost (income) due to Demographic Pooling
13. Cost (income) due to Specified Medical Conditions
14. Net Cost (income) due to Pooling Factors.

**EXHIBIT E**

Computation of prospective premium income for the contracts and riders being requested under prior approval process.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	# of Contracts & Riders	Present Monthly Rates	Proposed Monthly Rates	Projected Year Contract Months At Present Rates	Projected Year Contract Months At Proposed Rates	Projected Year At Present Rates	Projected Year Annual Income At Proposed Rates	Total
<u>Contract A</u>								
*Group - Individual								
- Family								
*Direct - Individual								
- Family								
Total								
<u>Contract B (etc.)</u>								
*Group - Individual								
- Family								
*Direct - Individual								
- Family								
Total								
<u>Contract C (etc.)</u>								
*Group - Individual								
- Family								
*Direct - Individual								
- Family								
Grand Total								

\*These categories should correspond to those used in Exhibit A.

**Exhibit F-1**

Interim  
Period                      Rate  
Period

1.    Utilization

Inpatient  
Outpatient  
Medical/Surgical  
Medicare  
    a) Hospital  
    b) Medical  
Major Medical  
Prescription Drug  
Dental  
Other Riders

2.    Cost

Inpatient  
Outpatient  
Medical/Surgical\*

Medicare

    a) Hospital  
    b) Medical

Major Medical  
Prescription Drug  
Dental  
Other Riders

3.    Administrative

4.    Cost (income) Due to Demographic Factor

5.    Cost (income) Due to Specified Medical Condition Factor

Explain the basis for the above assumptions.

\*Any change in fee schedule of allowances should indicate effective date and percentage increase.

**Exhibit F-2**

	(1)	(2)	(3)	(4)	(5)	(6)
	Interim Year 19XX	Actual Results 19XX Current	Variance (Col. 1 - Col. 2)	Rate Year 19XX Prior Application	Actual or Projected Results 19XX Current Application	Variance (Col. 4 - Col. 5)
	<u>Prior Application</u>	<u>Application</u>				
1. <u>Utilization</u>						
Inpatient						
Outpatient						
Medical/Surgical						
Medicare						
Major Medical						
Prescription Drug						
Dental						
Other Riders						
2. <u>Cost</u>						
Inpatient						
Outpatient						
Medical/Surgical						
Medicare						
a) Hospital						
b) Medical (Total Cost)						
Major Medical						
Prescription Drug						
Dental						
Other Riders						
3. Administrative						
4. Cost Due to Demographic Factor						
5. Cost Due to Specified Medical Condition Factor						

Provide an explanation for any variance in excess of 2% of the actual or projected trend set forth in the current rate application.

**Exhibit G - 1**

For each hospital contract listed in Exhibit A, submit the following data to support your assumptions as detailed in Exhibit F-1.

	<u>Base</u> <u>Period 1</u>	<u>Percent**</u> <u>Change</u>	<u>Base</u> <u>Period 2</u>	<u>Percent**</u> <u>Change</u>	<u>Interim</u> <u>Period</u>	<u>Percent</u> <u>Change</u>	<u>Rate</u> <u>Period</u>
<u>Contract A</u>							
<u>I/P Utilization</u>							
*Grp - Individual							
- Family							
*Dir - Individual							
- Family							
Total							
<u>O/P Utilization</u>							
*Grp - Individual							
- Family							
*Dir - Individual							
- Family							
Total							
<u>I/P Cost Per Case</u>							
*Grp - Individual							
- Family							
*Dir - Individual							
- Family							
Total							
<u>O/P Cost Per Case</u>							
*Grp - Individual							
- Family							
*Dir - Individual							
- Family							
Total							
<u>Expense Factor Per Contract</u>							
*Grp - Individual							
- Family							
*Dir - Individual							
- Family							
Total							

\* These categories should correspond to those used in Exhibit A.

\*\*Any significant changes should be explained in detail.

**Exhibit G - 2**

For each medical/surgical contract, major medical rider, prescription drug, dental and other riders listed in Exhibit A submit the following data to support your assumptions as detailed in Exhibit F-1.

	<u>Base</u> <u>Period 1</u>	<u>Percent**</u> <u>Change</u>	<u>Base</u> <u>Period 2</u>	<u>Percent**</u> <u>Change</u>	<u>Interim</u> <u>Period</u>	<u>Percent</u> <u>Change</u>	<u>Rate</u> <u>Period</u>
<u>Contract A</u>							
<u>Utilization</u>							
	*Grp - Individual						
	- Family						
	*Dir - Individual						
	- Family						
	Total						
<u>Cost/Claim</u>							
	*Grp - Individual						
	- Family						
	*Dir - Individual						
	- Family						
	Total						
<u>Expense Factor Per Contract</u>							
	*Grp - Individual						
	- Family						
	*Dir - Individual						
	- Family						
	Total						

\* These categories should correspond to those used in Exhibit A.

\*\*Any significant changes should be explained in detail.

**Exhibit G - 3**

For each Medicare Supplement contract listed in Exhibit A submit the following data to support your assumptions as detailed in Exhibit F-1.

<u>Base</u>	<u>Percent*</u>	<u>Base</u>	<u>Percent*</u>	<u>Interim</u>	<u>Percent*</u>	<u>Rate</u>
<u>Period 1</u>	<u>Change</u>	<u>Period 2</u>	<u>Change</u>	<u>Period</u>	<u>Change</u>	<u>Period</u>

Contract A

Hospital:

Claim Cost Per Contract  
Grp & Dir - Individual

Expense Factor Per Contract  
Grp & Dir - Individual

Medical:

Claim Cost Per Contract  
Grp & Dir - Individual

Expense Factor Per Contract  
Grp & Dir - Individual

\*Any significant changes should be explained in detail.

**Exhibit H 1 & 2\***

	<u>Premium</u>	<u>Interim Period - Actual</u>	<u>Gain/(Loss)</u>	<u>Premium</u>	<u>Interim Period - Projected</u>	<u>Gain/(Loss)</u>	<u>Variance**</u>
<u>Community Rated</u>		<u>Claims</u>	<u>Expenses</u>		<u>Claims</u>	<u>Expenses</u>	
<u>Non-Medicare</u>							
Basic Contracts							
Non Drug Riders							
Drug Riders							
<u>Medicare</u>							
Basic Contracts							
Non Drug Riders							
Drug Riders							
Subtotal							
HMO-Line of Business							
Local Experience Rated							
Nat'l Experience Rated							
Other (identify)							
Total							
Claims Accrual Adjustment							
Other (Identify)							
Underwriting Gain(Loss)							
Investment Income							
Other Income							
Income Tax							
Net Gain(Loss)							

\*Separate Exhibits H1 and H2 should be prepared. Exhibit H-1 represents interim period, Exhibit H-2 represents rate period.

\*\*Variance between actual and projected gain (loss). Any significant variances should be explained in detail.

**Exhibit L**

SAMPLE AD

**NOTICE OF A PUBLIC HEARING  
ON AN APPLICATION FOR A  
RATE ADJUSTMENT BY  
(Name of Company)**

A public hearing will be conducted by the New York State Insurance Department at (*Time*) on (*Date*), at the (*Place*). The hearing shall concern itself with an application for a proposed (*Percentage*) average increase (decrease) to affect its community rated subscribers for the following contracts and/or riders: (*names of contracts/riders*). The average increase (decrease) may vary by region, by type of coverage and date of renewal. The proposed rate increase (decrease) would take effect on (*Effective Date*) and would affect approximately (*Number of members*) members in the counties of (*Names of counties*).

The Superintendent may approve the requested adjustment or, if the proposed premiums would be excessive, inadequate or unfairly discriminatory, has the obligation to disapprove or modify the requested premiums. The rates finally mandated by the Superintendent may be higher or lower than the rates presently in effect.

The application and supporting data are available for inspection at the Plan's office (*include address*), Offices of the Insurance Department of the State of New York by appointment only at the Health Bureau, (2<sup>nd</sup> Floor), 25 Beaver Street, New York, New York 10004, telephone (212) 480-5242. A brief descriptive narrative is available upon request from (*Name of Company, address, and telephone number*).

All persons wishing to testify at this public hearing will have the opportunity to do so. In accordance with the Americans with Disabilities Act, the Insurance Department will provide a reasonable accommodation at no charge to any covered individual wishing to attend or testify at the hearing when such a request is made at least 7 days before the hearing. Those unable to attend are encouraged to submit a written statement within 10 days for inclusion in the record. Such statements should be addressed to: Public Affairs Bureau, New York State Insurance Department, 25 Beaver Street, New York, New York 10004. It would be appreciated if those who plan to testify would notify the Department (212) 480-5262 of their intentions so that a schedule of speakers may be prepared.

**If the Plan is also filing a premium rate adjustment application pursuant to Section 4308(g) (file & use process), then insert the following after the second paragraph.**

“The company also anticipates filing rate adjustments, under Insurance Law §4308(g), for other community rated contracts and riders to be effective (Effective Date). Rate filings under §4308(g) are not subject to the public hearing process.”

ALL public hearings must be webcasted, and the company shall be responsible for the cost of the webcast.

Notice of such hearing shall be published on three successive days in at least two newspapers having general circulation within the territory or district wherein such Article 43 corporation is authorized to do business. As amended in 1994, Section 4308 of the Insurance Law requires that the last publication of the notice of public hearing shall be not less than ten days nor more than thirty days from the date of the hearing. Such notice shall be subject to the approval of the New York State Insurance Department.

The headline (**NOTICE OF A PUBLIC HEARING ON AN APPLICATION FOR A RATE ADJUSTMENT BY (Name of Company)**) on the notice shall be displayed in bold face capital letters no less than 1/4 of an inch in height. The notice should not be less than 6 inches in length and 3 1/2 inches in width.

Affidavits of publication must be sent to the examiner reviewing your application, Health Bureau, NYS Insurance Department, 25 Beaver Street, New York, NY 10004.

Amended Section 4308 also requires that an Article 43 corporation writing more than three billion dollars in premiums and whose service territory is greater than ten counties is required to publish its public hearing notices (Department Hearing, not Preliminary Hearing) in at least one newspaper having general circulation in each county where persons in the service territory are affected by the proposed change.

Amended Section 4308 further provides that for corporations described above, the notice of hearing shall state the changes proposed, the contracts to be affected and the time when such changes would take effect. The notice of hearing shall also state, in prominent display, a toll-free telephone number of the Insurance Department that may be contacted to receive additional information on the rate application. Applicants should contact the examiner reviewing your application for this toll free number.

**Exhibit M**

Submit the following information for the Plan's senior level management executives, who include, at a minimum, the officers listed on the jurat page of the most recently filed financial statement:

<u>Name of Employee</u>	<u>Title</u>	<u>Amount Paid Base Period</u>	<u>Amount Paid Interim Period</u>	<u>% of Change</u>	<u>Bonuses Paid Base Period</u>	<u>Bonuses Paid Interim Period</u>	<u>% of Change</u>
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If any senior level management executives receive their payment from a parent or affiliate of the Plan rather than directly from the Plan itself, the entire salary paid to those individuals should be shown. The portion of the total payment applicable to the Plan should also be shown.

Amount paid should include all salaries, (salaries should be reported gross before any adjustments for tax sheltered programs and the like) compensation and emoluments.

\*If the base or interim periods do not cover a year, indicate the number of months.

**Exhibit N**

For each territorial rating region, provide the following information:

<u>Territorial Rating Region</u>	<u>Counties</u>	<u>Number of Members Affected by Rate Request</u>
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**Exhibit O**

Provide the following information:

1. The schedule of commissions to agents and brokers.
2. Will the cost of commission expenses be borne by agent and broker driven accounts only, or will the cost be an administrative expense to be borne by all subscribers?
3. If the cost of commission expenses is to be borne by all subscribers indicate the amount of payments for commissions included in administrative expenses for the base, interim and rate periods.
4. Is the commission rate the same for all agents and brokers utilized by the Plan? If the commission rate is not the same, under what conditions does the commission rate vary?