

The Mississippi Insurance Department (MID) does not approve rate increases on any type of accident and health policies other than Medicare Supplement policies and Long Term Care policies.

MID only acknowledges and files rate increases on all other types of policies. In the notification of a rate increase to the insured, please do not state that MID approved the rate increase unless the rate increase was for a Medicare Supplement policy or a Long Term Care policy. The term "policy" also includes certificates issued under a group master policy. Please note a Company may not implement a rate increase on any type of policy and/or certificate until the Company has provided all of the information requested herein and has received proper notification from the MID that it has either "Approved" or "Acknowledged and Filed" the rate increase request, depending upon the type of policy. The insured must be given at least 60 days prior notice before any rate increase can be implemented.

A rate increase is subject to Regulation 73-4 and Bulletin 94-1. Regulation 73-4 requires a Company implement a rate increase by means of an approved endorsement to be sent to the insured for attachment to the policy. Bulletin 94-1 requires that rate increases be limited to 25% in any one-policy year, unless the procedures developed by MID to implement a rate increase greater than 25% are followed. Please note that all trust and association rate increase filings are subject to Regulation 73-4 and Bulletin 94-1.

The following information should be provided each time a rate increase is requested:

- An actuarial memorandum prepared in accordance with the applicable Actuarial Standards of Practice.
- Explanation of the reason for the rate increase and the percentage amount of the rate increase stated in Item 14 of the LH Transmittal Document.
- A history of each of the prior rate increases that were filed with the MID. The history should include the date each of the prior rate increases was effective and the percentage amount of each of the prior rate increases.
- The policy year and calendar year loss ratios expected at the time the original premiums for the policy year were developed.
- A side-by-side comparison of the expected loss ratios with the actual loss ratios, both on a policy year basis and a calendar year basis.
- A statement that the rate increases comply with the requirements of Bulletin 94-1 and Regulation 73-4. A copy of the endorsement required by Regulation 73-4 should accompany each request for a rate increase. Regulation 73-4 requires that an endorsement be sent to each insured each time a rate increase is implemented. The company may use a letter to notify the insured of a rate increase, but the letter must have a form number and must be filed with MID for approval. Once MID has approved the amendment (or letter to be used as an amendment), the L&H Transmittal Document requesting each rate increase from then on must state that the amendment has been approved by the MID and state the date it was approved.
- The date the policy was approved by MID.
- If the Company is offering a reduction in the amount of the rate increase in exchange for an increase in the deductible or coinsurance or a reduction in benefits, provide a complete actuarial justification that the changes are actuarially equivalent, i.e., the dollar amount of rate increase reduction is actuarially equivalent to the change in benefits.