

**INSURANCE DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII**

SUBJECT: Medicare Supplement Insurance Policies and Premium Rates

Medicare Supplement Insurance forms which are filed with the Insurance Division must be accompanied by a certification from the issuer that the forms meet the requirements of our Medicare Supplement Insurance Minimum Standards Rules and all applicable Hawaii laws, including but not limited to Sections 431:10A-101 to 431:10A-131 and 431:10A-301 to 431:10A-312, Hawaii Revised Statutes.

Premium rates, rating schedules and supporting documentation must be filed by issuers of medicare supplement policies and certificates on an annual basis. All filings must include a certification by a qualified actuary in accordance with the loss ratio standards established by Section 16-12-7 of our Rules which reads as follows:

“Loss ratio standards and refund or credit of premium. (a) The following provisions of this subsection establish loss ratio standards:

(1)(A) A medicare supplement policy form or certificate form shall not be delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to policyholders and certificate holders in the form of aggregate benefits (not including anticipated refunds or credits) provided under the policy form or certificate form:

- (i) At least seventy-five per cent of the aggregate amount of premiums earned in the case of group policies; or
- (ii) At least sixty-five per cent of the aggregate amount of premiums earned in the case of individual policies...

(3) For purposes of applying subparagraph (a)(1)(A) of this section and paragraph (c)(3) of section 16-12-7.3 only, group policies issued as a result of solicitations of individuals through the mails or by mass media advertising (including both print and broadcast advertising) shall be deemed to be group policies.”