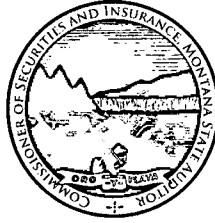


# COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN  
COMMISSIONER



OFFICE OF THE MONTANA  
STATE AUDITOR

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## Advisory Memorandum

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**To: ALL MAJOR MEDICAL HEALTH INSURERS**

**From: MONICA J. LINDEEN - Commissioner of Securities and Insurance  
Office of the Montana State Auditor [CSI]**

**Date: May 18, 2011**

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### SUBMISSION OF CURRENT OUTLINE OF COVERAGE FORMS WITH ACCURATE RATING INFORMATION

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In the October 18, 2011 Advisory Memorandum from the Commissioner re: Collection of Rate Data For all Products Providing Health Insurance Coverage, the need for accurate rating descriptions in outlines of coverage for health insurance products was discussed in the following paragraph:

There are several disclosure requirements concerning rates in Mont. Code Ann. §§ 33-22-244 and 33-22-521, such as "a general description of the factors or case characteristics that the insurer may consider in establishing or changing the premiums and, if applicable, in determining the insurability of the applicant," and "a general description of the trend of premium increases or decreases for comparable policies issued by the insurer during the preceding 5 years." The CSI will be requiring more detailed descriptions of these items in the outlines of coverage during the form review process and will be checking the information received during the data collection process against the information provided to consumers in the outline of coverage.

In order to check compliance with these requirements and determine that all outlines of coverage are accurate and reflect current rating information and rating practices, including

historical premium trends recently submitted to the Office of the Commissioner of Securities and Insurance, please submit the outlines of coverage that your company is using in Montana now for all major medical health insurance products that are marketed and/or renewed. If you believe that the form your company is currently using is accurate and complete, please resubmit that version for review. If your company is amending its outline of coverage, please note that on your submission. Less than five years of historical trend information is acceptable if that is all that the company has readily available. However, all companies should include at least three years of premium trend information.

Please submit all outlines of coverage forms by June 15, 2011, to Rosann Grandy, Forms Bureau Chief. If you have questions, please call Rosann Grandy at (406) 444-2040.