

COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN
COMMISSIONER



OFFICE OF THE MONTANA
STATE AUDITOR

ADVISORY MEMORANDUM

TO: All Insurance Companies in Montana

FROM: **MONICA J. LINDEEN**
Commissioner of Securities and Insurance
Montana State Auditor

DATE: January 9, 2012

FILING ELECTRONIC AND TELEPHONIC APPLICATION INSURANCE FORMS

The electronic and/or telephonic format has become a valuable source of information for insurers in the application process. However, the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), is aware that insurers may not always consider information gathered in an electronic or telephonic format as a part of the insurance application.

The CSI considers questions asked of a consumer and used by an insurer as part of its underwriting or rating of risk to be a part of the application form. All application forms must be filed with and approved by the CSI. Mont. Code Ann. § 33-1-501(1)(a) (2011). Therefore, questions which elicit information used in the underwriting or rating process must be filed with and approved by the CSI.

While this memorandum is effective immediately, the Commissioner is aware that the process for submitting the required forms to the CSI may be time consuming. Accordingly, prior to May 9, 2012, insurers must file with the CSI all electronic and telephonic application forms, including any currently in use.

Insurers may submit a list of all questions that may be asked throughout a logic tree, screen shots of the questions as they appear on the application, or any other format which details the questions that may be asked.

If a question is relevant to the underwriting process, but is not considered a part of a paper application, it would not be considered a part of an electronic or telephonic application. Examples of these include, but are not limited to, follow-up questions to medical and non-medical issues on individual disability policies and cognitive screening questions in long-term care policies.

Companies may make an informational filing if they are using electronic or telephonic forms that mimic forms already approved by the CSI. An informational filing must indicate that the electronic or telephonic form equates to a form already on file, and must include the number of the previously approved form on the bottom of each page. Companies that have already provided an informational filing are not required to do so again.

Electronic and telephonic applications in use prior to this memo and submitted for review and approval prior to May 9, 2012, may continue to be used unless or until the CSI informs an insurer otherwise. Forms not submitted for review and approval prior to May 9, 2012, may not be used.

If you have any questions regarding this matter, please contact the CSI Forms Bureau at (406) 444-2040.