COMMISSIONER OF SECURITIES & INSURANCE

MATTHEW M. ROSENDALE, SR.
COMMISSIONER

OFFICE OF THE MONTANA
STATE AUDITOR

Mr. Richard Miltenberger
President/CEO
Mountain Health Co-Op
810 Hialeah St.
Helena, MT 59601

September 28, 2020

Richard,

I appreciate your efforts to assist Montanans with their insurance needs during this unprecedented time. My office has reviewed Montana Health Co-op's (MHC) request to provide premium credits to its individual and small group books of business.

Normally, issuers are prohibited under Mont. Code Ann. § 33-18-208 from offering any premium rebate, special favor, inducement, valuable consideration, or anything of value not specified in the contract, and a premium credit is a considered a rebate. **Accordingly, MHC should communicate to its members that MHC is amending the member's policy contract to allow for the premium credit**. Per Section 33-1-501(1), an insurance policy, contract, certificate, or other form may not be used until it has been filed with and approved by the Commissioner of Securities and Insurance (Commissioner). Section 33-1-501(7) allows the Commissioner to exempt a form or contract from the filing and approval requirements if not necessary for the protection of the public.

Under federal law, issuers are generally not permitted to reduce premiums that are otherwise due in the individual and small group markets. However, on August 4, 2020, due to the COVID-19 public health emergency, CMS issued guidance allowing issuers in the individual and small group markets to temporarily reduce monthly premiums via a premium credit, subject to certain conditions and approvals. CMS encouraged states to adopt a similar approach, and the I am pleased to do so. Based on MHC's rate filing dated September 24, 2020, MHC has the Commissioner's permission to offer the premium credits based on the information and representations contained in its filing.

Normally, MHC would be required to file a contract form with the Commissioner's office for my review and approval prior to use of the premium credits pursuant to § 33-1-501(1). However, with respect to these premium credits, and strictly limited thereto, my office will not require filing and approval of any contract form, deeming it not necessary for the protection of the public per § 33-1-501(7).

If you have any further questions please contact Ashley Perez at 444-9222 or aperez@mt.gov

Sincerely,

Matthew M. Rosendale, Sr.
Montana Commissioner of Securities and Insurance

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