

Regulatory Analysis Form

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(1) Agency

Insurance Department

(2) I.D. Number (Governor's Office Use)

11-184

IRRC Number: 2143

(3) Short Title

Requirements for All Policies and Forms (and new "General Filing Requirements and General Contents of Forms.")

(4) PA Code Cite

31 Pa. Code, Chapter 89, §§89.3-89.5, 89.11, 89.17, 89.18 and 89.21-89.23 and new 31 Pa. Code, Chapter 89a, §§89a.1-89a.6

(5) Agency Contacts & Telephone Numbers

Primary Contact: Peter J. Salvatore, Regulatory Coordinator,
1326 Strawberry Square, Harrisburg, PA 17120, (717) 787-4429
Secondary Contact:

(6) Type of Rulemaking (check one)

- ☐ Proposed Rulemaking
☒ Final Order Adopting Regulation
☐ Final Order, Proposed Rulemaking Omitted

(7) Is a 120-Day Emergency Certification Attached?

- ☒ No
☐ Yes: By the Attorney General
☐ Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.

These sections were intended to provide filing and content requirements for Life and Accident and Health insurance policy forms to insurers doing business in the Commonwealth of Pennsylvania. These requirements are necessary to assure the consistent and complete filing of policy forms by insurers. Chapter 89a improves the readability of the deleted sections of Chapter 89, adds Annuities and Property and Casualty Insurance to the requirements of this section and allows for filings electronically. This also ensures the consistent application of filing requirements across all product lines filed with or reviewed by the Department. The Department is also revising these regulations to respond to changes in the insurance marketplace.

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

The Insurance Department repeals 31 Pa. Code, Chapter 89, §§ 89.3 - 89.5, 89.11, 89.17, and 89.21 - 89.23, amends 31 Pa. Code, Chapter 89, § 89.18 and establishes 31 Pa. Code, Chapter 89a, §§ 89a.1- 89a.6 to read as set forth in Annex A under the authority contained in sections 206, 506, 1501 and 1502 of the Administrative Code of 1929 (71 P.S. §§ 66, 186, 411, and 412), sections 510-514 of The Insurance Company Law (40 P.S. §§ 510-514), and section 3(a) of the act of December 18, 1996 (P.L. 1066, No. 159) known as the Accident and Health Filing Reform Act.

Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

No.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

The Insurance Department seeks to repeal Chapter 89, §§ 89.3 - 89.5, 89.11, 89.17 and 89.21 - 89.23, amend 31 Pa. Code, Chapter 89, § 89.18 and establish 31 Pa. Code, Chapter 89a, §§ 89a.1 - 89a.6 to be consistent with the authorizing statute. Moreover, it is in the public interest to delete or clarify redundant and confusing regulatory requirements.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

There are no public health, safety, environment or general welfare risks associated with this rulemaking.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

All insurers transacting business in the Commonwealth will benefit from the regulation to the extent that it will be consistent with the statute.

Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

There will be no adverse effects on any party as a result of the repeal of Chapter 89, §§ 89.3 - 89.5, 89.11, 89.17 and 89.21 - 89.23, the amendment of 31 Pa. Code, Chapter 89, § 89.18 and the establishment of 31 Pa. Code, Chapter 89a, §§ 89a.1- 89a.6.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

The regulation applies to all insurers licensed to do business in the Commonwealth.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

Comments regarding the amendment of this regulation were solicited from the general public, including various trade associations representing the insurance industry during the proposed rulemaking public comment process. Comments were received during the 30-day public comment period from Erie Family Life Insurance Company, Highmark, Inc. and the Insurance Federation of Pennsylvania, Inc. IRRC commented on the regulation during its review.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

The amendment of the regulation will not have any impact on costs associated with insurance companies.

Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

There are no costs or savings to local governments associated with this rulemaking.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

There are no costs or savings associated to state government associated with this rulemaking.

Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years. N/A

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
Total Savings						
COSTS:						
Regulated Community						
Local Government						
State Government						
Total Costs						
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

N/A.

Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.
N/A.

Program	FY -3	FY -2	FY -1	Current FY

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

No costs or adverse effects are anticipated as a result of this regulation.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

Repealing Chapter 89, §§ 89.3 - 89.5, 89.11, 89.17 and 89.21 - 89.23, amending 31 Pa. Code, Chapter 89, § 89.18 and establishing 31 Pa. Code, Chapter 89a, §§ 89a.1- 89a.6 is the most efficient method to achieve consistency with the authorizing statute. No other alternatives were considered.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

No other regulatory schemes were considered. The amendment of the regulation is the most efficient method of updating the regulatory requirements.

Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

No.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

The rulemaking will not put Pennsylvania at a competitive disadvantage with other states. It merely provides for consistency with the statute.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No public hearings or informational meetings are anticipated.

Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

The amendment of the regulation imposes no additional paperwork requirements on the Department, insurers or the general public.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

The rulemaking will have no effect on special needs of affected parties.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

The rulemaking will take effect upon approval of the final form regulation by the legislative standing committees, the Office of the Attorney General, and the Independent Regulatory Review Commission and upon final publication in the *Pennsylvania Bulletin*.

(31) Provide the schedule for continual review of the regulation.

The Department reviews each of its regulations for continued effectiveness on a triennial basis.

CDL-1

FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE
BUREAU

(Pursuant to Commonwealth Documents Law)

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DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to
form and legality. Attorney General

By _____
(Deputy Attorney General)

Date of Approval

→ Check if applicable.
Copy not approved. Objections
attached.

Copy below is hereby certified to be a true and correct
copy of a document issued, prescribed or promulgated
by:

Insurance Department

(AGENCY)

DOCUMENT/FISCAL NOTE NO. 11-184

DATE OF ADOPTION: _____

BY: M. Diane Koken

M. Diane Koken
Insurance Commissioner

TITLE: _____
(EXECUTIVE OFFICER, CHAIRMAN OR
SECRETARY)

Copy below is hereby approved as to form and
legality. Executive or Independent Agencies

BY: John V. Turner

9/24/02

DATE OF APPROVAL

(DEPUTY GENERAL COUNSEL)
(~~CHIEF COUNSEL, INDEPENDENT AGENCY~~)
(~~STRIKE INAPPLICABLE TITLE~~)

→ Check if applicable. No Attorney General
approval or objection within 30 days after
submission.

Insurance Department

Notice of Final Form Rulemaking

31 PA Code, Chapter 89

§§89.3-89.5, 89.11, 89.17, 89.18 and 89.21-89.23

Requirements for All Policies and Forms

and

Chapter 89a,

§§89a.1-89a.6

General Filing Requirements and General Contents of Forms

PREAMBLE

The Insurance Department (Department) hereby amends 31 Pa. Code, Chapter 89, reserving §§ 89.3 - 89.5, 89.11, 89.17 and 89.21 - 89.23, General Filing Requirements and General Contents of Forms, amending § 89.18, Miscellaneous Requirements, and adopting Chapter 89a, §§ 89a.1- 89a.6, Approval for Life Insurance, Accident and Health Insurance and Property and Casualty Insurance, General Filing Requirements and General Contents of Forms, to read as set forth in Annex A.

Statutory Authority

The final-form regulations are promulgated under the authority contained in sections 206, 506, 1501 and 1502 of the Administrative Code of 1929 (71 P.S. §§ 66, 186, 411, and 412), sections 510-514 of The Insurance Company Law (40 P.S. §§ 510-514), and section 3(a) of the act of December 18, 1996 (P.L. 1066, No. 159) known as the Accident and Health Filing Reform Act.

Comments and Response

Notice of proposed rulemaking was published at 30 Pa.B. 4623 (September 2, 2000) with a 30-day comment period. During the 30-day comment period, comments were received from Erie Family Life Insurance Company (Erie), Highmark, Inc (Highmark) and the Insurance Federation of Pennsylvania (IFP).

On November 2, 2000, as part of its regulatory review, the Independent Regulatory Review Commission (IRRC) submitted comments to the Department. The following is a response to these comments.

General

In regard to electronic filings, the IRRC questioned how the Department would handle incompatibility problems with data submitted in electronic filings, specifically if the Department was unable to open any attachments or files.

The compatibility of filing formats between the Department and insurers is an operational issue for the Department. The process currently in place is if a company submits a filing electronically and the Department is unable to open the attached file, we contact the company and request they resubmit the filing in a format that is compatible with the Department's operating systems. As technology evolves, the Department envisions fewer problems with compatibility.

Erie Family Life requested a summary of the changes in the filing process for Pennsylvania that were published in the *Pennsylvania Bulletin*.

A summary of changes was not given to them because this was a proposed regulation and the Department did not want to have a particular company follow anything other than the current regulation. However, it should be noted that all notice of filing requirements

for insurance policies in the Commonwealth are done via statute, regulation or through Department notice. Regulations and Department notices will be submitted to the *Pennsylvania Bulletin*, the official publication of the Commonwealth, for public review.

Section 89a.2. Purpose

The IRRC and the IFP noted that requirements in Chapter 89 still apply to life and accident and health filings. They suggested either combining these chapters or cross-referencing them for clarity.

The Department agrees with the comments. Chapter 89 is a very large catchall chapter with regulatory requirements for many different lines of business. The Department intends to modify the requirements in Chapter 89, referenced by the IRRC and the IFP, in the future under new sections of the regulation such as Chapter 89b and Chapter 89c and then reserve the sections in Chapter 89 that would become obsolete. Section 89a.2(b) has been added to the regulation to cross-reference the filing requirements in Chapter 89 that apply to life and accident and health filings.

Section 89a.3. Form filings.

The IFP commented that this section should be modified to reference Act 1 and Act 9 of 1994 and other issues related to multi-state group life and health filings.

After review the Department believes the statutory language, as stated, is sufficient and therefore no changes to this section are necessary.

Section 89a.6(c)(3). General contents of forms.

The IRRC and Highmark commented that the required use of “participating or non-participating” in subsection (c)(3) (relating to description or caption) could cause confusion regarding whether providers in an insurer’s health care network are “participating or non-participating” and requested that a different phrase be used or that this requirement not be applied to health insurers.

The Department agrees with the comments. The subsection has been modified as follows (addition underlined): “If the form is a policy, contract or certificate, an indication of whether the form is participating or non-participating with regard to paying dividends to policyholders.”

In addition, the Department has reviewed several of the sections and believes that there are some minor editorial changes that need to be made. These changes, while not changing the intent of the regulation, do clarify and enhance the regulation. The following is an analysis of those changes.

Section 89a.4. General filing procedure

The Department accepts filings via any electronic medium. To improve readability, the reference to the Internet in this section has been deleted because it is redundant.

Section 89a.5. Letter of submission.

This section has been modified by the Department to clarify the filing requirements if an insurer's employee or a third party is filing with the Department on behalf of an insurer they must be identified in the letter of submission. In addition, the reference to the Internet has been deleted for the reasons noted above in Section 89a.4.

Section 89a.6(e). General contents of forms.

The Department has modified subsection (e) (relating to hypothetical data) to define the requirements for the use of variable data in a form filing. The use of variable data in form filings eliminates the need for filers to submit redundant forms with only minor benefit changes. It improves the efficiency of the form filing process for filers and the form filing review process for the Department.

Affected Parties

All insurance companies transacting business in the Commonwealth who must follow the Department's form and content requirements of form filings.

Fiscal Impact

State Government

The regulation will not have an impact on Department costs associated with monitoring industry compliance because this does not represent a major change from current policy.

General Public

The regulation is not expected to have any cost impact on premiums paid by consumers for insurance policies.

Political Subdivisions

The regulation has no impact on costs to political subdivisions.

Private Sector

The regulation will not have any major impact on private sector costs because this does not represent a major change from current policy.

Paperwork

This regulation imposes no additional paperwork requirements on the Department and modifies the paperwork requirements imposed on the insurance industry.

Effectiveness/Sunset Date

This rulemaking becomes effective upon publication in the Pennsylvania Bulletin. No sunset date has been assigned.

Contact person

Any questions regarding this regulation should be directed to Peter J. Salvatore, Regulatory Coordinator, Office of Special Projects, 1326 Strawberry Square, Harrisburg, PA 17120, phone (717) 787-4429. In addition, questions may be e-mailed to psalvatore@state.pa.us or faxed to (717) 772-1969.

Regulatory review

Under section 5(a) of the Regulatory Review Act, (71 P.S. §745.5(a)), the agency submitted a copy of this regulation on September 27, 2002 to the Independent Regulatory Review Commission and to the Chairmen of the House Insurance Committee and the Senate Banking and Insurance Committee. In addition to the submitted regulation, the agency has provided the Commission and the Committees with a copy of a detailed Regulatory Analysis Form prepared by the agency in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." A copy of that material is available to the public upon request.

In preparing this final form regulation, the Department considered all comments received from IRRC, the Committees and the public. This final form regulation was (deemed) approved by the House and Senate Committees on _____. In accordance with section 5a(d) of the Regulatory Review Act (71 P.S. §745.5a(d)), IRRC met on _____ and (deemed) approved the regulation in accordance with section 5a(e) of the Regulatory Review Act (71 P.S. §745.5a(e)).

Findings

The Commissioner finds that:

(1) Public notice of intention to adopt this rulemaking as amended by this order has been given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No240) (45 P.S. §§1201 and 1202) and the regulations thereunder, 1 Pa. Code §§7.1 and 7.2.

(2) The adoption of this rulemaking in the manner provided in this order is necessary and appropriate for the administration and enforcement of the authorizing statutes.

Order

The Commissioner, acting under the authorizing statutes, orders that:

(1) The regulations of the Department, 31 Pa. Code, are amended by deleting 31 Pa. Code, Chapter 89, §§ 89.3 - 89.5, 89.11, 89.17 and 89.21 - 89.23, amending 31 Pa. Code, Chapter 89, § 89.18 and establishing 31 Pa. Code, Chapter 89a, §§ 89a.1- 89a.6 to read as set forth in Annex A.

(2) The Commissioner shall submit this order and Annex A to the Office of General Counsel and Office of Attorney General for approval as to form and legality as required by law.

(3) The Commissioner shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.

(4) The regulation adopted by this order shall take effect upon final publication in the *Pennsylvania Bulletin*.

M. Diane Koken
Insurance Commissioner

Annex A

TITLE 31. INSURANCE. PART IV. LIFE INSURANCE. CHAPTER 89. APPROVAL OF LIFE, ACCIDENT AND HEALTH INSURANCE. Subchapter A. REQUIREMENTS FOR ALL POLICIES AND FORMS

GENERAL PROVISIONS

§ 89.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

* * * * *

Advertisement--[Printed or audio visual material used in newspapers, magazines, on radio or television, billboards or similar displays; descriptive literature or sales items, including but not limited to, circulars, leaflets, booklets, depictions, illustrations and form letters; prepared sales talks, presentations or material for use by agents or brokers and representations made by an agent or broker in connection therewith.] As defined in § 51.1 (relating to definitions).

* * * * *

§ 89.3. [Filing requirement] (Reserved).

[(a) Policies, contracts, certificates, endorsements, riders, applications and related forms for life, accident and health insurance shall, prior to their use in this Commonwealth, be submitted to and formally approved by the Department for filing or approval, unless specifically excepted under section 354 of the act (40 P. S. § 477(b)).

(b) The filing letter accompanying a document which deviates from the guidelines in this chapter shall call attention to the deviation and explain how it meets the applicable requirements of the insurance laws of the Commonwealth.

(c) The submission of the documents shall be directed to the Director, Bureau of Regulation of Rates and Policies, Insurance Department, Harrisburg, Pennsylvania 17120.]

§ 89.4. [General filing procedure] (Reserved).

[(a) *Number of copies.* Policies and related forms being submitted for either tentative or formal approval shall be submitted in duplicate. One copy will be retained by the Department in its files and the other copy will be returned to the insurer with the action taken by the Department noted thereon.

(b) *By whom submitted.* Submissions should be made by the home office of the company, association, exchange or society rather than by local representatives, bureaus, company, associations or conferences, except if other arrangements have been specially made with and agreed to by the Department. Correspondence from the Department relating thereto and approvals or disapprovals of the submissions will be mailed to the home office of the company, association, exchange or society.

(c) *Out-of-State delivery.* Where other jurisdictions require prior review by the Department, a single copy of each form (in duplicate for a group accident and health form) which is to be issued by a domestic insurer for delivery only outside of this Commonwealth, or to be used with policies or contracts delivered outside of this Commonwealth, may be filed with the Department.

(d) *Tentative approval.* In order that a form may be given due consideration and defects therein pointed out and corrected before it is printed for formal submission, an insurer may submit printer's proofs of the form in two copies for tentative approval. If other than printer's proofs are submitted, the copies shall be clearly legible. Typewritten copies or copies prepared by a legible duplicating process may be submitted for documents to be used in connection only with single cases or when their use will be too infrequent to justify other preparation.]

§ 89.5. [Letter of submission] (Reserved).

[The letter of submission shall be in duplicate, signed by a representative of the company authorized to submit forms for filing or approval, and shall contain at least all of the following information:

(1) The identifying form number of each form submitted. If the form is for a document other than a policy or contract, the form number of the policy or contract form or forms with which it will be used shall be indicated or, if for more general use, the type or group of the forms shall be described.

(2) A brief statement of the coverage provided. If the form is a policy or contract submitted for approval, there shall be a statement appropriately identifying the specific type of coverage provided.

(3) If the form contains provisions, conditions or concepts which depart from those generally used by the industry and which could be construed as uncommon or unusual, there shall be a statement to this effect which will point out the specific purpose and use of the form, provision, condition or concept.

(4) If the form is a new one, not replacing an existing form, a statement to that effect.

(5) If the form is intended to supersede another approved or filed form, the form number of the approved or filed form which is to be superseded, the approval date of the form superseded and a statement of the material changes made. If the previous form has not yet been formally acted upon by the Department, the form number and submission date shall be given.

(6) If the form being filed for formal approval has previously been submitted for preliminary review, a reference to the previous submission and a statement setting out either that the formal filing agrees precisely with the previous submission, or the specific changes made in the form since the time of preliminary review.

(7) If a form is intended to replace a very recently approved form because of an error found in the approved form, the insurer shall, if the approved form has not been issued, return the approved form with a statement in the submission letter that the form has not been issued. The insurer may, under these circumstances, use the same form number on the submitted corrected form. If, however, the form has been issued, the insurer shall place a new form number on the corrected form and need not return the previously approved form.

(8) A statement as to whether the form has been approved or authorized for use by the insurance department of the state of domicile of the insurer or that the form is not to be used in such state. If approval or authorization for use was sought but not granted, the reason for the action should be stated. This paragraph does not apply to group insurance.]

PREPARATION OF FORMS

§ 89.11. [General contents of forms] (Reserved).

[(a) *Title and address.* A policy form shall recite the full corporate or legal title of the company, association, exchange or society. The official home office address (city and state or province) shall appear on the face, on the back or on the specifications page. If administrative offices are maintained elsewhere, the other addresses may also be shown. For filing purposes, other forms filed should be identified with the name of the company by rubber stamp or other appropriate means.

(b) *Form number.* A form shall be designated by a suitable form number which may consist of numbers or letters, or both, and which shall appear in the lower left corner of the first page. The form number should be adequate to distinguish the form in question from others used by the insurer without reference to edition or printing date. The fact that various benefits are included in the policy by rider need not be reflected in the policy form number.

(c) *Hypothetical data.* Blank spaces of each policy form, except an application, shall be filled in and completed with hypothetical data to indicate the purpose and use of the form. In individual life insurance cases, it is suggested that forms be filled in as of age 35, except for forms to be used to insure juveniles, in which case the use of age 10 is suggested.

(d) *Description of policy.* A brief description of the nature of the policy shall be printed at the top or bottom of the first page of the policy and on the filing back, if any, or on the specifications page (where window-type policies or policies in booklet form are used). In the case of policies in booklet form, the plastic cover, if bulky, need not be filed. A statement shall be included in the brief description indicating whether the policy is participating or nonparticipating.]

§ 89.17. [Replacement of forms] (Reserved).

[(a) A new filing which replaces a form previously approved shall state the form number of the form or forms to be replaced in each case.

(b) If an approved form or filing becomes obsolete and is no longer being issued, the insurer shall so inform the Department.]

§ 89.18. **Miscellaneous requirements.**

[(a) *Marketing procedures.* If a form is submitted involving a method of marketing which departs from the direct agent approach or which employs a new concept, a complete explanation of the marketing procedures shall be provided, if requested by the Department.

(b) *Countersignature of agent.* In submitting forms to the Department, consideration should be given to sections 501 and 610 of the act (40 P.S. §§ 631 and 730), which provide for the countersignature of an authorized resident agent for insurers not incorporated or organized under the laws of the Commonwealth but authorized to transact business herein. It shall be necessary to provide in the forms, when required by law, for the countersignature of the authorized resident agent or to explain its omission fully.

(c)] (a) *Riot injuries.* If a policy contains an exception for injuries arising out of riots, the exception should be confined to those instances in which the insured is injured while participating in the riot.

[(d)] **(b) Rate books.** Rate books and revisions thereof should be submitted for filing. The name of the insurer should appear on revision pages, supplements and the like, in order to facilitate proper filing in the Department. This subsection does not apply to group insurance.

FORMAL APPROVAL

§ 89.21. **[General] (Reserved).**

[(a) Policy forms may be submitted for formal approval either after or without tentative approval.

(b) Policy forms submitted for formal approval should be submitted in the form intended for actual issue, generally, in printed form. If a policy form will not be printed, as in cases of single or infrequent use, it is important that the form, when reproduced, be clear and legible and in reasonably permanent form considering its probable period of use.]

§ 89.22. **[Changes in forms] (Reserved).**

[The Department may not consider for formal approval a form which has been modified by typewritten, ink or other insertions or deletions. The changes should be made by printed, multigraph or rubber stamp endorsement properly executed by an authorized representative of the company.]

§ 89.23. **[Documents shall be complete] (Reserved).**

[The Department is concerned with complete policies, endorsements, certificates, applications and related forms. If amendatory pages are submitted, the pages shall be properly executed as such. Otherwise, the complete revised form including the amendments shall be submitted with distinguishing form number.]

CHAPTER 89a. APPROVAL FOR LIFE INSURANCE, ACCIDENT AND HEALTH INSURANCE AND PROPERTY AND CASUALTY INSURANCE FILING AND FORM GENERAL FILING PROVISIONS

Sec.

89a.1. Definitions.

89a.2. Purpose.

89a.3. Form filings.

89a.4. General filing procedure.

89a.5. Letter of submission.

PREPARATION OF FORMS

89a.6. General contents of forms.

GENERAL FILING PROVISIONS

§ 89a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Department--The Insurance Department of the Commonwealth.

Filer--A person or entity submitting insurance or annuity forms to the Department.

Prominent type--Font or formatting techniques which differentiate selected text from other text. The term includes, for example, capital letters, contrasting color and underscoring.

§ 89a.2. Purpose.

(A) This chapter provides the criteria for insurers to use in preparing specific form filings for Department review. Additionally, the chapter provides requirements for the general content of forms.

(B) IN ADDITION TO THE REQUIREMENTS OF THIS CHAPTER, THE REQUIREMENTS OF CHAPTER 89 RELATING TO LIFE AND ACCIDENT AND HEALTH INSURANCE FILINGS ARE ALSO APPLICABLE TO THESE FILINGS.

§ 89a.3. Form filings.

(a) Submission of forms. Policies, contracts, certificates, endorsements, riders, applications and related forms for life insurance and annuities, accident and health insurance, and property and casualty insurance, intended to be issued in this Commonwealth, shall be submitted to the Department in accordance with the following:

(1) Forms for life insurance and annuities issued by insurance companies shall be submitted for prior approval in accordance with section 354 of The Insurance Company Law of 1921 (40 P. S. § 477b), unless specifically excepted under section 354 of The Insurance Company Law of 1921. Forms for life insurance and annuities issued by fraternal benefit societies shall be submitted for prior approval in accordance with section 404(f) of the Fraternal Benefit Societies Code (40 P. S. § 1142-404(f)), unless specifically excepted under section 354 of The Insurance Company Law of 1921.

(2) Forms for accident and health insurance shall be filed in accordance with section 3 of the Accident and Health Filing Reform Act (40 P. S. § 3803).

(3) Forms for property and casualty insurance shall be submitted for prior approval in accordance with section 354 of The Insurance Company Law of 1921 unless specifically excepted under section 354 of The Insurance Company Law of 1921.

(b) *Out-of-State delivery.* When other jurisdictions require prior approval or filing by the Department of forms to be issued in those jurisdictions by domestic Pennsylvania insurers, the insurers may submit the forms to the Department for approval or filing for issuance outside of this Commonwealth only.

§ 89a.4. General filing procedure.

(a) *Number of copies.*

(1) Forms intended to be issued in this Commonwealth shall be submitted in duplicate for hard copy filings. Filers submitting forms by means of the Internet or other electronic medium shall submit one electronic copy. One copy of each form may be retained by the Department.

(2) One copy of a form intended to be issued only outside this Commonwealth shall be submitted.

(b) *Clearly legible forms.* Forms intended to be issued in this Commonwealth shall be submitted in clearly legible form.

(c) *Filing fee.* A submission of forms shall include any filing fee as required by section 212 of The Insurance Department Act of 1921 (40 P. S. § 50).

(d) Self-addressed stamped return envelope. A hard copy submission of forms shall include a self-addressed envelope bearing enough postage to permit the return to the filer of the duplicate copies of the forms or submission letter, or both.

(e) Separate submissions. Forms for each line of insurance, life and annuities, accident and health, and property and casualty, shall be submitted separately to their respective bureaus within the Department: the Bureau of Life Insurance, the Bureau of Accident and Health Insurance, and the Bureau of Property and Casualty Insurance.

(f) By whom submitted. A submission of forms shall be made by the home office or an administrative office of the insurer, or by an attorney at law representing the insurer, unless the following applies:

(1) The submission includes, or is preceded by, a document from the insurer specifically authorizing the filer to make the submission on the insurer's behalf.

(2) The submission is made by a rating organization, licensed in this Commonwealth, on behalf of its members and subscriber companies.

§ 89a.5. Letter of submission.

The letter of submission shall be in duplicate for hard copy filings, shall clearly identify the insurer whose name appears on the forms AND THE FILER, and shall be sent to the appropriate bureau director in the Office of Rate and Policy Regulation under the requirements of § 89a.4(e) (relating to general filing procedure). Only one copy of the letter of submission is necessary for Internet or other electronic submissions. The letter shall contain at least all of the following information for each form submitted:

(1) The identifying form number. Additionally, if the form is other than a policy, contract or certificate, the form number of the policy, contract or certificate with which it will

be used, and the date approved by or filed with the Department, or if not approved or filed, the date last submitted to the Department, or if for more general use, the type or group of the forms shall be described. If the form is a group certificate, the form number of the group master policy with which it will be used, and the date the group master policy was approved by or filed with the Department, or if not approved or filed, the date last submitted to the Department, or if the certificate is for general use, the types of group master policies with which it will be used.

(2) A designation of the general type of form submitted; for example, policy, contract, certificate, rider, endorsement, amendment, agreement, application, insert page or other general type.

(3) A brief statement of the specific type of insurance or annuity benefit coverage provided by the form. If the form does not provide insurance or annuity benefit coverage, a brief statement of the specific purpose of the form.

(4) If the form contains any provision, condition, feature or concept that departs from those generally used by the industry and that could be construed as new, innovative, uncommon or unusual, a statement to this effect and an explanation of the specific purpose of the provision, condition, feature or concept.

(5) An explanation of the marketing method, if the method of marketing of the form departs from the direct sales approach or employs a new concept.

(6) If the form is a new one, not replacing an existing form, a statement to that effect.

(7) If the form is intended to replace another form, the form number of the form to be replaced, the date that the form was approved by or filed with the Department, and a statement of the changes made to the form to be replaced.

(8) For group insurance policy forms, a brief description of the type of entity to which the group policy will be issued; for example, discretionary group, association, out-of-State trust.

(9) The amount of the filing fee included with the submission or the amount that will be billed to the insurer.

PREPARATION OF FORMS

§ 89a.6. General contents of forms.

(a) Name and address. Each form shall state the full corporate or legal name of the company, association, exchange or society. However, the name need appear for filing purposes only on a rider, endorsement, amendment, agreement or insert page. If added for filing purposes only, the name may be added by any legible means. If more than one insurer is using an application, a multicompany application providing for the designation of the applicable insurer and available coverages, if applicable, may be used. A policy, contract or fraternal certificate shall state a current address for the insurer, consisting of at least a city and state or province.

(b) Form number. Each form shall contain a form number consisting of numbers, letters, or both. The form number shall be adequate to distinguish the form from all others used by the insurer. The form number may be the same as that of a form to be replaced. However, if the form to be replaced was approved by or filed with the Department, it may not have been issued in this Commonwealth and shall be withdrawn from any issuance in this Commonwealth.

(c) Description or caption. Each form, except an insert page, shall contain a brief description or descriptive caption. This brief description or descriptive caption shall appear in prominent type on the first or cover page of the form, or, in the case of a policy, contract or certificate, on the specifications page if the brief description or descriptive caption is visible without opening

the form. The brief description or descriptive caption shall contain at least the following information:

(1) A designation of the general type of the form, that is, policy, contract, certificate, rider, endorsement, amendment, agreement, application or other general type.

(2) A designation of the specific type of insurance or annuity coverage provided, or if the form does not provide insurance or annuity coverage, a designation of the purpose of the form.

(3) If the form is a policy, contract or certificate, an indication of whether the form is participating or nonparticipating WITH REGARD TO PAYING DIVIDENDS TO POLICYHOLDERS.

(d) Required statement. A rider, endorsement, amendment or agreement designated by another term in its brief description or descriptive caption shall state that it is "attached to and made part of the (policy, contract or certificate)," as appropriate.

(e) Hypothetical data. The blank spaces of each form, except an application, shall be filled in with hypothetical data to indicate the purpose of the form. This data shall be realistic and consistent with the other contents of the form. ANY INFORMATION APPEARING IN A FORM, EXCEPT AN APPLICATION, WHICH IS VARIABLE SHALL BE BRACKETED OR OTHERWISE MARKED TO DENOTE VARIABILITY.

(f) Readability. A form:

(1) Shall be written in simple words and with sentences as short as possible. The words and sentences should convey meanings clearly and directly. Words should be used in their commonly understood senses.

(2) Shall contain a definition or explanation of terminology that would not be ordinarily understood by a person of average intelligence.

(3) May not contain inconsistent or contradictory language or provisions.

(4) That provides insurance coverage, shall accurately and completely explain the coverage and conditions of coverage.



**COMMONWEALTH OF PENNSYLVANIA
INSURANCE DEPARTMENT**

SPECIAL PROJECTS OFFICE
1326 Strawberry Square
Harrisburg, PA 17120

Phone: (717) 787-4429
Fax: (717) 772-1969
E-mail: psalvatore@state.pa.us

September 27, 2002

Mr. Robert Nyce
Executive Director
Independent Regulatory Review Comm.
333 Market Street
Harrisburg, PA 17101

Re: Insurance Department Final Form Regulation No. 11-184, Requirements for All Policies and Forms; General Filing Requirements and General Contents of Forms

Dear Mr. Nyce:

Pursuant to Section 5a(c) of the Regulatory Review Act, enclosed for your review and approval is final form regulation 31 Pa. Code, Chapter 89 and 89a, Requirements for All Policies and Forms; General Filing Requirements and General Contents of Forms.

Chapter 89 was intended to provide filing and content requirements for Life and Accident and Health insurance forms to insurers doing business in the Commonwealth of Pennsylvania. These requirements are necessary to assure the consistent and complete filing of forms by insurers. The Department is also establishing Chapter 89a to improve the readability of the sections of Chapter 89 that are proposed for deletion. These new sections of Chapter 89a set forth the requirements for the content and filing of Life Insurance and Annuities, Accident and Health Insurance and Property and Casualty Insurance form filings. In addition, requirements for Annuities and Property and Casualty Insurance and provisions to allow for filings electronically were also incorporated in Chapter 89a. This will ensure the consistent application of filing requirements across all product lines filed with the Department.

If you have any questions regarding this matter, please contact me at (717) 787-4429.

Sincerely yours,

A handwritten signature in cursive script, reading "Peter J. Salvatore".

Peter J. Salvatore
Regulatory Coordinator

The Final Form Regulation listed below has been sent to the following:

<i>Reg #</i>	<i>Regulation Title</i>	<i>Date Sent</i>	<i>09/27/2002</i>
<i>11-184</i>	<i>Approval for Life Ins. A&H Ins.P&C Ins., Gen. Filing Req. & Gen. Content of Forms</i>		
<hr/>			
<i>Mr. Rodney Keefer</i>			
<i>Associate Life Actuary</i>			
<i>Erie Family Life Insurance Company</i>			
<i>Unknown</i>			
<i>Erie, PA 00000</i>		<i>Letter Co-Author</i>	
<i>Phone (800) 458-0811 X02346</i>		<i>Email Rodney.Keefer@erieinsurance.com</i>	
<hr/>			
<i>Ms. Candy Gallaher</i>			
<i>Regulatory Coordinator</i>			
<i>Highmark, Inc.</i>			
<i>1800 Center Street</i>			
<i>Camp Hill, PA 17011</i>		<i>Letter Co-Author</i>	
<i>Phone (717) 975-7426 X00000</i>		<i>Email candy.gallaher@highmark.com</i>	
<hr/>			
<i>Mr. Samuel R. Marshall</i>			
<i>President</i>			
<i>Insurance Federation of Pennsylvania, Inc.</i>			
<i>1600 Market St.</i>			
<i>Philadelphia, PA 19103</i>		<i>Letter Co-Author</i>	
<i>Phone (215) 665-0505 X00000</i>		<i>Email sammyl@ifpenn.org</i>	

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE
REGULATORY REVIEW ACT**

I.D. NUMBER: 011-184

SUBJECT: Requirements for All Policies & Forms; General Filing Requirements & General Contents of Forms

AGENCY: DEPARTMENT OF INSURANCE

TYPE OF REGULATION

Proposed Regulation

X Final Regulation

Final Regulation with Notice of Proposed Rulemaking Omitted

120-day Emergency Certification of the Attorney General

120-day Emergency Certification of the Governor

Delivery of Tolled Regulation

a. With Revisions

b. Without Revisions

FILING OF REGULATION

DATE	SIGNATURE	DESIGNATION
9/27/02	<i>Shirley Earhart</i>	HOUSE COMMITTEE ON INSURANCE
9/27/02	<i>John Hein</i>	
9/27/02	<i>Ronald Deibert</i>	SENATE COMMITTEE ON BANKING & INSURANCE
9/27/02	<i>Wendy Patton</i>	
9/27/02	<i>Elena Pagan</i>	INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL
		LEGISLATIVE REFERENCE BUREAU

September 24, 2002