

**Adopt Ins 1201.01 through Ins [1201.09 (i)] 1201.08, previously effective 04/01/00 (Doc. #7146), and expired 04/01/08, to read as follows:**

CHAPTER Ins 1200 CREDIT INSURANCE

PART Ins 1201 CREDIT LIFE AND CREDIT ACCIDENT AND HEALTH INSURANCE

Statutory Authority: RSA 400-A:15; RSA 408-A:12

Ins 1201.01 Purpose.

(a) The purpose of this part is to protect the interests of debtors and the public in this state by providing a system of rate, policy form and operating standards for the transaction of credit life and credit accident and health insurance.

(b) Creditors of various types participate in the marketing of credit insurance. Where this is the case, credit insurance is an incidental part of the credit transaction. The debtor constitutes a captive prospect for insurance and is frequently ill-equipped and poorly situated to judge whether the insurance offered by the creditor is reasonably priced. If the charge for the insurance is passed on to the debtor, as is usually the case, it would be to the advantage of creditors for them to seek to have the insurer charge premium rates in excess of those which would prevail were creditors charged with a fiduciary responsibility to seek out low cost credit insurance for their customers. This is because such creditors are able to recoup substantially all of the excess through administrative allowances, dividends, experience refunds and other arrangements. Further, the larger the premium, the greater the finance charge added to it. In such a market climate, the need for premium rate regulation in credit insurance is apparent. In addition, the inferior position of the debtor requires that all other aspects of credit insurance be closely supervised.

(c) Credit insurance premium rate standards set forth in this part are designed to assure debtors that such insurance will be freely available at reasonable cost, to maintain a relationship between benefits and premiums consistent with other kinds of insurance sold in this state and to provide reasonable compensation to the creditor.

Ins 1201.02 Scope.

(a) This part shall apply to all life insurance and accident and health insurance, whether group or individual, sold in connection with loans or other credit transactions, except such insurance sold in connection with:

- (1) A loan or other credit transaction of more than 15 years' duration;
- (2) A first real estate mortgage; or
- (3) A loan secured by a filing under the Uniform Commercial Code pursuant to RSA 477:44, IV.

(b) The scope of this part shall be identical to that of RSA 408-A as stated in RSA 408-A:2.

Ins 1201.03 Definitions.

(a) "Account" means the aggregate credit life insurance or credit accident and health insurance coverage for a single plan of benefits and for a single class of business written through a single creditor.

(b) "Actual premium rate" means with respect to each class of business and each plan of benefits, the maximum premium rate permitted to be charged by any insurer writing credit insurance in this state, whether it be new or renewed business, unless a rate deviation has been approved by the commissioner pursuant to Ins 1201.13.

(c) "Actual premium rate factor" means the factor resulting when the actual premium rate for any plan of benefits ~~of~~ or any class of business as determined pursuant to this part is divided by the corresponding nominal rate for the same plan of benefits as shown under Ins 1201.08 or Ins 1201.09.

(d) "Average number of life years" means the average number of group certificates or individual policies in force during the experience period, without regard to multiple coverage, times the number of years in the experience period for which experience is shown, or an equivalent calculation.

(e) "Calendar year" means January 1 through December 31.

(f) "Class of business" means any of the following:

- (1) Credit unions;
- (2) Commercial and savings banks;
- (3) Finance companies;
- (4) Motor vehicle dealers;
- (5) Other sales finance; and
- (6) Any other creditor.

(g) "Credibility factor" means the extent to which the past experience of any given block of credit insurance business can be expected to recur in the future, and is found by reference to the credibility table as shown in Table 1200-1.

(h) "Credit insurance" means both credit life and credit accident and health insurance, as defined in RSA 408-A:2.

(i) "Creditor[,]" means "creditor" as defined in RSA 408-A:2.

(j) "Critical period coverage" means accident and health coverage where the insurance coverage benefit period is stated as a period certain not necessarily coterminous with the remaining term of a loan.

(k) "Debtor[,]" means "debtor" as defined in RSA 408-A:2, III(d).

(l) "Indebtedness[,]" means "indebtedness" as defined in RSA 408-A:2, III(e).

(m) "Commissioner" means "commissioner" as defined in RSA 408-A:2, III(f), namely the insurance commissioner of the state of New Hampshire.

(n) "Earned premiums at rates in use" means actual earned premiums, that is, the premiums earned at the premium rates actually charged and in force during the experience period in accordance with the instructions and method of calculation for reporting on Form A or Form B.

(o) "Earned premium at the nominal rate level" means the actual earned premiums adjusted to the amount which would have been earned had the premium rate during the experience period been equal to or the actuarial equivalent of the most appropriate nominal rate specified in Ins 1201.08 or 1201.09.

(p) "Form A" means the credit insurer annual experience report described in Ins 1201.12(a).

(q) "Form B" means the credit insurer annual experience report described in Ins 1201.12(b).

(r) "Experience" means collectively all items of data which are shown on or reported on Form A or Form B as found on either a single Form A or Form B or any combination of the data from some or all Form A's and Form B's received.

(s) "Experience period" means, as of the date an annual experience report is due pursuant to Ins 1201.11, the 3 most recently completed calendar years.

(t) "Experience year" means any one of the 3 calendar years included in an experience period.

(u) "Incurred claim count" means the number of claims incurred during the experience period.

(v) "Incurred claims" means total claims paid during the experience period, adjusted for the change in the unreported claims and the claim reserve in accordance with the instructions and method of calculation for reporting on Form A or Form B.

(w) "Investment income" means the earnings derived from premium reserves arising out of single premiums charged the debtor.

(x) "Nominal rates" means those rates not adjusted by actual premium rate factors.

(y) "Plan of insurance" means:

(1) Credit life insurance for each combination of:

a. Single or joint lives;

b. Single or outstanding balance premiums; and

c. Decreasing or level coverage; **and**

(2) Credit accident and health insurance for each combination of:

- a. Single or joint lives;
- b. Single or outstanding balance premiums;
- c. Waiting period; and
- d. Retroactive or nonretroactive;

(z) "Pro rata method" means a method using the ratio of the number of months remaining in the term of coverage to the total number of months of coverage.

(aa) "Policy year" means the [twelve] 12-month period beginning on a policy's anniversary date.

(ab) "Pure premium method" means the method used to calculate premium refunds for credit accident and health insurance described in Ins 1201.05(c).

(ac) "Rule of 78" means the method used to calculate premium refunds for credit life insurance described in Ins 1201.05(b).

(ad) "Target loss ratio (TLR)" means the standard used to establish the reasonableness of the relationship between benefits paid and premiums collected by an insurer.

(ae) "Truncated gross indebtedness" means that the insurance coverage is based on the sum total of the payments necessary to amortize the loan and includes both principal and interest.

(af) "Truncated net indebtedness" means that the insurance coverage is based on the amount necessary to satisfy the loan obligation at any specific point in time.

Ins 1201.04 Rights and Treatment of Debtors.

(a) Limits on the amounts of credit life insurance and credit accident and health insurance permitted by statute shall be as stated in RSA 408-A:4.

(b) If a creditor makes available to the debtors more than one plan of credit life insurance or more than one plan of credit accident and health insurance, each debtor shall be informed of all such plans applicable to the type of loan or transaction involving that debtor.

(c) When a creditor requires credit life insurance, credit accident and health insurance, or both, as additional security for an indebtedness, the debtor shall be given the option of furnishing the required amount of insurance through existing policies of insurance owned or controlled by him or her or procuring and furnishing the required coverage through any insurer authorized to transact insurance business in this state. If this paragraph is applicable, the debtor shall be informed by the creditor of his or her right to provide alternative coverage before the transaction is completed.

(d) All credit insurance claims shall be processed in accordance with RSA 408-A:10.

(e) Termination of coverage shall be conducted as follows:

(1) If a debtor is covered by a group credit insurance policy providing for the payment of single premiums to the insurer, then provision shall be made by the insurer that in the event of termination of the policy for any reason, insurance coverage with respect to any debtor insured under such policy shall be continued for the entire period for which the single premium has been paid, subject to the debtor's right to cancel the insurance at any time by express action and subject to individual terminations as set forth in (i) and (j) below; or

(2) If a debtor is covered by a group credit insurance policy providing for the payment of premiums to the insurer on a monthly outstanding balance basis, then the policy shall provide that, in the event of termination of such policy for whatever reason, the insured debtor shall be notified that coverage will continue for 30 days from the date of notice, except where replacement of the coverage by the same or another insurer in the same or greater amount takes place without lapse of coverage; and

(3) The notice required in this paragraph shall be given by the insurer or, at the option of the insurer, by the creditor.

(f) If the creditor adds identifiable insurance charges or premiums for credit insurance to the indebtedness, and any direct or indirect finance, carrying, credit, or service charge is made to the debtor on such insurance charges or premiums, the creditor shall remit and the insurer shall collect such premium within 60 days after it is added to the indebtedness.

(g) If the indebtedness is discharged due to renewal or refinancing prior to the scheduled maturity date, the insurance in force shall be terminated before any new insurance may be issued in connection with the renewed or refinanced indebtedness. In all cases of such termination prior to scheduled maturity, a refund shall be paid or credited to the debtor as provided in Ins 1201.04(i) below. In any renewal or refinancing of the indebtedness, the effective date of the coverage as respects any policy provision shall be deemed to be the first date on which the debtor became insured under the policy covering the indebtedness which was renewed or refinanced, at least to the extent of the amount and term of the indebtedness outstanding at the time of renewal and refinancing of the debt.

(h) A provision in a policy or certificate that sets a maximum limit on total payments shall apply only to that policy or certificate.

(i) If a debtor prepays his or her indebtedness other than as a result of his or her death or through a lump sum disability payment, the following shall apply:

(1) Any credit life insurance covering such indebtedness shall be terminated, and an appropriate refund of the credit life insurance premium shall be paid to the debtor in accordance with Ins 1201.05;

(2) Any credit accident and health insurance covering such indebtedness shall be terminated, and an appropriate refund of the credit accident and health insurance premium shall be paid to the debtor in accordance with Ins 1201.05;

(3) If a claim under such coverage is in progress at the time of prepayment, the policy shall not terminate until the claim terminates, therefore such claim shall continue as if there had been no prepayment, but payment of the refund may be delayed until the claim terminates;

(4) The amount of refund may be determined as if the prepayment did not occur until the payment of benefits terminates;

(5) No refund **[need] shall have to** be paid during any period of disability for which credit accident and health benefits are payable as the policy shall not terminate until such benefits are no longer payable; and

(6) A refund shall be computed as if prepayment occurred at the end of the disability period.

(j) If an indebtedness is prepaid by the proceeds of a credit life insurance policy covering the debtor or by a lump sum payment of a disability claim under a credit accident and health insurance policy covering the debtor, then it shall be the responsibility of the insurer to see that the following refunds are paid to the insured debtor if living or the beneficiary, other than the creditor, named by the debtor or to the debtor's estate:

(1) In the case of prepayment by the proceeds of a credit life insurance policy or by the proceeds of a lump sum total and permanent disability benefit under credit life coverage, an appropriate refund of the credit accident and health insurance premium in accordance with Ins 1201.05;

(2) In the case of prepayment by a lump sum disability claim, an appropriate refund of credit life insurance premium in accordance with Ins 1201.05; and

(3) In either case, the amount of the benefits in excess of the amount required to repay the indebtedness after crediting any unearned interest or finance charges.

Ins 1201.05 Premium Refunds.

(a) In the event of termination of the insurance prior to the scheduled maturity date of the indebtedness, other than as a result of the death of the insured, a refund of the unearned insurance premium or charge without any deduction whatsoever shall be made or credited promptly to the debtor in accordance with the methods in (b) through (h) below.

(b) In the case of all credit life insurance which decreases uniformly so as to cover the scheduled indebtedness at any time during the term of the indebtedness, the following method, known as the "rule of 78", shall apply:

(1) The refund shall be calculated as the product of the original premium times the ratio of

$$\frac{t * (t + 1)}{n * (n + 1)}$$

- (2) Where  $t$  is the number of months remaining under the terms of the coverage; and
- (3) Where  $n$  is the total number of coverage months.

(c) In the case of credit accident and health insurance, the following method, known as the "pure premium" method, shall apply. The refund under this method shall be computed as the premium which would have been charged for such insurance at the time originally purchased except for the amount of the total remaining benefits and for the remaining term of the indebtedness outstanding at the date of termination.

(d) As an alternative to the pure premium method, an insurer may elect for a particular account or accounts to refund an amount equal to the average of the refunds computed by the "rule of 78" method and the pro rata method. If this alternative method is elected, all refunds thereafter shall be calculated consistent with this alternative method.

(e) In the case of level credit life insurance, the refund shall be determined by the pro rata method.

(f) Under methods (a) through (e) above, if 16 days or more of a loan month have been earned, the refund may be computed from the end of the loan month provided that, if 15 days or less of a loan month have been earned, the refund is computed from the beginning of the loan month. Alternatively, the refund for partial months of coverage may be computed on a pro rata basis.

(g) No refund of \$1.00 or less **[need] shall have to** be made.

(h) Credit insurance policies and group certificates shall specify the method that will be used to compute refunds for each plan of insurance provided by the policy or group certificate. Compliance with the above requirement shall be considered to fulfill the requirements in RSA 408-A that refund formulas be filed with the commissioner where either the rule of 78, the pro rata, or the pure premium method is in use.

#### Ins 1201.06 Policy Forms and Related Material.

(a) Credit life and credit accident and health insurance shall be issued only in forms described in RSA 408-A:3.

(b) All policy forms, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements, and riders to be delivered or issued for delivery in this state and the schedules of premium rates pertaining thereto shall be filed with the commissioner as required by RSA 408-A:7 and RSA 408-A:8. All filings under this part shall be accompanied by supporting information which establishes that the rates to be used conform to the standards of reasonableness set forth in Ins 1201.07.

(c) Filing procedures shall be as follows:

- (1) To the extent that such procedures are not inconsistent with RSA 408-A:7, credit insurance forms which are required to be filed with the commissioner as indicated in (b) above shall be submitted in accordance with the procedures specified in Part Ins 401.02. Such submissions shall further comply with all other applicable provisions of Part Ins 401 which are not inconsistent with this part;

(2) Certificates of insurance to be delivered in this state under group policies issued in other states shall be filed with the commissioner and the premium rates to be used shall be filed with and approved by the commissioner as set forth in this part;

(3) Insurers using rates that do not exceed the actual premium rates established by this part **[and which are] as** shown in Table 1200-2 shall satisfy the requirements of RSA 408-A:7 with respect to the filing of premium rates by:

**a. [s] Submitting** to the commissioner for his or her approval **[as set forth in this part]** a complete table of such premium rates~~[,];~~ or~~[,]~~

**b. [alternatively, the insurer may s] Submitting** a written statement signed by an authorized official certifying that the premium rates to be used by the insurer will not exceed the actual premium rates shown in Ins 1201.~~[19]18~~; and

(4) Insurers who wish to use premium rates that will exceed the actual premium rates shown in Ins 1201.18 shall file such premium rates in accordance with the procedures shown in Ins 1201.13.

Ins 1201.07 Determination of Reasonableness of Premiums in Relation to Benefits.

(a) Under RSA 408-A, premiums charged for credit insurance shall not be excessive in relation to benefits provided. This requirement shall be deemed to be satisfied if the premium rates to be charged are no greater than the rates specified in Ins 1201.~~[19]18~~ and where the benefits provided correspond to those described in Ins 1201.08(c) and (d) or Ins 1201.09(d) and (e).

(b) If any insurer files for approval any form providing coverage which varies from that for which nominal rates are specified in Ins 1201.08 and Ins 1201.09, the insurer shall demonstrate to the commissioner that:

(1) The premium rates to be charged for such coverage are derived from actuarial assumptions equivalent to or consistent with the actuarial assumptions from which the closest comparable nominal rates were derived; and

(2) Such premium rates can be expected to produce a loss ratio not less than the appropriate target loss ratio defined in Ins 1201.03.

(c) If no specific charge is made to the debtor for credit insurance, the rate standards set forth in (a) and (b) above shall not be required to be used. For purposes of this **[subsection] paragraph**, it shall be considered that the debtor is charged a specific amount for insurance if an identifiable charge for insurance is disclosed in the credit or other instrument furnished the debtor which sets out the financial elements of the credit transactions, or if there is a differential in finance, interest, service, or other similar charge made to debtors who are in like circumstances, except for their insured or non-insured status.

(d) With respect to either credit life or credit accident and health insurance, if the creditor pays premiums on the single premium basis, and if the interest or finance charge in a credit

transaction is computed on an amount which does not include the identifiable charge for such credit insurance, such identifiable charge shall be computed as follows:

- (1) Use the formulas in Ins 1201.08(b)(2) and Ins 1201.09(b)(1), eliminating from such formulas the expression,

$$1 + \frac{.0425 * n}{24}$$

- (2) Then multiply such altered nominal rate by the appropriate actual premium rate factor specified in Ins 1201.~~19~~18.

Ins 1201.08 Nominal Rates for Credit Life Insurance.

(a) The premium rates in (b) below shall be used to determine the single lives credit life insurance earned premiums at the nominal rate level which are to be reported by each insurer pursuant to Ins 1201.11.

(b) Where the insured portion of an indebtedness is repayable in equal monthly installments, the nominal premium rate for credit life insurance shall be as set forth in (1) and (2) below while subparagraphs (3) through (6) below shall apply to premium rates for other types of benefits either alone or in combination with the type of benefits applicable to (1) and (2) below:

- (1) If premiums are payable on a monthly outstanding balance basis, the nominal rate shall be \$.74 per month per \$1000 of outstanding indebtedness;
- (2) If premiums are payable on a single premium basis, the nominal rates stated under subparagraph (1) above shall be used to compute nominal single premium rates as the present value of the coverage cost as if the decreasing coverage was provided on an outstanding monthly balance basis throughout the term of coverage, as in the following formulae:

- a. Where the coverage is provided on a gross indebtedness basis:

$$SP_n = \frac{(n+1)}{20 * \left(1 + \frac{.0425 * n}{24}\right)} * OP$$

- b. Where the coverage is provided on a truncated gross indebtedness basis:

$${}_tSP_n = \frac{1}{10} \frac{1}{n} O_p \left( \frac{n(n+1)}{2 \left(1 + \frac{.0425 * n}{24}\right)} - \frac{(n-t)(n-t+1)}{2 \left(1 + \frac{.0425 * (n-t)}{24}\right)} \right)$$

- c. Where the coverage is provided on a net indebtedness basis:

$$SP_n = \frac{1}{10} * \frac{1}{a_{\overline{n}|}} * \left( \frac{n - a_{\overline{n}|}}{i} \right) * OP$$

d. Where the coverage is provided on a truncated net indebtedness basis:

$${}_tSP_n = \frac{1}{10} \frac{1}{a_{\overline{n}|}} O_p \left( \left( \frac{n - a_{\overline{n}|}}{i} \right) - \left( \frac{(n-t) - a_{\overline{n-t}|}}{i} \right) \right)$$

e. Where  $SP_n$  and  ${}_tSP_n$  = “Single Premium Rate” per \$100 of initial indebtedness repayable in “n” equal monthly installments;

f. Where  $OP$  = The nominal monthly outstanding “Balance Premium Rate” per \$1,000;

g. Where  $n$  = “Original Repayment Period”, in months;

h. Where  $a_{\overline{n}|}$  = the present value at an interest rate of  $i$  for  $n$  monthly payments of \$1.00, first payable at the end of the month;

i. Where  $i$  = 1%, or the equivalent monthly compound interest rate associated with the covered loan; and

j. Where  $t$  = the coverage period in months.

(3) The nominal rate for level term life insurance shall be \$.74 per month per \$1000 if premiums are payable on a monthly outstanding balance basis;

(4) If level term life insurance premiums are payable on a single premium basis, they shall be calculated as the present value of the coverage cost as if the level coverage was provided on an outstanding monthly basis throughout the term of coverage, as in the following formula:

a. 
$$LSP_n = \frac{1}{10} * OP * \ddot{a}_{\overline{n}|}$$

b. Where  $LSP_n$  = “Single Premium Rate” per \$100 of initial indebtedness;

c. Where  $\ddot{a}_{\overline{n}|}$  = the present value at 1/2% per month of  $n$  monthly payments of \$1.00, first payable immediately;

d. Where  $n$  = the term of insurance, in months; and

e. Where  $OP$  = \$.74 per month per \$1000;

(5) A combination of the appropriate nominal rate for level term and the appropriate nominal rate for decreasing term, with equal decrements, shall be used if the coverage provided is a combination of level term and decreasing term, with equal decrements; and

(6) If the benefits provided are other than those described in subparagraphs (1) through (5) above, the nominal rate for the benefits that are provided shall be the actuarial equivalent of the nominal rates stated in or determined by the above subparagraphs, (1) through (5).

(c) The premium rates in paragraph (b) above shall apply to policies providing credit life insurance to be issued with or without evidence of insurability, to be offered to all debtors of a creditor.

(d) The premium rates in paragraph (b) above shall contain:

(1) No exclusions other than suicide within one year of the incurred indebtedness; **and**

(2) Either no age restrictions or age restrictions that are no less favorable to insured debtors than age restrictions making ineligible for coverage debtors 65 or over at the time indebtedness is incurred or debtors having attained age 66 or over on the maturity date of the indebtedness[; **and**].

(e) An insurer may require that a debtor be actively-at-work at the time the indebtedness is incurred in order to be eligible for insurance.

(f) If premiums are to be determined according to the age of the insured debtor or by age brackets, the nominal rates for each age or age bracket shall be derived by adjustments in the appropriate nominal rate stated in Ins 1201.08(b)(1) through(6) above so that the nominal rates arrived at will be actuarially consistent with the nominal rates set out in subsection (b)(1) through (6). All such rates shall be filed with and shall be approved by the commissioner, if actuarially consistent according to generally accepted actuarial principles, prior to use.

(g) The premium rates for joint lives credit life insurance earned premiums at the nominal rate level shall be calculated by multiplying the single lives credit life insurance earned premiums by a factor of 1.55.

**Readopt with amendments Ins 1201.09, effective 04/01/00 (Doc. #7146), as amended effective 11/01/02 (Doc. #7789), and expired 04/01/08, except for the amendments in Doc. #7789, to read as follows:**

Ins 1201.09 Nominal Rates for Credit Accident and Health Insurance.

(a) The premium rates in (b) below shall be used to determine the single lives credit accident and health insurance earned premiums at the nominal rate level which are to be reported by each insurer pursuant to Ins 1201.11.

(b) The nominal credit accident and health insurance premium rates for the insured portion of an indebtedness repayable in equal installments shall be as set forth in (1) and (2) below for the benefits described in paragraph (e) below:

(1) If premiums are payable on a single premium basis, the nominal premium rates shall be calculated as follows:

a. Where the benefit period is coterminous with the remaining loan term, the nominal rates shall be calculated as the present value of the claim costs plus an allowance for administrative costs as in the following formula:

$$SP_n = \frac{1.15 * SSC_n^e + .50}{1 + \frac{.0425 * n}{24}}$$

b. For critical period coverage, the nominal premium rates shall be calculated by multiplying the single premium calculated in a. above by the ratio of single claim costs for the critical period and the term of the loan as indicated by the following formula:

$${}_{CP}SP_n = \frac{SSC_{CP}^e}{SSC_n^e} * SP_n$$

c. Where  $SP_n$  and  ${}_{CP}SP_n$  = the nominal single premium for \$100 of initial insured indebtedness;

d. Where  $SSC_n^e$  = the single claim cost per \$100 initial insured indebtedness from the two-table “Credit Accident and Health Morbidity Study, 1968 NAIC Proceedings, Volume II, p. 638” and “1970 NAIC Proceedings, Volume I, p. 332”, incorporated herein, for retroactive or non-retroactive coverage as the case may be, with an elimination period of e and a loan term of “n”;

e. Where n = the term of the indebtedness in months; and

f. Where e = the elimination period, either 14 or 30 days;

(2) If premiums are paid on the basis of a premium rate per month per \$1000 of outstanding indebtedness, the nominal monthly outstanding balance premium rate shall be calculated as the amount that would amortize the single premium rate over the term of coverage, as in the following formula:

a. 
$$OP_n = \frac{20 * \left( 1 + \frac{.0425 * n}{24} \right)}{(n + 1)} * SP_n$$

b. Where  $SP_n$  = the nominal single premium per \$100 of initial insured indebtedness repayable in n equal monthly installments;

c. Where  $OP_n$  = the nominal monthly outstanding balance premium per \$1000; and

d. Where n = the original repayment period in months.

(c) If the insurance provided is a different form of coverage than the forms of coverage for which appropriate nominal rates are specified in paragraph (a) above, other methods of determining nominal premium rates for such different forms of credit accident and health insurance may be used provided the resulting rates shall be actuarially consistent in the aggregate with the nominal premium rates determined by (a)(1) above.

(d) The nominal premium rates determined by paragraphs (a) and (b) shall apply to policies providing credit accident and health insurance that is offered to all debtors, which is to be issued with or without evidence of insurability.

(e) The nominal premium rate referenced in (c) above shall contain:

(1) A definition of disability no more restrictive during the first year of disability than requiring that the insured debtor be unable to perform the substantial duties of his occupation, and, thereafter, the substantial duties of any occupation for which the insured is reasonably fitted by education, training or experience;

(2) No provisions excluding or denying a claim for disability resulting from pre-existing conditions except for those conditions manifesting themselves to the insured debtor by requiring medical treatment or diagnosis within 6 months preceding the effective date of the debtor's coverage and which caused loss within 6 months following the effective date of coverage;

(3) No other provision which excludes or restricts liability in the event of disability caused in a specified manner except that it may contain provisions excluding or restricting coverage in the event of pregnancy, intentionally self-inflicted injuries, and flight in non-scheduled aircraft;

(4) No age restrictions or only age restrictions that are no less favorable to the insured debtors than age restrictions making ineligible for coverage debtors 65 or over at the time the indebtedness is incurred or debtors who will have attained age 66 or over on the maturity date of the indebtedness;

(5) A daily benefit equal in amount to 1/30 of the scheduled monthly payments on the indebtedness; and

(6) No actively-at-work test that requires that the debtor be employed more than 30 hours per week.

(f) Subparagraph (e)(1) shall not apply to lump sum disability coverage.

(g) If premiums are to be determined according to the age of the insured debtor or by age brackets, the nominal rates for each age or age bracket shall be derived by adjustments in the appropriate nominal rate stated in Ins 1201.08(b) through (d) above so that the nominal rates arrived at shall be actuarially consistent with the nominal rates set out in paragraphs (b) or (c) above.

(h) All such rates in (g) above shall be filed with and approved by the commissioner, if actuarially consistent, prior to use.

(i) The premium rates for joint lives credit accident and health insurance earned premiums at the nominal rate level shall be calculated by multiplying the single lives credit accident and health insurance premiums by a factor of 1.64.

**Readopt Part Ins 1201.09 (j), effective 11/01/02 (Doc. #7789), to read as follows:**

(j) Insurers may use a rate for the nominal monthly outstanding balance premium rate that is independent of the term of the loan.

**Adopt Part Ins 1201.09 (k) through Ins 1201.18, previously effective 04/01/00 (Doc. #7146), and expired 04/01/08, to read as follows:**

(k) In calculating a rate that is independent of the loan term, the insurer shall:

- (1) Calculate the rate as the weighted average of the prescribed nominal monthly outstanding balance premium rates;
- (2) Use the outstanding principal amounts as weights; and
- (3) Demonstrate that this composite term premium rate is revenue neutral compared to the term specific rates otherwise prescribed.

(l) Insurers may use an alternative rate development methodology for calculating nominal monthly outstanding balance premium rates that are independent of the term of the loan, with the commissioner's approval, provided that such rates are actuarially equivalent to the actual premium rates produced by Ins 1201.10

Ins 1201.10 Actual Premium Rates for Credit Insurance.

(a) The actual premium rates applicable upon the effective date of this part shall be those shown in Ins 1201.~~19~~**18**. Unless a rate deviation has been granted, beginning on the effective date of this part, ~~[it shall be unlawful for any insurer to]~~ **an insurer shall not** issue any new business with premium rates that exceed the actual premium rates shown in Table 1200-2. With respect to any group credit insurance policy issued before the effective date of this part, the premium rates charged under such policy shall not exceed the actual premium rates shown in Table 1200-2 beginning with the first anniversary date of such policy occurring on or after the effective date of this part, unless a rate deviation has been approved with respect to such policy for an effective date on or after the effective date of this part.

(b) When there is a change in the actual premium rate for any plan of benefits of any class of business, the new actual premium rate table ~~[is]~~ **shall** to be produced by multiplying the corresponding table of nominal rates by the "actual premium rate factor."

(c) For the purposes of this part, the credibility factor may be based on either the number of claims incurred, the "average number of life years," or these 2 items combined. When reporting its experience for any experience period, an insurer may report credibility data, showing either "claim count" or "life year" data. If "claim count" or "life year" data is not available, reasonable methods of approximation may be used until such data is developed.

(d) The credibility table, cited as table 1200-1, shall be as follows:

Table 1200-1 Credibility Table

Average Number of Life Years

<u>Credit Life</u>	<u>Credit Accident and Health Plans Retroactive and Nonretroactive</u>			<u>Incurred Claim Count</u>	<u>Credibility Factor</u>
	Waiting Periods				
	<u>7 Day</u>	<u>14 Day</u>	<u>30 Day</u>		
1	1	1	1	1	.00
1,800	95	141	209	9	.25
2,400	126	188	279	12	.30
3,000	158	234	349	15	.35
3,600	189	281	419	18	.40
4,600	242	359	535	23	.45
5,600	295	438	651	28	.50
6,600	347	516	767	33	.55
7,600	400	594	884	38	.60
9,600	505	750	1,116	48	.65
11,600	611	906	1,349	58	.70
14,600	768	1,141	1,698	73	.75
17,600	926	1,375	2,047	88	.80
20,600	1,084	1,609	2,395	103	.85
25,600	1,347	2,000	2,977	128	.90
30,600	1,611	2,391	3,558	153	.95
40,000	2,106	3,125	4,651	200	1.00

(e) The above integral numbers in table 1200-1 **shall** represent the lower end of the bracket for each “Z factor” as defined in (m)(4)d. below. The upper end shall be one less than the lower end for the next highest Z.

(f) Reasonable methods of approximations may be used in arriving at the amount to be reported on form A or form B.

(g) Incurred claim count shall be the total number of claims reported during the experience period, whether paid or in the process of payment plus any incurred but not reported (IBNR) at the end of the experience period less the number of claims incurred but not reported at the beginning of the experience period. If a debtor has been issued more than one certificate for the same plan of insurance, only one claim shall be counted. If a debtor receives disability benefits, only the initial claim payment for that period of disability shall be counted.

(h) If the finance or interest charge is computed on an amount which includes the charge for insurance, a single premium shall be deemed to have been paid, regardless of how the creditor pays premiums to the insurer.

(i) The amount of investment income (I) shall be calculated as the amount of interest that would be earned in one year’s time on a fund equal to the average of the beginning premium reserve and the ending premium reserve, as in the following formula:

$$(1) \quad I = i * \frac{(A + B)}{2}$$

- (2) Where  $i = .055$ ;
- (3) Where A = premium reserve, beginning of period; and
- (4) Where B = premium reserve, end of period.

(j) The actual premium rates shall be as shown in Ins 1201.~~[19]~~**18**. The commissioner shall determine new actual premium rates for each succeeding biennium which shall continue in effect until amended or repealed.

(k) Any change in actual premium rates implemented by the commissioner shall be ~~[promulgated] adopted~~promulgated as an amendment to this part pursuant to RSA 541-A. **[First notice of the commissioner's intent to adopt new actual premium rates shall appear in the register of rulemaking proceedings maintained by the director of legislative services of this state.]** The commissioner shall issue such notice of new actual premium rates at least 90 days before any such new actual premium rates are to be effective.

(l) In determining new actual premium rates, the commissioner shall analyze the experience data for the most recently completed experience period as reported to him or her by the insurers.

(m) The actual premium rate for each class of business and each plan of benefits shall be derived from the following analyses:

- (1) If CLR is less than TLR for credit life insurance or for credit accident and health insurance then the following formula shall apply:

$$APR = NPR*(1-(TLR-CLR));$$

- (2) If CLR is greater than TLR for credit life insurance then the following formula shall apply:

$$APR = NPR*(1+1.1*(CLR-TLR));$$

- (3) If CLR is greater than TLR for credit accident and health insurance then the following formula shall apply:

$$APR = NPR*(1+1.2*(CLR-TLR));$$

- (4) The symbols used in the above formulas represent the following:

- a. APR = actual premium rate;
- b. NPR = nominal premium rate corresponding to the actual premium rate sought by the calculation;
- c. CLR = the credibility adjusted preliminary loss ratio derived from the formula  $CLR = Z*(PLR) + (1 - Z)*(TLR)$ ;
- d. Z = the credibility factor appropriate to the experience being considered as obtained from the credibility table;

e. PLR = the preliminary loss ratio obtained by dividing the incurred claims by a divisor consisting of the earned premiums at the nominal rate level plus the investment income; and

f. TLR = the target loss ratio of 50 percent for all plans of credit life insurance and 60 percent for all credit accident and health insurance plans.

(n) Before implementing new actual premium rates, the commissioner shall consider the overall impact of the indicated new rates and shall modify the actual formula results so that no modification would result in a rate change in excess of 20 percent.

(o) If the application of the formulas in (m) above produces new actual premium rates that differ from the actual premium rates currently in effect by less than 5 percent, the commissioner shall continue the current actual premium rates that are in use.

(p) Insurers shall be prohibited from charging credit insurance premium rates in excess of the actual premium rates that are in effect unless approval for a rate deviation is obtained from the commissioner. Insurers, at their option, may charge an account a premium rate for credit insurance that is less than the actual premium rate in effect.

(q) Whenever new actual premium rates are adopted by the commissioner, the new actual premium rates shall not be applied to existing group credit insurance policies until the first anniversary date of such policy occurring on or after the effective date of the new actual premium rates. The adoption of new actual premium rates shall not void existing rate deviations approved by the commissioner.

#### Ins 1201.11 Annual Experience Reports.

(a) On or before June 1 of each year, each insurer doing credit insurance business in this state during any part of the just completed experience period shall submit its annual experience report.

(b) The reports required by this section shall be submitted on either Form A or Form B. Insurers shall reproduce Forms A and B for use according to their needs.

(c) Form A shall be used to report the experience of all accounts of the insurer except those accounts which are to be reported on Form B as required in (d) below. When Form A is the proper form for reporting, a separate Form A shall be submitted for each plan of benefits written for each class of business. No single Form A submitted shall combine the experience of any 2 or more classes of business or any 2 or more plans of benefits. Following these directions, each insurer shall submit as many forms as is necessary to include all of their experience in the state within the experience period, except that which is to be reported on Form B.

(d) Form B shall be used to report the experience of these accounts of the insurer where any one of the following conditions apply:

(1) An approved rate deviation was applicable to the account throughout or during any part of the just completed experience period;

(2) The current premium rates of the account involve an approved rate deviation; or

(3) The insurer is requesting approval for a proposed rate deviation.

(e) A separate Form B shall be submitted for each account for which a Form B is required pursuant to (d) above. No single Form B, however, shall combine the experience of 2 or more classes of business or any 2 or more plans of benefits.

(f) Each insurer shall restrict the experience reported pursuant to this section to that insurer's experience in this state only.

(g) All individual policy experience shall be reported on a calendar year basis. Group insurance business shall be reported on either a calendar year basis or a policy year basis at the option of the insurer provided the insurer reports on a consistent basis from year to year. Where the insurer reports on a policy year basis, each policy year of experience shall be included in the calendar year during which the policy year ended.

(h) The experience reports submitted pursuant to this section shall not include the experience of those accounts where no identifiable charge for the insurance is made to the debtor.

(i) All reports submitted pursuant to this subsection shall be addressed to the attention of the life, accident and health division.

Ins 1201.12 Description of Forms A and B.

(a) The annual experience report required by Ins 1201.11 above and designated as Form A shall contain the following:

- (1) Identification of the class of business reported;
- (2) Identification of the plans of benefits offered;
- (3) Credibility data for the 3 year experience period reported, including:
  - a. Number of life years; and
  - b. Incurred claim count; and
- (4) Company experience for the 3 year period reported and totals including:
  - a. Actual earned premiums at rates in use, including:
    1. Gross premium written;
    2. Refund on termination;
    3. Gross premium written minus refund on termination, identified as net;
    4. Premiums due but unpaid at the beginning of the period;
    5. Premiums due but unpaid at the end of the period;

6. Premium reserve at the beginning of the period;
7. Premium reserve at the end of the period; and
8. Earned premiums, which [is] **shall be** the final result of the net of gross premium written minus refund on termination, minus premiums due but unpaid at the beginning of the period, plus premiums due but unpaid at the end of the period, plus the result of premium reserve at the beginning of the period minus premium reserve at the end of the period;

b. Incurred claims, including:

1. Claims paid;
2. Unreported claims at the beginning of the period;
3. Unreported claims at the end of the period;
4. Claim reserve at the beginning of the period;
5. Claim reserve at the end of the period; and
6. Incurred claims, which [is] **shall be** the final result of claims paid minus unreported claims at the beginning of the period, plus unreported claims at the end of the period, plus the result of claim reserve at the beginning of the period minus claim reserve at the end of the period;

c. Investment income; and

d. Earned premium at nominal rate level.

(b) The annual experience report required by Ins 1201.11 above and designated as Form B shall contain the following:

- (1) Identification of the class of business reported;
- (2) Identification of the plans of benefits offered;
- (3) Credibility data for the 3 year experience period reported, including:
  - a. Number of life years; and
  - b. Incurred claim count;
- (4) Company experience for the 3 year period reported and totals including:
  - a. Actual earned premiums at rates in use, including:
    1. Gross premium written;
    2. Refund on termination;

3. Gross premium written minus refund on termination, identified as net;
  4. Premiums due but unpaid at the beginning of the period;
  5. Premiums due but unpaid at the end of the period;
  6. Premium reserve at the beginning of the period;
  7. Premium reserve at the end of the period; and
  8. Earned premiums, which is the final result of the net of gross premium written minus refund on termination, minus premiums due but unpaid at the beginning of the period, plus premiums due but unpaid at the end of the period, plus the result of premium reserve at the beginning of the period minus premium reserve at the end of the period;
- b. Incurred claims, including:
1. Claims paid;
  2. Unreported claims at the beginning of the period;
  3. Unreported claims at the end of the period;
  4. Claim reserve at the beginning of the period;
  5. Claim reserve at the end of the period;
  6. Incurred claims, which is the final result of claims paid minus unreported claims at the beginning of the period, plus unreported claims at the end of the period, plus the result of claim reserve at the beginning of the period minus claim reserve at the end of the period;
- c. Investment income; and
- d. Earned premium at nominal rate level;
- (5) Whether the experience in (4) above was included in an experience report filed by the company on Form A; and
- (6) If a rate deviation is requested or rate deviation used at any time during the reported experience period, rate calculations, including:
- a. Incurred claims from (4)b.6. above;
  - b. Investment income from (4)c. above;
  - c. Earned premium at nominal level from (4)d. above;

- d. PLR, which [is] **shall be** the incurred claims divided by the result of investment income plus earned premium at nominal level;
- e. Credibility factor from Table 1200-1;
- f. TLR;
- g. CLR;
- h. Nominal premium rate;
- i. Formula deviated rate;
- j. The rate deviation requested; and
- k. The proposed effective date of the requested rate deviation.

(c) With respect to the insurer's credit insurance experience that is to be reported on Form A or Form B, respectively, each company shall submit a separate form for each plan of benefits that is written for each separate class of business.

(d) Form A shall not include any experience reported in the same year on Form B.

(e) Form B shall not include any of the experience reported in the same year on Form A.

(f) For both Form A and Form B, the 3 year reporting period shall be the 3 calendar years preceding the year in which the report is due.

(g) For both Form A and Form B, New Hampshire only experience shall be shown.

(h) Statutory reserves shall not be used on either Form A or Form B in calculating investment income.

(i) The beginning and ending premiums to be reported as required in (a)(4)a.6., (a)(4)a.7., (b)(4)a.6., and (b)(4)a.7. above shall be the unearned premium reserves attributable to single premiums paid.

(j) A list of all applicable accounts shall be attached to both Form A and Form B.

(k) Form A and Form B shall indicate the name and telephone number of the contact person.

(l) Form A and Form B shall be signed and include the title of the person signing and date of signature.

Ins 1201.13 Rate Deviation Procedures.

(a) If an insurer desires to use a premium rate or schedule of premium rates that is higher than the actual premium rates established by this part and which are shown in Ins 1201.[19]18, an insurer may at any time file a request for a rate deviation with the commissioner.

(b) Eligibility criteria for rate deviations shall be as follows:

- (1) An insurer may request a rate deviation for any one single account or for any combination of single accounts of the insurer[.] ;
- (2) Insurers who are seeking approval of the third or more rate deviation for an account or accounts having the same plan of benefits within the same class of business, shall include in the rate deviation request a request for a rate deviation based on all of the insurer's accounts belonging to the class of business and plan of benefits for which a rate deviation has or is being requested. Unless the experience is 100% credible, any rate deviation request where the deviated rate exceeds the calculated deviated rate based on all of the insurer's accounts belonging to the class of business and plan of benefits for which a rate deviation has or is being requested by more than 25% shall be disapproved[.] ;
- (3) Rate deviations shall be considered by the commissioner only if the experience reported in support of a requested rate deviation can be assigned a credibility factor of 50 percent or more; and
- (4) A rate deviation request shall not be considered if the experience submitted in support of the request covers a period of less than one complete year[;] .

(c) Calculation procedures for rate deviation requests shall be as follows:

- (1) Rate deviation requests that are submitted to the commissioner shall be submitted on Form B;
- (2) All information and calculations required for Form B shall be completed for rate deviation requests;
- (3) As an exception to (1) above, if an insurer desires to request a rate deviation that is based on considerations or methods of calculation other than those contemplated by Form B, the insurer shall advise the commissioner of this intention upon submission of such a deviation request;
- (4) In such cases as in (3) above, the insurer shall provide a completed Form B, but may also provide any other data or method of calculation to support its request that the requested rate deviation will or can reasonably be expected to produce the appropriate target loss ratio as defined in Ins 1201.03(ad);
- (5) If any part of the experience submitted in support of a requested rate deviation was included in the experience considered by the commissioner in approving any other rate deviation request, the insurer shall also submit a rate deviation request appropriately modified or appropriately adjusted to reflect the proposed bifurcation;
- (6) Notwithstanding Ins 1201.11(f), if an insurer desires to request a rate deviation for an account or combination of accounts and where the experience of the account or combination of accounts in this state alone is less than 50 percent credible, the insurer may combine the New Hampshire experience with that of other jurisdictions;

(7) In such cases in (6) above, the commissioner shall give greater weight to New Hampshire experience that is combined with contiguous states as compared to combinations involving broader geographical areas;

(8) When requesting a rate deviation and especially where necessary to establish sufficient credibility, an insurer may include the experience produced by the account with previous insurers;

(9) The procedure in (8) above may also be used with a combination of accounts provided the combination accounts for at least 90% of the earned premiums as the combination of the previous insurers; and

(10) In no event shall the commissioner approve a rate deviation request if any of the supporting experience was obtained from an experience period prior to the most recently completed experience period.

(d) Implementation and use of rate deviations shall be as follows:

(1) Upon the approval of any rate deviation request by the commissioner, the premium rate filing requirements of RSA 408-A:7 which are applicable to said deviated rates shall be deemed to be satisfied;

(2) The commissioner shall have 30 days after the receipt of any rate deviation request to disapprove the request as submitted;

(3) If the commissioner fails to disapprove the deviation requested within 30 days of his or her receipt of the request, the request shall be deemed approved and the insurer may implement the rate deviation beginning on the effective date requested on Form B;

(4) No approved rate deviation shall be implemented prior to the effective date requested on Form B;

(5) The insurer shall notify the commissioner in the event an approved rate deviation is implemented at a date later than the date requested as the effective date on Form B;

(6) The approval for any rate deviation shall automatically expire following the completion of the period of time corresponding to the period of experience in years used to establish support for the rate deviation; and

(7) An insurer may request a continuance of or a new rate by submitting their request at least 30 days before the date upon which approval for any rate deviation expires; however, a rate deviation may not be changed more often than once during any 12-month period;

#### Ins 1201.14 Supervision of Credit Insurance Operations.

(a) Each insurer transacting credit insurance in this state shall conduct a thorough inspection of each creditor with respect to the first year of credit insurance business with such creditor and as often thereafter as is necessary to assure compliance with the insurance laws of this state and rules promulgated by the commissioner.

- (b) The inspection required in paragraph (a) shall include but not be limited to:
- (1) A determination that proper rate charts and refund charts are being used by the creditor;
  - (2) A determination that:
    - a. Insurance charges to debtors are computed on the same or lesser basis as premiums paid to the insurer by the creditor; and
    - b. Claims paid to the creditor are on the same basis as premiums paid to the insurer;
  - (3) A determination that upon termination of the insurance other than by death of the insured, the proper refunds of unearned insurance premiums are being made;
  - (4) A determination that all claims are being filed and properly handled;
  - (5) A determination that upon death of the insured, the appropriate refunds required under Ins 1201.04(i) are made;
  - (6) A determination that the creditor, upon request of the debtor for a quotation of the net amount necessary to prepay the debt, includes in the quotation the amount of the applicable unearned insurance premiums which could be required to be refunded; and
  - (7) A determination that the creditor has established a procedure for handling complaints from debtors concerning credit insurance coverage and a procedure for maintaining records of the complaints received and their disposition.

Ins 1201.15 Prohibited Transactions.

- (a) The following practices, when engaged in by insurers in connection with the sale or placement of credit insurance, or as an inducement thereto, shall constitute unfair methods of competition and shall be subject to the Unfair Trade Practices Act, RSA 417:
- (1) Agreement by an insurer to deposit with a bank or financial institution money or securities of the insurer with the design or intent that the same shall affect or take the place of a deposit of money or securities which otherwise would be required of the creditor by such bank or financial institution as a compensating balance or offsetting deposit for a loan or other advancement; and
  - (2) Deposit by an insurer of money or securities without interest or at a lesser rate of interest than is currently being paid by the creditor, bank or financial institution to other depositors of like amounts.
- (b) The prohibition in (a)(2) above shall not be construed to prohibit the maintenance by an insurer of such demand deposits or premium deposit accounts as are reasonably necessary for use in the ordinary course of the insurer's business.

Ins 1201.16 Special Rules For Open-End Credit Transactions.

(a) The procedures in this section shall govern the sale of credit insurance sold in connection with open-end credit transactions, which are sometimes called revolving charge accounts and similar names. Where not inconsistent, other sections of this part shall also apply to this category of credit insurance.

(b) Coverage may be provided only under group insurance policies.

(c) All credit insurance written hereunder shall be on the monthly outstanding balance basis.

(d) Disclosure to debtor shall include:

(1) If a certificate of insurance is not furnished the debtor immediately when the account is opened, a notice of proposed insurance shall be given the debtor, and a certificate shall be delivered to him or her within 30 days;

(2) The notice, and/or certificate, or both shall show the effective date of the insurance;

(3) The notice and/or certificate shall prominently indicate any categories of persons excluded from coverage, or alternately, the rules governing eligibility, and shall further indicate with equal prominence any policy provisions which may cause a claim to be denied; and

(4) The certificate shall describe the disposition of the proceeds of the life insurance upon the debtor's death.

(e) A debtor under an open-end credit agreement may be enrolled only by his or her affirmative, written agreement, if a charge for the insurance is to be made to him or her. If benefits under the plan are to be reduced or if premiums are to be increased, notice of such action shall be given the debtor, and he or she shall be advised as to the manner in which he or she may discontinue the coverage.

(f) The amount of life insurance during any monthly period shall not be less than the amount for which a premium has been paid by the debtor for that period. Any proceeds of a life insurance policy in excess of the amount required to discharge the indebtedness completely shall be paid to the beneficiary named by the debtor, or if none, to his or her estate.

(g) A debtor's insurance may be terminated only as follows:

(1) On the date the debtor requests termination;

(2) On the date the debtor fails to pay the required premium;

(3) On any billing date coinciding with or following attainment of the maximum age;

(4) Upon default by the debtor, as defined in the creditor's rules, provided such rules do not discriminate against individual insured debtors;

(5) Upon termination of the open-end credit agreement; or

(6) Upon termination of the group policy after 30 days' notice to the debtor, unless there is immediate replacement of coverage by another insurer.

(h) The premium rates charged for credit insurance covering open-end credit transactions shall be consistent with the premium rates charged for other forms of credit insurance. The actual premium rates specified in Ins 1201.~~19~~**18** apply to credit insurance covering open-end credit transactions as well as all other forms of credit insurance.

(i) In the event of termination of a debtor's insurance, a pro rata refund of unearned premium, if any, shall be made to the debtor. No refund shall be required if it is less than \$1.00.

(j) With respect to credit accident and health insurance, the insurer may include provisions indicating that the pre-existing condition limitations are to apply separately to each advance.

(k) The notice, and/or certificate, or both, in (d)(1) above need be furnished only once while the account remains active.

(l) The effective date of the insurance required to be disclosed in the notice and/or certificate in (d)(2) above shall not be later than 30 days after the debtor makes written application for such insurance and agrees to pay the required premium.

Ins 1201.17 Statutory Requirements. Failure to include any statutory provision in this part shall not be construed as a waiver of such provision by the commissioner.

Ins 1201.18 Actual Premium Rates.

(a) The actual premium rates, as defined in Ins 1201.03(b), established by this part for credit unions, commercial and savings banks, finance companies, motor vehicle dealers, and other sales finance shall be as set forth in the following table 1200-2:

Table 1200-2 Actual Premium Rates

	Credit Unions	Commercial & Savings Banks	Finance Companies	Motor Vehicle Dealers	Other Sales Finance (including non-bank revolving charge accounts)
Actual Premium Rate Factor for All Plans of Credit Life Insurance	.868	1.068	.771	.583	1.020
Single Premium Decreasing Credit Life – Single Life Coverage	\$ .409 per \$100 for credit transactions of 12 months in duration	\$ .504 per \$100 for credit transactions of 12 months in duration	\$ .363 per \$100 for credit transactions of 12 months in duration	\$ .274 per \$100 for credit transactions of 12 months in duration	\$ .480 per \$100 for credit transactions of 12 months in duration
Outstanding Balance Decreasing Credit Life – Single Life Coverage	\$ .642 per \$1000 per month	\$ .790 per \$1000 per month	\$ .571 per \$1000 per month	\$ .431 per \$1000 per month	\$ .755 per \$1000 per month
Actual Premium Rate Factor for All Plans of Credit Accident and Health Insurance	.772	.720	1.014	.636	.618
Credit Accident and Health – Single Premium – 14 DAY RETRO	\$1.513 per \$100 for credit transactions of 12 months in duration	\$1.411 per \$100 for credit transactions of 12 months in duration	\$1.987 per \$100 for credit transactions of 12 months in duration	\$1.246 per \$100 for credit transactions of 12 months in duration	\$1.212 per \$100 for credit transactions of 12 months in duration

(b) The nominal premium rates shown in Ins 1201.08 or Ins 1201.09 shall be used as the actual premium rates for any class of business not named in the above table.

APPENDIX I

Form A

CREDIT INSURANCE REPORT  
TO THE

State of NEW HAMPSHIRE For the Year \_\_\_\_\_ Reporting Company

(to be filed on or before June 1)

Class of Business:	<input type="checkbox"/> Credit Unions	Plans of Benefits:	<input type="checkbox"/> Credit Life (Check one item in each of the next three boxes)
	<input type="checkbox"/> Commercial or Savings Bank		<input type="checkbox"/> Single Premium <input type="checkbox"/> Monthly Outstanding Balance
	<input type="checkbox"/> Finance Companies		<input type="checkbox"/> Single Life <input type="checkbox"/> Joint Life
	<input type="checkbox"/> Motor Vehicle Dealers		<input type="checkbox"/> Decreasing <input type="checkbox"/> Level
	<input type="checkbox"/> Other Sales Finance		<input type="checkbox"/> Credit Accident and Health (Check one item in each of the next three boxes)
	<input type="checkbox"/> Other: _____ (please specify)		Elimination Period <input type="checkbox"/> 14 Day <input type="checkbox"/> 30 Day
			<input type="checkbox"/> Retroactive <input type="checkbox"/> Nonretroactive
			<input type="checkbox"/> Single Premium <input type="checkbox"/> Monthly Outstanding Balance
			<input type="checkbox"/> Single Life <input type="checkbox"/> Joint Life
			<input type="checkbox"/> Other: _____ (please specify)

Credibility Data for the Three Year Experience Period:

Number of Life Years: \_\_\_\_\_

Incurred Claim Count: \_\_\_\_\_

COMPANY EXPERIENCE - STATE ONLY

Calendar Year:				TOTAL
1. Actual Earned Premiums at Rates in use.				
a. Gross Premium Written				
b. Refund on Termination				
c. Net (a-b)				
d. Premiums due but unpaid, beginning of period				
e. Premiums due but unpaid, end of period				
f. Premium reserve, beginning of period				
g. Premium reserve, end of period				
h. Earned Premiums (c-d+e+f-g)				
2. Incurred Claims				
a. Claims Paid				
b. Unreported claims, beginning of period				
c. Unreported claims, end of period				
d. Claim reserve, beginning of period				
e. Claim reserve, end of period				
f. Incurred Claims (a-b+c+d-e)				
3. Investment Income				
4. Earned Premium at Nominal Rate Level				

5. Instructional Notes:

a. With respect to the insurer's credit insurance experience that is to be reported on Form A pursuant to Ins 1201.11, each company is to submit a separate Form A for each plan of benefits that is written for each separate class of business.

b. The Form A should not include any experience reported in the same year under Form B.

c. The calendar years to be shown above are the three calendar years preceding the year in which the report is due.

d. State only experience is to be shown.

e. Investment income for each year is to be calculated according to the formula appearing in Ins 1201.10. The beginning and ending premium reserves to be reported in items 1.f and 1.g. shall be the unearned premium reserves attributable to single premiums paid. Statutory reserves are not to be reported or used in calculating investment income.

f. A list of all accounts is to be attached.

g. Name of person the department can contact: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Report completed by: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

h. Send to the attention of the Life, Accident and Health Division.

APPENDIX II

Form B

CREDIT INSURANCE REPORT  
TO THE

State of NEW HAMPSHIRE For the Year \_\_\_\_\_ Reporting Company

(to be filed on or before June 1)

Class of Business:	<input type="checkbox"/> Credit Unions	Plans of Benefits:	<input type="checkbox"/> Credit Life (Check one item in each of the next three boxes)
	<input type="checkbox"/> Commercial or Savings Bank		<input type="checkbox"/> Single Premium <input type="checkbox"/> Monthly Outstanding Balance
	<input type="checkbox"/> Finance Companies		<input type="checkbox"/> Single Life <input type="checkbox"/> Joint Life
	<input type="checkbox"/> Motor Vehicle Dealers		<input type="checkbox"/> Decreasing <input type="checkbox"/> Level
	<input type="checkbox"/> Other Sales Finance		<input type="checkbox"/> Credit Accident and Health (Check one item in each of the next three boxes)
	<input type="checkbox"/> Other: _____ (please specify)		Elimination Period <input type="checkbox"/> 14 Day <input type="checkbox"/> 30 Day
			<input type="checkbox"/> Retroactive <input type="checkbox"/> Nonretroactive
			<input type="checkbox"/> Single Premium[Life] <input type="checkbox"/> Monthly Outstanding Balance
			<input type="checkbox"/> Single Life <input type="checkbox"/> Joint Life
			<input type="checkbox"/> Other: _____ (please specify)

Credibility Data for the Three Year Experience Period:

Number of Life Years: \_\_\_\_\_

Incurred Claim Count: \_\_\_\_\_

COMPANY EXPERIENCE - STATE ONLY

Calendar Year:				TOTAL
1. Actual Earned Premiums at Rates in use.				
a. Gross Premium Written				
b. Refund on Termination				
c. Net (a-b)				
d. Premiums due but unpaid, beginning of period				
e. Premiums due but unpaid, end of period				
f. Premium reserve, beginning of period				
g. Premium reserve, end of period				
h. Earned Premiums (c-d+e+f-g)				
2. Incurred Claims				
a. Claims Paid				
b. Unreported claims, beginning of period				
c. Unreported claims, end of period				
d. Claim reserve, beginning of period				
e. Claim reserve, end of period				
f. Incurred Claims (a-b+c+d-e)				
3. Investment Income				
4. Earned Premium at Nominal Rate Level				

5. Was the above experience included in any of the experience reported by your company on Form A? (Circle One)

Yes No

6. Rate calculations (to be completed if a rate deviation is being requested or had been used at any time during the experience period)

a. Incurred Claims	
b. Investment Income	
c. Earned Premium at Nominal Level	
d. PLR	
e. Credibility factor	
f. Target Loss ratio (TLR)	
g. CLR	
h. Nominal Premium Rate (NPR)	
i. Formula Deviated Rate	
j. Rate deviation requested	

k. Rate Deviation Proposed Effective Date	
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7. Instructional Notes:

- a. With respect to the insurer's credit insurance experience that is to be reported on Form A pursuant to Ins 1201.11, each company is to submit a separate Form B for each plan of benefits that is written for each separate class of business.
- b. The Form B should not include any experience reported in the same year under Form A.
- c. The calendar years to be shown above are the three calendar years preceding the year in which the report is due.
- d. State only experience is to be shown.
- e. Investment income for each year is to be calculated according to the formula appearing in Ins 1201.10. The beginning and ending premium reserves to be reported in items 1.f and 1.g. shall be the unearned premium reserves attributable to single premiums paid. Statutory reserves are not to be reported or used in calculating investment income.
- f. A list of all accounts is to be attached.
- g. Name of person the department can contact: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Report completed by: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_
- h. Send to the attention of the Life, Accident and Health Division.

(ins1200fpat101409)