

NEW HAMPSHIRE INSURANCE DEPARTMENT

INSTRUCTIONS and GUIDELINES SUBMISSION OF ACTUARIAL CERTIFICATES PURSUANT TO RSA 415-H:4

January 30, 2008

The first filings of the actuarial statements required pursuant to RSA 415-H:4 are due on March 15, 2008. These instructions and guidelines provide notice of the form and manner of the certification required in RSA 415-H:4. As indicated in Bulletin 07-001-AB, the Department will implement rules to further define requirements for the certification, but pending completion of the rulemaking process, filings should comply with the form and manner set forth below.

The actuary filing the certification shall be appointed by the board of directors of each insurer. The actuary shall hold membership in good standing in the American Academy of Actuaries and be qualified to issue the certification. This means that no State insurance commissioner, or the equivalent thereof, has found that the actuary has (1) violated any insurance law or any other law in the course of his or her actuarial work, (2) been found guilty of fraud or dishonest practices or demonstrated incompetence or untrustworthiness, (3) failed to notify the commissioner of any disciplinary action by any regulatory official against him or her or (4) resigned or been removed as the stop loss insurance certification actuary within the past five years for failing to adhere to actuarial standards or for acts or omissions set forth in any adverse report or examination.

The first certification pertaining to calendar year 2007 and due March 15, 2008, shall be sent to the commissioner and marked to the attention of the Life, Accident and Health Insurance division. The certification must also be filed with the board of directors of the insurer. The certification period must be coterminous with a calendar year. The certification must satisfy the Standards of Practice adopted by the American Academy of Actuaries.

In the certification, the actuary shall:

Certify that the insurer has not issued or renewed any stop-loss policy with an annual attachment point for claims incurred per individual that is less than \$20,000;

Certify that the insurer has not issued or renewed any stop-loss policy to any employer group having 50 or fewer covered employee members with an aggregate attachment point that is less than the greater of the following: \$4000 times the number of covered members; 120 percent of expected claims; or \$20,000.

Certify that the insurer has not issued or renewed any stop-loss policy to any employer group having more than 50 covered employee members with an aggregate attachment point that is less than 110 percent of expected claims;

Certify that the actuary's examination included a review of the appropriate records and the actuarial assumptions and methods used by the insurer in establishing attachment points and other applicable determinations in conjunction with the provision of stop-loss insurance coverage;

Certify that the methods used to calculate the number of covered employee members and the number of covered members is consistent across the insurer's business in the State and no changes have been made in these methods in the past five years.

The actuary shall promptly notify the commissioner and the board of directors of the insurer if there are any errors in a previous certification or if the actuary cannot provide the certifications as required.

The company must provide notice to the commissioner of any change in the stop loss insurance certification actuary and the reason for this change.

Any questions regarding the requisite actuarial certification should be directed to David Sky, FSA, MAAA, Life, Accident and Health Actuary via e-mail:
David.Sky@ins.nh.gov.