

COMMONWEALTH OF VIRGINIA

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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

March 11, 1996

Administrative Letter 1996-4

To: All Insurers, Health Services Plans, and Health Maintenance Organizations participating in the Primary Small Employer Market in Virginia

Re: Reporting requirements for carriers participating in the Primary Small Employer Market

The purpose of this Administrative Letter is to provide guidance in response to a number of questions that have been asked with some frequency by carriers participating in the Primary Small Employer Market.

1. The "Virginia Primary Small Employer New Business Report" is required to be submitted annually beginning December 1, 1995. The period covered by this report should be from November 1 of the year preceding the report to October 31 of the year of the report. For example: the period covered by the report to be submitted on December 1, 1996 would be from November 1, 1995 to October 31, 1996. We realize that there will be very little data for the December 1, 1995 report, but we have no statutory right to waive it, and it is long overdue for those who have not filed it.
2. Industrial classifications reported on the "Virginia Primary Small Employer New Business Report" should be based upon type of business, and geographic locations should be reported based upon ZIP codes.
3. "The Virginia Primary Small Employer Coverage Report" requires that the number of covered employees reported include dependents.

4. Section 38.2-3433 D of the Code of Virginia requires Primary Small Employer Carriers to file community rates annually on or before March 15 with an actuarial certification certifying that the carrier and its rates are in compliance with Article 5, Chapter 34 of Title 38.2 of the Code of Virginia. The rates should be guaranteed for a twelve month rating period for each small group with a policy anniversary date within the year. The actuarial certification should be signed by the person responsible for the rates being in compliance with this article. If rates are changed on other than an annual basis, the new rates must be filed with an actuarial certification and must be designed to remain in effect for the twelve month guaranteed rating period.

The reports referenced in this letter should be directed to:

Jacqueline K. Cunningham, Supervisor
Life and Health Forms & Rates Section
Virginia State Corporation Commission
Bureau of Insurance
P O Box 1157
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Very truly yours,

Steven Foster,
Commissioner of Insurance