

STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Bulletin PC-57
September 2, 2005

TO: ALL ADMITTED PROPERTY & CASUALTY INSURERS AND RATING ORGANIZATIONS

RE: PRIOR RATE APPROVAL AND POLICYHOLDER NOTIFICATION REQUIREMENTS PURSUANT TO PUBLIC ACT 05-275

Effective July 13, 2005, Public Act 05-275, An Act Concerning Medical Malpractice, modifies Conn. Gen. Stat. §38a-676. Admitted insurers writing malpractice liability insurance for physicians and surgeons, hospitals, advance practice registered nurses and physician assistants are hereby advised to become familiar with their obligations pursuant to Public Act 05-275.

PRIOR RATE APPROVAL REQUIREMENTS:

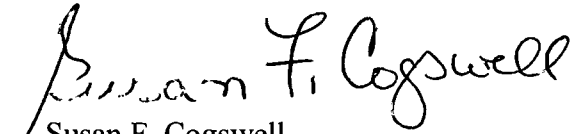
Beginning July 13, 2005, all admitted insurers writing malpractice liability insurance for physicians and surgeons, hospitals, advance practice registered nurses and physician assistants seeking to increase rates over the rates in the insurer's previous filing by 7.5% or more, are required to file their rate filings with the Department 60 days prior to the proposed effective date of the increase.

POLICYHOLDER NOTIFICATION REQUIREMENTS:

Public Act 05-275 Section 11(b)(2)(A) provides:

. . . [E]ach insurer or rating organization seeking to increase its rates over the rates in the insurer's previous filing for such insurance by seven and one-half percent or more shall (i) file a request for such change with the Insurance Commissioner, and (ii) send written notice of any request for an increase in rates to insureds who would be subject to the increase on such form as the commissioner prescribes by certified mail, return receipt requested. Such request shall be filed and such notice shall be sent at least sixty days prior to the proposed effective date of the increase. The notice to insureds of a request for an increase in rates shall indicate that the insured may request a public hearing by submitting a written request to the Insurance Commissioner not later than fifteen days after the date notice was sent. Any request for an increase in rates under this subdivision shall be filed after notice is sent to insureds and shall indicate the date such notice was sent. Not later than fifteen days after such notice is sent, the insurer shall submit a list to the commissioner indicating the name of each insured to whom notice was sent and whether a return receipt was received for the notice sent to the insured.

As required by Public Act 05-275, the department has developed the following POLICYHOLDER NOTIFICATION OF PENDING RATE INCREASE form, which is to be used by all insurers.


Susan F. Cogswell
Insurance Commissioner

POLICYHOLDER NOTIFICATION OF PENDING RATE INCREASE

Policyholder Name: {Company Insert Name}

Business Address: {Company Insert Address}

In accordance with Public Act 05-275, an admitted insurance company seeking to increase its medical malpractice liability insurance rates by seven and one-half percent (7.5%) or more for physicians and surgeons, hospitals, advance practice registered nurses and physician assistants is required to send notice of the increase by certified mail return receipt requested to all insureds who will be subject to the increase at least sixty (60) days prior to the proposed effective date of the increase.

Our company is filing a rate revision with the Connecticut Insurance Department to be effective {insert date}. We are filing for a {insert percentage} increase. Individual policyholders may experience a higher or lower rate change depending on their classification and experience.

Under Connecticut law, you may request a public hearing by submitting a written request to the Insurance Commissioner not later than fifteen (15) days after the date this notice was sent {insert date notice sent}.

All requests for a hearing must be mailed or hand delivered to the State of Connecticut Insurance Department at the following address:

Insurance Commissioner
Connecticut Insurance Department
Attn: Property Casualty Division
P.O. Box 816
153 Market Street (7TH floor)
Hartford CT 06142-0816

INSURANCE DEPARTMENT PROCEDURES FOR REQUESTING A HEARING

When submitting your request for a hearing, an original and four copies of the request and copy of this notice must be sent by first class mail or hand delivery to the Connecticut Insurance Department ("Department"), and received by the Department not later than fifteen 15 days from the date this notice was sent. When submitting this request, you must provide a clear and concise statement of your request and any relevant facts; your legal name and business address; and the name, title, address, telephone number and e-mail address of the person to whom correspondence or communication regarding your request shall be addressed.

If there are any other materials, exhibits, data, or testimony that you deem necessary or desirable to include along with this request for a hearing, please submit this material along with this request.

Any hearings held pursuant to Public Act 05-275 shall be conducted in accordance with the Uniform Administrative Procedure Act, Conn. Gen. Stat. §4-166, et seq., and the Insurance Department Rules of Practice, Conn. Agencies Regs. §38a-8-1, et seq. You may access the Insurance Department Rules of Practice online at: <http://www.ct.gov/cid/LIB/cid/ruleprac.pdf>