Bill as Introduced

2000 SESSION

00-2309
01/09

SENATE BILL ***394-FN***

AN ACT making miscellaneous changes in the insurance laws.

SPONSORS: Sen. Fraser, Dist 4

COMMITTEE: Insurance

ANALYSIS

This bill:

(1) Makes a technical correction to the law regulating foreign insurance companies.

(2) Clarifies the procedure pertaining to books, records, and other documents when an insurance company is undergoing examination.

(3) Changes the appeal procedure for persons aggrieved under RSA 401-B.

(4) Creates an exemption from RSA 541-A for certain insurance regulations.

(5) Adjusts the salary of the health care statistician.

This bill was requested by the insurance department.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

00-2309
01/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand

AN ACT making miscellaneous changes in the insurance laws.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Reference Correction. Amend RSA 405:48, III to read as follows:

III. Clean, irrevocable, unconditional letters of credit, issued or confirmed by a qualified United States ***financial*** institution, as defined in RSA 405:45, VI, no later than December 31, in the year for which filing is being made, and in the possession of the ceding company on or before the filing date of its annual statement. Letters of credit meeting applicable standards of issuer acceptability as of the dates of their issuance or confirmation shall, notwithstanding the issuing or confirming institution's subsequent failure to meet applicable standards of issuer acceptability, continue to be acceptable as security until their expiration, extension, renewal, modification or amendment, whichever first occurs.

2 Documents During Examination. Amend RSA 400-A:37, III(b) to read as follows:

(b)***(1)*** Every company or person from whom information is sought, its officers, directors and agents must provide to the examiners timely, convenient and free access at all reasonable hours at its offices to all books, records, accounts, papers, documents and any or all computer or other recordings relating to the property, assets, business and affairs of the company being examined. The officers, directors, employees and agents of the company or person must facilitate the examination and aid in the examination so far as it is in their power to do so. The refusal of any company, by its officers, directors, employees or agents, to submit to examination or to comply with any reasonable written request of the examiners shall be grounds for suspension or refusal of, or nonrenewal of any license or authority held by the company to engage in an insurance or other business subject to the commissioner's jurisdiction.

(2) Neither the commissioner nor any examiner shall remove any record, account, document, file, or other property of the person being examined from the office or place of such person except with the written consent of such person in advance of such removal or pursuant to an order of court duly obtained. This subparagraph shall not be deemed to affect the making and removal of copies or abstracts of any such record, account, document, or file.

3 Appeal Procedure; Insurance Holding Companies. RSA 401-B:14 is repealed and reenacted to read as follows:

401-B:14 Appeal. Any person aggrieved by any act, determination, rule, regulation, or order of any other action of the commissioner pursuant to this chapter may appeal in accordance with RSA 541.

4 Deleting Specific Dates and Certain Information. Amend RSA 420-I:4 to read as follows:

420-I:4 Reports to Insurance Commissioner. [~~On or before March 1 and September 1 of each year,~~] Each managed care insurer shall file a report in form and containing such information as the insurance commissioner prescribes ***when requested by the commissioner***. Such report shall include the name of the managed care insurer, its affiliates, a description of each exclusive arrangement to which it is a party and, as applicable, the date on which exclusive arrangement has been or will be terminated.

5 New Subparagraph; Exemption Added. Amend RSA 541-A:21, I by inserting after subparagraph (w) the following new subparagraph:

(x) Title XXXVII, relative to insurance regulation, when such rules are derived from, and are substantively identical to a National Association of Insurance Commissioners model regulation.

6 Section Heading Amended. The section heading of RSA 417-C:1 is repealed and reenacted to read as follows:

417-C:1 Grounds for Cancellation.

7 Notice of Cancellation. Amend RSA 417-C:2, I to read as follows:

I: No notice of cancellation of a fire, [~~casualty,~~] marine, [~~or~~] multi-peril, ***casualty, or liability*** policy, unless otherwise provided and controlled by RSA 417-A or 417-B, shall be effective unless mailed or delivered by the insurer to the named insured at least 60 days prior to the effective date of cancellation; provided, however, that where cancellation is for nonpayment of premium or substantial increase in hazard, at least 10 days' notice of cancellation shall be given. In all instances, the reason or reasons for cancellation shall accompany or be included in the notice of cancellation. An insurer shall not be held liable in any claim or suit for damages arising solely from the insurer's compliance with the requirement that the reason for cancellation be specified. This section shall not apply to workers' compensation policies.

8 Salary Adjustment; Health Care Statistician. Amend RSA 94:1-a, I by:

I. Deleting in group M the following: health care statistician.

II. Inserting in group K the following: health care statistician.

9 Effective Date. This act shall take effect 60 days after its passage.

LBAO
00-2309
12/15/99

SB 394-FN - FISCAL NOTE

AN ACT making miscellaneous changes in the insurance laws.

FISCAL IMPACT:

The Department of Administrative Services has determined this bill will decrease state restricted revenue and expenditures by $11,865 in FY 2001 and by $11,966 each year thereafter. There will be no fiscal impact on county and local revenue or expenditures.

METHODOLOGY:

The Department of Administrative Services has assumed the change from salary group M, ($59,454) max to salary group K, max ($50,320) for the vacant Health Care Statistician position will become effective July 1, 2000. The reduction includes reduced benefits calculated at 31% and an adjustment to correspond with the salary increase effective October 1, 2000.

The Insurance Department is a self-funded agency, therefor, the above mpact will be on restricted revenue and expenditures.

Amendments

Commerce
April 12, 2000
2000-4114h
01/09

Amendment to SB 394-FN

Amend the bill by replacing section 5 with the following:

5 New Paragraph; Rulemaking. Amend RSA 541-A:21 by inserting after paragraph V the following new paragraph:

VI. Rules adopted under Title XXXVII, relative to insurance regulation, shall be exempt from the uniform system of numbering and drafting rules required by RSA 541-A:8. These rules shall be in compliance with RSA 541-A:7 if the wording is consistent with the language of the corresponding National Association of Insurance Commissioners regulations.

2000-4114h

AMENDED ANALYSIS

This bill:

(1) Makes a technical correction to the law regulating foreign insurance companies.

(2) Clarifies the procedure pertaining to books, records, and other documents when an insurance company is undergoing examination.

(3) Changes the appeal procedure for persons aggrieved under RSA 401-B.

(4) Creates an exemption from certain provisions of RSA 541-A for certain insurance regulations.

(5) Adjusts the salary of the health care statistician.

This bill was requested by the insurance department.

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # SB 394-FN Date 4-4-00

Committee

**** Please Print All Information ****

Name	Address	Phone	Representing	(check one) Pro	Con
TOM RITTER			CONSUMER CREDIT INS ASSOCIATION	X	
Michael McLaughlin	Concord	226 9600		✓	

Hearing Minutes

HOUSE COMMITTEE ON COMMERCE

PUBLIC HEARING ON SB 394-FN

BILL TITLE: making miscellaneous changes in the insurance laws.

DATE: April 4, 2000

LOB ROOM: 302 **Time Public Hearing Called to Order:** 2:02 PM

Time Adjourned: 2:22 PM

(please circle if present)

Committee Members: Reps. Hunt, Francoeur, Herman, Tsiros, Belanger, McGough, Kenney, Langley, Pappas, Avery, Dalianis, DiFruscia, Marshall, M. Clark, Crosby, R. Russell, T. Reardon, Vachon, Taylor, Curran, Garrish and Keye.

Bill Sponsors: Sen. Fraser

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

***Sen. Fraser** - sponsor. Making technical changes in the current insurance laws. The bill was requested by the insurance department. Changes the appeal procedure. Department will get a carte blanche exemption from rules if it is NAIC model.legislation.

***Steven Lauwers, NH Insurance Department** – Supports the bill. Regulation is identical on a national basis. If we have a regulation that is identical on a national basis – they would prefer that rules committee did not charge any identical rules.

***Yvonne Nanasi, ANTHEM** – Supports bill with amendment.

Respectfully Submitted:

Stephen G. Avery, Clerk

Sub Committee

HOUSE COMMITTEE ON COMMERCE

PUBLIC HEARING ON SB 394-FN

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Bill Sponsors: Sen. Fraser

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Sponsor

Sen. Fraser - Making technical changes in the current insurance laws. The bill was requested by the insurance department. Changes the appeal procedure. Department will get a carte blanche exemption from rules if it is NAIC model legislation.

Steven Lauwers - NH Insurance Dept. Supports the bill. Regulation is identical on a National basis. If we have a regulation that is identical on a National basis - they would prefer that Rules Committee did not change any Identical rules.

Sub-Committee Actions

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE WORK SESSION ON SB 394-FN

BILL TITLE: making miscellaneous changes in the insurance laws.

DATE: April 12, 2000

Subcommittee Members: Reps. Francoeur, Clark and Marshall

Comments and Recommendations: Discussion of rules and exemption of numbering system, re RSA 541-A:8 using NAIC models.

Amendments:

Sponsor: Rep. Fuller Clark	OLS Document #:	2000	4114h
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

Motions: OTP, (OTP/A), ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Marshall

Seconded by Rep. Fuller clark

Vote: Unanimous

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep. Sheila T. Francoeur
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE WORK SESSION ON SB 394-FN

BILL TITLE: **making miscellaneous changes in the insurance laws.**

DATE: ~~(Type DATE here)~~ April 12, 2000

Subcommittee Members: Reps. Francoeur, Clark & Marshall.

Comments and Recommendations: Discussion of Rules & exemption & numbering system RE: RSA 541-A:D using NAIC Models

Amendments:

Sponsor: Rep. Clark OLS Document #: 2000-4114h (Adopted)/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Motions: OTP, (OTP/A), ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Marshall

Seconded by Rep. Fulton Clark

Vote: Unanimous

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. _____

Seconded by Rep. _____

Vote: _____

Respectfully submitted,

Rep. _____
Subcommittee Chairman/Clerk

Testimony

Senate Bill 394 – Department's Technical Corrections
House Commerce Committee April 4, 2000

Talking Points

Senator Fraser:

- Senate Bill 394 is a request of the Insurance Department and deals with numerous changes to insurance statutes that were not large enough to warrant individual pieces of legislation.
- Sections 1, 2, 4 and 8 of Senate Bill 394 were originally included in last year's Senate Bill 103 which was vetoed by the Governor because of a requested upgrade of an unclassified position which the Governor believed was more appropriately handled in the overall study of unclassified positions being conducted by the State.
  - Section 1 corrects a typographical error in RSA 405:48 III. to add the word "financial" which appears in the definition section of that statute.
  - Section 2 returns language to the Department's examination statute, RSA 400-A:37, that was inadvertently deleted upon amendment to that law in 1991 and clarifies that the Department when conducting an examination of an insurer may remove from the premises of the insurer any records, account, document, etc. necessary for examination purposes.
  - Section 4 deals with "exclusivity" in managed care. When the prohibition on exclusive contracts was passed the law contained provisions requiring that insurers notify the Insurance Department about any exclusive arrangements they had with providers for a specific period of time, and also contained a date by which all exclusive arrangements must cease. Even though exclusive arrangements are now prohibited RSA 420-I:4 still contains dates by which insurers must submit reports enumerating any exclusive arrangements they have. Section 4 deletes those dates.
  - Section 8 makes a salary adjustment for the Health Care Statistician position from Group M to Group K which will cause a savings difference of approximately $13,000 to $15,000 per year.
- Sections 3, 5 and 7 are new this year:
  - Section 3 amends the Holding Company Law and disallows a trial de novo in a hearing before the Insurance Commissioner in a Form A acquisition.
  - Section 5 provides for an exemption of administrative rules procedures when adopting an NAIC model only. This amendment has been discussed with Representative Dyer, Chairman of the Joint Legislative Committee on Administrative Rules and has not met opposition. NAIC model rules would still be subject to all of the provisions of RSA 541-A, the public rulemaking process, but exempt from the drafting procedures manual requirements.
  - Section 7 addresses what the Department considers a mis-advised recent court ruling that excluded professional liability policies from coverage because the provisions of the law referred to casualty only, and did not specifically mention liability, which in insurance terminology are synonymous.

(SB394tlkpts.doc)

NH INSURANCE DEPARTMENT
56 OLD SUNCOOK ROAD
CONCORD, NH 03301-5151
Tel. 603-271-2261
Fax. 603-271-1406

TRANSMITTAL LETTER

DATE: April 5, 2000

TO:
HON. JOHN B. HUNT, CHAIRMAN
House Commerce Committee
Room 302 LOB
VIA FAX: 6689

FROM:
Deborah O'Loughlin
Legal Research Assistant

REMARKS/MATERIAL TRANSMITTED:

. **Senate Bill 394**
. Letter d. 4/5/00 w/Amendment (7 pages)

Original in "Messenger Mail"

THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

Paula T. Rogers
Commissioner

Monica A. Ciolfi
Deputy Commissioner

April 5, 2000

Hon. John B. Hunt, Chairman
House Commerce Committee
Room 302, LOB
Concord, New Hampshire 03301

RE: Senate Bill 394

Dear Chairman Hunt:

Pursuant to testimony offered yesterday by Senator Leo Fraser and Assistant Commissioner Steven Lauwers, please find enclosed a copy of the Insurance Department's amendment to Senate Bill 394, specifically relating to an exemption from certain provisions of RSA 541-A.

Also attached is a copy of a letter dated January 18, 2000 from Assistant Commissioner Lauwers to Senator Squires explaining the reasons for our request. Please note paragraph 2 of that letter wherein the Department states that "it is not the Department's intention to avoid the rulemaking process for NAIC models, but to only exempt those models from the drafting and procedures manual requirements."

I believe the amendment provided herewith more adequately reflects the Department's request, and we will be happy to answer any questions the Committee may have in this regard.

Thank you.

Sincerely,

Deborah J. O'Loughlin
Legal Research Assistant

dol

attachment

cc: Paula T. Rogers, Commissioner
Steven J. Lauwers, Assistant Commissioner
Hon. Leo W. Fraser, Jr.
Hon. Merton S. Dyer, Chairman JLCAR
Gyda DiCosola, Director Regulatory Filings Compliance

State of New Hampshire
Insurance Department

April 5, 2000

Amendment to Senate Bill 394

Amend SB 394 by deleting section 5 of the bill and replacing with the following:

Amend RSA 541-A:21 by adding the following new paragraph:

VI. Rules adopted under Title XXXVII, relative to insurance regulation, shall be exempt from the uniform system of numbering and drafting rules required by RSA 541-A:8. These rules shall be in compliance with RSA 541-A:7 if the wording is consistent with the language of the corresponding National Association of Insurance Commissioners regulations.

(sb394amendments.doc)

THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

56 Old Suncook Road
Concord, New Hampshire 03301-7317

Paula T. Rogers
Commissioner

January 18, 2000

Hon. James W. Squires
Box 900
Hollis, New Hampshire 03049-0900

RE: Senate Bill 394

Dear Senator Squires:

Last week at the hearing on Senate Bill 394 you requested more information relative to Section 5 of the bill on the subject of Administrative Rules exceptions. Enclosed you will find a copy of RSA 541-A:21 which lists the granted exemptions from the provisions of RSA 541-A. The Insurance Department is seeking a similar exemption for National Association of Insurance Commissioners (NAIC) model rules only.

Please be advised that the majority of the Department's rules are non-NAIC models and would still be subject to all of the provisions of RSA 541-A, and that it is not the Department's intention to avoid the rulemaking process for NAIC models, but to only exempt those models from the drafting and procedures manual requirements.

We are requesting this exemption because NAIC model rules are developed by a very extensive drafting process that is open-to-the-public and incorporates input from all potentially affected sectors. The model rules are intended for national application in order to provide uniformity from state to state. When changes are made to these model rules by a particular state, the goal of national uniformity is significantly impacted. The insurance industry is required to report to the various states and to the NAIC in national formats. Also, in many instances, NAIC model rules contain formulas, tables and forms that are industry-specific and date-sensitive. Certain technical provisions within the Administrative Rules process (e.g. incorporation of forms by reference) do not provide flexibility to the Department to adopt these rules as written, adopted and published by the NAIC.

In recent months, we have discussed this exemption with members of the Joint Legislative Committee on Administrative Rules and staff. Based on those discussions, we do not believe the JLCAR objects to this exemption.

I would be happy to discuss this with you further and answer any additional questions you may have. Please feel free to contact me at your convenience at 271-2261.

Sincerely,

Steven J. Lauwers
Assistant Commissioner

SJL:dol

cc: Paula T. Rogers, Commissioner
Gyda DiCosola, Director Regulatory Filings Compliance
Alex Feldvebel, Health Policy Analyst
Hon. Leo Fraser

(sb394.doc)

ANNOTATIONS

Cited
Cited in Appeal of Dell (1995) 140 N.H. 484, 668 A.2d 1024.

541-A:20 Initiating Rulemaking Prior to Effective Date of Statutory Authority. After the enactment and before the effective date of any statute granting rulemaking authority, the agency to whom such authority is granted may initiate procedures to adopt such rules; provided that the effective date of the rule, under RSA 541-A:14, IV or RSA 541-A:19, X shall not occur before the effective date of the act granting statutory authority for that rule.

HISTORY

Source. 1994, 412:1, eff. Aug. 9, 1994.

541-A:21 Exceptions.

I. Authority granted under the provisions of the following statutes shall be exempt from RSA 541-A:

(a) RSA 230:53, relative to the use of limited access highway facilities.

(b) RSA 236:1, II, relative to regulating, permanently or seasonally, the use of certain class I, II and III highways by the posting of traffic control stop signs, devices, and signals thereon.

(c) RSA 265:22, relative to painted marking of highways.

(d) RSA 265:62, relative to the establishment of state speed zones.

(e) RSA 265:71, relative to stopping, standing, or parking and the placing of signs relative thereto on certain highways.

(f) RSA 236:9, relative to excavation permits.

(g) RSA 236:13, relative to driveway permits.

(h) RSA 231:161, relative to licensing utility poles and appurtenances within public highways.

(i) RSA 266:18-c, V, relative to bridge weight limits.

(j) RSA 651-A:22, II, relative to credit for good conduct of prisoners.

(k) RSA 111, relative to the state guard.

(*l*) RSA 284:12, IV, relative to the sale of pari-mutuel pools as authorized under RSA 284:22 and RSA 284:22-a.

(m) RSA 237:5, II; 237:9; 237:17; 237:24, I; 237:34; and 237:40, relative to the establishment of toll rates for turnpikes.

(n) RSA 12-G, relative to the Pease development authority.

(o) RSA 375-A:14, RSA 375-B:17 and RSA 376:21, relative to a single state registration system.

(p) RSA 268 and RSA 261:72-a, V, relative to motor vehicle emissions.

(q) RSA 374:8, relative to a uniform system of accounts for regulated utilities.

(r) RSA 21-P:27, II(a) and (b), relative to educational, training and evidentiary standards for fire service personnel and curriculum requirements for schools training fire service personnel.

(s) RSA 188-F:26, V, relative to educational, training and evidentiary standards and curriculum requirements for police and corrections personnel and courses and tuition students at such courses.

(t) RSA 260:65-b, relative to the multi-jurisdictional fuel tax agreement.

II. Rules adopted under RSA 394-A:7 shall be exempt from committee review under RSA 541-A:13.

III. Rules adopted under RSA 161:4, VI, relative to rates of reimbursement to providers of medical services under the medical assistance program, shall be exempt from the requirements of RSA 541-A:5 through RSA 541-A:14.

IV. Rules adopted under RSA 125-F:5, IV and V, RSA 125-F:7, RSA 125-F:8, RSA 125-F:8-a, III, and RSA 125-F:22, III, to conform to 10 CFR and 21 CFR shall be exempt from the uniform system of numbering and drafting rules required by 1994, 412:52 and the drafting and numbering requirements of RSA 541-A:8. These rules shall be in compliance with RSA 541-A:7 if the wording is consistent with the language of the corresponding federal regulations.

V. Requirements on tax filing forms as specified in RSA 21-J:13-a shall be exempt from RSA 541-A.

HISTORY

Source. 1994, 412:1. 1995, 155:16, eff. July 31, 1995; 179:2, eff. Aug. 4, 1995. 1996, 164:5, eff. Aug. 2, 1996; 292:39, eff. June 10, 1996.

Codification. Pursuant to 1994, 389:21, the amendment to former RSA 541-A:10 by 1994, 389:5, eff. June 9, 1994, which added par. I(r), was incorporated in this section.

Amendments—1996. Paragraph I(t): Added by ch. 292.

Paragraph V: Added by ch. 164.

—1995. Paragraph I(s): Added by ch. 155.

Paragraph IV: Added by ch. 179.

Construction of amendments—1996. 1996, 292:40, eff. Jan. 1, 1997, provided: "Sections 36-39 [which amended RSA 260:65-b, RSA 260:65-c, II, and 541-A:21, I] and paragraph XI of section 41 of this act [which repealed RSA 260:65-C, III] shall be construed so as to permit the commissioner of safety either to effectuate the state's entry into the international fuel tax agreement or to maintain the state's participation in the multi-jurisdictional fuel tax agreement under RSA 260:65-b. If the state becomes a member of the international fuel tax agreement, any provisions of RSA 260 which relate to the weight or type of vehicle taxable under the multi-jurisdictional fuel tax agreement and which conflict with the international fuel tax agreement shall be superseded by the international fuel tax agreement provisions."

Prospective repeal of paragraph IV. Pursuant to 1995, 179:3 par. IV of this section is repealed effective on July 1, 1999.

CROSS REFERENCES

Authority for the adoption of rules relating to the militia, see RSA 110-B:8-a.

541-A:22 Validity of Rules.

I. No agency rule is valid or effective against any person or party, nor may it be enforced by the state for any purpose, until it has been filed as required in this chapter.

preparation and publishing of the compilation of agency rules or any portion of it, or may certify a commercially prepared version of the compilation. Any version or portion of the code published under this section shall conform to all requirements of this chapter.

* * *

HISTORY

Source. 1994, 412:1, eff. Aug. 9, 1994. 1998, 346:1, eff. Aug. 25, 1998.
Amendments—1998. Rewrote par. I and added pars. I-a and I-b.
Applicability—1998 amendment. 1998, 346:2, eff. Aug. 25, 1998, provided that the amendment to this section by 1998, 346:1, shall apply to rules filed and effective after Aug. 25, 1998.

541-A:16 Rules; Filing Required.

I. In addition to other rulemaking requirements imposed by law, each agency shall:

* * *

(b) Adopt rules of practice setting forth the nature and requirement of all formal and informal procedures available, including:

* * *

(2) Rules governing adjudicative proceedings pursuant to RSA 541-A:30-a; and

* * *

HISTORY

Source. 1994, 412:1, eff. Aug. 9, 1994. 1998, 298:1, eff. July 1, 1998.
Amendments—1998. Paragraph I(b)(2): Substituted "proceedings pursuant to RSA 541-A:30-a" for "hearings".

541-A:19 Interim Rules.

ANNOTATIONS

Cited
Cited in Appeal of Dell (1995) 140 N.H. 484, 668 A.2d 1024.

541-A:21 Exceptions.

I. Authority granted under the provisions of the following statutes shall be exempt from RSA 541-A:

* * *

(p) [Repealed.]

* * *

(u) RSA 162-A, relative to the business finance authority.

AD

(v) Rules adopte
health and education
(w) RSA 485:16-
tertiary butyl ether i

Source. 1994, 412:1. 1995
Aug. 2, 1996; 292:39, eff. Ju
18, 1998. 1999, 253:17, eff.
Amendments—1999. Par
—1998. Paragraph I(p):
—1997. Paragraph I(u):
Prospective repeal of pa
for the repeal of par. IV of
eff. Aug. 1, 1998.
Redesignation of par. I(
par. I(w) pursuant to 1999,

541-A:30 Agency A

III. If the agency
emergency action and
immediate suspension
proceeding. The agenc
later than 10 working
the license. A record
shorthand court report
by the licensee, agenc
within 10 working day
cally vacated. The ager
conduct which formed
the licensee prior notic

Source. 1994, 412:1, eff. A
Amendments—1999. Para

541-A:30-a Rules fo

I. Subject to paragra
541-A governing the n
procedures available in
II. The attorney ge
adjudicative proceeding
of legislative services,
relative to adjudicative

(v) Rules adopted under RSA 195-D, relative to the New Hampshire health and education facilities authority.

(w) RSA 485:16-b, II relative to limits on the concentration of methyl tertiary butyl ether in gasoline.

* * *

HISTORY

Source. 1994, 412:1. 1995, 155:16, eff. July 31, 1995; 179:2, eff. Aug. 4, 1995. 1996, 164:5, eff. Aug. 2, 1996; 292:39, eff. June 10, 1996; 1997, 329:16, eff. Oct. 1, 1997. 1998, 207:9 IV, eff. June 18, 1998. 1999, 253:17, eff. July 9, 1999; 313:3, eff. July 16, 1999.

Amendments—1999. Paragraph I(v): Added by chs. 253 and 313.

—1998. Paragraph I(p): Repealed.

—1997. Paragraph I(u): Added.

Prospective repeal of par. IV. 1995, 179:3, which is noted in the main volume and provided for the repeal of par. IV of this section effective on July 1, 1999, was repealed by 1998, 121:1, eff. Aug. 1, 1998.

Redesignation of par. I(v). Paragraph I(v), as added by 1999, 313:3, was redesignated as par. I(w) pursuant to 1999, 313:4, eff. July 16, 1999.

541-A:30 Agency Action Against Licensees.

* * *

III. If the agency finds that public health, safety or welfare requires emergency action and incorporates a finding to that effect in its order, immediate suspension of a license may be ordered pending an adjudicative proceeding. The agency shall commence this adjudicative proceeding not later than 10 working days after the date of the agency order suspending the license. A record of the proceeding shall be made by a certified shorthand court reporter provided by the agency. Unless expressly waived by the licensee, agency failure to commence an adjudicative proceeding within 10 working days shall mean that the suspension order is automatically vacated. The agency shall not again suspend the license for the same conduct which formed the basis of the vacated suspension without granting the licensee prior notice and an opportunity for an adjudicative proceeding.

HISTORY

Source. 1994, 412:1, eff. Aug. 9, 1994. 1999, 331:1, eff. Sept. 14, 1999.

Amendments—1999. Paragraph III: Inserted the third sentence.

541-A:30-a Rules for Adjudicative Proceedings.

I. Subject to paragraph V, each agency shall adopt rules pursuant to RSA 541-A governing the nature and requirement of all formal and informal procedures available in an adjudicative proceeding.

II. The attorney general, in consultation with agencies that conduct adjudicative proceedings, and with the approval of the director of the office of legislative services, shall draft proposed rules on model procedures relative to adjudicative proceedings and request a fiscal impact statement

THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

56 Old Suncook Road
Concord, New Hampshire 03301-7317

Paula T. Rogers
Commissioner

January 18, 2000

Hon. James W. Squires
Box 900
Hollis, New Hampshire 03049-0900

RE: Senate Bill 394

Dear Senator Squires:

Last week at the hearing on Senate Bill 394 you requested more information relative to Section 5 of the bill on the subject of Administrative Rules exceptions. Enclosed you will find a copy of RSA 541-A:21 which lists the granted exemptions from the provisions of RSA 541-A. The Insurance Department is seeking a similar exemption for National Association of Insurance Commissioners (NAIC) model rules only.

Please be advised that the majority of the Department's rules are non-NAIC models and would still be subject to all of the provisions of RSA 541-A, and that it is not the Department's intention to avoid the rulemaking process for NAIC models, but to only exempt those models from the drafting and procedures manual requirements.

We are requesting this exemption because NAIC model rules are developed by a very extensive drafting process that is open-to-the-public and incorporates input from all potentially affected sectors. The model rules are intended for national application in order to provide uniformity from state to state. When changes are made to these model rules by a particular state, the goal of national uniformity is significantly impacted. The insurance industry is required to report to the various states and to the NAIC in national formats. Also, in many instances, NAIC model rules contain formulas, tables and forms that are industry-specific and date-sensitive. Certain technical provisions within the Administrative Rules process (e.g. incorporation of forms by reference) do not provide flexibility to the Department to adopt these rules as written, adopted and published by the NAIC.

In recent months, we have discussed this exemption with members of the Joint Legislative Committee on Administrative Rules and staff. Based on those discussions, we do not believe the JLCAR objects to this exemption.

I would be happy to discuss this with you further and answer any additional questions you may have. Please feel free to contact me at your convenience at 271-2261.

Sincerely,

Steven J. Lauwers
Assistant Commissioner

SJL:dol

cc: Paula T. Rogers, Commissioner
Gyda DiCosola, Director Regulatory Filings Compliance
Alex Feldvebel, Health Policy Analyst
Hon. Leo Fraser

(sb394.doc)

ANNOTATIONS

Cited
Cited in Appeal of Dell (1995) 140 N.H. 484, 668 A.2d 1024.

541-A:20 Initiating Rulemaking Prior to Effective Date of Statutory Authority. After the enactment and before the effective date of any statute granting rulemaking authority, the agency to whom such authority is granted may initiate procedures to adopt such rules; provided that the effective date of the rule, under RSA 541-A:14, IV or RSA 541-A:19, X shall not occur before the effective date of the act granting statutory authority for that rule.

HISTORY

Source. 1994, 412:1, eff. Aug. 9, 1994.

541-A:21 Exceptions.

I. Authority granted under the provisions of the following statutes shall be exempt from RSA 541-A:

(a) RSA 230:53, relative to the use of limited access highway facilities.

(b) RSA 236:1, II, relative to regulating, permanently or seasonally, the use of certain class I, II and III highways by the posting of traffic control stop signs, devices, and signals thereon.

(c) RSA 265:22, relative to painted marking of highways.

(d) RSA 265:62, relative to the establishment of state speed zones.

(e) RSA 265:71, relative to stopping, standing, or parking and the placing of signs relative thereto on certain highways.

(f) RSA 236:9, relative to excavation permits.

(g) RSA 236:13, relative to driveway permits.

(h) RSA 231:161, relative to licensing utility poles and appurtenances within public highways.

(i) RSA 266:18-c, V, relative to bridge weight limits.

(j) RSA 651-A:22, II, relative to credit for good conduct of prisoners.

(k) RSA 111, relative to the state guard.

(*l*) RSA 284:12, IV, relative to the sale of pari-mutuel pools as authorized under RSA 284:22 and RSA 284:22-a.

(m) RSA 237:5, II; 237:9; 237:17; 237:24, I; 237:34; and 237:40, relative to the establishment of toll rates for turnpikes.

(n) RSA 12-G, relative to the Pease development authority.

(*o*) RSA 375-A:14, RSA 375-B:17 and RSA 376:21, relative to a single state registration system.

(p) RSA 268 and RSA 261:72-a, V, relative to motor vehicle emissions.

(q) RSA 374:8, relative to a uniform system of accounts for regulated utilities.

(r) RSA 21-P:27, II(a) and (b), relative to educational, training and evidentiary standards for fire service personnel and curriculum requirements for schools training fire service personnel.

(s) RSA 188-F:26, V, relative to educational, training and evidentiary standards and curriculum requirements for police and corrections personnel and courses and tuition students at such courses.

(t) RSA 260:65-b, relative to the multi-jurisdictional fuel tax agreement.

II. Rules adopted under RSA 394-A:7 shall be exempt from committee review under RSA 541-A:13.

III. Rules adopted under RSA 161:4, VI, relative to rates of reimbursement to providers of medical services under the medical assistance program, shall be exempt from the requirements of RSA 541-A:5 through RSA 541-A:14.

IV. Rules adopted under RSA 125-F:5, IV and V, RSA 125-F:7, RSA 125-F:8, RSA 125-F:8-a, III, and RSA 125-F:22, III, to conform to 10 CFR and 21 CFR shall be exempt from the uniform system of numbering and drafting rules required by 1994, 412:52 and the drafting and numbering requirements of RSA 541-A:8. These rules shall be in compliance with RSA 541-A:7 if the wording is consistent with the language of the corresponding federal regulations.

V. Requirements on tax filing forms as specified in RSA 21-J:13-a shall be exempt from RSA 541-A.

HISTORY

Source. 1994, 412:1. 1995, 155:16, eff. July 31, 1995; 179:2, eff. Aug. 4, 1995. 1996, 164:5, eff. Aug. 2, 1996; 292:39, eff. June 10, 1996.

Codification. Pursuant to 1994, 389:21, the amendment to former RSA 541-A:10 by 1994, 389:5, eff. June 9, 1994, which added par. I(r), was incorporated in this section.

Amendments—1996. Paragraph I(t): Added by ch. 292.

Paragraph V: Added by ch. 164.

—1995. Paragraph I(s): Added by ch. 155.

Paragraph IV: Added by ch. 179.

Construction of amendments—1996. 1996, 292:40, eff. Jan. 1, 1997, provided: "Sections 36-39 [which amended RSA 260:65-b, RSA 260:65-c, II, and 541-A:21, I] and paragraph XI of section 41 of this act [which repealed RSA 260:65-C, III] shall be construed so as to permit the commissioner of safety either to effectuate the state's entry into the international fuel tax agreement or to maintain the state's participation in the multi-jurisdictional fuel tax agreement under RSA 260:65-b. If the state becomes a member of the international fuel tax agreement, any provisions of RSA 260 which relate to the weight or type of vehicle taxable under the multi-jurisdictional fuel tax agreement and which conflict with the international fuel tax agreement shall be superseded by the international fuel tax agreement provisions."

Prospective repeal of paragraph IV. Pursuant to 1995, 179:3 par. IV of this section is repealed effective on July 1, 1999.

CROSS REFERENCES

Authority for the adoption of rules relating to the militia, see RSA 110-B:8-a.

541-A:22 Validity of Rules.

I. No agency rule is valid or effective against any person or party, nor may it be enforced by the state for any purpose, until it has been filed as required in this chapter.

preparation and publishing of the compilation of agency rules or any portion of it, or may certify a commercially prepared version of the compilation. Any version or portion of the code published under this section shall conform to all requirements of this chapter.

* * *

HISTORY

Source. 1994, 412:1, eff. Aug. 9, 1994. 1998, 346:1, eff. Aug. 25, 1998.
Amendments—1998. Rewrote par. I and added pars. I-a and I-b.
Applicability—1998 amendment. 1998, 346:2, eff. Aug. 25, 1998, provided that the amendment to this section by 1998, 346:1, shall apply to rules filed and effective after Aug. 25, 1998.

541-A:16 Rules; Filing Required.

I. In addition to other rulemaking requirements imposed by law, each agency shall:

* * *

(b) Adopt rules of practice setting forth the nature and requirement of all formal and informal procedures available, including:

* * *

(2) Rules governing adjudicative proceedings pursuant to RSA 541-A:30-a; and

* * *

HISTORY

Source. 1994, 412:1, eff. Aug. 9, 1994. 1998, 298:1, eff. July 1, 1998.
Amendments—1998. Paragraph I(b)(2): Substituted "proceedings pursuant to RSA 541-A:30-a" for "hearings".

541-A:19 Interim Rules.

ANNOTATIONS

Cited
Cited in Appeal of Dell (1995) 140 N.H. 484, 668 A.2d 1024.

541-A:21 Exceptions.

I. Authority granted under the provisions of the following statutes shall be exempt from RSA 541-A:

* * *

(p) [Repealed.]

* * *

(u) RSA 162-A, relative to the business finance authority.

(v) Rules adopte
health and education
(w) RSA 485:16-
tertiary butyl ether i

Source. 1994, 412:1. 199
Aug. 2, 1996; 292:39, eff. Ju
18, 1998. 1999, 253:17, eff.
Amendments—1999. Par
—1998. Paragraph I(p):
—1997. Paragraph I(u):
Prospective repeal of pa
for the repeal of par. IV of
eff. Aug. 1, 1998.
Redesignation of par. I(
par. I(w) pursuant to 1999,

541-A:30 Agency

III. If the agency
emergency action and
immediate suspension
proceeding. The agen
later than 10 working
the license. A record
shorthand court repor
by the licensee, agen
within 10 working day
cally vacated. The age
conduct which formed
the licensee prior notic

Source. 1994, 412:1, eff. A
Amendments—1999. Para

541-A:30-a Rules fo

I. Subject to paragra
541-A governing the
procedures available in
II. The attorney ge
adjudicative proceeding
of legislative services,
relative to adjudicative

(v) Rules adopted under RSA 195-D, relative to the New Hampshire health and education facilities authority.

(w) RSA 485:16-b, II relative to limits on the concentration of methyl tertiary butyl ether in gasoline.

* * *

HISTORY

Source. 1994, 412:1. 1995, 155:16, eff. July 31, 1995; 179:2, eff. Aug. 4, 1995. 1996, 164:5, eff. Aug. 2, 1996; 292:39, eff. June 10, 1996; 1997, 329:16, eff. Oct. 1, 1997. 1998, 207:9 IV, eff. June 18, 1998. 1999, 253:17, eff. July 9, 1999; 313:3, eff. July 16, 1999.

Amendments—1999. Paragraph I(v): Added by chs. 253 and 313.

—1998. Paragraph I(p): Repealed.

—1997. Paragraph I(u): Added.

Prospective repeal of par. IV. 1995, 179:3, which is noted in the main volume and provided for the repeal of par. IV of this section effective on July 1, 1999, was repealed by 1998, 121:1, eff. Aug. 1, 1998.

Redesignation of par. I(v). Paragraph I(v), as added by 1999, 313:3, was redesignated as par. I(w) pursuant to 1999, 313:4, eff. July 16, 1999.

541-A:30 Agency Action Against Licensees.

* * *

III. If the agency finds that public health, safety or welfare requires emergency action and incorporates a finding to that effect in its order, immediate suspension of a license may be ordered pending an adjudicative proceeding. The agency shall commence this adjudicative proceeding not later than 10 working days after the date of the agency order suspending the license. A record of the proceeding shall be made by a certified shorthand court reporter provided by the agency. Unless expressly waived by the licensee, agency failure to commence an adjudicative proceeding within 10 working days shall mean that the suspension order is automatically vacated. The agency shall not again suspend the license for the same conduct which formed the basis of the vacated suspension without granting the licensee prior notice and an opportunity for an adjudicative proceeding.

HISTORY

Source. 1994, 412:1, eff. Aug. 9, 1994. 1999, 331:1, eff. Sept. 14, 1999.

Amendments—1999. Paragraph III: Inserted the third sentence.

541-A:30-a Rules for Adjudicative Proceedings.

I. Subject to paragraph V, each agency shall adopt rules pursuant to RSA 541-A governing the nature and requirement of all formal and informal procedures available in an adjudicative proceeding.

II. The attorney general, in consultation with agencies that conduct adjudicative proceedings, and with the approval of the director of the office of legislative services, shall draft proposed rules on model procedures relative to adjudicative proceedings and request a fiscal impact statement

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Anthem.

April 4, 2000
House Commerce Committee
RE: Public Hearing on SB 394: Making changes to certain insurance statutes.

Anthem BCBSNH is supportive of SB 394 but has a concern about one section of SB 394 which we would request be amended out of the legislation.

Section 5 of SB 394 appears to allow a special exemption from the legislative rule making process for the Department of Insurance when the insurance regulation being imposed is substantively identical to a National Association of Insurance Commissioners (NAIC) model regulation.

Over the past few years, the NAIC has promulgated numerous model laws and regulations – some of which the legislature has adopted at the request of the Department. At the same time some NAIC model laws and regulations have not been adopted by the legislature as they were not appropriate to the situation and issues being addressed in our state.

Recently, the NAIC issued an HMO model external review process. The model offered three options for how the external review entity was to be contracted with – the House Commerce Committee selected one of the three options to embody in legislation after considerable discussion. It was the option selected by the House Commerce Committee after debate. Several of the other options in the NAIC model were either modified or added to by the Committee.

Currently, NAIC has developed and is in the process of developing model laws and regulations on confidentiality, HMO solvency standards and numerous other issues (see attached listing of NAIC model laws and regulations).

It may be advisable for the legislature to delete Section 5 from the bill and reserve its option to review, discuss and hear other opinions before NAIC models are adopted. This is even more important when one considers that all NAIC committees that are developing model laws and rules do not necessarily have a representative from New Hampshire on the committee to provide our state's unique situation into the model rule development process.

In approving Section 5 for passage, the legislature may be giving up its only oversight of rules for consumer information and process protections, health and other insurance regulations as well as insurance market viability standards for all insurance product lines (health, long-term care, homeowner's, auto, etc.) .

The Joint Legislative Administrative Rules Committee that is composed of representatives of the House and the Senate that have an important role in the process of adopting a state agency's administrative rules. Preserving this process for insurance and other state agency regulations should be considered when deciding on Section 5 of SB 394.

We appreciate your consideration of our concern and will assist the Committee as needed in the consideration this important bill.

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Page Updated 3/22/2000

DRAFT MODEL ACTS AND REGULATIONS

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Summary of Draft Activity memo [Word97 | PDF] **(Updated: 2/7/2000)**
Summary of Draft Activity memo [Word97 | PDF] **(Updated: 12/23/1999)**

Actuarial Guideline NFZZZ - (Draft: 12/17/98) [Word97 | PDF] (Summary)

Actuarial Guideline VL-GMDB - (Draft: 12/16/99) [Word97 | PDF] (Summary)

Actuarial Guideline ZZZZ - (Draft: 12/16/99) [Word97 | PDF] (Summary)

Actuarial Opinion and Memorandum Regulation (Draft: 12/16/99) (Summary) [Word97 | PDF]

Administrative Supervision Model Act (#558) - Adopted (Summary)

Advertisements of Life Insurance and Annuities Model Regulation (#570) (Draft: 12/6/99) (Summary) [Word97 | PDF]

Agents and Brokers Model Act (#210) (Draft: 11/23/99) (Summary) [Word97 | PDF]

Agents Trust Accounts Model Act (Draft: 10/5/99) (Summary) [Word97 | PDF]

Determination of Nonforfeiture Benefits and Guaranteed and Nonguaranteed Elements for Life Insurance, Annuities, and Accident and Health Insurance Model Act (Draft: 11/22/99) [Word97 | PDF] (Summary)

Disclosure of Material Transactions (#285) - Adopted (Summary)

Guidelines for Filing of Rates for Individual Health Insurance Forms (Draft: 9/10/99) [Word | Adobe PDF] (Summary)

Health Carrier External Review Model Act (#75) (Draft: 03/06/00) - (Summary) [Word97 | PDF]

Health Insurance Reserves Model Regulation (#10) (Draft: 3/3/00) (Summary) [Word97 | PDF]

Revisions to the Health Maintenance Organization Model Act (Draft: 3/2/00) [Word97 | PDF]

Home Service Disclosure Model Act (Draft 12/8/99) (Word 97 | Adobe PDF) (Summary)

Individual Health Insurance Portability Model Act (#37) (Draft: 3/1/00) (Word 97 | Adobe PDF)

Insurance Fraud Prevention Model Act (#680b) - Adopted (Summary)

Insurance Holding Company System Regulatory Act (#440) - Adopted (Summary)

Insurers Rehabilitation and Liquidation Model Act (#555) - Adopted (Summary)

Life Insurance Disclosure Model Regulation (#580) (Draft: 12/5/99) (Summary) [Word97 | PDF]

Long-Term Care Insurance Model Act (#640) (Draft: 12/5/99) (Summary) [Word97 | PDF]

Long-Term Care Insurance Model Regulation (#641) (Draft: 03/06/00) (Consumer Protection) (Summary) [Word97 | PDF]

Long-Term Care Insurance Model Regulation (#641) (Draft: 12/5/99)

(HIPPA Changes) (Summary) [Word97 | PDF]

Long-Term Care Insurance Model Regulation (#641) (Draft: 03/03/00) (rating)
(Summary) [Word97 | PDF]

Model Health Plan for Uninsurable Individuals Act (#85)
(Draft: 10/4/99) (Summary) [Word97 | PDF]

Model Law on Examinations (#390) - Adopted (Summary)

Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act (#651) (Draft: 11/11/99)
(Summary) [Word97 | PDF]

Nonadmitted Insurance Model Act (#870) - Adopted (Summary)

Participation in NAIC Insurance Regulatory Information System (IRIS) (#395) - Adopted (Summary)

Producer Licensing Model Act (#218) - Adopted
[Word97 | PDF] (Summary)

Property and Casualty Model Rate and Policy Form Law (#775) (Draft: 12/7/99) [Word97 | PDF]
(Summary)

Property and Casualty Model Rating Laws (#775 and #780) (Draft: 3/8/99)
[Word97 | PDF] (Summary)

Protected Cell Company Model Law - Adopted
(Summary)

Risk-Based Captial for Health Organizations Model Act (#315) - Adopted (Summary)

Risk-Based Capital for Insurers Model Act (#312) - Adopted (Summary)

Separate Accounts Funding Guaranteed Minimum Benefits Under Group Contracts Model Regulation (#200) - Adopted (Summary)

Small Employer and Individual Health Insurance Availability Model Act (#35) (Drafted: 3/1/00) [Word97 | PDF]
(Summary)

Small Employer Health Insurance Availability Model Act (Prospective Reinsurance With or Without an Opt-out) (#118) (Draft: 3/1/00) [Word97 | PDF]

Standard Valuation Law (#820) - Adopted (Summary)

Statistical Handbook (Revised Model Regulation to Require Statistical Reporting and Revised Sections of the Statistical Handbook) (Summary)
[Word97 | PDF]
Section 1 [Word97 | PDF]
Section 2 [Word97 | PDF]
Section 5 [Word97 | PDF]
Section 7 [Word97 | PDF]
Section 24 [Word97 | PDF]
Section 24A [Word97 | PDF]

Stop Loss Insurance Model Act (#92) - Adopted
(Summary)

Third Party Administrator Statute (#90) - Adopted
(Summary)

Universal Life Insurance Model Regulation (#585) (Draft: 11/30/99)
[Word97 | PDF] (Summary)

Viatical Settlements Model Regulation (#698) - Adopted
(Summary)

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CHAPTER Ins 800 REPORTING OF FINANCIAL AND STATISTICAL DATA BY PROPERTY AND CASUALTY INSURANCE COMPANIES
PART Ins 801 REPORTING REQUIREMENTS
Section Ins 801.01 Purpose
Section Ins 801.02 Definitions
Section Ins 801.03 Powers and Duties
Section Ins 801.04 Financial Reporting
Section Ins 801.05 Statistical Reporting
Section Ins 801.06 Due Date and Exemption

CHAPTER Ins 800 REPORTING OF FINANCIAL AND STATISTICAL DATA BY PROPERTY AND CASUALTY INSURANCE COMPANIES

Statutory Authority: RSA 400-A:36 and 413:7

PART Ins 801 REPORTING REQUIREMENTS

Ins 801.01 Purpose. The purpose of this chapter is to set forth the kinds of data that are to be included in financial and statistical reports required to be submitted by property and casualty insurance companies. This chapter is not intended to limit the powers granted the commissioner by any laws of this state.

Source. #4468, eff 8-5-88; ss by #5649, eff 7-1-93; ss by #7027, INTERIM, eff 7-1-99, EXPIRES: 10-29-99; ss by #7108, eff 10-29-99

Ins 801.02 Definitions.

(a) "Accelerated reports" means statistical information in a form specified by the NAIC Statistical Handbook that provides data on a quarterly basis for the purpose of identifying emerging trends in the commercial liability lines of insurance.

(b) "Fast track reports" means information generated from the NAIC fast track monitoring system that gives a sampling of significant data for property and casualty insurance on a quarterly basis by insurers comprising a major segment of the market for the lines of insurance indicated.

(c) "NAIC Annual Statement Instructions" means the current edition of Annual Statement Instructions, Property and Casualty copyrighted by the National Association of Insurance Commissioners, that explains property and casualty insurer annual statements, and details report formats, exhibits and schedules.

(d) "NAIC Statistical Handbook" means the current updated edition of the Statistical Handbook of Data Available to Insurance Regulators copyrighted by the National Association of Insurance Commissioners that explains insurance statistical data and details report formats to be furnished by statistical agents.

(e) "Participating insurer" means an insurer licensed to transact the business of property and casualty insurance in this state that has a market share for a line or class of insurance, as defined in the NAIC Statistical Handbook, such that the reporting of the insurer's data is necessary to produce meaningful industry-wide statistical reports.

(f) "Statistical agent" means an organization authorized by the commissioner to gather and compile insurance statistical experience.

(g) "Statistical plan" means a system for collecting and recording insurance information.

Source. #4468, eff 8-5-88; ss by #5649, eff 7-1-93; ss by #7027, INTERIM, eff 7-1-99, EXPIRES: 10-29-99; ss by #7108, eff 10-29-99

Ins 801.03 Powers and Duties. Pursuant to RSA 413:7 the commissioner may designate one or more rating organizations or other agencies to assist him in gathering rating experience and making compilations thereof. The commissioner shall enter into an agreement with any qualified data collection service corporation, association or other entity so designated to undertake the compilation and analysis of data collected pursuant to this rule. The agreement shall provide for the corporation, association or other entity to prepare and distribute or make available data to insurers, government and the general public.

Source. #4468, eff 8-5-88; ss by #5649, eff 7-1-93; ss by #7027, INTERIM, eff 7-1-99, EXPIRES: 10-29-99; ss by #7108, eff 10-29-99

Ins 801.04 Financial Reporting.

(a) As a condition of doing business in the state, each insurer licensed to transact the business of property and casualty insurance shall report to the commissioner financial data for the preceding year ended December 31 on or before March 1, of each year.

(b) The report, in the form of an annual statement, pursuant to the provisions of RSA 400-A:36, shall be filed with the commissioner and provide financial information for the previous calendar year. The annual statement shall conform to the format prescribed and modified by the National Association of Insurance Commissioners as approved by the NAIC at the end of the previous calendar year, and shall contain exhibits and schedules that follow specifications developed by the NAIC.

(c) Documents required by (b) above shall include:

(1) A balance sheet;

(2) A statement of income;

(3) Expense exhibits;

(4) Investment schedules;

(5) A reinsurance schedule; and

(6) A loss development schedule.

(d) An insurance expense exhibit shall be filed with the commissioner on or before April 1 each year, or a later date as approved by the NAIC at the end of the previous calendar year, that provides countrywide information on insurer expenses for the previous calendar year. The information included in this exhibit shall be in the form prescribed and modified by the NAIC as approved by the NAIC at the end of the previous calendar year.

(e) The information required by (d) above shall include:

(1) An allocation of expenses by category of expense; and

(2) An allocation of premiums, losses and expenses by lines of business.

Source. #4468, eff 8-5-88; ss by #5649, eff 7-1-93; ss by #7027, INTERIM, eff 7-1-99, EXPIRES: 10-29-99; ss by #7108, eff 10-29-99

Ins 801.05 Statistical Reporting.

(a) As a condition of doing business in this state, each insurer licensed to transact the business of property and casualty insurance in this state shall report their insurance statistical experience to the commissioner at least annually in such form and detail as shall be required by the NAIC Statistical Handbook and any additional detail required in these rules.

(b) All insurance companies licensed to transact the business of property and casualty insurance in this state shall report their insurance statistical experience including New Hampshire experience stated separately to a statistical agent designated by the commissioner. Such information shall be submitted in the form and detail outlined in statistical plans filed with the commissioner by the statistical agent pursuant to RSA 413:2. Insurers shall inform the commissioner of their choice of statistical agent and of any changes in a statistical agent. Statistical agents shall notify the commissioner of all changes in their statistical plans or in their reporting formats.

(c) Every statistical agent shall report its insurance data compilations to the commissioner in the form and detail contained in the NAIC Statistical Handbook. At least annually, and as specified in the NAIC Statistical Handbook, compilations shall be submitted for specific lines of insurance by statistical agents and those insurers reporting their statistical experience directly to the commissioner. All data elements and display formats for the annual compilations shall be those specified in the NAIC Statistical Handbook.

(d) The following lines of insurance shall be included in annual compilations to the commissioner or such other lines as may be specified in the NAIC Statistical Handbook:

(1) Automobile-commercial;

(2) Automobile-private passenger;

(3) Boiler and machinery;

(4) Burglary;

(5) Businessowners;

(6) Commercial multiple peril;

(7) Crop-hail;

(8) Farmowners;

(9) Fidelity and surety;

(10) Fire and extended coverage;

(11) General liability;

(12) Glass;

(13) Homeowners;

(14) Inland marine; and

(15) Personal property other than homeowners.

(e) Where relevant and practicable, compilation reports for lines of insurance shall include the following data elements:

(1) Premiums written;

(2) Premiums earned;

(3) Losses and loss adjustment expenses paid;

(4) Losses and loss adjustment expenses outstanding;

(5) Number of claims; and

(6) Territories.

(f) The compilations basis for each annual compilation report shall be that specified for the report in the NAIC Statistical Handbook, and shall be identified as calendar year, accident year or policy year.

(g) Data to produce fast track reports shall be submitted to those statistical agents by participating insurers within 45 days of the close of the calendar quarter.

(h) Participating insurers shall submit quarterly premium and loss data, including New Hampshire data shown separately, to statistical agents for the following fast track Lines or such other lines as may be specified in the NAIC Statistical Handbook:

(1) Private passenger liability;

(2) Private passenger physical damage;

(3) Commercial auto liability;

(4) Commercial auto physical damage;

(5) Homeowners;

(6) Dwelling fire;

(7) Dwelling allied lines;

(8) Commercial fire;

(9) Commercial allied lines;

(10) Farm business;

(11) Commercial multiple peril;

(12) Liability other than auto; and

(13) Medical malpractice.

(i) Participating insurers shall submit quarterly claim cost and claim frequency data to statistical agents for the following fast track lines or as otherwise specified in the NAIC Statistical Handbook:

(1) Private passenger comprehensive;

(2) Private passenger collision;

(3) Private passenger bodily injury liability;

(4) Private passenger property damage liability; and

(5) Private passenger personal injury protection, where applicable.

(j) Statistical agents shall provide fast track reports in the formats prescribed by the NAIC within 60 days of the close of the calendar quarter for the private passenger automobile and homeowners lines of insurance. Fast Track Reports for other lines of business shall be provided within 75 days of the close of the calendar quarter.

(k) Data to produce accelerated reports shall be submitted to statistical agents by participating insurers within 60 days of the close of the calendar quarter.

(l) Participating insurers shall submit statistical data including New Hampshire data shown separately for the following accelerated lines and classes or as otherwise specified in the NAIC Statistical Handbook:

(1) Owners, landlords and tenants liability;

(2) Manufacturers and contractors liability;

(3) Products liability, countrywide only;

(4) Premises/operations liability;

(5) Liquor law liability;

(6) Lawyers professional liability;

(7) Municipal liability;

(8) Public school liability;

(9) Day care liability; and

(10) Recreational Liability.

(m) Participating insurers shall submit to statistical agents such premium, loss and expense data that is necessary to generate accelerated reports in the form required by the NAIC Statistical Handbook, including:

(1) Direct premiums written;

(2) Direct premiums earned; and

(3) Incurred losses, developed as the mathematical total of the following:

a. The sum of the dollar amount of paid losses, plus the dollar amount of allocated loss adjustment expenses; and

b. The sum of reserves for reported claims at the end of the quarter, minus reserves for reported claims at the beginning of quarter.

(n) Upon the request of the commissioner, any special statistical reports as detailed in the NAIC Statistical Handbook shall be produced by the designated statistical agents. Companies that do not report their statistics to a statistical agent shall compile and report their own data in a format and time frame compatible with reports required of the designated statistical agents.

Source. #4468, eff 8-5-88; ss by #5649, eff 7-1-93; ss by #7027, INTERIM, eff 7-1-99, EXPIRES: 10-29-99; ss by #7108, eff 10-29-99

Ins 801.06 Due Date and Exemption.

(a) Statistical reports shall be due on the dates specified in the NAIC Statistical Handbook.

(b) A statistical agent or an individual insurer may request, by letter to the commissioner, an extension of the filing date(s) required for the submission of a report or statistical data.

Source. #4468, eff 8-5-88; ss by #5649, eff 7-1-93; ss by #7027, INTERIM, eff 7-1-99, EXPIRES: 10-29-99; ss by #7108, eff 10-29-99

Voting Sheets

HOUSE COMMITTEE ON COMMERCE

EXECUTIVE SESSION on SB 394-FN

BILL TITLE: **making miscellaneous changes in the insurance laws.**

DATE: April 12, 2000

LOB ROOM: 302

Amendments:

Sponsor: Rep. Francoeur	OLS Document #:	2000	4114h
Sponsor: Rep.	OLS Document #:		
Sponsor: Rep.	OLS Document #:		

Motions: OTP, (OTP/A), ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Francoeur

Seconded by Rep. Clark

Vote: 12-0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 12-0/Yes

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Stephen G. Avery, Clerk

Stephen G. Avery

HOUSE COMMITTEE ON COMMERCE

EXECUTIVE SESSION on SB 394-FN

BILL TITLE: **making miscellaneous changes in the insurance laws.**

DATE:

LOB ROOM:

Amendments:

Sponsor: Rep. Francoeur OLS Document #: 2000-4114H Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. Francoeur 12-0

Seconded by Rep. Clark

Vote: _____ (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Re-Refer, Interim Study (Please circle one.)

Moved by Rep. _____

Seconded by Rep. _____

Vote: _____ (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 12-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Stephen G. Avery, Clerk

Stephen G. Avery

OFFICE OF THE HOUSE CLERK 2000 SESSION

COMMERCE

Bill #: SB 394 Title: Changes to insurance laws-

PH Date: ____/____/____ Exec Session Date: 04/12/00

Motion: _____ Amendment #: _____

MEMBER	Amend. YEAS		Amend. NAYS	
Hunt, John B, Chairman				
Francoeur, Sheila T, V Chairman	✓	✓		
Herman, Keith R	✓	✓		
Tsiros, William B				
Belanger, Ronald J	✓	✓		
McGough, Tim S	✓	✓		
Avery, Stephen G, Clerk	✓	✓		
Kenney, Joseph D	✓	✓		
Langley, Jane S	✓	✓		
Pappas, Marc P				
Dalianis, Griffin T				
DiFruscia, Anthony R				
Marshall, Gene B	✓	✓		
Clark, Martha Fuller	✓	✓		
Crosby, Toni M				
Russell, Ronald G				
Reardon, Tara G				
Vachon, Dennis P				
Taylor, Kathleen N	✓	✓		
Curran, James C				
Garrish, Linda L	✓	✓		
Keye, Harvey	✓	✓		
TOTAL VOTE:	12	12	0	0

Printed: 12/30/1999

Committee Report

COMMITTEE REPORT

COMMITTEE: **Commerce**

BILL NUMBER: **SB 394-FN**

TITLE: making miscellaneous changes in the insurance laws.

DATE: April 12, 2000 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☒ OUGHT TO PASS WITH AMENDMENT

☐ INEXPEDIENT TO LEGISLATE

☐ RE-REFER

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

This bill makes several technical corrections to the insurance laws and was requested by the insurance department. The amendment relates to rules relative to insurance regulations and grants exemptions under RSA 541:A. This exemption will allow reference to NAIC national formats which contain formulas, tables and forms which are industry specific and date sensitive. It is not the intention of the committee for the department to avoid the ratemaking process for NAIC models, but only to exempt those models from the drafting and procedures manual requirements.

Vote 12-0.

Rep. Sheila T. Francoeur
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

Commerce

SB 394-FN, making miscellaneous changes in the insurance laws. OUGHT TO PASS WITH AMENDMENT

Rep. Sheila T. Francoeur for Commerce: This bill makes several technical corrections to the insurance laws and was requested by the insurance department. The amendment relates to rules relative to insurance regulations and grants exemptions under RSA 541:A. This exemption will allow reference to NAIC national formats that contain formulas, tables and forms that are industry specific and date sensitive. It is not the intention of the committee for the department to avoid the ratemaking process for NAIC models, but only to exempt those models from the drafting and procedures manual requirements. Vote 12-0.