

**Kansas Administrative Regulations**  
**Agency 40. Insurance Department**  
**Article 4. Accident and Health Insurance**

**40-4-37q. Initial filing requirements.**

(a) This regulation shall apply as follows:

(1) To any long-term care policy issued in this state on or after January 1, 2003; or

(2) for certificates issued on or after January 1, 2003 under a group long-term care insurance policy as defined in K.S.A. 40-2227(e), and amendments thereto, which policy was in force at the time this regulation became effective, on the policy anniversary following 12 months after January 1, 2003.

(b)(1) Each insurer shall provide the following information and, as required, the information specified in paragraph (b)(2)(A), (B), or (C) to the commissioner 30 days before making a long-term care insurance form available for sale:

(A) A copy of the disclosure documents required in K.A.R. 40-4-37s; and

(B) an actuarial certification containing the following:

(i) A statement that the initial premium rate schedule is sufficient to cover anticipated costs under moderately adverse experience and that the premium rate schedule is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated;

(ii) a statement that the policy design and coverage provided have been reviewed and taken into consideration;

(iii) a statement that the underwriting and claims adjudication processes have been reviewed and taken into consideration; and

(iv) a statement that the premium rate schedule is not less than the premium rate schedule for existing similar policy forms also available from the insurer except for reasonable differences attributable to benefits or a comparison of the premium schedules for similar policy forms that are currently available from the insurer with an explanation of the differences.

(2) In addition to providing the information specified in paragraph (b)(1), each insurer shall also furnish information that provides a complete description of the basis for contract reserves that are anticipated to be held under the form, which shall include the information specified in paragraph (b)(2)(A), (B), or (C):

(A)(i) Sufficient detail or sample calculations provided so as to have a complete depiction of the reserve amounts to be held;

(ii) a statement that the assumptions used for reserves contain reasonable margins for adverse experience;

(iii) a statement that the net valuation premium for renewal years does not increase, except for

attained-age rating where permitted; and

(iv) a statement that the difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses or, if such a statement cannot be made, a complete description of the situations in which this does not occur;

(B) if the insurer does not provide the statement required in paragraph (b)(2)(A)(iv), an aggregate distribution of anticipated issues, if the underlying gross premiums maintain a reasonably consistent relationship; or

(C) if the insurer does not provide the information required in either paragraph (b)(2)(A)(iv) or paragraph (b)(2)(B), and if the gross premiums for certain age groups appear to be inconsistent with this requirement, a demonstration under subsection (c) of this regulation, based on standard age distribution as may be requested by the commissioner.

(c) An actuarial demonstration that benefits are reasonable in relation to premiums and that shall include one of the following, or both, may be requested by the commissioner:

(1) Premium and claim experience on similar policy forms, adjusted for any premium or benefit differences; or

(2) relevant and credible data from other studies.

(d) If the commissioner asks for additional information under subsection (c) of this regulation, the time period specified in subsection (a) of this regulation shall not include the period during which the insurer is preparing the requested information.

(Authorized by K.S.A. 40-103 and K.S.A. 40-2228; implementing K.S.A. 40-2228; effective Aug. 16, 2002.)