

Pennsylvania Insurance Department
COVID-19 Health Insurance
Payback and Credit Programs
Filing Guidance
May 8, 2020

Insurance companies with health insurance products, including major medical, dental-only, and vision-only products, are contemplating payback or credit programs to reflect the reduced exposure to loss during the current COVID-19 pandemic. We believe such a payback or credit program requires a product filing if a filing would otherwise be applicable (i.e., a form filing for an endorsement, or, if the product is subject to rate filings, a rate filing). A filing enables the Department to review any premium credit or rate reduction to assure it is not unfairly discriminatory or result in an inadequate rate, and to confirm that it complies with anti-rebating laws.

We are committed to an expedited review of these product filings when they take one of the following three forms:

- 1.) An endorsement that attaches to all policies and effectuates a payback; or
- 2.) A rate filing that details the amount of premium reduction and effectuates a payback; or
- 3.) A rate filing for a premium credit.

1.) Endorsement Filing

If the insurer chooses to make an endorsement filing, then it should be filed in SERFF under Filing Type “Form”. The filing should include the endorsement and either a cover letter or an explanatory memorandum detailing which policyholders will be receiving a payback, the amount of the payback and how the policyholders will be receiving the payback. The cover letter or explanatory memorandum should also include a date, no more than six months after the filing’s approval date, at which the endorsement will no longer be used or valid.

2.) Rate Filing to Effectuate a Payback

If the insurer chooses to make a rate filing to effectuate a payback, then it should be filed in SERFF under Filing Type “Rate”. The filing should contain either a cover letter or an explanatory memorandum detailing the amount of premium reduction per policyholder and for which month(s) it applies. A specific rate/rule manual page is NOT required. A rate filing to effectuate a payback will not require that an endorsement be used to return premium above what will be deemed to be the newly filed rat(s).

3.) Rate Filing for a Premium Credit

If the insurer chooses to make a rate filing for a premium credit, then it should be filed in SERFF under Filing Type "Rate". The filing should contain either a cover letter or an explanatory memorandum detailing the amount of premium credit and when it will apply. A specific rate/rule manual page is NOT required.