STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
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NASHVILLE, TENNESSEE 37219

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ELAINE A. McREYNOLDS
COMMISSIONER

B U L L E T I N

TO: All Insurers Writing Medicare Supplement Insurance in Tennessee

FR: Elaine A. McReynolds, Commissioner EAM
Department of Commerce and Insurance

RE: NAIC Model Transitional Regulation for Medicare Supplement Insurance

DA: October 11, 1988

As you are aware, the National Association of Insurance Commissioners (NAIC) adopted the Model Regulation to Implement Transitional Requirements for the Conversion of Medicare Supplement Insurance Benefits and Premiums to Conform to Medicare Program Revisions at a special plenary session in September, 1987.

The Regulation requires insurers writing medicare supplement insurance to notify policyholders of revisions to the medicare program and to provide a description of each modification made to medicare supplement insurance coverage, to notify of any premium adjustments, and to provide notice of benefit modifications and any premium adjustments in outline form in clear and simple terms so as facilitate comprehension.

The Regulation requires insurers to file with the Department appropriate premium adjustments necessary to produce loss ratios as originally anticipated. Any appropriate riders, endorsements or policy forms needed to accomplish medicare supplement insurance modifications necessary to eliminate benefit duplications with medicare shall also be filed with the Department.

The Rule implements requirements of federal law. As stated previously, the Department expects all medicare supplement insurers doing business in Tennessee to comply with the provisions of the Transitional Rule. The Department will be promulgating changes to its Medicare Supplement Insurance Regulations in the near future to implement the changes in the new NAIC Medicare Supplement Insurance Minimum Standards Regulation.

Most insurers should have a copy of the NAIC Model Transitional Regulation. However, copies of the Model Transitional Regulation will be furnished upon request.

EAM/cmf