STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

BULLETIN 2020-26-INS

In the matter of:

Health and Dental Insurer
Premium Refunds/Credits Due to COVID-19
_____/

Issued and entered
this 22nd day of May 2020
by Anita G. Fox
Director

On March 10, 2020, Governor Whitmer issued Executive Order 2020-04, which declared a state of emergency across the State of Michigan due to the COVID-19 pandemic. Since then, the virus has spread across Michigan, bringing deaths in the thousands, confirmed cases in the tens of thousands, and deep disruption to this state's economy, homes, and educational, civic, social, and religious institutions. On April 1, 2020, in response to the widespread and severe health, economic, and social harms posed by the COVID-19 pandemic, Governor Whitmer issued Executive Order 2020-33 which expanded Executive Order 2020-4 and declared both a state of emergency and a state of disaster across the state of Michigan under section 1 of article 5 of the Michigan Constitution of 1963, the Emergency Management Act, and the Emergency Powers of the Governor Act of 1945. On April 30, 2020, finding that COVID-19 had created emergency and disaster conditions across the State of Michigan, Governor Whitmer issued Executive Order 2020-67 to continue the emergency declaration under the Emergency Powers of the Governor Act, as well as Executive Order 2020-68 to issue new emergency and disaster declarations under the Emergency Management Act through May 28, 2020 at 11:59 p.m.

The COVID-19 pandemic has resulted in significant financial impacts to Michigan residents. DIFS strongly encourages health and dental issuers to provide appropriate premium refunds or credits consistent with the following filing guidelines. Insurers who have already submitted a filing prior to this guidance must add to their filing any of the following information that was not submitted.

This bulletin applies to any health and dental insurers that plan to issue premium refunds or credits to their customers as a result of the COVID-19 pandemic to advise of the filing requirements for these plans. Insurers must submit a filing to DIFS advising of any premium refunds or credits they plan to issue to their insureds in response to the COVID-19 pandemic.

Filing Memorandum COVID-19
Insurers must attach a filing memorandum that outlines the changes requested in this filing. The filing memorandum should include:

- The amount of the premium refund or credit by policyholder.
- The summary of the method for determining the amount of premium refund or credit.
- Parameters on which policyholders will receive the premium refund or credit.

- Timeframe during which the premium refund or credit applies.
- How payments will be issued (e.g., check, direct deposit, policy credits, etc.).
- A communication plan for insureds.
- A description regarding how annual benefits will be addressed (e.g., well-baby visits, annual physicals, dental cleaning, mammograms, etc.).

Health Insurers
Health insurers should also address how the plan outlined in the filing memorandum addresses Advance Premium Tax Credit for those in the individual market and Medical Loss Ratio in all markets.

Actuarial Support
Insurers must attach the actuarial support that they relied on to determine the amount of the premium refund or credit. Proposed adjustments that vary by policyholder must comply with applicable statutory requirements found in MCL 500.2242, R 500.801 *et seq.*, and MCL 500.3519.

Policyholder Notices
Insurers must attach copies of any notices that will be sent to insureds, whether in hard copy or electronically.

Filings must be submitted using only the "H21 Health – Other TOI/Sub-TOI" along with the filing type "COVID-19 Premium Refund/Credit" in SERFF.

Insurers will need to follow statutory accounting guidance when reporting refunds.

Any questions regarding this bulletin should be directed to:

Department of Insurance and Financial Services
Office of Insurance Rates and Forms
530 West Allegan Street, 7th Floor
P.O. Box 30220
Lansing, Michigan 48909-7720
Toll Free: 877-999-6442

/s/

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Anita G. Fox
Director