

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

BULLETIN 2020-24-INS

In the matter of:

**Plan Year 2021 Rate Filings:
Individual and Small Group Markets**

**Issued and entered
this 7th day of May 2020
by Anita G. Fox
Director**

Affordable health coverage is essential to the health and financial security of Michigan residents. The Department of Insurance and Financial Services (DIFS) recognizes that rate development for Plan Year 2021 (PY21) is challenging due to the COVID-19 pandemic. DIFS is keenly aware that significant rate increases for PY21 will affect enrollees at a time of extreme financial uncertainty.

As issuers are likely aware, the federal government has not issued guidance regarding the impact on rates due to COVID-19. However, Michigan, as an Effective Rate Review state, will allow issuers to decide whether to include emerging experience related to COVID-19 in their rate development.

Issuers that decide to include COVID-19 experience must provide an exhibit which specifically details whether rates include COVID-19 experience and which describes the rating methodology. The exhibit must describe the rating and trending impact by Essential Health Benefit category and must include actuarial support.

DIFS will direct its consulting actuarial firms to consider trends and experience by issuer. Following actuarial review, DIFS will review the aggregate data to determine if any issuers are outliers. Outliers could result in enrollment shifts among issuers which could negatively impact the market. DIFS remains focused on ensuring actuarially sound rates and a competitive market for Michigan residents.

Please note that information in this bulletin is subject to change due to the fluid nature of the COVID-19 pandemic. Issuers are strongly urged to check the DIFS website and SERFF State Messages for updates.

Any questions regarding this bulletin should be directed to:

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/s/

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