

*Adopted by the Health Insurance and Managed Care (B) Committee – ?
Adopted by the Health Actuarial (B) Task Force – Feb. 24, 2017*

HEALTH INSURANCE RESERVES MODEL REGULATION

TABLE OF CONTENTS

Section 1.	Introduction
Section 2.	Claim Reserves
Section 3.	Premium Reserves
Section 4.	Contract Reserves
Section 5.	Reinsurance
Section 6.	Effective Date
Appendix A.	Specific Standards for Morbidity, Interest and Mortality
Appendix B.	Glossary of Technical Terms Used
Appendix C.	Reserves for Waiver of Premium

APPENDIX A. SPECIFIC STANDARDS FOR MORBIDITY, INTEREST AND MORTALITY

I. MORBIDITY

A. Minimum morbidity standards for valuation of specified individual contract health insurance benefits are as follows:

(3) Cancer Expense Benefits ~~(Scheduled benefits or fixed time period benefits only)~~.

(a) Contract Reserves:

(i) Contracts issued on or after January 1, 1986 and before January 1, 2019:
The 1985 NAIC Cancer Claim Cost Tables (1985 CCCT).

(ii) Contracts issued on or after January 1, 2019:

(I) For first occurrence and hospitalization benefits:
The 2016 Cancer Claim Cost Valuation Tables (2016 CCCVT);
http://www.naic.org/documents/01_naic_2017_cancer_claim_cost_valuation_table.xlsx

(II) For all other benefits:
Assumptions based on company experience, relevant industry experience, and actuarial judgement. Such assumptions should be appropriate for valuation which considers margin for adverse experience.

(iii) For contracts issued on or after January 1, 2018 and before January 1, 2019, a company may elect to use morbidity basis described in subsection (ii) above. Once a company begins use of the 2016 CCCVT for new issues, it may not revert to the 1985 CCCT.

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