**Section 2026.50 Submission of Rate Filing Justification**

a) For all rates described in Section 2026.30(a) and (b), a health insurance issuer must submit a Rate Filing Justification for all products in the single risk pool, including new or discontinuing products, to the Director on a form and in a manner prescribed by the Secretary in 45 CFR 154.215(a) (April 17, 2018) (no later editions or amendments) and as further provided in this Section.

b) The Rate Filing Justification must consist of the following Parts (as required in 45 CFR 154.205(b) and pursuant to Section 355 of the Code):

1) Unified rate review template (Part I), as described in subsection (d).

2) Written description justifying the rate increase (Part II), as described in subsection (e).

3) Rating filing documentation (Part III), as described in subsection (f).

c) Circumstances for Required Parts

1) For all rate increases regardless of the amount, a health insurance issuer must complete and submit Parts I and III of the Rate Filing Justification described in subsections (b)(1) and (b)(3) to the Director as required by 45 CFR 154.215(c). If the health insurance issuer deems any information contained in either Part I or III to be proprietary, privileged, or confidential such that disclosure of the information would cause competitive harm to the issuer, the health insurance issuer must file both an unredacted version and a version with the deemed confidential information redacted that is separately marked for public access in SERFF. Additionally, to qualify for ongoing exemption from production under Section 7(1)(g) of the Freedom of Information Act [5 ILCS 140], proprietary, privileged, or confidential information must be furnished to the Department with the explicit claim that the disclosure of the information would cause competitive harm to the health insurance issuer. The health insurance issuer must furnish that claim in a letter separate from but contemporaneously with the Part I and III documents. This subsection supersedes any conflicting provisions of 50 Ill. Adm. Code 4521.60.

2) For all rates regardless of any increase, decrease, or continuation, the health insurance issuer must complete and submit to the Director Part II of the Rate Filing Justification described in subsection (b)(2) that is marked for public access in SERFF. This subsection supersedes any conflicting provisions of 50 Ill. Adm. Code 4521.60.

3) Without expanding the scope of information for which a health insurance issuer may obtain protection under Section 7(1)(g) of the Freedom of Information Act, the following information must not be redacted and will not be deemed confidential, proprietary, or privileged by the Department:

A) any portion of Part II of the Rate Filing Justification described in subsection (e);

B) the rate sheets and other rate, premium, and policyholder information described in Section 2026.30(d); and

C) any information described in subsections (c)(3)(A) or (c)(3)(B) that appears elsewhere in the rate filing.

d) Content of unified rate review template (Part I): The unified rate review template must include the following, as determined appropriate by the Director and in accordance with 45 CFR 154.215(d):

1) Historical and projected claims experience.

2) Trend projections related to utilization, and service or unit cost.

3) Any claims assumptions related to benefit changes.

4) Allocation of the overall rate increase to claims and non-claims costs.

5) Per enrollee per month allocation of current and projected premium.

6) Three year history of rate increases for the product associated with the rate increase.

e) Content of written description justifying the rate increase (Part II): The written description of the rate increase must include a simple and brief narrative in plain writing describing the data and assumptions that were used to develop the rate increase and must include the following as required by 45 CFR 154.215(e) and Section 355(d) of the Code. The entirety of this document will be included in the posting of the rate filing to the Department's public website under Section 355(d):

1) Explanation of the most significant factors causing the rate increase, including a brief description of the relevant claims and non-claims expense increases reported in the rate increase summary;

2) Brief description of the overall experience of the policy, including historical and projected claim and administrative expenses, loss ratios, number of historical and projected covered lives, and assumed medical trends. In addition to general medical trends and other trend information the issuer deems relevant for the justification, the description of assumed medical trends must address the impact of hospital and generic, brand, and specialty drug cost trends on the proposed premium rates; and

3) Notification of the public comment period described in Section 355(e) of the Code.

f) Content of rate filing documentation (Part III) as required by 45 CFR 154.215(f): The rate filing documentation must include an actuarial memorandum that contains the reasoning and assumptions supporting the data contained in Part I of the Rate Filing Justification. Parts I and III must be sufficient to conduct an examination satisfying the requirements of 45 CFR 154.301(a)(3) and (4) and to determine whether the rate increase is an unreasonable increase.

g) If the level of detail provided by the issuer for the information under subsections (d) and (f) does not provide sufficient basis for the Director to determine whether the rate increase is an unreasonable rate increase, the Director will request the additional information necessary to make a determination, as allowed by 45 CFR 154.215(g).

(Source: Amended at 48 Ill. Reg. 7239, effective April 30, 2024)