



94 Central Avenue, Albany, NY 12206; (518) 465-4600

October 13, 2011

Superintendent Benjamin Lawsky  
New York State Department of Financial Services  
One State Street  
New York, NY 10004

Re: Public Release of Health Insurance Submissions in Support of Premium Increases

Dear Superintendent Lawsky:

We write to applaud and support the Department of Financial Services' efforts to make more information available to insurance consumers about the basis for the premium rate increases their insurers have requested. Citizen Action of New York is an organization with thousands of members around the state that advocates for social, racial, economic and environmental justice. Along with other members of the coalition we help to lead, Health Care for All New York (HCFANY), Citizen Action actively participated in the public campaign to enact the state's "prior approval" law, Chapter 107 of the Laws of 2010.

Over the last decade, we have witnessed the challenges faced by the individuals we represent and our own organization's employees as premium rate increases have outstripped the general rate of inflation and today often exceed even the rate of medical inflation. Meanwhile, many insurers have achieved record-setting profits for their shareholders or, in the case of not-for-profits, banked huge surpluses. Many New Yorkers have only been able to maintain coverage by turning to public insurance programs as individual and employer-based coverage have become increasingly unaffordable.

The new prior approval system contemplates that consumers will be informed about proposed rate increases well in advance and have the opportunity to comment and present evidence to the Department. Contrary to the alarming statements made by insurer representatives that the public should be protected from technical information in rate proceedings, the wording of the statute and the legislative history make absolutely clear that policyholders and interested consumers are entitled to be full participants in rate proceedings; full participation is impossible without access to documents such as the insurer's actuarial memoranda.<sup>1</sup> We have been frustrated, however, at seeing only the insurers' conclusions, and not having the basic information about what has led to increases so far beyond increases in medical cost. The insurers' actuarial memoranda and the information on which those memoranda are based would give us meaningful information to address the application.

By enacting the prior approval process, the Legislature placed a new emphasis on the involvement of

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<sup>1</sup> The statute clearly states, in pertinent part that any "person may ... contact the insurance department... to receive additional information or to submit written comments to the insurance department on the *rate filing or application*" and that the "determination of the superintendent shall be supported by *sound actuarial assumptions and methods*...". N.Y. Insurance Law Sections 3231(e)(1), 4308(c)(2)[emphasis added]. Needless to say, while the general sentiments of consumers are important and worthy of consideration by the Department of Financial Services, full participation is not possible without public access to actuarial assumptions and methods used by the insurer to determine the proposed rate.

consumers and consumer representatives in a rate setting process that affects an interest vital to them. Past policies that treat internal insurance company data as proprietary must necessarily be adjusted to reflect that new public policy.

We support and applaud your efforts to give us the tools we need to participate in the rate setting process and standing up for New York's health insurance consumers.

Very truly yours,

A handwritten signature in cursive script that reads "Bob Cohen".

Bob Cohen, Esq.  
Policy Director