



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Bulletin Numbers PC-11 & HC44
February 14, 1991

TO: COMPANIES LICENSED IN THE STATE OF CONNECTICUT TO WRITE
PROPERTY OR CASUALTY INSURANCE OR ACCIDENT AND HEALTH
INSURANCE

RE: CATASTROPHIC STOP LOSS COVERAGE AKA Excess Reimbursement
Policies or Excess Coverage Policies

This bulletin supplements and amends Bulletin Numbered PC-7 & HC42
dated February 15, 1990.

This bulletin changes procedures subsection (1) of item C "Standards
for such programs" to read;

- (1) Retention (often referred to as the attachment point)
must be at least \$6,500 per individual or family. This
should not be confused with an "aggregate attachment
point".

Currently Approved Filings With A Retention of \$15,000 or More

If an insurance company has an approved filing with a minimum
retention equal to or greater than \$15,000 and wishes to lower the
retention (minimum allowed \$6,500), it should submit an amended
filing accordingly.

Filings Which Were Implemented Prior to the Establishment of the Previous Minimum \$15,000 Retention Standard

Each company should review its filings and:

1. for any filing that has a retention explained in the filing
and the retention is \$6,500 or more, no action is necessary.
2. for any filing that has a retention explained in the filing
and the retention is less than \$6,500, the company must amend
its filing to comply with the \$6,500 standard.
3. for any filing that is silent as to the minimum retention
amount, the company must file an amendment to its filing
clearly stating that a policy will never be sold with minimum
retention of less than \$6,500.

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NOTE NEW ADDRESS
P. O. BOX 816, HARTFORD, CT 06142-0816
Phone: (203) 297-3867
165 Capitol Avenue • Hartford, CT 06106

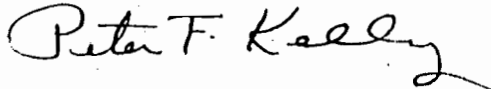
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Risks Currently Written With a Retention of
Less than \$6,500

Insurance Companies must revise all policies currently written with a retention of less than \$6,500 to reflect a retention of at least \$6,500, not later than April 1, 1992. This will allow an orderly transition to the new retention rule.

If you have any questions concerning catastrophic stop loss standards and procedures please direct them, in writing, to the Department, to the attention of the Property & Casualty Division.

Very truly yours,



PETER F. KELLY
INSURANCE COMMISSIONER

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