

Part III: Actuarial Certification Template

Reliance – If, in preparing the URRT submission, the certifying actuary relied on any information or underlying assumptions provided by another individual, the information relied upon and the name of the individual providing that information may be disclosed.

I, _____, an employee of _____ and a member of the [American Academy of Actuaries, Society of Actuaries, or Casualty Actuarial Society] certify to all the following statements and requirements:

1. The filing is complete and in compliance with all provisions of [N.J.A.C. 11:20-6.3(a), N.J.A.C. 11:21-9.3(a)].
2. The filing states the issue period, not exceeding 12 months, for which the rates are applicable.
3. [The SEH filing gives the anticipated incurred loss ratio for each plan, which shall be at least 80%.]
4. [The IHC loss ratio is expected to be at least 80% over the rating period.]
5. Premiums are not based on any rating factors other than age [and territory].
6. This memorandum contains confidential and proprietary information.
7. [The rating methodology will not provide rates (for an individual and for each family status) for the highest rated group in this State which are greater than 200 percent of rates (for an individual and for each family status) produced for the lowest rated group in this State for each plan and option, across all ages and geographical areas with the exception of children.]
8. [No classification factor, other than those permitted, including those at NJAC 11:21-7.14, is used.]
9. [The filed rates do not provide for recoupment of the HMO assessment.]
10. The projected index rate is:
 - a) In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102);
 - b) Developed in compliance with the applicable Actuarial Standards of Practice;
 - c) Reasonable in relation to the benefits provided and the population anticipated to be covered; and
 - d) Neither excessive, nor deficient.
11. Policyholders may not receive dividends other than the dividends required by NJSA 17B:27A-25g(2). If such dividends are payable, the carrier shall also submit the following:
 - (1) The detailed assumptions and practices for determining and distributing such dividends; and
 - (2) A demonstration that such dividends are not in violation of 3iv(4), 3iv(5) or 3iv(6) below, as appropriate

To the best of my knowledge¹, this filing is accurate and complete and complies with all the provisions of NJAC 11:21-9.

12. The index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.
13. The percent of total premium that represents essential health benefits included in URRT Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
14. [The geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area.]
15. The AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template.²
 - For purposes of rate review, also include the reason an alternate methodology was used and the chosen alternate methodology that was used for each applicable plan. Describe the process that was used to develop the AV Metal Value.

¹ If the actuarial certification includes the phrase "To the best of my knowledge," and/or the certifying actuary has relied on any information or underlying assumptions provided by another individual, a reliance section must be included describing the extent of the certifying actuary's knowledge and/or the information relied upon and the name of the individual providing that information, supported by a certification from each individual that: identifies the information provided; opines on the accuracy, completeness or reasonableness of the information provided; and describes their qualifications. The certification must include the signature, name, title company address and telephone number of the person rendering the certification, as well as the date on which it was signed.

² If an alternate methodology was used to calculate the AV Metal Value for at least one plan offered, the certifying actuary must state this, and a copy of the actuarial certification required by 45 CFR 156.135 must be included. The certification must be signed by a member of the American Academy of Actuaries and must indicate that the values were developed in accordance with generally accepted actuarial principles and methodologies. Also include the reason an alternate methodology was used and the chosen alternate methodology that was used for each applicable plan. Describe the process that was used to develop the AV Metal Value.