**20:06:21:65.  Premium rate schedule increases - Review by the director.** For each rate increase that is implemented, the insurer shall file for approval by the director updated projections, as defined in subdivision 20:06:21:63(3)(a), annually for the next three years and include a comparison of actual results to projected values. The director may extend the period to greater than three (3) years if actual results are not consistent with projected values from prior projections. For group insurance policies that meet the conditions in § 20:06:21:68, the projections required by this chapter shall be provided to the policyholder in lieu of filing with the director.

 (1)  If any premium rate in the revised premium rate schedule is greater than 200 percent of the comparable rate in the initial premium schedule, lifetime projections, as defined in subdivision 20:06:21:63(3)(a), shall be filed for approval by the director every five years following the end of the required period in the above paragraph. For group insurance policies that meet the conditions in § 20:06:21:68, the projections required by this subdivision shall be provided to the policyholder in lieu of filing with the director;

 (2)(a)  If the director has determined that the actual experience following a rate increase does not adequately match the projected experience and that the current projections under moderately adverse conditions demonstrate that incurred claims will not exceed proportions of premiums specified in § 20:06:21:64, the director may require the insurer to implement any of the following:

 (i)   Premium rate schedule adjustments; or

 (ii)  Other measures to reduce the difference between the projected and actual experience;

 (b)  In determining whether the actual experience adequately matches the projected experience, consideration must be given to subdivision 20:06:21:63(3)(e), if applicable;

 (3)  If the majority of the policies or certificates to which the increase is applicable are eligible for the contingent benefit upon lapse, the insurer shall file:

 (a)  A plan, subject to director approval, for improved administration or claims processing designed to eliminate the potential for further deterioration of the policy form requiring further premium rate schedule increases, or both, or to demonstrate that appropriate administration and claims processing have been implemented or are in effect; otherwise the director may impose the condition in subdivisions 20:06:21:66(1) and (2); and

 (b)  The original anticipated lifetime loss ratio, and the premium rate schedule increase that would have been calculated according to § 20:06:21:64 had the greater of the original anticipated lifetime loss ratio or 58% been used in the calculations described in subdivisions 20:06:21:64(2)(a) and (c).

 After December 31, 2018, subdivision 3(b) is no longer applicable.

 **Source:** 28 SDR 157, effective May 19, 2002; 44 SDR 184, effective June 25, 2018.

 **General Authority:** SDCL 58-17B-4.

 **Law Implemented:** SDCL 58-17B-4.