

**The State of Idaho**  
**Required Content For Actuarial Certifications of Compliance with Small Employer Rate Restrictions**

Each small employer carrier shall file with the director annually on or before March 15, an actuarial certification containing the following information, in the order they are presented to the extent possible. The time period to be certified is from January 1 through December 31 of the previous year.

1. Certification whether all practices, as required by Idaho Code §41-4706(5)(b), to be included in the certification, are in compliance with Chapter 47 of Idaho Code Title 41 and IDAPA 18.04.12;
2. A listing of practices that are covered in the certification, including but not limited to:
  - a. Classes of business have been established in accordance with applicable laws (§41-4705 and IDAPA 18.04.12.021);
  - b. Index rates have been calculated as required by law (§41-4703(16));
  - c. Premium rates within a class do not vary from the index rate for that class by more than is allowed by the law, taking into account any differences in case characteristics (§41-4706(1)(b));
  - d. The index rate for any class does not exceed the index rate for any other class by more than is allowed by law (§41-4706(1)(a));
  - e. Rate increases from the prior rating period do not exceed the percentage increases allowed by law (§41-4706(1)(c) and IDAPA 18.04.12.036.16);
  - f. Rating restrictions associated with permitted case characteristics have been met and only allowable case characteristics have been used in adjusting the rates for compliance testing (§41-4706(1)(h), §41-4706(1)(i), IDAPA 18.04.12.036.05, and IDAPA 18.04.12.036.06);
  - g. Differences in rates for plan design are reasonable, reflect objective design differences, and do not include differences in the nature of groups assumed to elect a plan, to the extent permitted by law (§41-4706(1)(f)(i), §41-4706(1)(j)(i), and IDAPA 18.04.12.036.08);
  - h. Rating methods and practices are in accordance with sound actuarial principles, to the extent permitted by law (§41-4706(5)(a));
  - i. Rates and practices are in compliance with any additional applicable laws and regulations established by the Director to implement the law (§41-4706(1)(d), §41-4706(1)(e), §41-4706(1)(f)(ii), §41-4706(2), IDAPA 18.04.12.010.03, IDAPA 18.04.12.036.02, IDAPA 18.04.12.036.09, IDAPA 18.04.12.046, and IDAPA 18.04.12.067);
  - j. Marketing practices are in compliance with the standards to assure fair marketing (§41-4706(4), §41-4716 and IDAPA 18.04.12.075);
3. Description of the methods used to test compliance, to include detailed information as to which practices were tested, when and how testing was performed, number of members or policies tested, etc.;
4. A brief summary of the results of the compliance testing for each test performed.
5. Changes in rating methods and other practices that have occurred during the time period covered by the certification and that affect compliance;
6. A description of any subsequent events;
7. Where a qualified certification is given, any actions that are being taken to bring the carrier into compliance;
8. Where a limited certification is given, identification of any sections of the regulatory requirements regarding certification that are not addressed;
9. Disclosures of any deviations from Actuarial Standard of Practice No. 26 that were used in determining compliance, and the nature, rationale, and effect of such deviations;

10. The certification must be a written statement by a member of the American Academy of Actuaries or other individual acceptable to the Director.