

Subject: FW: Comment on Proposed Supplemental Health Care Exhibit

June 1, 2010

Dear Mr. Felice and Mr. Sells:

Thank you for the opportunity to comment on the proposed reporting forms. In reviewing the General Instructions of the 5/20 draft, we noted the statement that "The allocation of premium between jurisdictions should be based upon situs of the contract" and also the statement "For individual business sold through an association, the situs of the contract shall be based on the issue state of the certificate of coverage".

National Health Insurance Company is a carrier that writes individual market coverage both through individual policies and through association group policies. Our premiums and claims records for annual statement and premium tax reporting are maintained based on the resident state of the insured, which often is different than the original contract state of the individual policy or certificate. We would not be able to administer a separate set of records just for the purpose of this new reporting.

We would suggest that reporting on either the basis of the resident state or the situs state should be acceptable for individual market coverage. Your consideration of our comments in this matter is very much appreciated.

Sincerely,

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6/3/2010