Conference Call

HEALTH REFORM SOLVENCY IMPACT (E) SUBGROUP
March 9, 2011

Summary Report

The Health Reform Solvency Impact (E) Subgroup met via conference call March 9, 2011. During this meeting, the Subgroup:

1. Considered a draft 2011 blanks proposal as an item the Subgroup would refer to the Blanks (E) Working Group to go through the normal blanks process, with the added feature of the Subgroup responding to comments received by the Blanks (E) Working Group during the exposure period. NAIC staff summarized the changes from the 2010 version of the blanks and instructions.
   a. Regulators and interested parties were asked to pay particularly close attention to the handling of group conversions in the draft 2011 blanks proposal in their review during the Blanks (E) Working Group exposure period.
   b. The newly established Columns 4, 5 and 6 for student health plans, mini-med plans and expatriate plans were discussed with regard to their inclusion as comprehensive major medical business for purposes of the exclusions from filing the Supplemental Health Care Exhibit, the 2% rule related to detailed breakout of non-comprehensive major medical business and reporting in Part 3 of the supplement.

2. Discussed an industry proposal to allow exclusions from reporting data in the supplement in situations where a company’s only individual business was legacy, closed-block business with 1,000 or less individuals across the United States. Industry representatives were asked to provide a written proposal during the Blanks (E) Working Group exposure period.

3. Discussed the need to consider examination issues related to the supplement and plans to begin those discussions in April once the supplement has been filed by the insurers. The Subgroup also discussed that it needs to consider a referral to the Health Insurance and Managed Care (B) Committee for reviewing the health quality improvement (QI) expenses.

4. Heard from industry representatives, who raised a concern with the transparency of decisions related to NAIC staff editorial changes involving the annual statement software and the additional concern that some of these changes are deemed by some industry representatives to be substantive, rather than editorial. The Subgroup chair and NAIC staff responded that the turnaround time provided for the development and release of the supplement required processes outside of the norm.