The Health Reform Solvency Impact (E) Subgroup met via conference call May 25, 2011. During this call, the Subgroup:

   a. Add “Part 3” to the aggregate 2% rule to clarify that Part 3 should be reported, as well as the specified columns of Parts 1 and 2.
   b. Add instructions to the small group employer description to clarify that the reporting should be consistent with the situs of the group contract.
   c. Clarify that TRICARE plans should be reported with the large group employer plans.
   d. Add instructions for lines 10.1 and 10.2 of Part 1 to clarify the reporting of commissions and related fees.
      • Indicated that reinsurance ceded commission expense should be reported in the other general and administrative expense line.
   e. Include the words “with novation” to the 100% assumption reinsurance instructions for clarification.
      • Indicated that the 100% indemnity reinsurance relates to those reinsurance contracts entered into prior to March 23, 2010.
   f. Add instructions to clarify the reporting of employer group business through an association.

2. Reviewed the ICD-10 expense totals reported within the Supplemental Health Care Exhibit for the life and health blank. Would like to hold a conference call to discuss the details of ICD-10 expenses and the impact on company financials.

3. Discussed the need to set up a financial examination technical group as well as a financial analysis technical group to review current procedures and evaluate the need for additional procedures.

4. Considered drafting a proposal document to the Health Insurance and Managed Care (B) Committee suggesting that the Committee review new quality improvement initiatives for standardization and incorporation into the supplemental instructions.