Conference Call

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

Summary Report

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

1. Discussed comments received for the 2011 Supplemental Health Care Exhibit 2011-30BWG blanks proposal and agreed to:
   a. Add clarifying language for the allocation of multiple employer welfare association business to be the location of the employer.
   b. Revise the instructions for line 10.2, Part 1 to clarify that all expenses a company would incur for non-employee agents should be reported.
   c. Add instructions to indicate that a company should contact their domiciliary regulator to obtain a waiver of the filing if the only reportable business in the individual, small group employer, larger group employer, mini-med plans and expatriate plans columns is composed of closed blocks that, if totaled across all states, do not equal 1,000 lives in total.
   d. Add a footnote to Part 1 to indicate whether the business reported contains run-off or withdrawal premiums or claims.
   e. Delete the “Student Health Plan” column.
   f. Add two new columns for the reporting of mini-med business to allow for individual, small group employer and large group employer reporting.
   g. Retain the one column for expatriate plans, but indicate that the business should be aggregated on the state of domicile page only and included on the grand total page.
   h. Add language for the contingent benefits line 2.13 on Part 2 to indicate that the “change in reserve” is to be reported, indicating that contingent benefits should be the financial data and not an “off-balance-sheet” item.
   i. Add xxx’s to all business columns of the federal income taxes (excluding taxes on line 1.5) line 14 in Part 1, and add instructions to indicate that federal income tax is to be reported in the subtotal and total columns only.
   j. Add headings to highlight the paragraph issues on Page 1 of the instructions, specifically “reinsurance.”
   k. Have NAIC staff make the editorial changes suggested in the related comments.

2. Discussed the need to assign a chair and charges for the Financial Examination (E) Technical Group as well as the Financial Analysis (E) Technical Group to begin work on reviewing current procedures and evaluate the need for additional procedures.

3. Reviewed the memorandum to be submitted 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.