

History of Kentucky Health Carriers

1990 - 1999

1990-1993

Kentucky had 437 companies licensed to sell accident and health insurance. In 1993, direct premiums written were \$692,454,015. The average loss ratio was 90 percent, meaning 90 cents of every \$1.00 collected in premiums went to pay medical claims.

Eleven HMOs were licensed to conduct business in Kentucky at the end of 1993: Advantage Care, Alternative Health Delivery Systems Inc., Bluegrass Family Health, Choice Care, HealthWise of Kentucky, HMPK Inc., Hplan, Inc., Humana Health Plan Inc., Metlife Healthcare Network, PruCare, Southeastern United Medigroup Inc., and TakeCare. A total of 787,423 people were enrolled in HMOs. Direct premiums written were \$773,061,043.

Five of the HMOs were new in Kentucky in 1993. Two of the HMOs were Humana subsidiaries (HMPK, Inc. and Hplan, Inc.) and one was affiliated with Anthem.

Advantage Care Inc. was licensed in 1993, and was owned by the Lexington Clinic. Advantage Care was formerly

known as Lexington Health Advantage and primarily marketed in the Fayette County area. The other HMO licensed in 1993 was Bluegrass Family Health. Bluegrass marketed initially in the Lexington area and is owned by the Baptist Healthcare System.

Who left market: Aid Association of Lutherans was the only company that left the market in 1993.

Mergers & Acquisitions: The largest Kentucky insurance business combination in the early 1990s pertained to the Blue Cross and Blue Shield of Kentucky, Inc. merger with the Indiana Blue Cross and Blue Shield system, The Associated Group, Inc. As part of the business combination, the Kentucky Blues converted to a health maintenance organization and continued to market all types of products under its HMO license.

1994

Who was admitted to market

During 1994, Aetna Health Plan HMO was licensed to sell business in Kentucky. Its primary markets were Northern Kentucky and Louisville. Additionally, the

department licensed American Health Network of Kentucky, Inc., a subsidiary of Anthem.

Additionally, Blue Cross/Blue Shield of Kentucky became known as "Anthem Health Plans." Lexington Health Advantage became known as "Advantage Care, Inc." Metlife HealthCare Network merged with Travelers Insurance Co. and became known as MetraHealth Care. TakeCare Health Plan became known as FHP of Ohio, Inc.

Who left market

The following carriers offering health insurance left the market in 1994: Hartford Life and Accident Company and State Farm Mutual Insurance Cos.

1995

Who was admitted to market

Three health insurers entered the market in 1995.

- The Kentucky Department of Insurance licensed CHA HMO, Inc. Initially, CHA was located primarily in the Lexington area and is affiliated with the University of Kentucky.
- The department also licensed Healthsource Kentucky, Inc. It

does business primarily in the western Kentucky area.

- Heritage National Health Insurance Plan was admitted Dec. 8, 1995, as a licensed HMO. They were affiliated with John Deere Insurance Co.

Who left market

The following 31 carriers left the market in 1995 and all were licensed to write health coverage. The carriers covered 29,067 lives previous to their departure from the market.

The list is as follows: American National Insurance Co. of Texas; American Pioneer Life Insurance Co.; American Republic Insurance Co.; Bankers Life & Casualty Co.; Central Reserve Life ; Connecticut Life Insurance Co.; Community National Assurance Co.; Insurance Company of North America; Life of Georgia; John Alden Life Insurance Co.; Life Insurance Co. of North America; Metropolitan Life; Mutual of Omaha; Mutual Life Insurance Co. of New York; New York Life Insurance Co.; National Casualty Co., Nationwide Life Insurance Co.; Pan American Life Insurance Co.; Philadelphia American Life Insurance Co.; Physicians Mutual Insurance Co.; Phoenix Home Life Mutual; PM Group Life

Insurance Co.; Preferred Risk Life Insurance Co.; Pyramid Life Insurance Co.; Provident Indemnity Life Insurance Co.; Security Life Insurance Co. of America; Sentry Life Insurance Co.; Shelter Life Insurance; Union Bankers Insurance Co.; United World Life Insurance Co.; and Washington National Life Insurance Co.

1996

Who was admitted to market

The following were admitted to do business in 1996:

- Owensboro Community Health Plan, Inc. (d/b/a MedQuest HMO) on June 24, 1996. MedQuest initially offered coverage to both small and large groups and associations in Owensboro and surrounding counties.
- United Healthcare of Ohio, Inc. on December 11, 1996. United Healthcare of Ohio also participated in the group markets in the Northern Kentucky area.
- Tripoint Health Plan was admitted on Oct. 14, 1996.

Who left market

The following carriers notified the department of their intent to withdraw from the health insurance market, affecting the following number of people who were covered:

- Celtic Life Insurance Co., 1,122.
- Centennial Life Insurance Co., 4,466.
- Fortis Benefits Life Insurance Co., 12,916.
- General American Life Insurance Co., unknown.
- Golden Rule Insurance Co., 11,738.
- The Guardian Life Insurance Co., 190.
- MidAmerica Mutual Life Insurance Co., 114.
- Nippon Life Insurance Co., 20.
- Principal Mutual Life Insurance Co., 3,354.
- Trustmark Insurance Co., 496.

1997

Who was admitted to market

MSPA Health Plan was admitted as a licensed HMO on Feb. 20, 1997. They are affiliated with the University of Louisville.

Who left market

The following carriers notified the Department of Insurance of their intent to withdraw from the health benefit plan market in 1997:

- Connecticut National Life Insurance Co.
- Cuna Mutual Insurance Society
- John Hancock
- PFL Life Insurance Co.

Mergers & Acquisitions

MetraHealth merged with United Health Care of Ohio in March 1997.

1998

Who was admitted to market

The following carriers notified the Department of their intent to return to the market:

- Fortis Health, individual short-term policies.
- Physicians Mutual Insurance Company, individual short-term policies.
- Fidelity Security Life Insurance Company, individual short-term policies.
- Principal Financial Group, large group and small group health benefit plans.

- American General Insurance Company, large group health benefit plans.
- Nippon Life Insurance Company, large group health benefit plans.

Who left market

The following carriers notified the department of their intent to withdraw from the health benefit plan market in Kentucky in 1998:

- American Fidelity Assurance Co.
- Connecticut General Life Insurance Co.
- Continental Life & Accident Co.
- John Deere Insurance Co.
- Lamar Life Insurance Co.
- National Casualty Co.
- Pioneer Life Insurance Co.
- Tripoint Health Plan Inc.
- United Wisconsin Life Insurance Co.
- Washington National Life Insurance Co.

1999

Who was admitted to market

Principal Mutual Life Insurance Co. filed its policy forms and rates to participate in the small group health insurance market in Kentucky with a

statewide PPO and a traditional insurance product.

Nippon Life Insurance Co. returned to the large group health insurance market and filings for General American Life Insurance Co.'s return was pending.

Fortis Health began offering a short-term health benefit plan during the year.

Specifically, HMPK and HPLAN merged into Humana Health Plan.

Who left market

MedQuest HMO in Owensboro went out of business. The department assumed day-to-day operations of MedQuest, and liquidated the company on Nov. 1.

Mergers & Acquisitions

On Jan. 1, 1999, Southeastern United Medigroup Inc., doing business as Anthem Blue Cross Blue Shield, merged with Southeastern Group Inc., doing business as Anthem Health Plans. The new name for this merged company was Anthem Health Plans of Kentucky Inc. The parent company is Anthem, with headquarters in Indiana.

Also on Jan. 1, Alternative Health Delivery Systems Inc. merged with Anthem Health Plans of Kentucky Inc.

A series of Humana companies also combined their operations in June 1999.