



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott Walker, Governor
Theodore K. Nickel, Commissioner

Wisconsin.gov

125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: ociinformation@wisconsin.gov
Web Address: oci.wi.gov

January 27, 2012

Gary M. Cohen
Acting Director, Office of Oversight
Center for Consumer Information and Insurance
200 Independence Avenue SW
Washington, DC 20201

Dear Mr. Cohen:

Thank you for your January 9, 2012, letter deeming Wisconsin's application for an adjustment to the medical loss ratio (MLR) requirement complete.

We look forward to a positive response to our application. The Patient Protection and Affordable Care Act included the waiver provision expressly to protect well-functioning markets like Wisconsin. In the past, Secretary Sebelius has recognized the validity of Wisconsin's regulatory approach by determining our rate review process is an effective rate review program. A state's determination whether a rate increase is unreasonably excessive is made under standards that a state is required to apply that are set forth under state statute, in accordance with 45 CFR 154.301(a)(5).

As stressed in our initial waiver application, failure to approve a phased-in approach for Wisconsin may lead to a destabilized market, fewer consumer choices, and higher prices. As the chief regulator of the insurance market, we hope the federal government will provide us with the tools we see as necessary to regulate the market.

We understand Secretary Sebelius will make a decision regarding Wisconsin's application in 30 days, with a possible 30 day extension, but that you also requested that the Office of the Commissioner of Insurance (OCI) provide additional information.

Please find attached the following information in response to your request:

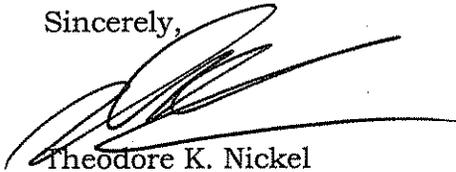
- 2010 Supplemental Health Care Exhibits for each of the 18 issuers included in the OCI's response to 45 CFR 158.321(d)(2), which is contained in Appendix II of the OCI's application.
- A list of insurers offering products in each of the categories listed on page 5 of the OCI application.
- Information regarding local markets and the number of enrollees covered in such markets by each of the 18 issuers included in the OCI's application.

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- Recalculation of rebate estimates.
- Letters confirming that the following companies are exiting the Wisconsin health insurance market:
 - American Republic and World
 - Consumers Life Insurance Company
 - American Community Mutual

If you have any questions or need further information, please contact J.P. Wieske at JP.Wieske@wisconsin.gov.

Sincerely,



Theodore K. Nickel
Commissioner