



OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

RALPH T. HUDGENS
COMMISSIONER OF INSURANCE
SAFETY FIRE COMMISSIONER
INDUSTRIAL LOAN COMMISSIONER
COMPTROLLER GENERAL

SEVENTH FLOOR, WEST TOWER
FLOYD BUILDING
2 MARTIN LUTHER KING, JR. DRIVE
ATLANTA, GEORGIA 30334
(404) 656-2056
www.oci.ga.gov

September 14, 2011

Gary Cohen
Acting Director
Office of Oversight Center for Consumer Information and Insurance Oversight
Department of Health and Human Services
7500 Security Boulevard, Mail Stop C2-21-15
Baltimore, Maryland 21244-1850
By email: MLRAdjustments@hhs.gov

Dear Acting Director Cohen:

Thank you for your letter of September 9, 2011, deeming the Georgia application for an MLR adjustment complete. In your letter you requested further information regarding the estimated rebates for issuer #17. The explanation provided by issuer #17 follows:

Issuer #17 has experienced significant growth in its individual product (nearly 60% since Dec 2009). That explains a large portion of the difference. Also, when calculating the expected rebate, issuer #17 did not take into account the 8.3% credibility adjustment. When accounting for that adjustment, the expected 2011 rebate decreases to \$298,731. The expected rebate by year is as follows:

[80% minimum MLR]	[Requested Adjusted MLR (in parens)]
2011 \$298,731	\$0 (65%)
2012 \$278,054	\$0 (70%)
2013 \$247,806	\$86,893 (75%)

I appreciate your consideration and please do not hesitate to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Trey Sivley', is written over a long, thin horizontal line that extends across the width of the signature.

Trey Sivley, Esq.
Assistant Director
Regulatory Services Division

Attachments

cc: Honorable Ralph T. Hudgens, Commissioner of Insurance, State of Georgia
Honorable Nathan Deal, Governor, State of Georgia
Honorable Johnny Isakson, U.S. Senator, State of Georgia
Honorable Saxby Chambliss, U.S. Senator, State of Georgia