



January 25, 2011

By Email and Regular Mail

Richard H. Diamond, FSA, MAAA
Senior Life and Health Actuary
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Re: State of Maine's Medical Loss Ratio Adjustment Request Application

Dear Mr. Diamond:

We would like to thank you for providing corrected and additional information in your January 11, 2011 letter, sent in response to the Office of Consumer Information and Insurance Oversight's (OCIIO's) January 4, 2011 letter, which requested information necessary to complete the State of Maine's request for adjustment to the MLR standard for Maine's individual health insurance market. We also thank you for the additional information provided in your January 21, 2011 letter, sent in response to OCIIO's January 12, 2011 letter, which requested information separate and distinct from the information necessary to complete the State of Maine's request for adjustment to the MLR standard.

Your application is complete. We will make a decision regarding your application within 30 days from the date of this letter. The Secretary may, in her discretion, extend the 30 day review period for as long a time as necessary not to exceed an additional 30 days. Should the application review period be extended, we will alert you as soon as practicable.

Listed below are two items regarding your January 11 response about which we request further information. We would appreciate receiving Maine's responses within seven (7) calendar days from the date of this letter. The responses should be submitted to MLRAdjustments@hhs.gov.

The two items regarding your January 11 letter about which we request further information are:

1. Please provide the number of individual health insurance market enrollees MEGA has in Maine by product. While Document "me Benefit Option year end 2010.xlsm," referenced on Page 2 of Maine's January 11 letter, provides the number of total MEGA policies under each of the three types of MEGA plans, as well as the percentage distribution of such policies based on deductible, coinsurance, and rider, it does not

provide the number of individual health insurance market enrollees MEGA has in Maine for each of those products.

2. Please provide the consolidated underwriting gain and after tax profit for all accident and health lines in Maine alone. Document “HHS MML Adj Reg 158.321(d) Revised.xls” of Maine’s January 11 response provides these figures by issuer for all States. For assessing issuers’ threats to leave a State, the comparison of particular issuers’ State individual market underwriting gains and after-tax profits to the issuers’ consolidated underwriting gains and after-tax profits for all accident and health lines in that State is much more insightful than comparing the issuers’ State individual market underwriting gains and after-tax profits in that State to the issuers’ aggregate consolidated accident and health lines underwriting gains and after-tax profits for all States.

Once again, we appreciate Maine’s cooperation in working together to implement the Affordable Care Act. Please feel free to contact the Office of Oversight by email at MLRQuestions@hhs.gov or by phone at (301) 492-4457 if you have any questions or concerns.

Sincerely,

/Signed, SL, January 25, 2011/

Steven Larsen
Director, Office of Oversight