October 15, 2010 Survey and MLR Waiver Worksheet

To: All Insurers writing Individual (Non-employer Group) Comprehensive Health Benefit Plans in North Carolina

From: North Carolina Department of Insurance – Life & Health and Actuarial Services Divisions

Date: October 15, 2010

RE: Survey relating to Individual (Non-employer Group) Comprehensive Health Insurance in North Carolina –Medical Loss Ratio and Child Only Health Insurance Coverage

The North Carolina Department of Insurance requests the following information, along with the data requested in the accompanying spreadsheet, from all authorized insurers who are actively marketing individual (non-employer group) comprehensive health benefit plans (as defined in G.S. 58-3-167) in the State of North Carolina.

The Department wishes to measure the need for a request to the Secretary of the US Department of Health and Human Services of a waiver of the 80% MLR for the individual health insurance market as found in the Affordable Care Act. In order to make a decision, the Department is requesting the following information which will be used to assess the impact of the MLR requirements upon the marketplace and to determine if market disruption is likely to occur under the new MLR requirements.

Please provide responses to the following questions by close of business November 5, 2010.

Response for: Enter Company Name(s)

A. QUESTIONS RELATING TO THE MLR

1. Is your company in favor of or opposed to a request for a full waiver or a transitional MLR requirement for Individual business to be made to HHS?

   If yes, please describe the anticipated market disruption that would occur in absence of a waiver.

2. Will the new PPACA MLR requirement cause the company to exit the Individual market?

   If yes, is this due to unsustainable losses and would these losses trigger a Risk Based Capital Event?

   If yes, when would the exit occur?

3. Will the new PPACA MLR requirement cause the company to discontinue new sales in the Individual Market until 1/1/2014?

   If yes, what is the estimated impact, if any, to existing policyholder premium rates?

   Has the company informed the Department of such a decision?

4. Does the company expect to be an active competitor for Individual business on the Exchange in 2014?

5. If the company intends to remain in the individual market, please describe any plans to trim or reduce administrative expenses in 2010 or over the three year period from 2011 through 2013. Please provide a specific estimate of any reduction by category, e.g. commissions, staffing, salaries etc.

6. What is the expected financial impact to the company of a full waiver of the MLR requirement for Individual business until 2014?

7. What is the expected financial impact to the company of a transitional MLR requirement for Individual business, e.g. 65% for 2011, 70% for 2012, and 75% for 2013?

B. QUESTIONS RELATING TO CHILD ONLY COVERAGE

1. Does your company currently provide comprehensive health insurance coverage to children under the age of 19 on a basis OTHER than as a dependent, i.e. as the policyholder?

2. If you answered yes, has your company implemented an open-enrollment period for the coverage in North Carolina?

   If yes, provide the specifics relating to the period.

3. If you answered no to B.1, did your company provide such coverage in North Carolina prior to the implementation of the Affordable Care Act?

   If yes, what steps could NCDOI take to facilitate your company's participation in that market at this time?

COMPANY CONTACT INFORMATION

Name:

Phone:

Email:

DOI CONTACT INFORMATION

Mike Wells
Phone: 919-807-6643
Email: mike.wells@ncdoi.gov

OR

Jean Holliday
Phone: 919-733-5060 x346
Email: jean.holliday@ncdoi.gov

North Carolina Department of Insurance

Spreadsheet Related to the Medical Loss Ratio (per the Affordable Care Act) in the Indidivual (Non-employer group) Comprehensive Health Insurance Market

NOTES: If the company supports a waiver or transitional MLR, please complete the projection worksheets for 2011, 2012, and 2013. Or provide an alternative financial projection illustrating the different outcomes with and without the waiver or transitional MLR. Note that data is on a per member per month (PMPM) basis.

COMPANY NAME: (ENTER COMPANY NAME(S))

CONTACT:
Mike Wells
Phone: 919-807-6643
Email: mike.wells@ncdoi.gov

DUE: Friday, November 05, 2010

INDIVIDUAL BUSINESS 2011

(Non-employer Group)

NO WAIVER

	NEW BUSINESS		RENEWAL BUSINESS		TOTAL		
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform	
Members	0	0	0	0	0	0	
Premium Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Other Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Incurred Medical and Drug Claims	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Change in Policy Reserves	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Quality Improvement Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Administrative Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Operating Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Commissions	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Premium Tax	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Other Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Total Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Incurred Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
HCR Medical Loss Ratio	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	
Operating Income	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Opearting Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Monthly Operating Income	$0	$0	$0	$0	#DIV/0!	#DIV/0!	
Annualized Operating Income	$0	$0	$0	$0	#DIV/0!	#DIV/0!	

Projected Target Surplus=	$0
Projected Authorized Control Level=	$0
Projected RBC Ratio=	0.0%

INDIVIDUAL BUSINESS 2011

(Non-employer Group)

FULL WAIVER

	NEW BUSINESS		RENEWAL BUSINESS		TOTAL		
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform	
Members	0	0	0	0	0	0	
Premium Revenue	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Incurred Medical and Drug Claims	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Change in Policy Reserves	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Quality Improvement Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Administrative Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Operating Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Commissions	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Premium Tax	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Total Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Incurred Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
HCR Medical Loss Ratio	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	
Operating Income	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
Opearting Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Monthly Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Annualized Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	

Projected Target Surplus=	$0
Projected Authorized Control Level=	$0
Projected RBC Ratio=	0.0%

INDIVIDUAL BUSINESS 2011

(Non-employer Group)

TRANSITIONAL HCR MLR (65% FOR 2011)

	NEW BUSINESS		RENEWAL BUSINESS		TOTAL		
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform	
Members	0	0	0	0	0	0	
Premium Revenue	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Incurred Medical and Drug Claims	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Change in Policy Reserves	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Quality Improvement Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Administrative Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Operating Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Commissions	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Premium Tax	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Total Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Incurred Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
HCR Medical Loss Ratio	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	
Operating Income	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
Opearting Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Monthly Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Annualized Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	

Projected Target Surplus=	$0
Projected Authorized Control Level=	$0
Projected RBC Ratio=	0.0%

INDIVIDUAL BUSINESS 2012

(Non-employer Group)

NO WAIVER

	NEW BUSINESS		RENEWAL BUSINESS		TOTAL		
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform	
Members	0	0	0	0	0	0	
Premium Revenue	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Incurred Medical and Drug Claims	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Annual Clain Trend=	0.00%						
Change in Policy Reserves	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Quality Improvement Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Administrative Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Operating Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Commissions	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Premium Tax	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Total Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Incurred Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
HCR Medical Loss Ratio	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	
Operating Income	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
Opearting Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Monthly Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Annualized Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Projected Target Surplus=						$0	
Projected Authorized Control Level=						$0	
Projected RBC Ratio=						0.0%	

INDIVIDUAL BUSINESS 2012

(Non-employer Group)

FULL WAIVER

	NEW BUSINESS		RENEWAL BUSINESS		TOTAL		
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform	
Members	0	0	0	0	0	0	
Premium Revenue	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Incurred Medical and Drug Claims	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Change in Policy Reserves	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Quality Improvement Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Administrative Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Operating Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Commissions	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Premium Tax	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Total Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Incurred Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
HCR Medical Loss Ratio	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	
Operating Income	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
Opearting Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Monthly Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Annualized Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	

Projected Target Surplus=	$0
Projected Authorized Control Level=	$0
Projected RBC Ratio=	0.0%

INDIVIDUAL BUSINESS 2012

(Non-employer Group)

TRANSITIONAL HCR MLR (70% FOR 2012)

	NEW BUSINESS		RENEWAL BUSINESS		TOTAL		
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform	
Members	0	0	0	0	0	0	
Premium Revenue	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Incurred Medical and Drug Claims	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Change in Policy Reserves	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Quality Improvement Expenses	$0.00	$1.85	$0.00	$2.42	#DIV/0!	#DIV/0!	
Administrative Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Operating Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Commissions	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Premium Tax	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Total Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Incurred Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
HCR Medical Loss Ratio	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	
Operating Income	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
Opearting Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Monthly Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Annualized Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	

Projected Target Surplus=	$0
Projected Authorized Control Level=	$0
Projected RBC Ratio=	0.0%

INDIVIDUAL BUSINESS 2013

(Non-employer Group)

NO WAIVER

	NEW BUSINESS		RENEWAL BUSINESS		TOTAL		
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform	
Members	0	0	0	0	0	0	
Premium Revenue	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Incurred Medical and Drug Claims	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Annual Clain Trend=	0.00%						
Change in Policy Reserves	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Quality Improvement Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Administrative Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Operating Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Commissions	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Premium Tax	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Total Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Incurred Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
HCR Medical Loss Ratio	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	
Operating Income	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
Opearting Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Monthly Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Annualized Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Projected Target Surplus=						$0	
Projected Authorized Control Level=						$0	
Projected RBC Ratio=						0.0%	

INDIVIDUAL BUSINESS 2013

(Non-employer Group)

FULL WAIVER

	NEW BUSINESS		RENEWAL BUSINESS		TOTAL		
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform	
Members	0	0	0	0	0	0	
Premium Revenue	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Incurred Medical and Drug Claims	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Change in Policy Reserves	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Quality Improvement Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Administrative Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Operating Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Commissions	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Premium Tax	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Total Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Incurred Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
HCR Medical Loss Ratio	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	
Operating Income	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
Opearting Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Monthly Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Annualized Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	

Projected Target Surplus=	$0
Projected Authorized Control Level=	$0
Projected RBC Ratio=	0.0%

INDIVIDUAL BUSINESS 2013

(Non-employer Group)

TRANSITIONAL HCR MLR (75% FOR 2013)

	NEW BUSINESS		RENEWAL BUSINESS		TOTAL		
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform	
Members	0	0	0	0	0	0	
Premium Revenue	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Revenue	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Incurred Medical and Drug Claims	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Change in Policy Reserves	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Quality Improvement Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Administrative Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Operating Expenses	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	
Commissions	$0.00	$0.00	$0.00	$0.00	#DIV/0!	#DIV/0!	#DIV/0!
Premium Tax	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Total Expenses	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Incurred Loss Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
HCR Medical Loss Ratio	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	#DIV/0!	**#DIV/0!**	
Operating Income	$0.00	#DIV/0!	$0.00	#DIV/0!	#DIV/0!	#DIV/0!	
Opearting Percentage	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
Monthly Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Annualized Operating Income	$0	#DIV/0!	$0	#DIV/0!	#DIV/0!	#DIV/0!	
Projected Target Surplus=						$0	
Projected Authorized Control Level=						$0	
Projected RBC Ratio=						0.0%	

January 14, 2011 Email & Updated MLR Waiver Worksheet

Holliday, Jean

From: Holliday, Jean
Sent: Friday, January 14, 2011 8:05 AM
To: Holliday, Jean
Subject: Request for Information Related to Non-group Health Ins Market in NC - Continued Consideration of Requesting a Waiver to the MLR

Pursuant to NCGS 58-2-190, please find attached a request for data/information related to the Individual (Non-employer Group) Comprehensive Health Insurance Market in North Carolina.

On October 15, 2010, the North Carolina Department of Insurance requested information from each insurer actively marketing individual health insurance in the State in order to help the Department measure the need for a request to the Secretary of the US Department of Health and Human Services (US DHHS) of a waiver of the 80% MLR for the individual health insurance market as found in the Affordable Care Act. We reviewed and considered the responses we received from the active insurers.

During the time of our review of the responses, US DHHS issued the MLR regulation which included a process by which a state could request a waiver of the 80% MLR for the individual (non-employer group) market, 45 CFR Part 158 (published in the Federal Register Vol. 75, No. 230 on December 1, 2010). The regulation outlines the information about the individual market in the state that is to be submitted to US DHHS with a waiver request.

While the Commissioner has not yet decided to seek a waiver, the Department wishes to collect a more complete picture of the market place and has updated the spreadsheet which was provided in the previous request to include additional information as provided under the proposed regulation 45 CFR 158.321.

This new request is being limited to insurers who reported via that last request that they covered at least 1000 lives in North Carolina as of 12/31/09. Those insurers names are listed below. If your company(ies) names appear there please complete the attached spreadsheet and return it to the Department as noted below. **Please note that unlike our last request, the Department is making this special request for this data from ALL insurers listed below regardless of whether the insurer supports a waiver.**

MLR_Waiver_
‹sheet_Update_

INSURERS

Aetna Life Insurance Company
American National Life Ins Co of Texas
American Republic Ins Co
Blue Cross Blue Shield of NC
Celtic Ins Co
Golden Rule Ins Co
Humana Ins Co
John Alden Life Ins Co
MEGA Life and Health Ins Co
Mid-West National Life Ins Co of Tennessee
Reserve National Ins Co
Time Ins Co
Wellpath Select, Inc.
World Ins Co

Please note that you may also receive an inquiry from someone in the Department's Actuarial Services Division relating to your response to the survey that was included in the October 15th request for information. You will be contacted by email with those requests and the Department asks that you respond to those inquiries on as timely a basis as possible.

Once we receive all of the additional information, we will continue our review and consideration of a market disruption in this State. Once a decision is made, the Department will convey that information to all of the insurers in the market, as well as other interested parties.

Your response may be combined for affiliated insurers. However, please include ALL insurers names in the appropriate spaces on the spreadsheet if you submit a combined response.

The completed **AMENDED** spreadsheet should be returned to my attention at this email address (jean.holliday@ncdoi.gov) or to my attention at: Life & Health Division, 1201 Mail Service Center, Raleigh, NC 27699-1201. If you submit your response by mail please submit the completed spreadsheet on a CD.

ALL RESPONSES ARE DUE BY CLOSE OF BUSINESS JANUARY 31, 2011.

If you have any questions relating to the spreadsheet, please contact Mike Wells at mike.wells@ncdoi.gov or 919-807-6643 or Julia Lerche at julia.lerche@ncdoi.gov or 919-807-6644

Other questions may be directed to me at the email above or at 919-733-5060 x346.

Thank you for your attention to this matter.

Jean W. Holliday, CPM, HIA
Regulatory Project Manager/Health Care Reform Supervisor
Life & Health Division/NCDOI
(919) 733-5060, x346
jean.holliday@ncdoi.gov

North Carolina Department of Insurance

Spreadsheet Related to the Medical Loss Ratio (per the Affordable Care Act) in the Individual (Non-Employer Group) Comprehensive Health Insurance Market

NOTES:

All companies please complete the worksheet for 2010 with as much actual data as is available. (There are no rebates required for 2010.)
All companies please complete the projection worksheets for 2011, 2012, and 2013.

Pre-reform projections should be based on assumption that PPACA wasn't passed.
Note that data is requested on an annual basis.
Provide separate submission for "mini-med" plans (total annual limit of $250,000 or less).
Please highlight any cells where formulas are revised.

COMPANY NAME: (ENTER COMPANY NAME(S))

MINI-MED: (ENTER YES OR NO)

CONTACTS:

Julia Lerche
Phone: 919-807-6644
Email: julia.lerche@ncdoi.gov

Mike Wells
Phone: 919-807-6643
Email: mike.wells@ncdoi.gov

DUE: January 31, 2011

INDIVIDUAL BUSINESS 2010
ACTUAL - ANNUAL BASIS

	NEW BUSINESS		RENEWAL BUSINESS		Total	
	Pre-Reform	Reform	Pre-Reform	Reform	Pre-Reform	Reform
Member Months	0	0	0	0	0	0
Life Years	0	0	0	0	0	0
Average Deductible	$0	$0	$0	$0	$0	$0
Earned Premium Revenue	$0	$0	$0	$0	$0	$0
Other Revenue	$0	$0	$0	$0	$0	$0
Incurred Medical and Drug Claims	$0	$0	$0	$0	$0	$0
Change in Policy Reserves	$0	$0	$0	$0	$0	$0
Quality Improvement Expenses	$0	$0	$0	$0	$0	$0
Administrative Expenses	$0	$0	$0	$0	$0	$0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expenses	$0	$0	$0	$0	$0	$0
Total Agent and Broker Commissions	$0	$0	$0	$0	$0	$0
Premium Tax and Regulatory Fees	$0	$0	$0	$0	$0	$0
Other Expenses	$0	$0	$0	$0	$0	$0
Total Expenses	$0	$0	$0	$0	$0	$0
Incurred Loss Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
HCR Medical Loss Ratio						0.0%
Credibility Factor						0.0%
Deductible Factor						0.000
Adjusted HCR Medical Loss Ratio						0.0%
Underwriting Income	$0	$0	$0	$0	$0	$0
Underwriting Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Federal and Other Income Taxes	$0	$0	$0	$0	$0	$0
After Tax Income	$0	$0	$0	$0	$0	$0
After Tax Profit Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Projected Target Surplus=					$0	$0
Projected Authorized Control Level=					$0	$0
Projected RBC Ratio=					0.0%	0.0%

INDIVIDUAL BUSINESS 2011
PROJECTED - ANNUAL BASIS

	NEW BUSINESS				RENEWAL BUSINESS				Total			
	Pre-Reform	Reform			Pre-Reform	Reform			Pre-Reform	Reform		
		No Waiver	Transitional Waiver (70%)	Full Waiver		No Waiver	Transitional Waiver (70%)	Full Waiver		No Waiver	Transitional Waiver (70%)	Full Waiver
Member Months	0	0	0	0	0	0	0	0	0	0	0	0
Life Years	0	0	0	0	0	0	0	0	0	0	0	0
Average Deductible	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Earned Premium Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Incurred Medical and Drug Claims	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Change in Policy Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Quality Improvement Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Administrative Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Agent and Broker Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Premium Tax and Regulatory Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Incurred Loss Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
HCR Medical Loss Ratio - Numerator										$0	$0	$0
HCR Medical Loss Ratio - Denominator										$0	$0	$0
HCR Medical Loss Ratio										0.0%	0.0%	0.0%
Credibility Factor										0.0%	0.0%	0.0%
Deductible Factor										0.000	0.000	0.000
Adjusted HCR Medical Loss Ratio										0.0%	0.0%	0.0%
Estimated Rebates		$0.00	$0.00			$0.00	$0.00			$0.00	$0.00	
Underwriting Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Underwriting Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Federal and Other Income Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
After Tax Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
After Tax Profit Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Projected Target Surplus=										$0	$0	$0
Projected Authorized Control Level=										$0	$0	$0
Projected RBC Ratio=										0.0%	0.0%	0.0%

INDIVIDUAL BUSINESS 2012
PROJECTED - ANNUAL BASIS

	NEW BUSINESS				RENEWAL BUSINESS				Total			
	Pre-Reform	Reform			Pre-Reform	Reform			Pre-Reform	Reform		
		No Waiver	Transitional Waiver (73.3%)	Full Waiver		No Waiver	Transitional Waiver (73.3%)	Full Waiver		No Waiver	Transitional Waiver (73.3%)	Full Waiver
Member Months	0	0	0	0	0	0	0	0	0	0	0	0
Life Years - 2012	0	0	0	0	0	0	0	0	0	0	0	0
Life Years - 2011, 2012	0	0	0	0	0	0	0	0	0	0	0	0
Average Deductible - 2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Average Deductible - 2011, 2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Earned Premium Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Incurred Medical and Drug Claims	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Change in Policy Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Quality Improvement Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Administrative Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Agent and Broker Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Premium Tax and Regulatory Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Incurred Loss Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
HCR MLR - Numerator (2012 Only)*										$0	$0	$0
HCR MLR - Denominator (2012 Only)										$0	$0	$0
HCR MLR (2012 Only)										0.0%	0.0%	0.0%
Credibility Factor**										0.0%	0.0%	0.0%
Deductible Factor**										0.000	0.000	0.000
Adjusted HCR Medical Loss Ratio										0.0%	0.0%	0.0%
Estimated Rebates		$0.00	$0.00			$0.00	$0.00			$0.00	$0.00	
Underwriting Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Underwriting Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Federal and Other Income Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
After Tax Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
After Tax Profit Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Projected Target Surplus=										$0	$0	$0
Projected Authorized Control Level=										$0	$0	$0
Projected RBC Ratio=										0.0%	0.0%	0.0%

* Adjusted for 2011 rebates, where applicable
** If life years for 2012 are less than 75,000, then use credibility/deductible factor based on 2011 and 2012 life years/average deductible.

INDIVIDUAL BUSINESS 2013
PROJECTED - ANNUAL BASIS

	NEW BUSINESS				RENEWAL BUSINESS				Total			
	Pre-Reform	Reform			Pre-Reform	Reform			Pre-Reform	Reform		
		No Waiver	Transitional Waiver (76.7%)	Full Waiver		No Waiver	Transitional Waiver (76.7%)	Full Waiver		No Waiver	Transitional Waiver (76.7%)	Full Waiver
Member Months	0	0	0	0	0	0	0	0	0	0	0	0
Life Years - 2013	0	0	0	0	0	0	0	0	0	0	0	0
Life Years - 2011, 2012, 2013	0	0	0	0	0	0	0	0	0	0	0	0
Average Deductible - 2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Average Deductible - 2011, 2012, 2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Earned Premium Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Incurred Medical and Drug Claims	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Change in Policy Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Quality Improvement Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Administrative Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Agent and Broker Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Premium Tax and Regulatory Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Incurred Loss Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
HCR MLR - Numerator (2013 Only)*										$0	$0	$0
HCR MLR - Denominator (2013 Only)										$0	$0	$0
HCR MLR (2013 Only)										0.0%	0.0%	0.0%
Credibility Factor**										0.0%	0.0%	0.0%
Deductible Factor**										0.000	0.000	0.000
Adjusted HCR Medical Loss Ratio										0.0%	0.0%	0.0%
Estimated Rebates		$0	$0			$0	$0			$0	$0	
Underwriting Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Underwriting Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Federal and Other Income Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
After Tax Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
After Tax Profit Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Projected Target Surplus=										$0	$0	$0
Projected Authorized Control Level=										$0	$0	$0
Projected RBC Ratio=										0.0%	0.0%	0.0%

* Adjusted for 2012 rebates, where applicable
** Based on life years and average deductible for 2011, 2012, and 2013; note that there is no credibility adjustment factor if:
(1) The current MLR reporting year and each of the two previous MLR reporting years included experience of at least 1,000 life-years; and
(2) Without applying any credibility adjustment, the issuer's MLR for the current MLR reporting year and each of the two previous MLR reporting years were below the applicable MLR standard for each year.

TABLE 1 TO § 158.232: BASE CREDIBILITY FACTORS

Life-years Base credibility factor

< 1,000 ..... No Credibility.

1,000 ..... 8.3%.

2,500 ..... 5.2%.

5,000 ..... 3.7%.

10,000 ..... 2.6%.

25,000 ..... 1.6%.

50,000 ..... 1.2%.

≥ 75,000 ..... 0.0% (Full Credibility).

TABLE 2 TO § 158.232: DEDUCTIBLE FACTOR

Health plan deductible Deductible factor

<$2,500 ..... 1.000

$2,500 ..... 1.164

$5,000 ..... 1.402

≥ $10,000 ..... 1.736

MLR Waiver Follow-Up Questions 4/15/11 and 7/1/11

NCDOI MLR Waiver Follow Up Questions
Sent: 4/28/11 and 7/1/11

NCDOI is continuing to evaluate whether to apply to HHS for an adjustment to the federal medical loss ratio (MLR) requirement for the individual health insurance market. In the event that the Commissioner decides to submit an application, we are planning to rely on information you submitted to NAIC as part of the 2010 Annual Statement, including the Supplemental Health Care Exhibit. In addition, we request that you provide responses to the following questions to support the Commissioner's decision and the application (if applicable):

1. Is your company in favor of NC requesting an adjustment to the federal MLR requirement for the individual health insurance market? If so,
    - Please provide justification based on the criteria outlined in Section 158.330 of the MLR Interim Final Rule
    - Please provide your company's preferred adjustment for each calendar year 2011 - 2013.
2. Have you or do you plan to cease marketing new individual health insurance policies in North Carolina? If so,
    - When did or will you cease marketing new policies?
    - Will an adjustment to the MLR requirement change your decision? If so, how?
    - Does your plan to cease marketing individual health insurance policies in NC include a plan to terminate existing coverage and withdraw from the individual market in NC?
3. If HHS were to grant NC with an adjustment to the MLR requirement, please describe the impact on the following for your company:
    - Premiums
    - Commission schedules
    - Expected amount of new business
    - Profits
    - Other

4. Please describe any changes you have made or are planning to make to comply with the federal MLR standards and indicate the timing for each change. Specifically address changes to commission schedules and administrative costs.

5. What is your target, or expected MLR for each of calendar years 2011-2013 based on the federal formula?

6. Please describe the individual business that is subject to the ACA included in your 2010 Supplemental Health Care Exhibit. Roughly what percentage of this business falls into each of the following categories: True Individual (non-Association and non-Conversion), Association of Individuals, Conversion (pursuant to Part 2 of Article 53 of Chapter 58 of the NC General Statutes or other state similar law), Mini-med (as defined in the interim final regulations on MLR); Other (please describe)

7. Please provide your Number of Covered Lives and Health Premiums Earned for 2010 by product (HMO, PPO, EPO, POS, HSA, HDHP, FFS, Other). Please ensure that the totals match those provided in your 2010 Supplemental Health Care Exhibit.

8. For companies who submitted information previously, please describe any significant differences between the 2010 projections provided to NCDOI as requested at the end of January 2011, and the information provided in the 2010 Supplemental Health Care Exhibit.

9. Please provide the average deductible for your individual products in 2010, for purposes of developing the deductible factor for the credibility calculation.

10. Please provide your 2010 after-tax profit and profit margin for both your individual market business and your consolidated business in North Carolina.

11. Can we rely on the information your company provided in the 2010 Supplemental Health Care Exhibit for making a determination? If not, please provide additional information that should be considered.