

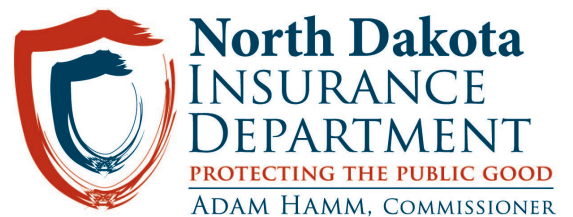


State of North Dakota
Interim IBL Committee
Rep. George Keiser, Chairman

North Dakota Insurance Department
House Bill No. 1577
Commissioner's overview of the
health insurance market

UPDATE

Presented by Adam Hamm, Insurance Commissioner
Sept. 10, 2009





Major med market share by company based on premium, 2008 **(Sen. Potter)**

Company	Premium (millions)	Market share
BCBS	\$447,047,702	89.4191%
Medica	22,970,762	4.5946%
John Alden/Time	13,082,287	2.6167%
American Family Mutual	6,316,392	1.2634%
Heart of America	3,210,947	.6423%
American Republic	1,770,361	.3541%
Continental General	1,713,077	.3427%
Madison National	965,942	.1932%
MII Life	623,246	.1247%
State Farm Mutual Auto	544,455	.1089%
Other companies	1,701,321	.3403%
TOTAL	\$499,946,492	100.0000%

Updated chart from page 16 of Aug. 6 handout

Market share change from 2000 to 2001 (Chairman Keiser)

Referencing the chart on page 17 of the Aug. 6 handout

The rise in BCBS market share for large group from 2000 to 2001 (84.3% to 96.0%) was due to Altru leaving the business and BCBS taking it over. Altru's exiting the market was not due to insolvency, but was impacted by losses on that business.

Notes — — — — —



North Dakota minimum loss ratio requirements (*Chairman Keiser*)

Hospital/surgical/medical Major medical	Group	70%
	Individual	55%
Medicare Supplement	Group, direct response	75%
	Individual	65%
Long-term care	Policy forms filed prior to 8/1/03	60%
	Policy forms filed 8/1/03 and later	No initial minimum loss ratio requirement. Company actuary must certify that "premiums are expected to be adequate to cover claims under moderately adverse experience."
Specified disease (cancer)	Group	60%
	Individual	Depends on type of contract: a. Noncancelable—50% b. Guaranteed renewable—55% (most are this form) c. Optionally renewable—60%
Credit		45%
All other		Depends on type of contract, applies to both group and individual: a. Noncancelable—50% b. Guaranteed renewable—55% c. Optionally renewable—60%

Notes — — — — —



N.D. Life & Health Guaranty Association solvency (Sen. Potter)

The North Dakota Life & Health Guaranty Association was created in 1983 when the North Dakota Legislature enacted the North Dakota Guaranty Association Act. Since that time, there have been 37 insurance company insolvencies for which the Association has been actuated to provide protection to North Dakota policyholders. Not all of those insolvencies would result in liquidations or assessments.

For the years 2005 through 2009, the following chart shows the amount of claims paid from the North Dakota Life & Health Guaranty Association.

Five-year history of amounts paid for claims

Year	# of companies	Life	Annuities	Health	Total
2005	3	\$117,283	\$251,410	-	\$368,693
2006	2	117,211	104,943	-	222,154
2007	3	162,086	101,718	65,008	328,812
2008	4	61,515	101,842	56,948	220,305
2009	4	68,965	101,898	125,593	296,456
		\$827,060	\$661,811	\$247,549	\$1,436,420

Notes — — — — —

Prior approval states (Chairman Keiser)

NAIC's Compendium of State Laws on Insurance Topics

FILING REQUIREMENTS HEALTH INSURANCE FORMS AND RATES

The date following each state indicates the last time information for the state was reviewed/changed. 2/09

STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
AL (2/09)	§ 27-14-8; Ins. Reg. 482-1-024	Prior approval (30 day deemer)		Filing required for informational purposes only.	Accident & Health
AK (2/09)	§§ 21.42.120, 21.42.123, 21.42.125, 21.09.270, 21.39.040, 21.39.210	File and use with 30 day waiting period with compliance certificate; Prior approval (30 day deemer) without compliance certificate.	Retaliatory	Prior approval; file and use if change is no greater than 10%.	Each Insurer
AZ (2/09)	Order 83-1 (exempts certain forms)				
	§ 20-1110 Reg. 20-6-607	Prior approval (30 day deemer)		Filed for review (HCSO and group health forms are not filed).	Individual Health
AR (2/09)	§ 23-79-109; AR Ins. Rule & Reg. 57	Prior approval (30 day deemer)	\$50 policy, rider, application, per submission; \$20 for each rider, application or endorsement filed separately; \$20 for corrections in previously filed forms. \$50 for each rate filing.	Prior approval (30 day deemer)	Individual Health

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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
CA (2/09)	Ins. §§ 795.5, 10290, 10236.13; Ca. Admin. Code tit. 10 § 2202	Prior approval (30 day deemer)	Indiv./Group Health, Long Term Care: \$580 Policy; \$130 Rider; \$130 New Issue Rate; \$170 Rate Increase. Medicare Supp.: \$330 Policy; \$60 Rider; \$130 Rates; \$130 Rate Increase.	File	Individual Health and Group Health, Medical Supplement, Credit Health
CO (2/09)	§§ 10-16-107, 10-16-107.2, 10-10-109; Ins. Reg. 1-1- 6; 4-2-11, 4-4-2; CO Bulletin B-4.18 § 10-16-321; Ins. Reg. 4-3-1	Prior approval	Included in general fee for services.	Prior Approval Prior Approval (60 day deemer); no need for approval if no increase requested (file and use). Prior Approval (30 day deemer)	Long Term Care All Health including Long Term Care and Credit Life and Disability. Medicare Supplement

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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
CT (2/09)	§§ 38a-182, 38a-183, 38a-474, 38a-481, 38a-513; Reg. 38a-652; Reg. 38a-481-1 to 38a-481-4	Prior approval	Retaliatory	File and use Prior approval (45 days)	Group LTC credit HMOs, med. supp., credit health Individual health except as noted above.
DE (2/09)	tit. 18 §§ 701, 2504, 2712, 3333	Prior approval (30 day deemer)	\$50 policies, riders applications, endorsements \$50 rate changes	File and use (45 days)	All Health including Med Supp., LTC, HMOs, Health Service Corps.
DC (2/09)	§§ 31-4712, 31-3508 § 31-3109	Prior approval (30 day deemer)		Prior approval (30 day deemer) File and Use (60 day review)	Individual Accident and Sickness Hospital & Medical Services Subscriber Contracts
FL (2/09)	§ 627.410	Prior approval (30 day deemer)		Prior approval (90 day deemer) Prior approval (30 day deemer)	Health products with mental illness benefit; drug or alcohol abuse All Health

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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
GA (2/09)	§ 33-24-9, 33-8-1, 35-57-5; Reg. 120-2-10-.06, Reg. 120-2-25 (specifies limited exemptions from filings); § 33-57-5; GA Bulletin L&H-2	Prior approval (90 day deemer but could be extended for additional 90 days)	\$25 form \$75 rate	Information filing required for any rate increase or new program; increases must also be filed with Consumer's Insurance Advocate.	All Health
HI (2/09)	§§ 431:10A-113, 431:10A- 309 § 431:14G-105	File—individual health Prior approval—med. supp.	\$20 per form \$50 per rate filing \$20 for form and rate filing	Annual compliance filing Prior approval	Approved plans All managed care plans
ID (2/09)	§§ 41-1812, 41-2136; Ins. Reg. 18.01.44 §§ 011, 040	File and use, certification required	For rate and form filings not filed with SERFF and in excess of 10 per calendar year, \$20 for each rate or form.	File and use, certification required.	Individual Health
IL (2/09)	215 ILCS 5/143, 5/355, 5/408; Reg. tit. 50 § 916.40	Prior approval	\$50 per form; \$200 per form for advisory and ratings orgs.	Rate filing shall be submitted with policy form filing.	Individual Health; Group Medicare supplement; Individual and Group Long Term Care

**FILING REQUIREMENTS
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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
IN (2/09)	§ 27-8-5-1	Prior approval (30 day deemer)	\$35	File and use (30 days)	Group Health
	§ 27-13-7-11	Prior approval (30 day deemer)	\$35	Prior approval (30 day deemer)	Individual Health
	§§27-13-20-1 to 27-13-20-2	Prior approval	\$35	Prior approval	HMOs
	§ 27-1-3-15				
IA (2/09)	§§ 514A.13; Reg. 191-30.5, 191-36.9	Prior approval (30 day deemer and 60 days prior to effective date)		Prior approval (30 day deemer and 60 days prior to effective date)	All Health
KS (2/09)	§§ 40-216, 40-2215	Prior approval (30 day deemer)		File and use	Individual and Group Health
KY (2/09)	§§ 304.14-120, 304.17-380, 304.17-383, 304.17A-095; Reg. 806 KAR §§ 14:007, 15:150, 4:010	Prior approval (60 day deemer)	\$100; \$5 all other forms	File and use	All Health

FILING REQUIREMENTS HEALTH INSURANCE FORMS AND RATES

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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
LA (2/09)	§§ 22:211, 22:620, 22:972; Reg. 78; §10107 (37:XIII.10107) § 22:1078, Reg. 33 §545 and 550 (37:XIII.545 and 550) Reg. 46 § 1917 and 1937 (37:XIII.1917 and 1937)	Prior approval (45 day deemer) Prior approval (45 day deemer) Prior approval (45 day deemer)	\$100 per company per product for insurance policy filings Rates - \$100 per company per type of standard benefit plan No filing fees required for rate for Long Term Care	File and use (30 day deemer)	All Health Long term care
ME (2/09)	tit. 24-A §§ 601, 2412, 2736, 2802, 5004, 5011, 5075-A; Ins. Reg. ch. 940, 755, 275, 425, 140; Bulletin 146, 325, 326 and 337	Prior approval (30 day deemer)	Cannot exceed \$20 per rate or form filing	File and use (60 days)	All Health, except individual, med supp., LTC, small group non- electing guaranty loss ratio option
MD (2/09)	Ins. §§ 12-203, 12-205, 2-112; Reg. 31.10.01.02, 31.10.01.02A, 31.04.17	Prior approval (60 day deemer)	\$125 per form and rate	Prior approval (90 days for changes)	All health
MA (2/09)	§ 175:110; Reg. 801 CMR 4.02 § 176J: 3; Reg. 211 CMR 66.13 §§ 176:4 to 176:5; Reg. 211 CMR 41.00	No filing required File and use Prior approval (standard plan)	\$75 per form \$150 per rate	No filing required No rate filing, actuarial certification required Prior approval	Health group Small group Non-group

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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
MI (2/09)	§§ 500.2236, 500.2242(a), 500.3474 Reg. 500.801 to 500.806; Order 97-010-M	Prior approval (30 day deemer)	None	File and use	Individual Health
MN (2/09)	§§ 62A.02, 60A.14 § 62A.02, Subd 2(b)	Prior approval (60 day deemer)	\$90 per rate or form filing; \$75 per form or rate if filed electronically	Prior approval (60 day deemer) File and use	All policies Rates related to accident & sickness as defined in §62A.01. Does not include Medicare-related coverage.
MS (2/09)	§ 83-9-3; Ins. Reg. A&H 73-4	Prior approval	\$15 policy \$10 rider, endorsement \$10 application	Prior approval Filed for review and acknowledgment	Med. Supp. and LTC Other Health
MO (2/09)	§§ 376.405, 376.777.7, 354.150, 354.495; Reg. tit. 20 § 400-8.200	Prior approval (60 day deemer)	\$50	No provision	
MT (2/09)	§§ 33-2-708, 33-2-709, 33-1-501; MT ADC 6.6.508A, 6.6.1107	Prior approval (60 day deemer) Prior approval for Medicare Supplement	No fees for filing forms or rates	Prior approval for rates higher than those established. Rates must be accepted prior to use.	Credit insurance Med. Supp.

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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
NE (2/09)	§ 44-710; Reg. tit. 20 ch. 009 § 44-4501; Reg. tit. 210 ch. 46	Prior approval Prior approval	Retaliatory	Rate schedules shall be filed with policy forms.	All other Health Long Term Care
	Reg. tit. 210 ch. 36 NE Bulletin CB-50	Prior approval		Prior approval	Med. Supp.
NV (2/09)	§§ 680B.010, 687B.120, 689A.360, 680B.010; NV ADC 687B.229	Prior approval (45 day deemer)	\$25 rates and policy \$10 rider or endorsement	File and use Prior approval	Individual Health Medicare Supplement
NH (2/09)	§§ 415:1, 415:18, 400-A:35; Reg. Ins. 401.02, 401.03	Prior approval (30 day deemer)	Retaliatory	Prior approval (30 day deemer) File and use (30 days)	All individual health, group med supp., LTC, small employer medical, hospital or surgical All other group health
NJ (2/09)	§§ 17B:26-1, 17B:27-25, 17B:27-49, 17B:27E-11, 17B-27-74; Reg. 11:4-16, 11:4-18, 11:4-40	Prior approval (60 day deemer. Re-submission - 30 day deemer) Option to file and use available for certain forms		Prior approval (60 day deemer. Resubmission – 30 day deemer)	Individual Health, LTC
NM (2/09)	§§ 59A-18-12, 59A-18-13, 59A-6-1	Prior approval (60 days)	\$30 policy package \$15 incidental forms \$50 rate filing	Prior approval (60 day notice to policy holder)	All Health

**FILING REQUIREMENTS
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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
NY (2/09)	Ins. Law §§ 3201, 4308, 4235(h); 11 NYCRR 52.40	Prior approval (90 day deemer)	None	Prior approval	Individual health and group and blanket forms where jurisdiction applies
NC (2/09)	§§ 58-6-5, 58-51-85, 58-51-95, 58-65-40, 58-68-45, 58-67-50	Prior approval (90 day deemer) HSCO – Prior approval (within reasonable time)	None	Prior approval (all individual rate revisions, group med. Supp., medical service corp. rates)	All Health
ND (2/09)	§§ 26.1-11-06, 26.1-30-19 to 26.1-30-20	Prior approval (60 day deemer)	Retaliatory	Prior approval (60 day deemer)	All Health
OH (2/09)	§§ 3923.02, 3923.021; OH ADC 3901-1-57	Prior approval (30 day deemer)	\$50 forms; no fee for rate filings	Prior approval (30 day deemer)	All Health
OK (2/09)	tit. 36 §§ 321, 3610, 4402, OK ADC 365:10-5-63, 365:10-5-47.1	Prior approval (30/60 day deemer depending on type of filing)	\$50 policy or retaliatory if higher \$25 rider or retaliatory if higher	Rates filed with form.	All Health, Credit Life and Health

**FILING REQUIREMENTS
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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
OR (2/09)	§§ 742.003, 746.005, 743.018, 743.730(17)(27)(28), 743.737, 743.760; Reg. 836-010-0011	Prior approval (30 day deemer)		Prior approval	Individual and groups, except groups with more than 25 lives
	§ 836-052-0114	Prior approval		Prior approval	Medicare supp., except specific groups under Reg. 836-052-0114(5)
	§ 836-060-0043			Prior approval (for deviations from prima facie)	Credit life and health
	§ 836-060-0026 to 836-060-0031			File and use (for statutory prima facie)	Credit life and health
	Reg. 836-052-0510	Prior approval			Long term care individuals and groups

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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
PA (2/09)	§§ 40-18-3809, 40-18-3803; 49 P.S. § 50	Prior approval (30 day deemer)	Retaliatory	Prior approval (45 day deemer)	All Health; some group exempt if meet requirements
RI (2/09)	§§ 27-18-8, 42-14-18, Reg. R27-23-1101 to R27-23-1102, R27-23-1106 to 27-23-1107	Prior approval (60 day deemer)	\$40 policy and related forms filed together; \$25 revised rate or form; retaliatory on fee-by-fee basis.	Prior approval (60 day deemer)	All Health
SC (2/09)	§§ 38-71-310, 38-71-720; Reg. 69-46; Bulletin 2-93	Prior approval (30 day deemer)		Prior approval (90 day deemer)	Individual Health, Group Med. Supp.
SD (2/09)	§§ 58-11-12, 58-11-17, 58-17-4.1	Prior approval (30 day deemer)		File and use (30 day deemer)	Individual health
TN (2/09)	§§ 56-26-102; Reg. ch. 0780-1-20	Prior approval (30 day deemer)		Prior approval (30 day deemer)	All health except experience rated groups
TX (2/09)	Reg. 28 TAC 3.1, 3.4; Ins. §§ 11153.051, 1701.051 to 1701.054	File and Use with certificate of compliance; Prior Approval without certificate (60 day deemer).	\$50 exempt from review; \$100 not exempt.	File and Use	Individual Health, Long Term Care, Credit Life, Accident and Health, Med. Supp.
UT (2/09)	§ 31A-21-201, 31A-3-103, 31a-3-108; Reg. R590-220	File and use	Included in annual fee	File and use	Individual health, med. Supp., long term care, health benefit plans

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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
VT (2/09)	Ins. Reg. 93-5: tit. 8 §4062	Prior approval (30 day deemer)		Prior approval (30 day deemer)	All health
VA (2/09)	§ 38.2-316; Reg. 14 VAC 5-100-10 to 5-100-80; Reg. 14 VAC 5-130-10 et. seq.; 14 VAC 5-170-120, 14 VAC 5-200-77; 150 and 153	Prior approval (30 day deemer)		File and receive acknowledgment Prior approval	Group health Individual health, all med. supp.
WA (2/09)	§ 48.44.020 § 48.46.060 §§ 48.18.100, 48.18.010, 48.19.010, 48.20.025, 48.21.045, 48.66.035, 48.44.017, 48.44.023, 48.46.062, 48.46.066	File and use File and use Prior approval (30 day deemer)	No fee No fee No fee	Prior approval (60 day deemer) Prior approval (60 day deemer) Prior approval (30 day deemer) File and use (informational only) File and use (subject to disapproval)	Healthcare service contractor, large group HMO large group Small group health plan rate changes, med. supp Individual health plan All other health
WV (2/09)	§§ 33-6-8, 33-6-34, 33-16B-1; 114 CSR 26-3 § 33-6-8(b)(2)	Prior approval (60 day deemer) File and use (30 day disapproval)	\$50 per form \$75 per rate	Prior approval (60 day deemer); Rate filings required for new products or rate changes; rate filings shall be filed with forms.	All health Mass-marketed Health

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STATE	CITATION	FORM FILING REQUIREMENT	FEE	RATE FILING REQUIREMENT	RATE FILING APPLIES TO:
WI (2/09)	§§ 625.13, 631.20; WI Bulletin 4-28-2008; Reg. § INS 6.05	Prior approval (30 day deemer); May file and use with certification; does not apply to long-term care or Medicare Supplement.	None	Use and file (30 days)	Individual health
WY (2/09)	§§ 26-15-110, 26-18-135	Prior approval (45 day deemer)	No fee	File and use	Disability

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.

Medicare Part D enrollment

North Dakota has 106,485 residents eligible for Medicare Part D, which covers prescription drugs. There are 95,559 North Dakotans with known creditable drug coverage.

As of February 2009

7.1.09 Major Medical Covered Lives By Company

Company	Individual	Sm Grp (2-50)	Lg Group	Self-Funded	Total
BCBS	33,721	49,150	190,224	165,716	438,811
Medica	0	6,800	3,000	3,000	12,800
Assurant - Time	5,898	79	0	0	5,977
Assurant - John Alden	861	1,044	0	0	1,905
Assurant - Union Security	0	33	0	0	33
American Family	2,400	0	0	0	2,400
United Healthcare	0	48	256	1,104	0
Preferred One	0	48	256	1,104	1,408
Total	42,880	57,154	193,480	169,820	463,334
Other Programs					
CHAND (BCBS)	451				1,443
- \$500 ded. w/o chiro	260				
- \$1,000 ded. w/o chiro	298				
- \$500 ded. w/ chiro	96				
- \$1,000 ded. w/ chiro	338				
- Age 65 + or disabled					
SCHIP (BCBS)	3,209				3,209
Medicare	117,130				117,130
Medicaid	47,864				47,864
Veterans			?		0
Indian Health Services	31,020		?		31,020
					664,000
Caring for Children (BCBS)					580

Notes
Self funded and small group include some out of state employees. Almost 51,000 of the large group are from national accounts (MD residents from both fully insured and self-funded plans who belong to another out of state BCBS plan). Lg group includes 57,029 FEBS members and 18,959 Federal employees.
Year end 2008. Includes 9,212 also covered by Medicaid. June, 2009. Does not include 9,212 also covered by Medicare.
Projected from the 2000 Census.
Not technically insurance. Provided through a BCBS Foundation.