



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
INDIVIDUAL HEALTH COVERAGE PROGRAM

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STEVEN M. GOLDMAN  
*Commissioner*

**ADVISORY BULLETIN**  
**07-IHC-03**

**VIA CERTIFIED MAIL**

June 15, 2007

Name  
Address

**Re: Notice of 2005/2006 Minimum Enrollment Share  
Exemption Request and Certification of Non-Group Lives**

**PLEASE READ THIS ENTIRE BULLETIN CAREFULLY**  
**EXEMPTION REQUESTS MUST BE SUBMITTED WITHIN 30 DAYS**  
**CERTIFICATIONS MUST BE SUBMITTED WITHIN 60 DAYS**

The New Jersey Individual Health Coverage Program (IHC) Board is authorized by N.J.S.A. 17B:27A-2 et seq. and N.J.A.C. 11:20 et seq. to administer the IHC Program and to assess members for their proportionate share of reimbursable losses and operating expenses. A "member" is a carrier that issues or has in force health benefits plans in New Jersey. This Advisory Bulletin is of particular import to members that had net earned premium from individual, small group or large group health benefits plans in either 2003 or 2004.

This Advisory Bulletin serves as the notice required by N.J.S.A. 17B:27A-12 and N.J.A.C. 11:20-9.3(a) of the "minimum number of non-group persons" each member was required to enroll to be exempt from assessment for 2005/2006 reimbursable losses. N.J.A.C. 11:20-9.3(a) anticipates that notice of the minimum enrollment share will be sent to carriers approximately 60 days following the IHC Board's receipt of completed Exhibit K Assessment Reports. Because a provision of the Board's prior rule at N.J.A.C. 11:20-2.17, which covers loss assessment periods for 1997/1998 and thereafter, was challenged and ultimately invalidated by the Supreme Court of New Jersey in In re New Jersey Individual Health Coverage Program's Readoption of N.J.A.C. 11:20-1 et seq., 179 N.J. 570 (2004), the IHC Board determined that asking carriers to make decisions relative to exemptions from loss assessments was inappropriate until new N.J.A.C. 11:20-2.17 was adopted. N.J.A.C. 11:20-2.17 was adopted and is now operative. See 38 N.J.R. 5383(a) (Dec. 18, 2006).

N.J.A.C. 11:20-2.17, as adopted, requires that the loss assessment calculation take properly filed exemptions into consideration. Thus, while the 2005/2006 two-year calculation period has already elapsed, it is nevertheless essential to afford members the opportunity to seek an exemption for the 2005/2006 period. Given the extraordinary circumstances and the fact that actual enrollment information is already available, the exemption request process set forth in N.J.A.C. 11:20-9.2 and N.J.A.C. 11:20-9.5, which ordinarily requires two distinct filings, will be subject to the deadlines set forth below.

Carriers seeking an exemption for 2005/2006 must submit the following:

- A written request for an exemption by the Chief Financial Officer or other duly authorized officer that includes the affirmative statement set forth in N.J.A.C. 11:20-9.2(b)3. Carriers must submit the written request for exemption **no later than 30 days following receipt of this Advisory Bulletin.**
- A Certification of Non-Group Lives as required by N.J.A.C. 11:20-9.5(a). This Certification **may be submitted contemporaneously** with the request for exemption. The Board recognizes that the data necessary to complete the certification may not be readily available and therefore will accept the Certification if it is submitted **no later than 60 days following receipt of this Advisory Bulletin.**

**The Board will not consider late filings.**

Although we are sending Advisory Bulletins for the 2003/2004 and 2005/2006 at the same time, please note that an Exemption request and Certification for the 2003/2004 period is separate from any Exemption request and Certification for the 2005/2006 period. Carriers that wish to seek exemptions for both periods must submit two exemption requests and two certifications.

Please note that members not seeking an enrollment-based exemption are not required to make a filing in response to this Advisory Bulletin.

Please send the exemption requests and certification to the attention of Ellen DeRosa, Executive Director, at the above address.

The Board anticipates billing for the 2005/2006 loss assessment soon after the exemption requests have been processed. The unaudited losses for the 2005/2006 calculation period are \$1,061,281.

Minimum Enrollment Share 2005/2006: _____ non-group person lives
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If you have any questions, please contact me by email at [ederosa@dobi.state.nj.us](mailto:ederosa@dobi.state.nj.us) or by phone at 609-633-1882 ext. 50302.

Sincerely,

*Ellen F. DeRosa*

Ellen F. DeRosa  
Executive Director