

NEW JERSEY  
**INDIVIDUAL HEALTH COVERAGE PROGRAM**

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**IN THE MATTER OF NEW YORK LIFE  
INSURANCE COMPANY'S LATE FILING OF  
EXHIBIT K FOR THE 1997/1998 LOSS  
ASSESSMENT AND FISCAL YEARS 2000/2001  
ADMINISTRATIVE EXPENSE ASSESSMENT**

**ADMINISTRATIVE ORDER NO. 00-08**

WHEREAS, the New Jersey Individual Health Coverage Program ("IHC") Board is authorized by the Individual Health Insurance Reform Act of 1992 ("IHC Act"), P.L. 1992, c. 161 (N.J.S.A. 17B:27A-2 *et seq.*), and regulations promulgated thereunder and set forth at N.J.A.C. 11:20-1.1 *et seq.*, to assess each member of the IHC Program annually for its share of reimbursable losses and administrative expenses, based on the proportion that the member's net earned premium for the two-year calculation period preceding the assessment bears to the net earned premium for all members of the IHC Program for that two-year calculation period; and

WHEREAS, New York Life Insurance Company ("New York Life") is a "carrier" and a "member" of the IHC Program as defined in the IHC Act; and

WHEREAS, N.J.A.C. 11:20-8.2 requires that every member of the IHC Program, on or before March 1 of the year following every two-year calculation period, file a carrier Market Share and Net Paid Gain (Loss) Report ("Exhibit K"); and

WHEREAS, in December of 1998, the IHC Board provided all licensed carriers with a Notice of Annual Filing Requirements for the IHC Program which included filing instructions and a blank Exhibit K for members and a Certification of Non-member Status for non-members of the IHC Program which filings were due by March 1, 1999; and

WHEREAS, New York Life failed to file a 1997/1998 Exhibit K or a Certification of Non-member Status by March 1, 1999; and

WHEREAS, on November 17, 1999, in reliance on filings from all member carriers, the IHC Board issued assessment invoices to members of the IHC Program for the 1997/1998 two-year calculation period for reimbursable losses and estimated fiscal year 2000/2001 administrative expenses, which assessment invoices did not include an assessment invoice for New York Life; and

WHEREAS, New York Life submitted a 1997/1998 Exhibit K dated March 15, 2000, reporting \$34,434,950 in net earned premium for all health benefits plans in 1997 and 1998; and

NOW THEREFORE, pursuant to the authority granted to the IHC Board by *N.J.S.A. 17B:27A-2 et seq.*, *N.J.A.C. 11:20-1 et seq.*, and all powers expressed or implied therein, and the decision of the IHC Board as expressed by this Administrative Order,

IT IS on this 23rd day of June, 2000,

ORDERED that the IHC Board shall make an adjustment to the 1997/1998 loss assessment and fiscal year 2000/2001 administrative expense assessment for New York Life based on net earned premium of \$34,434,950 as reported by New York Life in its 1997/1998 Exhibit K dated March 15, 2000; and

IT IS FURTHER ORDERED THAT any future interim or final reconciliation of or adjustment to the 1997/1998 loss assessment and/or the 2000/2001 administrative expense assessment shall be calculated using \$34,434,950 as New York Life's net earned premium as reported on its revised 1997/1998 Exhibit K dated March 15, 2000.

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Wardell Sanders, Executive Director  
Individual Health Coverage Program Board

DATE: \_\_\_\_\_