

NEW JERSEY
INDIVIDUAL HEALTH COVERAGE PROGRAM

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IN THE MATTER OF APPEAL BY
UNITED STATES LIFE INSURANCE
COMPANY OF THE CITY OF NEW YORK
OF ITS LOSS ASSESSMENTS
BY THE INDIVIDUAL HEALTH COVERAGE
PROGRAM BOARD OF DIRECTORS
FOR THE 1999/2000
CALCULATION PERIOD

ADMINISTRATIVE ORDER NO. 02-IHC-02

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, to assess each member of the IHC Program for its share of reimbursable losses and administrative expenses, based on the proportion that the member's net earned premium for the calculation period preceding the assessment bears to the net earned premium for all members of the IHC Program for that calculation period; and

WHEREAS, on March 25, 2002, the IHC Board issued an assessment invoice to U.S. Life for 1999/2000 two-year calculation period for \$236,033.09 for reimbursable losses and \$7,133 for estimated administrative expenses; and

WHEREAS, by letter dated April 26, 2002, the United States Life Insurance Company of New York (“U.S. Life”) appealed from its proportional share of the 1999/2000 loss assessment issued by the Individual Health Coverage Program Board of Directors (“IHC Board”) on March 25, 2002 and requested a hearing pursuant to N.J.A.C. 11:20-20.2 and N.J.A.C. 11:20-2.15; and

WHEREAS, the aforementioned April 26, 2002 letter indicated that the challenge was "for the same reasons that [U.S. Life] had challenged the prior years' assessments;" and

WHEREAS, by letter dated February 7, 2001, U.S. Life requested that its appeal from the 1997/1998 loss assessment be deferred pending final resolution of In the Matter of the New Jersey Individual Health Coverage Program's Readoption of N.J.A.C. 11:20-1

et seq., Docket No. A-566-98T1, now pending in Superior Court of New Jersey, Appellate Division; and

WHEREAS, in the letter dated February 7, 2001, U.S. Life also appealed, for the first time, from its proportional share of the 1993, 1994, 1995, and 1996 loss assessments, issued by the IHC Board on July 11, 1994, November 21, 1995, June 12, 1996, and December 15, 1997, respectively; and

WHEREAS, the IHC Board, on June 4, 2001, issued Order No. 01-IHC-01, in which it ordered that: (1) a determination with regard to U.S. Life's Appeal of its 1997/1998 assessment and Request for a Hearing, and the determination of whether there are genuine issues of material fact that require a contested case hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., are hereby deferred pending resolution of the matter captioned In the Matter of the New Jersey Individual Health Coverage Program's Readoption of N.J.A.C. 11:20-1 et seq., Docket No. A-566-98T1; and (2) determinations with regard to U.S. Life's Appeal of its 1993, 1994, 1995 and 1996 assessments and Request for a Hearing, and the determination of whether there are genuine issues of material fact that require a contested case hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., are hereby deferred pending resolution of the matter captioned In the Matter of the New Jersey Individual Health Coverage Program's Readoption of N.J.A.C. 11:20-1 et seq., Docket No. A-566-98T1; and

WHEREAS, United States Life, in the aforementioned letter dated April 26, 2002, indicated that it has "no objection if the Board defers ruling on this matter . . . as [the Board] did on our prior challenge."

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 14th day of May 2002,

ORDERED that a determination with regard to U.S. Life's Appeal of its 1999/2000 assessment and Request for a Hearing, and the determination of whether there are genuine issues of material fact that require a contested case hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., are hereby deferred pending resolution of the matter captioned In the Matter of the New Jersey Individual Health Coverage Program's Readoption of N.J.A.C. 11:20-1 et seq., Docket No. A-566-98T1.

Wardell Sanders, Executive Director
Individual Health Coverage Program Board

Date: _____