

NEW JERSEY
INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD

Trenton, NJ 08625

IN THE MATTER ACACIA MUTUAL LIFE INSURANCE
COMPANY'S APPEAL OF THE INDIVIDUAL HEALTH
COVERAGE PROGRAM BOARD'S ASSESSMENT FOR
REIMBURSABLE LOSSES AND ADMINISTRATIVE
EXPENSES FOR CALENDAR YEAR 1994

ADMINISTRATIVE ORDER NUMBER 96-08

WHEREAS, the New Jersey Individual Health Coverage Program ("IHC") Board is authorized by the Individual Health Insurance Reform Act of 1992 ("IHC Act"), N.J.S.A. 17B:27A-2 et seq., and regulations promulgated thereunder, to administer the IHC Program, to assess members of the IHC Program on the basis of their proportionate share of program losses and administrative expenses and to take any legal actions necessary to recover assessments owed to the IHC Program;

WHEREAS, Acacia Mutual Life Insurance Company ("Acacia") is a "carrier" that reported accident and health premium on its annual statement filed with the New Jersey Department of Insurance, but Acacia failed to file either a timely Market Share and Net Paid Loss Report ("Exhibit K"), as required by N.J.A.C. 11:20-8.1 et seq., or a request for non-member status, as required by N.J.A.C. 11:20-13.1 et seq., with the IHC Board with respect to calendar year 1994;

WHEREAS, the IHC Board, on November 21, 1995, assessed Acacia for its share of reimbursable losses and administrative expenses of the IHC Program for calendar year 1994 in the amount of \$119, based on the accident and health premium reported on the annual statement filed with the New Jersey Department of Insurance;

WHEREAS, Acacia appealed the assessment by letter dated December 19, 1995, on the grounds that Acacia is not a member of the IHC Program subject to assessment because its accident and health premium is entirely attributable to disability insurance;

WHEREAS, the IHC Board has considered Acacia's appeal of the 1994 assessment. Based on the undisputed facts, the Board's concludes that "disability insurance" is expressly excluded from the definition of "health benefits plan" in N.J.A.C. 11:20-1.2, therefore, Acacia is not a member of the IHC Program;

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

IT IS on this 12th day of March, 1996,

ORDERED that Acacia's appeal of the 1994 assessment by the IHC Board is hereby granted.

Kevin O'Leary, Executive Director

Date