

NEW JERSEY  
**INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD**

Trenton, NJ 08625

IN THE MATTER OF JOHN ALDEN 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 96-12**

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, John Alden Life Insurance Company ("John Alden") is a "carrier" that filed a Market Share and Net Paid Loss Report ("Exhibit K") with the IHC Board on February 24, 1995 which reported net earned premium of \$100,084,346;

WHEREAS, the IHC Board, on November 21, 1995, assessed John Alden for its share of reimbursable losses and administrative expenses of the IHC Program for calendar year 1994 in the amount of \$1,431,149 based on its reported net earned premium;

WHEREAS, John Alden paid the invoice amount and appealed the assessment by letter dated December 19, 1995, on the grounds that John Alden incorrectly reported its net earned premium as a result of including premiums from stop loss coverage, and submitted a revised Exhibit K reporting \$94,129,610 in net earned premium;

WHEREAS, John Alden has provided written confirmation to the Board that it seeks to exclude from its assessable net earned premium \$4,398,092 of premium from stop loss coverage that satisfies the individual and aggregate attachment points set forth in N.J.A.C. 11:20-1.2, under the definition of "net earned premium;"

WHEREAS, the IHC Board has considered John Alden's appeal of the 1994 assessment. Based upon John Alden's revised Exhibit K, certified by James H. Srite, Vice President and Group Actuary, the Board accepts the late filing and agrees to accept John Alden's revised net earned premium;

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 John Alden's appeal of the 1994 assessment by the IHC Board is hereby granted with respect to its request to revise its reported net earned premium for calendar year 1994. The Board shall recalculate the 1994 assessment on the basis of John Alden's revised net earned premium upon resolution of all pending appeals and refund to John Alden any portion of the paid assessment no longer due to the IHC Program.

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Kevin O'Leary, Executive Director

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Date