



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE
INDIVIDUAL HEALTH COVERAGE PROGRAM

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**NOTICE OF ANNUAL FILING REQUIREMENTS FOR
NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM
ACTION REQUIRED BY
APRIL 1, 2025**

To: Property and Casualty Carriers, Life and Accident and Health Insurance Carriers, Health Maintenance Organizations, And Health Service Corporations

From: New Jersey Individual Health Coverage ("IHC") Program Board

RE: Annual Filing of Market Share Reports – Due April 1, 2025

Please read this memorandum and the applicable regulations carefully before completing any forms.

IHC Program

Carriers which report accident and health premium to the New Jersey Department of Banking & Insurance ("DOBI") for calendar year ended December 31, 2024 are required to provide the New Jersey Individual Health Coverage Program ("IHC") Board with an Exhibit K Assessment Report and accompanying Worksheet. Enclosed is a copy of N.J.A.C. 11:20-8, the subchapter which sets forth the instructions for completing the Exhibit K Assessment Report and Worksheet. Please take special care to read the subchapter as you complete the enclosed Exhibit K Assessment Report and Worksheet.

Note that the report is now due annually by April 1st.

If the IHC Board does not receive an accurate Exhibit K Assessment Report from a Member by the **April 1, 2025** deadline, or has not granted an extension for such a filing, the Board may refer the matter to the DOBI for enforcement.

Pursuant to the Individual Health Insurance Reform Act of 1992, ("IHC Act"), N.J.S.A. 17B:27A-2 et seq., and regulations promulgated thereto and set forth at N.J.A.C. 11:20-1.1 et seq., *carriers with inforce health benefits plans* during 2023 including plans issued to large groups, small groups, or individuals in New Jersey, are subject to assessment by the IHC Board.

Visit us on the Web at dobi.nj.gov/reform.htm

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Send Completed Forms to:

New Jersey Individual Health Coverage Program
PO Box 325 (for regular mail)
20 West State Street, 11th Floor (for courier service)
Trenton, NJ 08625-0325
Email: ihcsehprograms@dobi.nj.gov (Preferred method)

The following excerpts from the IHC Program regulations are set forth below to assist you in completion of the Exhibit K Assessment Report and the Worksheet.

11:20-8.1 Scope and applicability

(a) This subchapter sets forth reporting and certification requirements for premium data of Program members and other carriers with reportable accident and health premium in New Jersey.

(b) This subchapter shall apply to all carriers with reportable accident and health premium in New Jersey for any portion of the calendar year calculation period for which reports under this subchapter are required to be filed.

11:20-8.2 Filing of the assessment report form

(a) Every carrier with reportable accident and health premium in New Jersey shall file the Exhibit K Assessment Report form and a copy of the Exhibit K Part C Premium Data Worksheet which are set forth as Exhibit K in the Appendix to this chapter, incorporated herein by reference, on or before April 1 of the year immediately following the end of the calendar year.

(b) If a carrier with reportable accident and health premium in New Jersey is an affiliated carrier, the Exhibit K Assessment Report and the Part C Premium Data Worksheet shall be filed as follows:

1. Each affiliated carrier shall file one copy of the Exhibit K Part C Premium Data Worksheet whether or not that affiliated carrier reported accident and health premium in New Jersey during the calendar year.

2. The combined affiliated carriers, identified using a single carrier name, shall file one copy of the Exhibit K Assessment Report. The information specified on the Exhibit K Assessment Report shall be the aggregated information supplied on the Premium Data Worksheets for all affiliated carriers.

3. The Exhibit K Assessment Report along with the Premium Data Worksheet(s) shall be filed together. For example, a carrier with three affiliates with reportable accident and health premium in New Jersey but only two of which have non-group coverage, shall file one Exhibit K Assessment Report with the aggregated information for all affiliated carriers, and three copies of the Exhibit K Part C Premium Data Worksheet.

(c) Certified Exhibit K Assessment Reports shall be submitted either by email, facsimile or by hand delivery to the address listed above.

11:20-8.3 Calculation of net earned premium and determination of program membership

(a) In Part C of the Exhibit K Assessment Report, each member shall set forth its total net earned premium from plans issued, continued or renewed for all affiliated carriers during the preceding calendar year. Net earned premium reported in Part C of Exhibit K shall be consistent with the data set forth on the Exhibit K Part C Premium Data Worksheet(s).

(b) In Part C of the Exhibit K Assessment Report, each carrier with no net earned premium in the preceding calendar year shall assert its status as a non-member by checking the box designated for non-members on the Exhibit K Assessment Report. Carriers with either no net earned premium or whose

Section 3 Calculation of Net Earned Premium on the Exhibit K Part C Premium Data Worksheet is equal to 0 are non-members.

(c) Every carrier, whether a member or not, shall complete an Exhibit K Part C Premium Data Worksheet for each affiliate and shall attach each Worksheet to its Exhibit K Assessment Report.

1. In Section 1 of the Premium Data Worksheet, the carrier shall report the total accident and health premium reported on its annual statement blank for each calendar year.

2. In Section 2 of the Premium Data Worksheet, the carrier shall report the total net earned premium for the calendar year for each of the excepted types of coverage which are specifically identified in Section 2 of the Worksheet.

3. In Section 3 of the Premium Data Worksheet, the carrier shall calculate the affiliate's net earned premium by subtracting the total excepted premium totals reported in Section 2 from the accident and health premium totals reported in Section 1 of the Worksheet.

4. The carrier shall report the aggregated net earned premium on Exhibit K Part C by taking the sum of each affiliate's net earned premium total as calculated on the Exhibit K Part C Premium Data Worksheet.

11:20-8.6 Certifications

In Part D of the Exhibit K Assessment Report, the Chief Financial Officer, or other duly authorized officer of the carrier, shall certify that the Exhibit K Assessment Report, and all Exhibit K Part C Premium Data Worksheets, filed with the IHC Board are accurate and complete and conform with the requirements of this subchapter. Every duly authorized officer who provides a certification for the reporting required under this subchapter shall be responsible for errors contained therein.

11:20-8.7 Failure to file Exhibit K Assessment Report

Failure to file in a timely manner the Exhibit K Assessment Report and certification required by this subchapter shall result in the Board's using the premium set forth in the member's most recent Annual Statements filed with the Department as the premium base to calculate that member's market share allocation of assessments.

<u>Exhibit K Part C Premium Data Worksheet</u>

The purpose of this Part C Premium Data Worksheet is to demonstrate whether a carrier is a member of the IHC Program by virtue of having any "net earned premium" during the calculation period. "Net earned premium" means the premiums earned in this State on "health benefits plans," less return premiums thereon and dividends paid or credited to policy or contract holders on the health benefits plan business. Health benefits plans include health insurance for individuals or groups of any size, but shall not include any premium associated with the benefits enumerated in Section 2 of Part C of the Premium Data Worksheet.

Directions:

Copy the attached worksheet, if necessary, and provide the following information for each affiliate:

- The name of the affiliate.
- Section 1: The total accident and health premium reported on the annual NAIC statement blank for the calendar year calculation period for that affiliate.
- Section 2: The total premium amounts earned in the calendar year for each of the excepted types of coverage listed on the worksheet for each affiliate.

- Section 3: To arrive at the net earned premium in section 3, subtract the total excepted premium totals reported in Section 2 from the accident and health premium totals reported in Section 1. All premium that is not from some type of excepted coverage is net earned premium from health benefits plans.
- Each affiliate's worksheet shall be attached to the carrier's one-page Exhibit K.

Members shall report the combined net earned premium calculated from each affiliate's Exhibit K Part C Premium Data Worksheet on Part C of the Exhibit K Assessment Report.

If the combined net earned premium total from each affiliate's Exhibit K Part C Premium Data Worksheet is zero either because all of the premium is from excepted coverages or because the carrier had no accident and health premium, then the carrier shall assert Non-member status by checking the Non-member box on Exhibit K Part C, and completing the certification in Part D.