

Order No. 94-6

New Jersey
Individual Health Coverage Program Board
Trenton, New Jersey

IN THE MATTER OF LIFE
INSURANCE COMPANY OF NORTH
AMERICA'S 1992 ASSESSMENT

ADMINISTRATIVE ORDER

WHEREAS, the Individual Health Coverage ("IHC") Program Board of Directors ("Board") is authorized by the Individual Health Insurance Reform Act ("IHC Act"), N.J.S.A. 17B:27A-2 at seq., and regulations promulgated by the Board, N.J.A.C. 11:20-1 at seq., to administer the IHC program, to assess members of the IHC Program 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, the Board assessed all members of the IHC Program, including Life Insurance Company of North America, ("Life"), a company authorized to issue health insurance by the New Jersey Department of Insurance, for their proportionate share of 1992 reimbursable losses of the IHC Program as an advance interim assessment authorized by the IHC Act and such assessments were made by invoices dated on or about October 22, 1993;

WHEREAS, Life was assessed by the IHC Board in the amount of \$15,286, pursuant to the Board's belief that Life had not filed its Carrier Market Share and Net Paid Loss Report (Exhibit K) by the June 28, 1993 deadline or responded to IHC Bulletin 93-01 which was issued on or about July 8, 1993;

WHEREAS, it appears that Life did not respond to the assessment invoice or subsequent correspondence concerning the assessment;

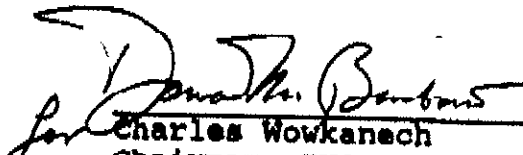
WHEREAS, pursuant to the authority granted to the Board by N.J.S.A. 17B:27A-2 at seq., and all powers expressed or implied therein, the Board issued Administrative Order No. 94-5 on April 5, 1994 demanding immediate payment of the assessment of \$15,286, plus interest, within five business days of receipt of the Administrative Order; and

WHEREAS, subsequent to the issuance of Administrative Order No. 94-5, the Board became aware that Life Insurance Company of North America is an affiliate of CIGNA and should not have been assessed independently from CIGNA;

IT IS THEREFORE on this 3rd day of May, 1994,

ORDERED that Administrative Order No. 94-5 issued by the IHC Board on April 5, 1994 is hereby vacated and the assessment of Life Insurance Company of North America for 1992 reimbursable losses is hereby withdrawn.

5-17-94
Date


for Charles Wowkanach
Chairman, IHC Board

WHEREAS,