

NEW JERSEY
INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD
Trenton, NJ 08625

IN THE MATTER OF CANADA LIFE ASSURANCE
COMPANY'S APPEAL OF THE INDIVIDUAL
HEALTH COVERAGE PROGRAM BOARD'S
ASSESSMENT FOR REIMBURSABLE LOSSES AND
ADMINISTRATIVE EXPENSES FOR CALENDAR
YEAR 1995

ADMINISTRATIVE ORDER NUMBER 96-30

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, Canada Life Assurance Company ("Canada Life") is a "carrier" that failed to file a Market Share and Net Paid Loss Report ("Exhibit K") with the IHC Board, as required pursuant to N.J.A.C. 11:20-8.2;

WHEREAS, the IHC Board, on June 12, 1996, assessed Canada Life for its share of reimbursable losses and administrative expenses of the IHC Program for calendar year 1995 in the amount of \$61,853, based on the accident and health premium of \$1,903,509 Canada Life reported on its annual statement filed with the Department of Banking and Insurance, in accordance with N.J.A.C. 11:20-8.2(a)(2), of which Canada Life paid \$2,517 on July 30, 1996, and appealed, by letter dated June 23, 1996, pursuant to N.J.A.C. 11:20-2.15;

WHEREAS, Canada Life appeals on the grounds that its correct net earned premium, reported with its appeal, is \$77,338, and that this figure should be used to calculate its loss share instead of its annual statement premium;

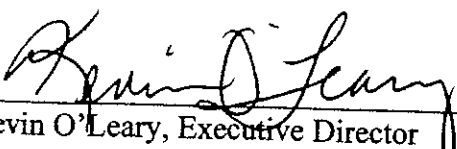
WHEREAS, N.J.A.C. 11:20-2.15 provides that "[a] Member seeking to challenge the amount of an assessment must do so within 20 days of receiving the notice of the assessment following the procedures established by the Board;" and

WHEREAS, the IHC Board has considered Canada Life's appeal of the 1995 assessment and finds the appeal of the 1995 assessment was timely filed and the Board agrees to accept the reported net earned premium of \$77,338;

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 this Administrative Order;

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

ORDERED by the Individual Health Coverage Program Board that Canada Life's appeal of the 1995 assessment is hereby granted. The Board shall recalculate the 1995 assessment on the basis of Canada Life's reported net earned premium upon resolution of all pending appeals and, at that time, refund to Canada Life any portion of the paid assessment no longer due to the IHC Program.


Kevin O'Leary, Executive Director

11-18-96
Date

**NEW JERSEY
INDIVIDUAL HEALTH COVERAGE PROGRAM**

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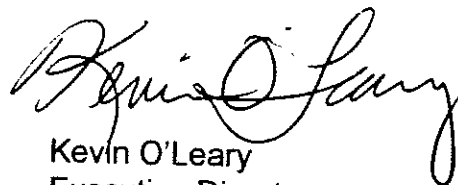
November 15, 1996

Ms. Amy P. O'Connell, Policy Forms Analyst
Canada Life Assurance Co.
P O Box 105025
Atlanta, GA 30348-5025

Dear Ms. O'Connell:

Enclosed please find the Individual Health Coverage Program Board's final decision regarding Canada Life Assurance Co.'s appeal of the 1995 assessment. Please feel free to call me if you have any questions about the Order or the IHC Program generally.

Sincerely,



Kevin O'Leary
Executive Director

encl.