

NEW JERSEY
INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD
Trenton, NJ 08625

IN THE MATTER OF THE RELIABLE LIFE
INSURANCE 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 96-34

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, Reliable Life Insurance Company ("Reliable") is a "carrier" that filed, on February 28, 1996, a Market Share and Net Paid Loss Report ("Exhibit K") with the IHC Board, reporting calendar year 1995 net earned premium of \$1,872,790;

WHEREAS, the IHC Board, on June 12, 1996, assessed Reliable for its share of reimbursable losses and administrative expenses of the IHC Program for calendar year 1995 in the amount of \$60,855, based on the filed Exhibit K, which amount Reliable paid on July 23, 1996, but appealed, pursuant to N.J.A.C. 11:20-2.15;

WHEREAS, Reliable appealed on the grounds that the net earned premium reported inadvertently included non-assessable premium attributable to accident-only coverage and should be revised to \$1,524,952, the figure reported on a revised Exhibit K submitted with Reliable's appeal;

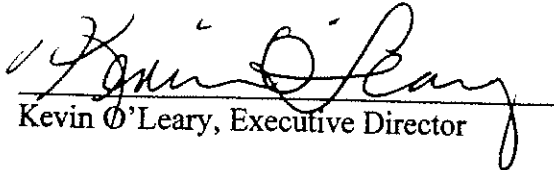
WHEREAS, N.J.A.C. 11:20-2.15 provides that "[a] Member seeking to challenge the amount of an assessment must do so within 20 days of receiving the notice of the assessment following the procedures established by the Board;" and

WHEREAS, the IHC Board has considered Reliable's appeal of the 1995 assessment and finds the appeal of the 1995 assessment was timely filed and the Board agrees to accept the revised net earned premium of \$1,524,952;

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 Reliable's appeal of the 1995 assessment is hereby granted. The Board will recalculate the 1995 assessment on the basis of Reliable's revised net earned premium upon resolution of all pending appeals and, at that time, the Board will refund to Reliable 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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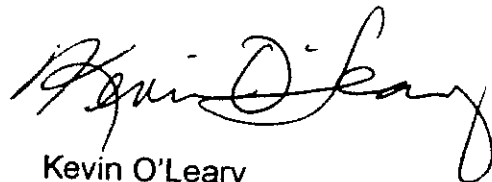
November 15, 1996

Mr. Steven D. McGinley
The Reliable Life Insurance Co.
231 West Lockwood Avenue
St. Louis, Missouri 63119

Dear Mr. McGinley:

Enclosed please find the Individual Health Coverage Program Board's final decision regarding The Reliable Life Insurance 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,

A handwritten signature in black ink, appearing to read "Kevin O'Leary", written in a cursive style.

Kevin O'Leary
Executive Director

encl.