



STATE OF INDIANA

MITCHELL E. DANIELS, JR., Governor

IDOI

INDIANA DEPARTMENT OF INSURANCE

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August 10, 2011

Stephen W. Robertson, Commissioner

Via Email to MLRAdjustments@hhs.gov

United States Centers for Medicare & Medicaid Services

Attn: Gary Cohen

Acting Director, Office of Oversight

200 Independence Avenue SW

Washington, D.C. 20201

Re: Indiana's Request for Adjustment to Medical Loss Ratio Standard

Dear Director Cohen,

On behalf of the Indiana Department of Insurance (IDOI) and the State of Indiana, this letter is in response to your request for additional information to complete Indiana's application for an adjustment to the medical loss ratio (MLR) standard. We have included your questions verbatim, for your convenience. IDOI's response is outlined below each reprinted question. Please consider this letter and its corresponding attachments as the necessary information in order to deem our original application for an MLR adjustment complete.

1. Page 13 of the IDOI's application states that "Although individual carriers are not statutorily required to notify IDOI that they are withdrawing from the individual market, most carriers do notify this agency out of courtesy." The IDOI's application is otherwise silent regarding any requirements Indiana may have with respect to withdrawal from the Indiana individual health insurance market. Title 45 CFR § 158.321(b) provides that a State must describe any requirements it has with respect to withdrawal from its individual health insurance market. Such requirements include, but are not limited to, any notice that must be provided and any authority the State regulator may have to approve a withdrawal plan or ensure that enrollees of the existing issuer have continuing coverage, as well as any penalties or sanctions that may be levied upon exit or limitations on re-entry. Please describe any requirements Indiana has with respect to withdrawal from its individual health insurance market, or confirm that it has none.

Ind. Code § 27-8-5-3(a)(13) requires that individual insurance policies contain a guaranteed renewability provision, in compliance with the Health Insurance Portability and Accountability Act of 1996 (P.L.104-191) (HIPAA). 45 C.F.R. § 148.122 has various withdrawal requirements that apply to insurers operating in an individual health insurance market in a state such as

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Indiana. Indiana has no additional state statutory requirements regarding withdrawal from its individual health insurance market.

2. Pages 7 and 13 of the IDOI's application suggest that there are no mechanisms available to Indiana to provide consumers with options in the event an issuer withdraws from the Indiana individual health insurance market other than Indiana's high risk pool (Indiana Comprehensive Health Insurance Association ("ICHIA")) and the federal Preexisting Condition Insurance Plan ("PCIP"), and that "The PCIP is often not a practical solution for the very sick because one has to go without coverage for six months." Title 45 CFR § 158.321(c) provides that a State must describe the mechanisms available to the State to provide consumers with options in the event an issuer withdraws from its individual health insurance market. Such mechanisms include but are not limited to a guaranteed issue requirement, limits on health status rating, an issuer of last resort, or a State-operated high risk pool. A State's description of each mechanism, according to 45 CFR § 158.321(c), should include detail on the issuers participating in and products available under such mechanism, as well as any limitations with respect to eligibility, enrollment period, total enrollment, and coverage for pre-existing conditions. Please either (1) confirm that Indiana has no mechanism available to it to provide consumers with options in the event an issuer withdraws from its individual health insurance market other than ICHIA and PCIP, or (2) describe the mechanisms Indiana has available to it in addition to these two programs. Please also provide the total enrollment of ICHIA and a description of (1) participating issuers, (2) available products, (3) eligibility requirements, (4) enrollment periods, and (5) pre-existing condition coverage limitations.

Indiana mandates a guaranteed renewability clause in each individual policy for accident and sickness.^[1] If the insured wants to switch carriers and has a preexisting condition, however, ICHIA and possibly certain Medicaid programs are their only alternatives since they would be required to drop all coverage for six months to be eligible for PCIP. Therefore, we confirm that Indiana, other than ICHIA, possibly Medicaid and PCIP (if this individual chooses to drop coverage for six months), has no additional mechanisms available to consumers when an issuer withdraws from its individual health insurance market. ICHIA was created by the Indiana General Assembly in 1981 as a not-for-profit association to provide health insurance to Indiana citizens unable to obtain medical coverage in the open market.^[2]

ICHIA operates as a safety net for Indiana's uninsurable by providing health insurance to all designated as eligible under the law. As of December 1, 2010, there were approximately 7,300

^[1] Ind. Code § 27-8-5-3(a)(13).

^[2] Ind. Code § 27-8-10-2.1.

enrollees in ICHIA.^[3] Current enrollment is approximately 7,600. ICHIA enrollment occurs throughout the calendar year.^[4]

Issuer participation may be defined here as those issuers funding ICHIA. All state-licensed health insurers assist in funding the program. ICHIA operates at a net loss. Net loss is generally calculated by subtracting expenses from premiums. The State of Indiana pays 75% of the net loss from state tax revenue. State-licensed health insurers pay the remaining 25% of the net loss through assessments. There are approximately 145 state-licensed issuers paying assessments to ICHIA.

ICHIA offers five benefit plans, labeled Plan 1 through 5. A comparison of the plans is available on the ICHIA website.^[5] The plan deductible amounts are \$500, \$1,000, \$1,500, \$2,500 and \$5,000, respectively.

To be eligible for ICHIA, an individual must meet the following requirements:

- A person is a resident of the State of Indiana for at least the last twelve months;
- Is not eligible for Medicaid; and
- Is not eligible for a group health plan that provides similar benefits.

ICHIA is the state alternative mechanism under HIPAA. Therefore, a person is federally eligible because one has had continuous, creditable coverage for at least 18 months with no lapse in coverage exceeding 63 days, or received notification of rejection from a health insurer for equivalent coverage, or has portability rights under HIPAA or had an individual policy with a premium higher than an ICHIA policy with equivalent coverage.

Additional eligibility information, such as that regarding dependent coverage, can be found on the ICHIA website.^[6] As of July 1, 2011, in accordance with the Patient Protection and Affordable Care Act, ICHIA's eligibility requirements, in amended form, mandates a person to first apply for coverage with either Medicaid, PCIP or the Indiana check-up plan named the Healthy Indiana Plan (HIP), unless the person had group coverage and exhausted COBRA within 63 days of applying to ICHIA. A person applying for coverage in ICHIA must apply for coverage no more than 60 days prior to submitting an ICHIA application.

ICHIA defines a pre-existing condition as any condition or illness that existed on or before the effective date of coverage with ICHIA and for which medical treatment or advice was recommended or received within the three months before a person's effective date of coverage.

^[3] http://www.in.gov/sba/files/BC_Hearing_2010_057_ICHIA_Presentation.pdf

^[4] Id at 1.

^[5] <http://www.ichia.org>, specifically,

https://www.onlinehealthplan.com/content/html/acs/12/Member_Guide_2010web.pdf

^[6] https://www.onlinehealthplan.com/content/html/acs/12/ICHIA_Policy_April2010.pdf

An enrollee qualifies for a Pre-Existing Condition Waiver if the person is federally eligible. Without such a waiver, there is a three month waiting period that must elapse before ICHIA will cover charges related to the condition. If the enrollee is federally eligible, as described in the ICHIA website, then coverage cannot be denied.

3. Title 45 CFR § 158.321(d)(1) requires the State to provide the individual health insurance market share within the State for each issuer who offers coverage in the individual market in the State. Please provide the Indiana individual health insurance market share of each issuer who offers coverage in that market. Also, please confirm that the 3-page attachment to IDOI's application entitled "Indiana Department of Insurance Estimated Rebate for SHCE Filers" lists all the issuers offering coverage in that market, and please indicate which of those issuers are actively offering coverage in that market.

See Exhibit A. This information was last downloaded on August 4, 2011, to ensure the most up-to-date reporting. Exhibit A lists the covered lives as of December 31, 2010, but not all are actively marketing. Carriers bear the burden of reporting SHCE information to IDOI, and this is the most accurate list IDOI has at present. To our knowledge, as of December 31, 2010, each carrier listed in Exhibit A had the reflected number of insureds.

4. Title 45 CFR § 158.321(d)(1) requires the State to provide, for each issuer who offers coverage in the individual market in the State, its number of individual enrollees by product and available individual premium data by product. The IDOI, citing 45 CFR § 158.320, states on page 1 of its application that providing this information is unduly burdensome. At this time, CCIHO would be willing to accept, for the purpose of concluding that the IDOI's application is complete under 45 CFR § 158.321(d)(1), the information regarding Indiana individual health insurance market enrollment and premiums that Indiana's issuers are required to report as part of the publicly available Supplemental Health Care Exhibit ("SHCE"). CCIHO reserves the right, however, to request that the IDOI provide the figures for premium and number of enrollees by product required by 45 CFR § 158.321(d)(1) if CCIHO determines that this information is material to the decision of whether to grant an adjustment. If this information is requested by CCIHO, the IDOI can, at its option, either seek that information from the issuers, or renew its request that the Secretary proceed to process the application without the information, as provided by 45 CFR § 158.320.

IDOI asserts that it does not have the numbers of individual enrollees by product for each of the State's carriers, and said information is not readily available to it. IDOI hereby renews its request as provided by 45 CFR § 158.320, and respectfully requests that the Secretary proceed to process the application without the information. In addition, IDOI has provided the necessary data as provided in the SHCE, which is already in HHS' possession. Please see our response to number 5.

5. Please provide the 2010 SHCE of each issuer who offers coverage in the individual market in Indiana.

This information has already been provided to HHS. A compact disc containing the 2010 SHCE of each issuer who offers coverage in the individual market in Indiana was submitted by the NAIC earlier this year. However, we are aware that some insurers have re-filed, updated or filed subsequent to the spring 2011 submission. Therefore, attached are the SHCEs not previously in HHS' possession. The SHCEs provided were selected because, as of August 4, 2011, the new information was provided subsequent to the original filing. To the best of IDOI's knowledge, this information combined with the previously submitted SHCE information comprises the most complete picture of Indiana's individual insurance market.

6. Please confirm that the figures appearing in the "SHCE Individual Preliminary MLR" column in the 3-page attachment to IDOI's application entitled "Indiana Department of Insurance Estimated Rebate for SHCE Filers" are the estimated MLRs for the listed issuers' individual market business in Indiana, as required by 45 CFR § 158.321(d)(2)(iii). If that is not the case, please provide the estimated MLR for the individual market business in Indiana, as determined in accordance with 45 CFR § 158.221, for each issuer who offers coverage in the Indiana individual market to more than 1,000 enrollees. Title 45 CFR § 158.221 provides that the formula for calculating an issuer's MLR includes any applicable credibility adjustment.

Please see Exhibit B. This information contains the most current MLR information with credibility and/or deductible adjustments as reported by the carriers.

7. As required by 45 CFR § 158.321(d)(2), please provide, for 2010, for each issuer that offers coverage in the Indiana individual health insurance market to more than 1,000 enrollees, (1) its reported MLR pursuant to Indiana law for its Indiana individual market business, (2) its total agents' and brokers' commission expenses on Indiana individual health insurance market products, (3) its estimated rebate for its individual market business in Indiana, as determined in accordance with 45 CFR §§ 158.221 and 158.240, (4) its net underwriting profit for its individual market business in Indiana, (5) its net underwriting profit for its consolidated business in Indiana, (6) its after-tax profits and profit margin for its consolidated business in Indiana, and (7) its after-tax profits and profit margin for its consolidated business in Indiana. Please also provide for each issuer that offers coverage in the Indiana individual health insurance market to more than 1,000 enrollees whether the issuer has given notice of exit to the IDOI. We note that issuers report the information requested in subpart (1) – (7), or the data needed to calculate this information, in the SHCEs, Annual Statements, and other forms that they must file with the NAIC.

See Exhibit C.

8. Please provide in Excel spreadsheet format, as specified in the CCIIO Guidance issued on December 17, 2010, the information requested in items 3, 4, 6 and 7, and the information previously provided in the 3-page attachment to the IDOI's application entitled "Indiana Department of Insurance Estimated Rebate for SHCE Filers." This guidance is posted on the CCIIO website at http://www.hhs.gov/cciio/regulations/12-17-2010ociio_2010-2a_guidance.pdf.

See Exhibits B through D.

9. Title 45 CFR § 158.322(c) requires an estimate of the rebates that would be paid in each of MLR reporting years 2011, 2012, and 2013 if issuers offering coverage in Indiana's individual market must meet an 80 percent MLR standard each year. The IDOI in its application provided such an estimate for 2011. Please provide such an estimate separately for reporting years 2012 and 2013.

IDOI simply reported what was requested for 2011 and such information lacked credibility and deductible adjustments. These credibility and deductible adjustments are unknown to IDOI at this time, and, therefore, these estimates are hardly reliable. For example, fluctuations in enrollment affect credibility, deductible adjustments affect MLR and there is still uncertain claims experience that will not be known for a full year regarding the September 23, 2010 benefit expansion. Because Indiana considers rate adjustments on a case-by-case basis, which must be filed and approved by the Commissioner, producing an estimate for 2012 and 2013 would be impossible to provide with any accuracy. Given the budgetary constraints and additional fiscal burdens already imposed upon IDOI by ACA, engaging an actuarial or economic analysis firm to attempt to provide an even tenuous forecast is fiscally burdensome for IDOI and, more importantly, the Indiana taxpayer. IDOI hereby asserts its right afforded to it in 45 CFR § 158.320.

10. Please provide, as 45 CFR § 158.322(d) requires, an estimate of the rebates that would be paid each year for MLR reporting years 2011, 2012, and 2013 if issuers offering coverage in Indiana's individual market must meet the MLR standard that the Department proposes for each of those years (2011 – 65 percent, 2012 – 68.75 percent, and 2013 – 72.50 percent).

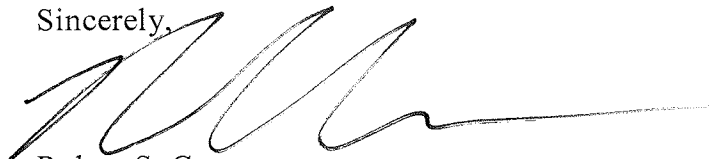
IDOI simply reported what was requested for 2011 and such information lacked credibility and deductible adjustments. These credibility and deductible adjustments are unknown to IDOI at this time, and, therefore, these estimates are hardly reliable. For example, fluctuations in enrollment affect credibility, deductible adjustments affect MLR and there is still uncertain claims experience that will not be known for a full year regarding the September 23, 2010 benefit expansion. Because Indiana considers rate adjustments on a case-by-case basis, which must be filed and approved by the Commissioner, producing an estimate for 2012 and 2013 would be impossible to provide with any accuracy. Given the budgetary constraints and

additional fiscal burdens already imposed upon IDOI by ACA, engaging an actuarial or economic analysis firm to attempt to provide an even tenuous forecast is fiscally burdensome for IDOI and, more importantly, the Indiana taxpayer. IDOI hereby asserts its right afforded to it in 45 CFR § 158.320.

The alternative policy proposed by IDOI and submitted to HHS to phase-in the MLR was based on a good-faith effort to strike a balance between ACA's increased MLR requirement and Indiana's immediate market needs. Particularly for smaller companies providing coverage in Indiana, it is the IDOI's position that a phased-in approach allows them to continue to retain their market share and enables them to market new business so that they can stabilize as a business in the wake of the coming changes.

IDOI has answered all of your requests for more information above or provided you with an appropriate exhibit or document attached hereto in order for the Secretary to move forward with processing our initial request for an adjustment. IDOI trusts that its application will be deemed complete and looks forward to a response within the allotted time frame per the regulation. Please direct all future correspondence to Logan P. Harrison at lharrison@idoi.in.gov or 317.234.7734.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robyn S. Crosson', with a long horizontal flourish extending to the right.

Robyn S. Crosson
Chief Deputy Commissioner, Company Compliance
Indiana Department of Insurance

Exhibit A
Indiana Department of Insurance
Market Share Estimate

Source: Insurance Analyst Pro®, Highline Data, LLC, August 4, 2011.

Co-Code	Company	SHCE		SHCE Individual Preliminary MLR (7)	SHCE		Market Share By Premium
		Individual Earned	Adjusted Earned		Individual Covered	Market Share By Covered Lives	
28207	Anthem Insurance Companies Inc	\$ 288,850,084	\$ 274,738,754	76.6%	114,671	59.6%	64%
62286	Golden Rule Insurance Co	\$ 30,624,758	\$ 28,809,032	64.2%	17,828	9.3%	7%
69477	Time Ins Co	\$ 32,710,240	\$ 30,232,114	64.0%	13,498	7.0%	7%
79413	United Healthcare Insurance Co	\$ 4,546,158	\$ 3,820,473	50.0%	12,179	6.3%	1%
97055	Mega Life & Health Insurance Co The	\$ 11,269,005	\$ 10,278,182	61.4%	4,571	2.4%	2%
73288	Humana Ins Co	\$ 6,169,827	\$ 5,710,052	61.5%	4,065	2.1%	1%
67628	Pekin Life Insurance Co	\$ 9,315,523	\$ 9,218,574	89.5%	3,363	1.7%	2%
97179	American Medical Security Life Insco	\$ 6,291,883	\$ 5,636,141	59.0%	2,551	1.3%	1%
62375	Consumers Life Insurance Co	\$ 3,911,955	\$ 3,848,072	98.2%	2,023	1.1%	1%
66087	Mid West National Life Ins Co of TN	\$ 3,812,918	\$ 3,349,912	57.9%	1,709	0.9%	1%
65080	John Alden Life Insurance Co	\$ 4,254,826	\$ 3,802,129	56.2%	1,684	0.9%	1%
71773	American National Life Insurance Co	\$ 3,596,505	\$ 3,510,288	74.7%	1,564	0.8%	1%
80799	Celtic Ins Co	\$ 1,926,089	\$ 1,880,473	80.4%	1,495	0.8%	0%
60836	American Republic Insurance Co	\$ 4,969,422	\$ 4,884,470	52.0%	1,376	0.7%	1%
95436	Physicians Health Plan of N In Inc	\$ 1,850,629	\$ 1,836,600	94.3%	1,315	0.7%	0%
60054	Aetna Life Insurance Co	\$ 2,612,585	\$ 2,237,609	77.1%	1,289	0.7%	1%
70629	World Insurance Co	\$ 1,433,508	\$ 1,427,477	93.1%	1,017	0.5%	0%
19275	American Family Mutual Ins Co	\$ 3,629,270	\$ 3,629,270	83.4%	1,001	0.5%	1%
69078	Standard Security Life Insurance Co	\$ 1,466,723	\$ 1,428,907	68.1%	937	0.5%	0%
66915	New York Life Insurance Co	\$ 4,565,879	\$ 4,520,745	99.1%	930	0.5%	1%
80314	Unicare Life & Health Insurance Co	\$ 14,094,615	\$ 13,427,868	65.4%	739	0.4%	3%
68241	Prudential Insurance Co of America	\$ 223,335	\$ 327,551	-4.2%	463	0.2%	0%
65978	Metropolitan Life Insurance Co	\$ 48,566	\$ 48,566	263.3%	389	0.2%	0%

*Note: The preliminary MLR does not take into consideration the credibility factor or the deductible adjustment factor, and, therefore, the rebate calculation may not be accurate.

**Exhibit A
Indiana Department of Insurance
Market Share Estimate**

Co-Code	Company	SHCE		SHCE Individual Preliminary MLR (7)	SHCE Individual Covered Lives	Market Share By Covered Lives	Market Share By Earned Premium
		Individual Earned Premiums (1.1)	Adjusted Earned Premiums (1.8)				
25178	State Farm Mutual Auto Ins Co	\$ 2,208,054	\$ 1,549,486	99.2%	380	0.2%	0%
60305	American Community Mutual Insurance	\$ 4,510,021	\$ 4,455,507	80.3%	276	0.1%	1%
19704	American States Insurance Company	\$ 81,373	\$ 81,373	67.4%	215	0.1%	0%
74209	Everence Ins Co	\$ 831,536	\$ 798,877	76.9%	197	0.1%	0%
86355	Standard Life & Accident Ins Co	\$ 228,108	\$ 224,156	64.0%	146	0.1%	0%
65781	Madison National Life Insurance Co	\$ 239,643	\$ 233,769	52.7%	129	0.1%	0%
62324	Freedom Life Insurance Co of America	\$ 284,265	\$ 268,122	85.0%	110	0.1%	0%
65757	Shelter Life Insurance Co	\$ 47,762	\$ 46,212	60.0%	57	0.0%	0%
29076	Medical Mutual of Ohio	\$ 494,157	\$ 486,453	52.7%	51	0.0%	0%
79480	Midwest Security Life Insurance Co	\$ 381,696	\$ 383,786	31.9%	38	0.0%	0%
60739	American National Insurance Co	\$ 202,962	\$ 196,743	232.0%	36	0.0%	0%
26581	Independence Amer Ins Co	\$ 95,126	\$ 89,737	632.8%	35	0.0%	0%
82538	National Health Insurance Co	\$ 340,010	\$ 332,355	505.2%	34	0.0%	0%
61425	Trustmark Insurance Co	\$ 173,021	\$ 162,638	-84.5%	16	0.0%	0%
64580	Illinois Mutual Life Insurance Co	\$ 68,515	\$ 66,292	37.1%	16	0.0%	0%
95109	Aetna Health Inc PA Corp	\$ 33,195	\$ 33,752	100.9%	9	0.0%	0%
61883	Central United Life Insurance Co	\$ 26,325	\$ 25,272	341.5%	9	0.0%	0%
81132	Life of Amer Ins Co	\$ 32,844	\$ 32,844	308.1%	7	0.0%	0%
70700	Unicare Health Ins Co of The Midwest	\$ 21,592	\$ 21,569	72.9%	6	0.0%	0%
61271	Principal Life Insurance Co	\$ 78,959	\$ 64,764	62.0%	5	0.0%	0%
98205	National Foundation Life Ins Co	\$ 22,537	\$ 18,795	13.1%	4	0.0%	0%
60801	American Public Life Insurance Co	\$ 6,424	\$ 6,275	12.8%	4	0.0%	0%
64211	Guarantee Trust Life Insurance	\$ 491,716	\$ 487,733	169.1%	4	0.0%	0%
13935	Federated Mutual Insurance Co	\$ 64,793	\$ 64,793	220.8%	4	0.0%	0%
67784	Philadelphia American Life Insurance	\$ 13,159	\$ 12,919	6.2%	3	0.0%	0%
76236	Cincinnati Life Insurance Co	\$ 1,385	\$ 1,255	0.0%	3	0.0%	0%
86231	Transamerica Life Ins Co	\$ 514	\$ 504	1470.4%	3	0.0%	0%
77720	Lifeseure Ins Co	\$ 1,934	\$ 1,934	19.8%	2	0.0%	0%
95525	CIGNA Healthcare of In Inc	\$ 9,994	\$ 30,423	-7.1%	1	0.0%	0%

*Note: The preliminary MLR does not take into consideration the credibility factor or the deductible adjustment factor, and, therefore, the rebate calculation may not be accurate.

Exhibit A
Indiana Department of Insurance
Market Share Estimate

Co-Code	Company	SHCE		SHCE Individual Preliminary MLR (7)	SHCE		Market Share By Covered Lives	Market Share By Premium Earned
		Individual Earned	Adjusted Earned		Individual Covered	Lives		
68608	Symetra Life Ins Co	\$ 7,150	\$ 7,112	0.0%	1	0.0%	0%	
67180	Ohio State Life Insurance Co	\$ 354	\$ 354	-69.8%	1	0.0%	0%	
69116	State Life Insurance Co	\$ 64	\$ 64	-28.1%	1	0.0%	0%	
94250	Banner Life Insurance Co	\$ 73	\$ 73	-2.7%	1	0.0%	0%	
63479	United Teacher Associates Insurance	\$ 4,368	\$ 4,368	549.1%	1	0.0%	0%	
69744	Union Labor Life Insurance Co	\$ 1,995	\$ 1,673	987.0%	1	0.0%	0%	
71870	Fidelity Security Life Insurance Co	\$ 28,603	\$ 28,156	-57.2%	-	0.0%	0%	
62413	Continental Assurance Co	\$ 1,117	\$ 1,038	-32.5%	-	0.0%	0%	
64246	Guardian Life Insurance Co of Amer	\$ 784	\$ 835	0.0%	-	0.0%	0%	
65676	Lincoln National Life Insurance Co	\$ 261	\$ 261	0.0%	-	0.0%	0%	
61409	National Benefit Life Insurance Co	\$ 150	\$ 150	0.0%	-	0.0%	0%	
70114	Unity Mutual Life Insurance Co	\$ 82	\$ 82	-40.2%	-	0.0%	0%	
61832	Chesapeake Life Insurance Co	\$ -	\$ 59	832.2%	-	0.0%	0%	
		<u>\$ 453,210,924</u>	<u>\$ 428,825,822</u>		<u>192,463</u>			

*Note: The preliminary MLR does not take into consideration the credibility factor or the deductible adjustment factor, and, therefore, the rebate calculation may not be accurate.

Indiana Department of Insurance
Exhibit B
Estimated Rebates for SHCE Filers
August 6, 2011

Source: Insurance Analyst Pro®, Highline Data, LLC, August 4, 2011.

Note: See notes and definitions at the end.

Cocode	Company	SHCE Individual Covered Lives	SHCE Individual Preliminary MLR (Line 7)	Individual* Adjusted MLR (Credibility Factor Only)	Individual Estimated Rebate Using Adjusted MLR
28207	Anthem Insurance Companies Inc	114,671	76.6%	76.6%	\$ 9,341,117.64
62286	Golden Rule Insurance Co	17,828	64.2%	66.5%	\$ 3,883,380.69
69477	Time Ins Co	13,498	64.0%	66.3%	\$ 4,127,138.72
79413	United Healthcare Insurance Co	12,179	50.0%	54.5%	\$ 974,936.95
97055	Mega Life & Health Insurance Co The	4,571	61.4%	65.0%	\$ 1,540,689.89
73288	Humana Ins Co	4,065	61.5%	66.0%	\$ 801,725.56
67628	Pekin Life Insurance Co	3,363	89.5%	94.2%	No Rebate
97179	American Medical Security Life Insko	2,551	59.0%	64.0%	\$ 903,059.15
62375	Consumers Life Insurance Co	2,023	98.2%	105.4%	No Rebate
66087	Mid West National Life Ins Co of TN	1,709	57.9%	64.4%	\$ 521,630.80
65080	John Alden Life Insurance Co	1,684	56.2%	63.1%	\$ 643,640.03
71773	American National Life Insurance Co	1,564	74.7%	81.3%	No Rebate
80799	Celtic Ins Co	1,495	80.4%	88.7%	No Rebate
60836	American Republic Insurance Co	1,376	52.0%	59.7%	\$ 991,901.81
95436	Physicians Health Plan of N In Inc	1,315	94.3%	102.4%	No Rebate
60054	Aetna Life Insurance Co	1,289	77.1%	84.8%	No Rebate
70629	World Insurance Co	1,017	93.1%	101.4%	No Rebate
19275	American Family Mutual Ins Co	1,001	83.4%	91.4%	No Rebate
69078	Standard Security Life Insurance Co	937	68.1%	No Credibility	No Rebate
66915	New York Life Insurance Co	930	99.1%	No Credibility	No Rebate
80314	Unicare Life & Health Insurance Co	739	65.4%	No Credibility	No Rebate
68241	Prudential Insurance Co of America	463	-4.2%	No Credibility	No Rebate
65978	Metropolitan Life Insurance Co	389	263.3%	No Credibility	No Rebate
25178	State Farm Mutual Auto Ins Co	380	99.2%	No Credibility	No Rebate
60305	American Community Mutual Insurance	276	80.3%	No Credibility	No Rebate
19704	American States Insurance Company	215	67.4%	No Credibility	No Rebate
74209	Everence Ins Co	197	76.9%	No Credibility	No Rebate
77720	Lifesecond Ins Co	2	19.8%	No Credibility	No Rebate
86355	Standard Life & Accident Ins Co	146	64.0%	No Credibility	No Rebate
65781	Madison National Life Insurance Co	129	52.7%	No Credibility	No Rebate
62324	Freedom Life Insurance Co of America	110	85.0%	No Credibility	No Rebate
65757	Shelter Life Insurance Co	57	60.0%	No Credibility	No Rebate
29076	Medical Mutual of Ohio	51	52.7%	No Credibility	No Rebate
79480	Midwest Security Life Insurance Co	38	31.9%	No Credibility	No Rebate
60739	American National Insurance Co	36	232.0%	No Credibility	No Rebate
26581	Independence Amer Ins Co	35	632.8%	No Credibility	No Rebate
82538	National Health Insurance Co	34	505.2%	No Credibility	No Rebate
61425	Trustmark Insurance Co	16	-84.5%	No Credibility	No Rebate
64580	Illinois Mutual Life Insurance Co	16	37.1%	No Credibility	No Rebate
61883	Central United Life Insurance Co	9	341.5%	No Credibility	No Rebate
95109	Aetna Health Inc PA Corp	9	100.9%	No Credibility	No Rebate
81132	Life of Amer Ins Co	7	308.1%	No Credibility	No Rebate

*Note: Does not include deductible adjustment factor, therefore the estimated rebate may not be accurate.

**Indiana Department of Insurance
Exhibit B
Estimated Rebates for SHCE Filers
August 6, 2011**

Source: Insurance Analyst Pro®, Highline Data, LLC, August 4, 2011.

Note: See notes and definitions at the end.

Cocode	Company	SHCE Individual Covered Lives	SHCE Individual Preliminary MLR (Line 7)	Individual* Adjusted MLR (Credibility Factor Only)	Individual Estimated Rebate Using Adjusted MLR
70700	Unicare Health Ins Co of The Midwest	6	72.9%	No Credibility	No Rebate
61271	Principal Life Insurance Co	5	62.0%	No Credibility	No Rebate
98205	National Foundation Life Ins Co	4	13.1%	No Credibility	No Rebate
60801	American Public Life Insurance Co	4	12.8%	No Credibility	No Rebate
64211	Guarantee Trust Life Insurance	4	169.1%	No Credibility	No Rebate
13935	Federated Mutual Insurance Co	4	220.8%	No Credibility	No Rebate
76236	Cincinnati Life Insurance Co	3	0.0%	No Credibility	No Rebate
67784	Philadelphia American Life Insurance	3	6.2%	No Credibility	No Rebate
86231	Transamerica Life Ins Co	3	1470.4%	No Credibility	No Rebate
67180	Ohio State Life Insurance Co	1	-69.8%	No Credibility	No Rebate
69116	State Life Insurance Co	1	-28.1%	No Credibility	No Rebate
94250	Banner Life Insurance Co	1	-2.7%	No Credibility	No Rebate
68608	Symetra Life Ins Co	1	0.0%	No Credibility	No Rebate
69744	Union Labor Life Insurance Co	1	987.0%	No Credibility	No Rebate
95525	CIGNA Healthcare of In Inc	1	-7.1%	No Credibility	No Rebate
63479	United Teacher Associates Ins Co	1	549.1%	No Credibility	No Rebate
	Totals	192,463			\$ 23,729,221

Notes

All information is as reported by the insurance companies on the Supplemental Health Care Exhibit (SHCE) for Indiana.

Definitions

Adjusted MLR - The preliminary MLR was adjusted for the Base Credibility Factor using Table 1. The deductible adjustment factors were not used.

Estimated Rebate - The difference between the Adjusted MLR and the Target MLR multiplied by Adjusted Premium, if the difference is greater than zero.

*Note: Does not include deductible adjustment factor, therefore the estimated rebate may not be accurate.

Indiana Department of Insurance
Exhibit C
Select Information for Insurers > 1,000 Lives
August 6, 2011

Source: Insurance Analyst Pro®, Highline Data, LLC, August 4, 2011.

Note: See notes and definitions at the end.

Code	Company	SHCE Individual Covered Lives (Line 2)	SHCE Individual Preliminary MLR (Line 7)	Individual Adjusted MLR (Credibility Factor Only)	Individual Agents and Brokers Fees and Commissions (Line 10.2)	Individual Rebate Using Adjusted MLR	Individual Underwriting Gain (Loss) (Line 11)	Total Underwriting Gain (Loss) (Line 11)	Total Net* gain or (loss) (Line 15)
28207	Anthem Insurance Companies Inc	114,671	76.6%	76.6%	12,589,505	9,341,118	16,029,617	132,240,067	201,724,301
69477	Time Ins Co	13,498	64.0%	66.3%	3,244,565	4,127,139	146,564	(159,526)	1,184,679
62286	Golden Rule Insurance Co	17,828	64.2%	66.5%	3,112,164	3,883,381	2,244,848	2,087,772	2,324,752
97055	Mega Life & Health Insurance Co The	4,571	61.4%	65.0%	576,636	1,540,690	1,444,081	1,301,707	1,680,359
79413	United Healthcare Insurance Co	12,179	50.0%	54.5%	21,412	974,937	1,310,587	20,657,126	32,422,713
97179	American Medical Security Life Insc	2,551	59.0%	64.0%	371,769	903,059	1,457,614	1,459,624	1,546,754
60836	American Republic Insurance Co	1,376	52.0%	59.7%	398,325	991,902	574,689	1,199,527	1,292,097
73288	Humana Ins Co	4,065	61.5%	66.0%	163,593	801,726	509,687	18,537,776	18,537,776
65080	John Alden Life Insurance Co	1,684	56.2%	63.1%	265,778	643,640	624,063	539,526	1,046,448
66087	Mid West National Life Ins Co of TN	1,709	57.9%	64.4%	240,195	521,631	800,775	854,656	987,495
67628	Peikin Life Insurance Co	3,363	89.5%	94.2%	629,068	No Rebate	(1,183,859)	(3,399,729)	(2,870,448)
62375	Consumers Life Insurance Co	2,023	98.2%	105.4%	762,733	No Rebate	(995,955)	(1,764,205)	(1,596,621)
71773	American National Life Insurance Co	1,564	74.7%	81.3%	597,618	No Rebate	(446,685)	(612,020)	(269,828)
80799	Celtic Ins Co	1,495	80.4%	88.7%	207,129	No Rebate	(405,327)	(403,235)	(379,317)
95436	Physicians Health Plan of N In Inc	1,315	94.3%	102.4%	198,537	No Rebate	(721,206)	(630,994)	2,591,737
60054	Aetna Life Insurance Co	1,289	77.1%	84.8%	53,540	No Rebate	157,157	2,436,686	3,803,936
70629	World Insurance Co	1,017	93.1%	101.4%	179,148	No Rebate	179,022	6,673	128,521
19275	American Family Mutual Ins Co	1,001	83.4%	91.4%	169,794	No Rebate	(233,429)	(446,838)	(446,838)
Totals		187,199			23,781,509	23,729,221	21,492,243	173,904,593	263,708,516

Notes
All information is as reported by the insurance companies on the Supplemental Health Care Exhibit (SHCE) for Indiana.

*This column reflects Total Net gain/loss for products and services not limited to individual major medical and may include all lines of business, including self-funded.

Definitions

Adjusted MLR - The preliminary MLR was adjusted for the Base Creditability Factor using Table 1. The deductible adjustment factors were not used.

Estimated Rebate - The difference between the Adjusted MLR and the Target MLR multiplied by Adjusted Premium, if the difference is greater than zero.

Indiana Department of Insurance
Exhibit D
Estimated Rebate for SHCE Filers
August 6, 2011

Source: Insurance Analyst Pro®, Highline Data, LLC, August 4, 2011.

*Note: All information except for the Estimated Rebate is as reported by the insurance companies. The Estimated Rebate is calculated by subtracting the MLR from 80% and multiplying that result by the Adjusted Earned Premiums. The preliminary MLR does not take into consideration the credibility factor or the deductible adjustment factor, and, therefore, the rebate calculation may not be accurate.

**Note: Net income is derived from the Statement of Revenue and Expenses filed annually. This number reflects net income for all lines of business.

Type	Co-Code	Company	Estimated Rebate*	SHCE Individual		SHCE Individual		SHCE Individual Preliminary MLR (7)	SHCE Individual		Risk-based capital	Net income** (loss)
				Earned Premiums (1.1)	Adjusted Premiums (1.8)	Earned Premiums (1.8)	Covered Lives					
Health	28207	Anthem Insurance Companies Inc	\$ 9,341,118	\$ 288,850,084	\$ 274,738,754	\$ 28,809,032	76.6%	114,671	210	\$ 344,389,355		
Life	62286	Golden Rule Insurance Co	\$ 4,551,827	\$ 30,624,758	\$ 30,232,114	64.2%	17,828	327	\$ 202,012,596			
Life	69477	Time Ins Co	\$ 4,837,138	\$ 32,710,240	\$ 30,232,114	64.0%	13,498	297	\$ 44,158,628			
Life	79413	United Healthcare Insurance Co	\$ 1,146,142	\$ 4,546,158	\$ 3,820,473	50.0%	12,179	233	\$ 2,259,139,159			
Life	97055	Mega Life & Health Insurance Co The	\$ 1,911,742	\$ 11,269,005	\$ 10,278,182	61.4%	4,571	899	\$ 119,510,216			
Life	73288	Humana Ins Co	\$ 1,056,360	\$ 6,169,827	\$ 5,710,052	61.5%	4,065	267	\$ 680,517,857			
Life	67628	Pekin Life Insurance Co	\$ -	\$ 9,315,523	\$ 9,218,574	89.5%	3,363	426	\$ 4,176,012			
Life	97179	American Medical Security Life Insco	\$ 1,183,590	\$ 6,291,883	\$ 5,636,141	59.0%	2,551	441	\$ 24,431,084			
Life	62375	Consumers Life Insurance Co	\$ -	\$ 3,911,955	\$ 3,848,072	98.2%	2,023	228	\$ (1,239,241)			
Life	66087	Mid West National Life Ins Co of TN	\$ 740,331	\$ 3,812,918	\$ 3,349,912	57.9%	1,709	813	\$ 48,680,379			
Life	65080	John Alden Life Insurance Co	\$ 904,907	\$ 4,254,826	\$ 3,802,129	56.2%	1,684	285	\$ 19,867,115			
Life	71773	American National Life Insurance Co	\$ 186,045	\$ 3,596,505	\$ 3,510,288	74.7%	1,564	318	\$ (5,503,498)			
Life	80799	Celtic Ins Co	\$ -	\$ 1,926,089	\$ 1,880,473	80.4%	1,495	311	\$ 728,978			
Life	60836	American Republic Insurance Co	\$ 1,367,652	\$ 4,969,422	\$ 4,884,470	52.0%	1,376	843	\$ 32,601,336			
Health	95436	Physicians Health Plan of N In Inc	\$ -	\$ 1,850,629	\$ 1,836,600	94.3%	1,315	267	\$ 2,591,737			
Life	60054	Aetna Life Insurance Co	\$ 64,891	\$ 2,612,585	\$ 2,237,609	77.1%	1,289	382	\$ 1,193,112,035			
Life	70629	World Insurance Co	\$ -	\$ 1,433,508	\$ 1,427,477	93.1%	1,017	609	\$ 6,146,924			
P&C	19275	American Family Mutual Ins Co	\$ -	\$ 3,629,270	\$ 3,629,270	83.4%	1,001	427	\$ 423,240,236			
Life	69078	Standard Security Life Insurance Co	\$ 170,040	\$ 1,466,723	\$ 1,428,907	68.1%	937	376	\$ 3,266,533			
Life	66915	New York Life Insurance Co	\$ -	\$ 4,565,879	\$ 4,520,745	99.1%	930	452	\$ 525,556,529			
Life	80314	Unicare Life & Health Insurance Co	\$ 1,960,469	\$ 14,094,615	\$ 13,427,868	65.4%	739	302	\$ 68,179,695			
Life	68241	Prudential Insurance Co of America	\$ 275,798	\$ 223,335	\$ 327,551	-4.2%	463	533	\$ 1,622,865,850			
Life	65978	Metropolitan Life Insurance Co	\$ -	\$ 48,566	\$ 48,566	263.3%	389	425	\$ 2,066,373,257			
P&C	25178	State Farm Mutual Auto Ins Co	\$ -	\$ 2,208,054	\$ 1,549,486	99.2%	380	427	\$ 950,791,538			
Life	60305	American Community Mutual Insurance	\$ -	\$ 4,510,021	\$ 4,455,507	80.3%	276	172	\$ (7,042,991)			
P&C	19704	American States Insurance Company	\$ 10,253	\$ 81,373	\$ 81,373	67.4%	215	231	\$ 63,111,872			
Life	74209	Everence Ins Co	\$ 24,765	\$ 831,536	\$ 798,877	76.9%	197	502	\$ (3,213,079)			
Life	86355	Standard Life & Accident Ins Co	\$ 35,865	\$ 228,108	\$ 224,156	64.0%	146	962	\$ 21,507,860			

Indiana Department of Insurance
Exhibit D
Estimated Rebate for SHCE Filers
August 6, 2011

Source: Insurance Analyst Pro®, Highline Data, LLC, August 4, 2011.

*Note: All information except for the Estimated Rebate is as reported by the insurance companies. The Estimated Rebate is calculated by subtracting the MLR from 80% and multiplying that result by the Adjusted Earned Premiums. The preliminary MLR does not take into consideration the credibility factor or the deductible adjustment factor, and, therefore, the rebate calculation may not be accurate.

**Note: Net income is derived from the Statement of Revenue and Expenses filed annually. This number reflects net income for all lines of business.

Type	Co-	Company	Estimated Rebate*	SHCE Individual		SHCE Individual		SHCE Individual Preliminary MLR (7)	SHCE Individual Covered Lives	Risk-based capital	Net income** (loss)
				Earned Premiums (1.1)	Adjusted Premiums (1.8)	Earned Premiums (1.1)	Adjusted Premiums (1.8)				
Life	65781	Madison National Life Insurance Co	\$ 63,819	\$ 239,643	\$ 233,769	\$ 233,769	52.7%	129	\$ 310	\$ 12,820,346	
Life	62324	Freedom Life Insurance Co of America	\$ -	\$ 284,265	\$ 268,122	\$ 268,122	85.0%	110	\$ 166	\$ (17,459)	
Life	65757	Shelter Life Insurance Co	\$ 9,242	\$ 47,762	\$ 46,212	\$ 46,212	60.0%	57	\$ 830	\$ 16,786,805	
Health	29076	Medical Mutual of Ohio	\$ 132,802	\$ 494,157	\$ 486,453	\$ 486,453	52.7%	51	\$ 483	\$ (25,427,131)	
Life	79480	Midwest Security Life Insurance Co	\$ 184,601	\$ 381,696	\$ 383,786	\$ 383,786	31.9%	38	\$ 499	\$ 4,930,366	
Life	60739	American National Insurance Co	\$ -	\$ 202,962	\$ 196,743	\$ 196,743	232.0%	36	\$ 318	\$ 129,882,349	
P&C	26581	Independence Amer Ins Co	\$ -	\$ 95,126	\$ 89,737	\$ 89,737	632.8%	35	\$ 365	\$ 2,697,239	
Life	82538	National Health Insurance Co	\$ -	\$ 340,010	\$ 332,355	\$ 332,355	505.2%	34	\$ 351	\$ (7,179,258)	
Life	61425	Trustmark Insurance Co	\$ 267,540	\$ 173,021	\$ 162,638	\$ 162,638	-84.5%	16	\$ 435	\$ 27,092,088	
Life	64580	Illinois Mutual Life Insurance Co	\$ 28,439	\$ 68,515	\$ 66,292	\$ 66,292	37.1%	16	\$ 313	\$ (63,484,419)	
Health	95109	Aetna Health Inc PA Corp	\$ -	\$ 33,195	\$ 33,752	\$ 33,752	100.9%	9	\$ 189	\$ 161,653,734	
Life	61883	Central United Life Insurance Co	\$ -	\$ 26,325	\$ 25,272	\$ 25,272	341.5%	9	\$ 343	\$ 12,055,201	
Life	81132	Life of Amer Ins Co	\$ -	\$ 32,844	\$ 32,844	\$ 32,844	308.1%	7	\$ 613	\$ (270,230)	
Health	70700	Unicare Health Ins Co of The Midwest	\$ 1,531	\$ 21,592	\$ 21,569	\$ 21,569	72.9%	6	\$ 867	\$ 10,766,300	
Life	61271	Principal Life Insurance Co	\$ 11,658	\$ 78,959	\$ 64,764	\$ 64,764	62.0%	5	\$ 420	\$ 404,623,307	
Life	98205	National Foundation Life Ins Co	\$ 12,574	\$ 22,537	\$ 18,795	\$ 18,795	13.1%	4	\$ 187	\$ (4,294,842)	
Life	60801	American Public Life Insurance Co	\$ 4,217	\$ 6,424	\$ 6,275	\$ 6,275	12.8%	4	\$ 425	\$ 537,934	
Life	64211	Guarantee Trust Life Insurance	\$ -	\$ 491,716	\$ 487,733	\$ 487,733	169.1%	4	\$ 270	\$ 3,157,309	
P&C	13935	Federated Mutual Insurance Co	\$ -	\$ 64,793	\$ 64,793	\$ 64,793	220.8%	4	\$ 904	\$ 152,325,777	
Life	67784	Philadelphia American Life Insurance	\$ 9,534	\$ 13,159	\$ 12,919	\$ 12,919	6.2%	3	\$ 281	\$ 1,232,445	
Life	76236	Cincinnati Life Insurance Co	\$ 1,004	\$ 1,385	\$ 1,255	\$ 1,255	0.0%	3	\$ 452	\$ 14,914,014	
Life	86231	Transamerica Life Ins Co	\$ -	\$ 514	\$ 504	\$ 504	1470.4%	3	\$ 402	\$ 417,679,158	
Life	77720	Lifeseure Ins Co	\$ 1,164	\$ 1,934	\$ 1,934	\$ 1,934	19.8%	2	\$ 213	\$ (7,591,876)	
Health	95525	CIGNA Healthcare of In Inc	\$ 26,498	\$ 9,994	\$ 30,423	\$ 30,423	-7.1%	1	\$ 426	\$ 512,157	
Life	68608	Symetra Life Ins Co	\$ 5,690	\$ 7,150	\$ 7,112	\$ 7,112	0.0%	1	\$ 479	\$ 194,472,559	
Life	67180	Ohio State Life Insurance Co	\$ 530	\$ 354	\$ 354	\$ 354	-69.8%	1	\$ 298	\$ 972,457	
Life	69116	State Life Insurance Co	\$ 69	\$ 64	\$ 64	\$ 64	-28.1%	1	\$ 404	\$ 20,886,529	
Life	94250	Banner Life Insurance Co	\$ 60	\$ 73	\$ 73	\$ 73	-2.7%	1	\$ 1061	\$ 26,689,398	

Indiana Department of Insurance
Exhibit D
Estimated Rebate for SHCE Filers
August 6, 2011

Source: Insurance Analyst Pro®, Highline Data, LLC, August 4, 2011.

*Note: All information except for the Estimated Rebate is as reported by the insurance companies. The Estimated Rebate is calculated by subtracting the MLR from 80% and multiplying that result by the Adjusted Earned Premiums. The preliminary MLR does not take into consideration the credibility factor or the deductible adjustment factor, and, therefore, the rebate calculation may not be accurate.

**Note: Net income is derived from the Statement of Revenue and Expenses filed annually. This number reflects net income for all lines of business.

Type	Co-Code	Company	Estimated Rebate*	SHCE Individual Earned Premiums (1.1)	SHCE Individual Adjusted Earned Premiums (1.8)	SHCE Individual Preliminary MLR (7)	SHCE Individual Covered Lives	Risk-based capital	Net income** (loss)
Life	63479	United Teacher Associates Insurance	\$ -	\$ 4,368	\$ 4,368	549.19%	1	273 \$	8,297,350
Life	69744	Union Labor Life Insurance Co	\$ -	\$ 1,995	\$ 1,673	987.09%	1	310 \$	7,497,371
Life	71870	Fidelity Security Life Insurance Co	\$ 38,630	\$ 28,603	\$ 28,156	-57.29%	-	630 \$	16,045,506
Life	62413	Continental Assurance Co	\$ 1,168	\$ 1,117	\$ 1,038	-32.59%	-	656 \$	85,962,232
Life	64246	Guardian Life Insurance Co of Amer	\$ 668	\$ 784	\$ 835	0.09%	-	492 \$	205,290,311
Life	65676	Lincoln National Life Insurance Co	\$ 209	\$ 261	\$ 261	0.09%	-	492 \$	497,188,207
Life	61409	National Benefit Life Insurance Co	\$ 120	\$ 150	\$ 150	0.09%	-	1221 \$	23,551,591
Life	70114	Unity Mutual Life Insurance Co	\$ 99	\$ 82	\$ 82	-40.29%	-	170 \$	(768,257)
Life	61832	Chesapeake Life Insurance Co	\$ -	\$ -	\$ 59	832.29%	-	1087 \$	2,350,920
Totals			\$ 30,570,796	\$ 453,210,924	\$ 428,825,822		192,463		\$ 13,063,795,460