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**MINUTES OF THE MEETING OF  
THE NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD  
AT THE OFFICES OF THE NEW JERSEY DEPARTMENT  
OF BANKING AND INSURANCE  
TRENTON, NEW JERSEY  
May 14, 2002**

**Directors Participating:** Darrel Farkus (Oxford Health Insurance); Frank Giannattasio; Sandy Herman (Guardian); Sandi Kelly (Horizon Blue Cross Blue Shield of New Jersey); Vicki Mangiaracina (Department of Banking and Insurance); Mary McClure (Aetna); Eileen Shrem; Lisa Yourman.

**Others Participating:** Ellen DeRosa, Deputy Executive Director; DAG Eleanor Heck (DOL); DAG Kristine Maurer (DOL); Joanne Petto, Assistant Director; Wardell Sanders, Executive Director.

**I. Call to Order**

W. Sanders called the Board meeting to order at 10:02 a.m. He announced that notice of the meeting had been sent to three New Jersey newspapers and posted at the Department of Banking and Insurance and on the Department's web site and the Office of the Secretary of State in accordance with the Open Public Meetings Act. A quorum was present.

DAG E. Heck reported that she had election duty and could be called to leave the meeting at any time. She said DAG Kristine Maurer was also in attendance and would cover for her in the event she needed to leave for election duty. In light of the possibility that DAG E. Heck might need to leave the meeting early, W. Sanders suggested the Board should first consider Executive Session matters and would then consider Open Session matters.

**II. Executive Session**

W. Sanders said the Board needed to enter Executive Session to receive advice from counsel and to discuss current or anticipated litigation.

M. McClure offered a motion to begin Executive Session. E. Shrem seconded the motion. The Board voted unanimously in favor of beginning Executive Session.

*[Executive Session: 10:04 a.m. – 11:05 a.m.]*

**III. Minutes**

**April 9, 2002**

E. Shrem offered a motion to approve the draft Open Session minutes of the April 9, 2002 meeting, as amended. V. Mangiaracina seconded the motion. The Board voted in favor of the motion, with L. Yourman abstaining.

**IV. Report of Staff**

*Expense Report*

**E. Shrem offered a motion to approve the payment of the expenses shown on the May 14, 2002 expense report. S. Herman seconded the motion. The Board voted unanimously in favor of the motion.**

**4Q01 Enrollment Report**

J. Petto said the individual enrollment data for 4Q01 was included in Board materials. She said the enrollment decreased by another 5%.

**Board Seat Election**

J. Petto announced the results for the election of an HMO to serve on the Board. Aetna Health, Inc and United HealthCare were nominated. J. Petto said 13 votes were cast. Aetna Health received 11 and United HealthCare received 2.

*1999/2000 Assessment*

W. Sanders reported that collection of the 1999/2000 assessment was nearing completion.

*1999/2000 Assessment Appeals*

United States Life

M. McClure offered a motion to issue the Order as reviewed by the Legal Committee, subject to any language changes recommended by DAG E. Heck. L. Yourman seconded the motion. The Board voted unanimously in favor of the motion.

Reliable Life

E. Shrem offered a motion to issue the Order as reviewed by the Legal Committee. L. Yourman seconded the motion. The Board voted unanimously in favor of the motion.

**Health Net Appeal**

W. Sanders said Health Net filed a Notice of Appeal with the Appellate Division in which it appealed the Board's Order denying Health Net an exemption for the 1999/2000 two-year calculation period and also requested that the matter be sent to the Office of Administrative Law for a hearing.

**Horizon Case**

M. McClure offered a motion that the Board transmit to the Office of Administrative Law the issue of intent relating to Horizon's waivers of reimbursement for certain expenses in 1993 and 1994. L. Yourman seconded the motion. The Board voted in favor of the motion with S. Kelly abstaining.

**Outreach**

W. Sanders reported that he participated in a Robert Wood Johnson/Georgetown University/Urban Institute session that considered individual market issues.

E. DeRosa said she spoke to a group of brokers in Mt. Laurel.

## **Rule Proposal**

E. DeRosa said the rule proposal to make the \$5,000 and \$10,000 deductible options optional to carriers was filed with the Office of Administrative Law. She said the proposal was scheduled to be published in the May 20, 2002 *New Jersey Register*.

### V. Report of the Technical Advisory Committee

S. Kelly said TAC considered four rate filings and recommended that they be found complete.

E. Shrem offered a motion to find the Fortis, Oxford PPO, Oxford HMO and National Health rate filings complete. F. Giannattasio seconded the motion. The Board voted in favor of the motion, with D. Farkus abstaining with respect to the Oxford filings.

S. Kelly said TAC was not yet ready to make a recommendation to the Board on the rate filing audit issue.

### VI. Report of the Operations Committee

M. McClure said the Operations Committee met on May 7, 2002. She said the Committee reviewed audit status reports prepared by Deloitte & Touche. She said the loss audits were nearing completion, but that there were several outstanding issues for the 1997/1998 and 1999/2000 loss audits.

Celtic: Has not responded to requests for documentation relative to the network access fees the Board determined could be considered as claims for loss reimbursement.

Fortis: Contends that New Jersey law requires carriers to continue to cover persons who move out of State.

Principal: Principal has a percentage ownership in a network to which it paid access fees. Any profit margin would have to be excluded from any fees for which Principal seeks reimbursement.

Trustmark: Included New York surcharge payments as part of claims paid.

### VII. Final Business and Close of Meeting

E. Shrem said that she and a group from the New Jersey Association of Health Underwriters met with Senators Cardinale, Bennett and Matheussen regarding the small group purchasing alliance legislation. She said the discussion focused on challenges the law presents for carriers, employers and agents.

E. Shrem said she spoke with Senator Matheussen about the high cost of individual coverage and the need to consider modified community rating. She said he requested data on the impact of moving to a modified community rating structure. The Board agreed that W. Sanders should discuss this data request with the DOBI to facilitate distribution of the information that Senator Matheussen requested.

D. Farkus offered a motion to adjourn the Board meeting. E. Shrem seconded the motion. The Board voted unanimously in favor of accepting the motion. **The meeting adjourned at 11:50 a.m.**

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THE NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD  
AT THE OFFICES OF THE NEW JERSEY DEPARTMENT  
OF BANKING AND INSURANCE  
TRENTON, NEW JERSEY  
June 11, 2002**

**Directors Participating:** Darrel Farkus (Oxford Health Insurance); Frank Giannattasio; Sandy Herman (Guardian); Sandi Kelly (Horizon Blue Cross Blue Shield of New Jersey); Vicki Mangiaracina (Department of Banking and Insurance); Mary McClure (Aetna); Eileen Shrem.

**Others Participating:** Ellen DeRosa, Deputy Executive Director; DAG Eleanor Heck (DOL); Joanne Petto, Assistant Director; Wardell Sanders, Executive Director.

**I. Call to Order**

W. Sanders called the Board meeting to order at 10:00 a.m. He announced that notice of the meeting had been sent to three New Jersey newspapers and posted at the Department of Banking and Insurance and on the Department's web site and the Office of the Secretary of State in accordance with the Open Public Meetings Act. A quorum was present.

**II. Minutes**

**May 14, 2002**

S. Kelly offered a motion to approve the draft Open Session minutes of the May 14, 2002 meeting, as amended. S. Herman seconded the motion. The Board voted unanimously in favor of the motion.

**April 30, 2002**

M. McClure offered a motion to approve the draft Open Session minutes of the April 30, 2002 meeting. E. Shrem seconded the motion. The Board voted in favor of the motion with S. Kelly abstaining.

**III. Report of Staff**

*Expense Report*

**V. Mangiaracina offered a motion to approve the payment of the expenses**

**shown on the June 11, 2002 expense report. E. Shrem seconded the**

**motion. The Board voted unanimously in favor of the motion.**

**1Q02 Enrollment Report**

J. Petto said the individual enrollment data for 1Q02 was included in Board materials. She said the enrollment decrease was not as large as in some prior quarters.

*1999/2000 Assessment*

W. Sanders reported that collection of the 1999/2000 assessment was complete. He noted that one carrier requested that its assessment liability offset the amount of its loss reimbursement. He said that since the Board had allowed such offsets in prior years, he granted that request. W. Sanders reported that two carriers requested that the disputed portions of their respective assessment payments be held in segregated accounts in light of litigation.

#### *Bank Account Action*

W. Sanders said the funds collected in the assessment have been put into a Treasury account. He asked for a motion to request Treasury to sweep the Treasury account and transfer the undisputed funds into the IHC Board's account.

E. Shrem offered a motion to request Treasury to transfer the undisputed assessment funds into the IHC Board's account. M. McClure seconded the motion. The Board voted unanimously in favor of the motion.

#### **NAIC Meeting**

W. Sanders said he attended part of the NAIC meeting that was held in Philadelphia. He noted that the NAIC was planning a forum to be held in the fall to discuss accessibility and affordability of coverage in the individual and small employer markets.

#### **Rule Proposal**

E. DeRosa said the rule proposal to make the \$5,000 and \$10,000 deductible options optional to carriers was filed with the Office of Administrative Law. She said the proposal was published in the May 20, 2002 *New Jersey Register*. Due to a delay with the distribution of the proposals in the May 20, 2002 *New Jersey Register*, the close of the comment period has been pushed back until August 2, 2002. E. DeRosa said the Board would have to decide how to proceed with respect to carriers not making the \$5,000 and \$10,000 deductibles available with Plan A/50 as of the August 1, 2002 operative date set forth in the regulation that was previously adopted. E. Shrem suggested that the Marketing Committee should meet to consider ways to promote the new deductible options.

#### **Plan Required by P.L. 2001, c. 368**

E. DeRosa said a copy of the plan design issues document she forwarded to the regulatory affairs division at the DOBI was included in Board materials. W. Sanders said the DOBI has been trying to have a meeting set up with legislative staffers during which clarification to some or all of the issues may be given.

#### **Draft Rule Changes**

W. Sanders said he distributed to Board members a lengthy memo dated May 20, 2002 that outlines a host of regulatory changes that IHC Board may want to consider. He said issues would be distributed to appropriate Committees for consideration.

#### **Right to Know Regulation Proposal**

W. Sanders said that the proposed regulations to address the Open Public Records Act were sent to the Office of Administrative Law for proposal publication. He noted

that the proposed regulation encompasses the DOBI and among other agencies, the IHC Board. Thus, the IHC Program Board did not need to propose a separate regulation.

### **Legislative Report**

The Board briefly discussed several of the bills listed on the June 7, 2002 Legislative Activity memo.

### **Litigation Update**

W. Sanders reported that on April 16, 2002, the Appellate Division issued a decision regarding In the Matter of the IHC Board's Adjustment of Blue Cross and Blue Shield of New Jersey's Request for Reimbursement of Losses for Calendar Years 1993 and 1994. The Appellate Division affirmed in part and reversed and remanded, in part.

W. Sanders said that in a second case, In the Matter of the New Jersey Individual Health Coverage Program's Readoption of N.J.A.C. 11:20 – 1 et seq., CIGNA and intervenor United States Life Insurance Company challenged the Board's 1998 Readoption with Amendments of N.J.A.C. 11:20, including provisions of the regulations that address the IHC Board's assessment methodology. He said the Appellate Division issued an opinion in May 2002 in which the court affirmed in part and reversed in part, noting that the Court held that "[e]xcept as provided herein with respect to the second-tier assessment embodied in N.J.A.C. 11:20-2.17, the regulations promulgated by the IHCP Board are upheld."

W. Sanders reported that CIGNA filed a Motion for Reconsideration on June 3, 2002.

W. Sanders also reported that United States Life sent a letter in which it recommended a method for the assessment calculation.

### **IV. Report of the Technical Advisory Committee**

S. Kelly said TAC considered one rate filing and recommended that it be found complete.

S. Herman offered a motion to find the United HMO rate filing complete. F. Giannattasio seconded the motion. The Board voted in favor of the motion.

### **V. Report of the Operations Committee**

M. McClure said the Operations Committee met on June 4, 2002. She said the Committee reviewed audit status reports prepared by Deloitte & Touche. She said W. Sanders advised the Committee that he had requested guidance from DOBI on several issues that affect the audits.

Celtic: The third party administrator did not retain the detail necessary to support the PPO network expenses as claims. Celtic is working to re-create the detail.

Fortis: W. Sanders should check with the DOBI to find out if settlement costs in connection with litigation are reportable as claims for purposes of the annual statement. The Legal Committee will consider renewal of coverage following the time the policyholder moved from New Jersey. M. McClure said the Operations

Committee agreed that unless Fortis provides sufficient documentation on several claims, those claim amounts should be excluded from the reimbursable loss amount.

Principal: Principal has a percentage ownership in a network to which it paid access fees. Any profit margin would have to be excluded from any fees for which Principal seeks reimbursement. Principal is working on identifying the profit portion.

Metropolitan: Several issues need to be resolved, none of which require Board decisions. Once resolved, D&T will issue a draft report to management at the carrier for review.

Trustmark: Awaiting advice from DOBI on the inclusion of New York surcharge payments as part of claims paid.

Manhattan National and Washington National: No open items from the carriers.

#### VI. Executive Session

W. Sanders said the Board needed to enter Executive Session to receive advice from counsel and to discuss pending and anticipated litigation.

E. Shrem offered a motion to begin Executive Session. D. Farkus seconded the motion. The Board voted unanimously in favor of the motion.

*[Break: 11:00 a.m. – 11:10 a.m.]*

*[Executive Session: 11:10 a.m. – 12:45 p.m.]*

*[Note: F. Giannattasio and E. Shrem left the meeting before Open Session resumed.]*

#### VII. Final Business and Close of Meeting

V. Mangiaracina offered a motion that the Board approve the draft changes to the ethics code which were made to comply with Executive Order No. 10, subject to review by the Attorney General's Office. S. Herman seconded the motion. The Board voted unanimously in favor of the motion.

Regarding the premium audit issue, M. McClure offered a motion that the Board direct D&T to use the rates a carrier charged rather than the rates it filed, for purposes of the reimbursable loss audit. V. Mangiaracina seconded the motion.

The motion did not carry, with 2 votes in favor and 3 votes opposed.

S. Herman offered a motion that the Board defer consideration of the premium audit issue until the next Board meeting so public members would be present for the discussion and vote. M. McClure seconded the motion. The Board voted unanimously in favor of the motion.

S. Kelly offered a motion to adjourn the Board meeting. M. McClure seconded the motion. The Board voted unanimously in favor of accepting the motion. **The meeting adjourned at 1:25 p.m.**



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THE NEW JERSEY INDIVIDUAL HEALTH COVERAGE PROGRAM BOARD  
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OF BANKING AND INSURANCE  
TRENTON, NEW JERSEY  
June 25, 2002**

**Directors Participating in Trenton:** Frank Giannattasio; Neil Vance (Department of Banking and Insurance).

**Directors Participating via Teleconference:** Darrel Farkus (Oxford Health Insurance); Sandi Kelly (Horizon); Ulysses Lee (Guardian); Mary McClure (Aetna); Eileen Shrem.

**Others Participating:** Ellen DeRosa, Deputy Executive Director; DAG Eleanor Heck (DOL); Ward Sanders, Executive Director; Bill Manning (Aetna).

**I. Call to Order**

E. DeRosa called the Board meeting to order at 4:00 p.m. She announced that notice of the meeting had been sent to three New Jersey newspapers and posted at the Department of Banking and Insurance and on the Department's web site and the Office of the Secretary of State in accordance with the Open Public Meetings Act. Roll call was taken. A quorum was present. Since some Board members were participating via teleconference, E. DeRosa asked members to identify themselves when speaking.

**II. Executive Session**

E. DeRosa said that the Board needed to move into Executive Session to receive advice from counsel and to discuss pending litigation – specifically, potential course of action in the CIGNA appeal.

F. Giannattasio offered a motion to begin Executive Session. M. McClure seconded the motion. By roll call vote, the Board voted in favor of the motion.

*[Executive Session 4:05 p.m. – 5:00 p.m.]*

**III. Close of Meeting**

E. Shrem offered a motion to adjourn the Board meeting. F. Giannattasio seconded the motion. The Board voted unanimously in favor of accepting the motion. **The meeting adjourned at 5:01 p.m.**

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July 9, 2002**

**Directors Participating:** Darrel Farkus (Oxford Health Insurance); Frank Giannattasio; Sandy Herman (Guardian); Sandi Kelly (Horizon Blue Cross Blue Shield of New Jersey); Vicki Mangiaracina (Department of Banking and Insurance); Mary McClure (Aetna); Eileen Shrem; Lisa Yourman.

**Others Participating:** Ellen DeRosa, Deputy Executive Director; DAG Eleanor Heck (DOL); Wardell Sanders, Executive Director.

**I. Call to Order**

W. Sanders called the Board meeting to order at 10:00 a.m. He announced that notice of the meeting had been sent to three New Jersey newspapers and posted at the Department of Banking and Insurance and on the Department's web site and the Office of the Secretary of State in accordance with the Open Public Meetings Act. A quorum was present.

**II. Minutes**

**June 11, 2002**

**The Board briefly discussed the minutes and agreed to defer a vote until after Executive Session.**

**June 25, 2002**

M. McClure offered a motion to approve the draft Open Session minutes of the June 25, 2002 meeting. S. Herman seconded the motion. The Board voted in favor of the motion with L. Yourman and V. Mangiaracina abstaining, and S. Kelly had left the room before the motion was made and vote was taken.

**IV. Report of Staff**

*Expense Report*

M. McClure offered a motion to approve the payment of the expenses shown on the July 9, 2002 expense report. L. Yourman seconded the motion. The Board voted in favor of the motion.

**Plan Required by P.L. 2001, c. 368**

W. Sanders said the DOBI has been diligently trying to have a meeting set up with legislative staffers during which clarification to some or all of the questions staff has raised may be given.

### **Right to Know Regulation Proposal**

W. Sanders said that the proposed regulations to address the Open Public Records Act were published. A copy of the proposal was included in the Board materials. The comment period is scheduled to close August 30, 2002.

### **Litigation Update**

W. Sanders reported that on June 27, 2002, DAG E. Heck submitted a Notice of Petition for Certification to the New Jersey Supreme Court for the case captioned In the Matter of the New Jersey Individual Health Coverage Program's Readoption of N.J.A.C. 11:20 – 1 et seq.

W. Sanders reported that the Administrative Law Judge (ALJ) issued his decision in the matter captioned In the Matter of Request by CIGNA Healthcare of New Jersey for Exemption from Assessment for 1996 Reimbursable Losses. He noted that the ALJ concluded that CIGNA did not comply with the Board's good faith marketing requirements as set forth in N.J.A.C. 11:20-9.6(c). He said copies of the decision were included in the Board materials.

### **U.S. Department of Health & Human Services Grant**

W. Sanders referred the Board to an "HRSA News Brief" that was included in the Board materials that listed New Jersey among the States that was awarded a grant that is to be used to develop plans to provide affordable health insurance for the uninsured.

### **Code of Ethics**

W. Sanders said the revised code of ethics was submitted to the Commission on Ethical Standards, as required by Executive Order No 10. He asked Board members to complete the required disclosure form as quickly as possible if they had not already done so. He noted that Committee members must also complete a conflict of interest questionnaire.

### **Market Withdrawal**

E. DeRosa said Metropolitan Life submitted a filing to withdraw from the IHC market. She noted they have only 12 plans in force, covering 15 lives. She said the filing contained all information required by N.J.A.C. 11:20-18.5.

E. Shrem offered a motion to approve the Metropolitan Life withdrawal filing. L. Yourman seconded the motion. The Board voted unanimously in favor of the motion.

### **Premium Audit Discussion**

V. Mangiaracina began the discussion by stating the issue the Board had discussed during the past couple of meetings. For purposes of the determination of the amount of reimbursable losses, the issue is whether the calculation should use the premium amounts the carriers actually charged or the filed rates. She said she invited Neil Vance, actuary for the DOBI to attend the meeting to explain the position of the DOBI regarding this issue.

N. Vance stated that although he believed it is wrong for a carrier to charge a rate other than the rate it has on file, the reimbursement mechanism is not the proper mechanism for addressing a carrier's failure to charge filed rates. He further stated that at some point there needs to be an appropriate enforcement mechanism to

address situations in which a carrier charges rates that are inconsistent with the rates the carrier has on file.

N. Vance explained that if the Board were to require carriers to calculate reimbursable losses based on the filed rates, it may appear as if a correction is being made, but that is not the case because to truly correct the error, the policyholders would have to be required to pay premiums based on the filed rates. He suggested that it would not be prudent to require policyholders to pay higher rates in order to effect the correction.

E. Shrem noted that businesses operate on free enterprise. She contended that loss reimbursement must be based on what the carriers filed. N. Vance reiterated that the reimbursement mechanism is not the proper mechanism to address failure to charge filed rates. L. Yourman said that by not charging the filed rates, which were higher than the charged rates, the companies sustained greater losses than would have been sustained using the filed rates. M. McClure stated that she believed the reimbursable loss amount should be based on the facts as they exist. The carriers charged a certain rate and that rate should be used. She believed the response to the wrongdoing should be found separately, in an enforcement action.

W. Sanders explained that Fortis has argued that the statute provides for an informational rate filing and that neither the statute nor the regulations explicitly state that carrier must charge the rates they file as of a stated effective date. W. Sanders said that in the future, the Board should clarify the regulations in this regard.

S. Kelly noted that carriers committed certain acts, whether intentionally or not, and as a result, other carriers in the market may be asked to pay greater reimbursement.

#### IV. Executive Session A

E. Shrem offered a motion to begin executive session to receive advice from counsel.  
F. Giannattasio seconded the motion. The Board voted in favor of the motion.

*[Break 10:42 a.m. – 10:50 a.m.]*

***[Executive Session 10:42 a.m. – 11:00 a.m.]***

#### V. Report of the Technical Advisory Committee

S. Kelly said TAC considered one rate filing by Aetna Life, and one response by Trustmark to a rate filing that was previously found incomplete and recommended that both be found complete.

S. Herman offered a motion to find the Aetna Life rate filing complete, as recommended by TAC. L. Yourman seconded the motion. The Board voted in favor of the motion, with M. McClure abstaining.

L. Yourman offered a motion to find the Trustmark response complete, as recommended by TAC. E. Shrem seconded the motion. The Board voted unanimously in favor of the motion.

L. Yourman asked what the dollar impact of the premium audit issue would be on IHC Program Members if the decision would be to base reimbursable losses on the charged premium rather than filed premium. W. Sanders said it was approximately \$200,000. She asked what would happen in other states where there are not regulations similar to the IHC regulations, if a carrier charged rates that did not match the rate filing. Would other carriers pay? W. Sanders said no. S. Herman explained that the circumstance in New Jersey is unique in that in New Jersey, other carriers fund losses.

L. Yourman offered a motion that reimbursable losses be based on premium a carrier charged and that going forward, the regulation state that filed rates will be used. M. McClure seconded the motion.

S. Herman asked that the motion to be amended to address only what to do now, and not address going forward.

L. Yourman modified her motion to move that reimbursable losses be based on premium a carrier charged. M. McClure seconded the motion. The Board voted by roll call vote as follows:

<b>S. Kelly:</b>	<b>no</b>
<b>S. Herman:</b>	<b>no</b>
<b>M. McClure:</b>	<b>yes</b>
<b>V. Mangiaracina:</b>	<b>yes</b>
<b>D. Farkus:</b>	<b>yes</b>
<b>L. Yourman:</b>	<b>yes</b>
<b>E. Shrem:</b>	<b>no</b>
<b>F. Giannattasio:</b>	<b>no</b>

Because the motion did not receive the votes of a majority of the Directors present, the motion did not carry.

Chris Carver of Windels Marx, representing Fortis, said they would like to be permitted to address the Board on this issue before the Board considers it again.

## VI. Report of the Operations Committee

M. McClure said the Operations Committee met on July 2, 2002. She said W. Sanders advised the Committee that he had requested guidance from DOBI on several issues that affect the audits. She said the Committee reviewed audit status reports prepared by Deloitte & Touche (D&T) with an eye toward determining whether partial payments could be made to any of the carriers. Since the payment of even a portion of the loss amount would have a positive effect on the cash flow of each carrier to be paid by either reducing the net investment income losses in future years or possibly increasing net investment income gains, the Committee believe it wise to make payment as soon as possible. Based on the audit status reports, the Committee believed it prudent to make partial payments to Celtic, Fortis, Principal and Manhattan National.

S. Kelly offered a motion that the Board make partial payment of approximately 48% of the D&T determined loss amount to the following carriers: Celtic, Fortis, Principal

and Manhattan National. E. Shrem seconded the motion. The Board voted unanimously in favor of the motion.

#### VII. Executive Session B

W. Sanders said the Board needed to enter Executive Session to receive advice from counsel and to discuss pending and anticipated litigation.

S. Kelly offered a motion to begin Executive Session. V. Mangiaracina seconded the motion. The Board voted unanimously in favor of the motion.

*[Executive Session: 11:52 a.m. – 12:45 p.m.]*

#### VIII. Final Business

**L. Yourman offered a motion to offer to CIGNA the opportunity to provide additional legal briefing on the legal issues surrounding 1996 losses, with any additional briefing due by August 31, 2002. E. Shrem seconded the motion. The Board voted in favor of the motion.**

The Board will take CIGNA's request for payment under advisement.

#### IX. Presentation by the Center for State Health Policy

Joel Cantor, Alan Monheit and Margaret Koller reviewed the goals and activities of the Center for State Health Policy's IHC Program study and briefly discussed some of the trends in the IHC market, by plan type.

#### X. Close of Meeting

Some Board members were unable to stay for the entire presentation. The Board meeting closed during the presentation when a quorum of members was no longer present.