NOTICE OF ANNUAL FILING REQUIREMENTS FOR

**NEW JERSEY IHC & SEH PROGRAM**

**ACTION REQUIRED BY**

 **APRIL 1, 2019 FOR IHC AND SEH**

**To: Property and Casualty Carriers, Life and Accident and Health Insurance Carriers, Health Maintenance Organizations, And Health Service Corporations**

**From: New Jersey Individual Health Coverage ("IHC") Program Board &**

 **New Jersey Small Employer Health Benefits ("SEH") Program Board**

**RE: Annual Filing of Market Share Reports – Due April 1, 2019**

**Date:**

Please read this memorandum and the applicable regulations carefully before completing any forms.

**IHC Program**

Carriers which report accident and health premium to the New Jersey Department of Banking & Insurance (“DOBI”) for calendar years 2017 and/or 2018 are required to provide the New Jersey Individual Health Coverage Program (“IHC”) Board with an Exhibit K Assessment Report and accompanying Worksheet. Enclosed is a copy of N.J.A.C. 11:20-8, the subchapter which sets forth the instructions for completing the Exhibit K Assessment Report and Worksheet. Please take special care to read the subchapter as you complete the enclosed Exhibit K Assessment Report and Worksheet.

If the IHC Board does not receive an accurate Exhibit K Assessment Report from a Member by the **April 1, 2019** deadline, or has not granted an extension for such a filing, the Board may refer the matter to the DOBI for enforcement.

Pursuant to the Individual Health Insurance Reform Act of 1992, (“IHC Act”), N.J.S.A. 17B:27A-2 et seq., and regulations promulgated thereto and set forth at N.J.A.C. 11:20-1.1 et seq., *carriers with inforce health benefits plans* during 2017 and 2018, including plans issued to large groups, small groups, or individuals in New Jersey, are subject to assessment by the IHC Board.

**Send Completed Forms to:**

New Jersey Individual Health Coverage Program

PO Box 325 (for regular mail)

20 West State Street, 11th Floor (for courier service)

Trenton, NJ 08625-0325

Fax # 609-633-2030

Email: Rosaria.lenox@dobi.nj.gov

## SEH Program

**Only** carriers with inforce small employer health benefits plans in New Jersey in 2018 are required to provide the Small Employer Health Benefits Program (“SEH”) Board with aMarket Share Report (Exhibit CC)*.* Copy of the report is attached hereto. If the SEH Board does not receive an accurate Market Share Report from a Member by the **April 1, 2019** deadline, or has not granted an extension for such a filing, the Board may refer the matter to the DOBI for enforcement.

**Non-member carriers are no longer required to file a Certification of Non-member Status or the Exhibit CC**.

Pursuant to the Small Employer Health Benefits Act of 1992, (“SEH Act”), N.J.S.A. 17B:27A-17 et seq., and regulations promulgated thereto and set forth at N.J.A.C. 11:21-1.1 et seq., *carriers with* *inforce small employer health benefits plans in New Jersey* are subject to assessment by the SEH Board.

Affiliated carriers filing Market Share Reports must submit both a combined Market Share Report and a Market Share Report for each individual affiliate.

**Send Completed Forms to:**

New Jersey Small Employer Health Benefits Program

PO Box 325 (for regular mail)

20 West State Street, 11th Floor (for courier service)

Trenton, NJ 08625-0325

Fax # 609-633-2030

Email: Rosaria.lenox@dobi.nj.gov

The IHC and SEH Programs are separate State agencies, with independent assessment authority, and different criteria for assessment. Please read the rules carefully before filing. Please note the SEH Program filing is due **April 1, 2019** and the IHC Program filing is also due **April 1, 2019**.

If you have any questions, please let me know.

***Ellen DeRosa***

Executive Director

IHC & SEH Programs

609-633-1882 ext. 50302

ellen.derosa@dobi.nj.gov

The following excerpts from the **IHC Program** regulations are set forth below to assist you in completion of the Exhibit K Assessment Report and the Worksheet.

**11:20‑8.1 Scope and applicability**

 (a) This subchapter sets forth reporting and certification requirements for premium data of Program members and other carriers with reportable accident and health premium in New Jersey.

 (b) This subchapter shall apply to all carriers with reportable accident and health premium in New Jersey for any portion of the two-year calculation period for which reports under this subchapter are required to be filed.

**11:20‑8.2 Filing of the assessment report form**

 (a) Every carrier with reportable accident and health premium in New Jersey shall file the Exhibit K Assessment Report form and a copy of the Exhibit K Part C Premium Data Worksheet which are set forth as Exhibit K in the Appendix to this chapter, incorporated herein by reference, on or before April 1 of the year immediately following every two-year calculation period thereafter.

1. If a carrier with reportable accident and health premium in New Jersey is an affiliated carrier, the Exhibit K Assessment Report and the Part C Premium Data Worksheet shall be filed as follows:
2. Each affiliated carrier shall file one copy of the Exhibit K Part C Premium Data Worksheet whether or not that affiliated carrier reported accident and health premium in New Jersey during the two-year calculation period.
3. The combined affiliated carriers, identified using a single carrier name, shall file one copy of the Exhibit K Assessment Report. The information specified on the Exhibit K Assessment Report shall be the aggregated information supplied on the Premium Data Worksheets for all affiliated carriers.
4. The Exhibit K Assessment Report along with the Premium Data Worksheet(s) shall be filed together. For example, a carrier with three affiliates with reportable accident and health premium in New Jersey but only two of which have non-group coverage, shall file one Exhibit K Assessment Report with the aggregated information for all affiliated carriers, and three copies of the Exhibit K Part C Premium Data Worksheet,.

 (c) Certified Exhibit K Assessment Reports shall be submitted either by email, facsimile or by hand delivery to the Executive Director at the address listed in N.J.A.C. 11:20-2.1(h).

**11:20‑8.3 Calculation of net earned premium and determination of program membership for the two-year calculation period**

 (a) In Part C of the Exhibit K Assessment Report, each member shall set forth its total net earned premium from plans issued, continued or renewed for all affiliated carriers during the preceding two-year calculation period. Net earned premium reported in Part C of Exhibit K shall be consistent with the data set forth on the Exhibit K Part C Premium Data Worksheet(s).

 (b) In Part C of the Exhibit K Assessment Report, each carrier with no net earned premium in the preceding two-year calculation period shall assert its status as a non-member by checking the box designated for non-members on the Exhibit K Assessment Report. Carriers with either no net earned premium or whose Section 3 Calculation of Net Earned Premium on the Exhibit K Part C Premium Data Worksheet is equal to 0 are non-members.

1. Every carrier, whether a member or not, shall complete an Exhibit K Part C Premium Data Worksheet for each affiliate and shall attach each Worksheet to its Exhibit K Assessment Report.

1. In Section 1 of the Premium Data Worksheet, the carrier shall report the total accident and health premium reported on its annual statement blank for each calendar year of the two-year calculation period.

2. In Section 2 of the Premium Data Worksheet, the carrier shall report the total net earned premium in each calendar year of the two-year calculation period for each of the excepted types of coverage which are specifically identified in Section 2 of the Worksheet.

3. In Section 3 of the Premium Data Worksheet, the carrier shall calculate the affiliate’s net earned premium by subtracting the total excepted premium totals reported in Section 2 from the accident and health premium totals reported in Section 1 of the Worksheet.

4. The carrier shall report the aggregated two-year net earned premium on Exhibit K Part C by taking the sum of each affiliate's two-year net earned premium total as calculated on the Exhibit K Part C Premium Data Worksheet.

**11:20‑8.6 Certifications**

In Part D of the Exhibit K Assessment Report, the Chief Financial Officer, or other duly authorized officer of the carrier**,** shall certify that the Exhibit K Assessment Report, and all Exhibit K Part C Premium Data Worksheets, filed with the IHC Board are accurate and complete and conform with the requirements of this subchapter. Every duly authorized officer who provides a certification for the reporting required under this subchapter shall be responsible for errors contained therein.

**11:20-8.7 Failure to file Exhibit K Assessment Report**

Failure to file in a timely manner the Exhibit K Assessment Report and certification required by this subchapter shall result in the Board’s using the premium set forth in the member’s most recent Annual Statements filed with the Department as the premium base to calculate that member’s market share allocation of assessments.

**EXHIBIT K: New Jersey Individual Health Coverage Program Assessment Report**

**For the Two-Year Calculation Period 2017-2018**

All carriers reporting accident and health premium to the New Jersey Department of Banking and Insurance shall submit this report and attachments in accordance with the provisions of N.J.A.C. 11:20-8. Reports must be completed and returned on or before April 1, 2019.

**Part A. Carrier Information**

|  |  |
| --- | --- |
| Carrier’s Name: |  |
| NAIC Number: |  |
| Affiliated Carriers: (Name and NAIC Number) |  |
|  |
|  |

**Part B. Information of Person completing this Report**

|  |  |
| --- | --- |
| Name: |  |
| Title: |  |
| Phone: |  | Fax: |  |
| Email: |  |
| Mailing Address: |  |
|  |

**Part C. Program Membership for the Two-Year Calculation Period (Attach worksheet(s))**

Members and Non-members with reportable accident and health premium in New Jersey MUST complete and return one copy of the attached "Exhibit K-Part C Premium Data Worksheet" for each of the affiliates listed above. If any of the affiliates has any net earned premium for the two-year period, the carrier is a Member and shall record the amount below. If no affiliates have net earned premium, then the carrier is a Non-member and the carrier shall check the Non-member box below.

|  |  |
| --- | --- |
| Member's net earned premium, including all affiliates, for the two-year period: | $ |
|  OR € Non-member of the IHC Program with no net earned premium.  |

**Part D. Certification**

I certify that I am an officer of the company, that the information provided in this report and all attachments is accurate and complete, and that it has been prepared in accordance with the provisions of N.J.A.C. 11:20-8.

|  |
| --- |
| Printed Name:  |
| Title: |
| Signature:  | Date: |

**Exhibit K Part C Premium Data Worksheet**

The purpose of this Part C Premium Data Worksheet is to demonstrate whether a carrier is a member of the IHC Program by virtue of having any "net earned premium" during the two-year calculation period. "Net earned premium" means the premiums earned in this State on "health benefits plans," less return premiums thereon and dividends paid or credited to policy or contract holders on the health benefits plan business. Health benefits plans include health insurance for individuals or groups of any size, but shall not include any premium associated with the benefits enumerated in Section 2 of Part C of the Premium Data Worksheet.

Directions:

Copy the attached worksheet, if necessary, and provide the following information for each affiliate:

* The name of the affiliate.
* Section 1: The total accident and health premium reported on the annual NAIC statement blank for both calendar years of the two-year calculation period for that affiliate.
* Section 2: The total premium amounts earned in each calendar year of the two-year calculation period for each of the excepted types of coverage listed on the worksheet for each affiliate.
* Section 3: To arrive at the net earned premium in section 3, subtract the total excepted premium totals reported in Section 2 from the accident and health premium totals reported in Section 1. All premium that is not from some type of excepted coverage is net earned premium from health benefits plans.
* Each affiliate's worksheet shall be attached to the carrier's one-page Exhibit K.

**Members shall report the combined two-year net earned premium calculated from each affiliate’s Exhibit K Part C Premium Data Worksheet on Part C of the Exhibit K Assessment Report.**

**If the combined two-year net earned premium total from each affiliate’s Exhibit K Part C Premium Data Worksheet is zero either because all of the premium is from excepted coverages or because the carrier had no accident and health premium, then the carrier shall assert Non-member status by checking the Non-member box on Exhibit K Part C, and completing the certification in Part D.**

**Exhibit K Part C Premium Data Worksheet for the Two-Year Calculation Period 2017-2018**

Name of Affiliate: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name of Carrier on Exhibit K: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Carriers shall complete and return this page for each affiliate along with Exhibit K.

|  |  |  |  |
| --- | --- | --- | --- |
| Section 1: Total A&H Premium | Premium for 2017 | Premium for 2018 | Two-Year Total |
| Amount of Accident & Health Premium on New Jersey NAIC Statement Blank: | $ | $ | $ |

|  |  |  |  |
| --- | --- | --- | --- |
| Section 2: List of Excepted Benefits and Premium | Premium for 2017 | Premium for 2018 | Two-Year Total |
| a. Medicare Advantage and Medicare + Choice coverage and Medicare Demonstration and Medicare Part D Coverage | $ | $ | $ |
| b. contracts funded pursuant to the "Federal Employee Health Benefits Act of 1959," 5 U.S.C. § § 8901‑8914 | $ | $ | $ |
| c. excess risk or stop loss insurance coverage issued by a carrier in connection with any self insured health benefits plan | $ | $ | $ |
| d. Medicare supplement policies or contracts | $ | $ | $ |
| e. non-expense incurred specified disease coverage | $ | $ | $ |
| f. coverage only for accident, disability income insurance, or any combination  | $ | $ | $ |
| g. coverage issued as a supplement to liability insurance | $ | $ | $ |
| h. liability insurance, including general liability insurance and automobile liability insurance | $ | $ | $ |
| i. workers' compensation or similar insurance | $ | $ | $ |
| j. automobile medical payment insurance | $ | $ | $ |
| k. credit‑only insurance | $ | $ | $ |
| l. coverage for on‑ site medical clinics | $ | $ | $ |
| m. other similar insurance coverage, as specified in federal regs., under which benefits for medical care are secondary or incidental to other insurance benefits | $ | $ | $ |
| n. limited scope dental or vision benefits\*  | $ | $ | $ |
| o. benefits for long‑term care, nursing home care, home health care, community‑based care, or any combination thereof \* | $ | $ | $ |
| p. such other similar, limited benefits as are specified in federal regulations\* | $ | $ | $ |
| q. hospital confinement indemnity coverage if the benefits are provided under a separate policy, certificate or contract of insurance, there is no coordination between the provision of the benefits and any exclusion of benefits under any group health benefits plan maintained by the same plan sponsor, and those benefits are paid with respect to an event without regard to whether benefits are provided with respect to such an event under any group health plan maintained by the same plan sponsor | $ | $ | $ |
| r. coverage supplemental to the coverage provided under chapter 55 of Title 10, United States Code (10 U.S.C. § 1071 et seq.) | $ | $ | $ |
| s. similar supplemental coverage provided to coverage under a group health plan | $ | $ | $ |
| Total excepted premium: | $ | $ | $ |

\*Include as an excepted benefit if the coverage is provided under a separate policy, certificate or contract of insurance or is otherwise not an integral part of the plan.

|  |  |  |  |
| --- | --- | --- | --- |
| **Section 3: Calculation of "Net Earned Premium"** | Premium for 2017 | Premium for 2018 | Two-Year Total |
| Net Earned Premium = (Section 1 premium – Section 2 premium) | $ | $ | $ |
|  |  |  |  |

The following excerpts from the **SEH Program** regulations are set forth below to assist you in completion of the Exhibit CC Market Share Report.

###### SEH Program: Market Share Report

**N.J.A.C. 11:21‑10.1 Scope and applicability**

 (a) This subchapter sets forth annual reporting requirements of market share data for the assessment of operational and administrative expenses of the SEH Program.

 (b) This subchapter shall apply to all carriers that are, or become, members of the SEH Program for any portion of a calendar year for which reports under this subchapter are required to be filed, whether or not the carrier is a member on the report filing due date.

**11:21‑10.3 Filing of the Market Share Report**

 (a) Every member of the SEH Program shall file the Market Share Report set forth as Exhibit CC in the Appendix to this chapter, incorporated herein by reference, on or before April 1. Every member shall complete Parts A, B, C and D of the Market Share Report.

 1. Affiliated carriers shall submit a combined Market Share Report, except as stated in (a)2 below. The combined Market Share Report shall be submitted under the name of one of the affiliated carrier's members.

 2. Any insurance company, health service corporation, hospital service corporation or medical service corporation that is an affiliate of a health maintenance organization located in the State, and any health maintenance organization located in the State that is affiliated with an insurance company, health service corporation, hospital service corporation, or medical service corporation shall submit separate Market Share Reports.

 (b) Certified Market Share Reports shall be submitted by mail or facsimile to the SEH Program Executive Director, as set forth at N.J.A.C. 11:21‑2.

**11:21‑10.4 Net earned premium**

 (a) Every member's net earned premium for the preceding calendar year ending December 31 shall be set forth in Part C of the Market Share Report.

 1. Net earned premium set forth in Part C of the Market Share Report shall include net earned premium resulting from health benefits plans issued, continued or renewed during the preceding calendar year for one or more small employers, less any refunds paid by that carrier during the calendar year as a result of the application of the minimum loss ratio requirement.

 2. Net earned premium reported in Part C of the Market Share Report shall be based upon, if not the same as, the data set forth in the member's annual NAIC statement blank adjusted to meet the definition of group health benefits plan and exclude refunds as described in (a)1 above, as necessary.

**11:21‑10.5 Certification**

 All reports shall be certified as accurate, complete and conforming with the requirements of this subchapter by the Chief Financial Officer or other duly authorized officer of the member.

**11:21‑10.6 Failure to comply**

 Failure to comply with the reporting provisions of this subchapter shall result in the Board determining that the premium set forth in the member's most recent Annual Statement filed with the Department is the premium based upon which that member's market share allocation of assessments shall be calculated by the Board.

### EXHIBIT CC: 2018

**New Jersey Small Employer Health Benefits Program**

# **Carrier Small Employer Market Share Report**

This report must be completed in accordance with the provisions of N.J.A.C. 11:21-10, and certified by the Chief Financial Officer or other duly authorized officer of the Carrier. This report must be completed and returned on or before **April 1, 2019.**

**Part A. Carrier Information**

|  |  |
| --- | --- |
| Carrier’s Name: |  |
| Carrier’s NAIC Number:  |  |

Affiliated carriers shall submit one combined Market Share Report, listing all affiliates that had group health benefits plans in force for small employers in the preceding calendar year in the lines provided below. However, any insurance company, health service corporation, hospital service corporation or medical service corporation that is an affiliate of a health maintenance organization located in the State, and any health maintenance organization located in the State that is affiliated with an insurance company, health service corporation, hospital service corporation, or medical service corporation shall submit separate Market Share Reports.

|  |  |
| --- | --- |
| Affiliated Carriers:(Name and NAIC Number) |  |
|  |
|  |

**Part B. Personal Respondent Information**

|  |  |
| --- | --- |
| Name: |  |
| Title: |  |
| Phone: |  | Fax: |  |
| Email: |  |
| Mailing Address: |  |
|  |

**Part C. Calendar Year Information for 2018**

|  |  |
| --- | --- |
| 1. Net earned premium for all small employer group health benefits plans in 2018: | $ |
| 2. Less refunds paid in 2018: | $ |
| 3. Assessable Net Earned Premium (1-2=3): | $ |

**Part D. Certification**

I certify that I am the Chief Financial Officer or other duly authorized officer of the company and that the information provided in this Report is accurate and complete, and has been prepared in accordance with the provisions of N.J.A.C. 11:21-10.

|  |
| --- |
| Printed Name:  |
| Title: |
| Signature:  | Date: |