



Illinois Department of Insurance

PAT QUINN
Governor

MICHAEL T. McRAITH
Director

TO: ALL COMPANIES WRITING HEALTH INSURANCE IN ILLINOIS

FROM: MICHAEL T. MCRAITH *MTM*

DATE: JANUARY 26, 2011

RE: COMPANY BULLETIN 2011-01
ACCIDENT AND HEALTH EXPENSE REPORTING – 215 ILCS 5/359c

Effective January 1, 2011, Section 359c of the Illinois Insurance Code (215 ILCS 5/359c) requires all carriers providing a group or individual policy of major medical insurance to provide to the Department of Insurance a semi-annual statement detailing premium revenues, claims and other costs with respect to the carrier's accident and health insurance business. The statute requires that the statement be filed on or before July 31 for the preceding 6-month period ending June 30, and on or before February 1 for the preceding 6-month period ending December 31.

Carriers that have not yet filed a semi-annual statement with the Department shall use the exhibits accompanying this bulletin to satisfy the reporting requirements of Section 359c. Carriers providing complete and accurate information using the data table provided in Exhibit A, in accordance with the definitions and instructions outlined in Exhibit B, will be deemed in compliance with the reporting requirements of Section 359c if the information is submitted prior to the statutory deadline of February 1, 2011.

The Department will make all semi-annual statements publicly available on the Department's website in a form useful for consumers, as required by Section 359c.

Questions regarding this bulletin should be directed to Scott Richardson at Scott.Richardson@illinois.gov.

Enclosed: Exhibit A – Accident and Health Expense Report – Data Table
Exhibit B – Accident and Health Expense Report – Definitions and Instructions

ACCIDENT AND HEALTH EXPENSE REPORT FOR PERIOD FROM JULY 1, 2010 THROUGH DECEMBER 31, 2010

		COMPANY:				
		NAIC COMPANY CODE:				
		A&H	MAJOR MEDICAL BUSINESS			
		ALL	INDIVIDUALLY UNDERWRITTEN	GROUP 2-25	GROUP 26-50	GROUP 51+
PART I - PREMIUMS						
EARNED PREMIUM						
1) DIRECT						
2) REINSURANCE ASSUMED						
3) REINSURANCE CEDED						
4) NET OF REINSURANCE						
PART II - CLAIMS						
INCURRED CLAIMS						
1) CLAIMS PAID DURING PERIOD:						
1.1 DIRECT						
1.2 REINSURANCE ASSUMED						
1.3 REINSURANCE CEDED						
1.4 NET						
2) LIABILITY- END CURRENT PERIOD:						
2.1 DIRECT						
2.2 REINSURANCE ASSUMED						
2.3 REINSURANCE CEDED						
2.4 NET						
3) AMOUNTS RECOVERABLE-REINSURANCE						
END OF CURRENT PERIOD						
4) LIABILITY- END OF PRIOR PERIOD:						
4.1 DIRECT						
4.2 REINSURANCE ASSUMED						
4.3 REINSURANCE CEDED						
4.4 NET						
5) AMOUNTS RECOVERABLE-REINSURANCE						
END OF PRIOR PERIOD						
6) INCURRED CLAIMS						
6.1 DIRECT						
6.2 REINSURANCE ASSUMED						
6.3 REINSURANCE CEDED						
6.4 NET						

ACCIDENT AND HEALTH EXPENSE REPORT FOR PERIOD FROM JULY 1, 2010 THROUGH DECEMBER 31, 2010

		A&H		MAJOR MEDICAL BUSINESS			
		ALL		INDIVIDUALLY UNDERWRITTEN	GROUP 2-25	GROUP 26-50	GROUP 51+
PART III - COSTS RELATED TO CLAIMS							
1)	CASE MANAGEMENT PROGRAMS:						
2)	WELLNESS/HEALTH EDUCATION:						
3)	FRAUD PREVENTION:						
4)	MAINTAINING PROVIDER NETWORKS:						
5)	PERSONAL ELECTRONIC HEALTH RECORD TECHNOLOGY:						
6)	UTILIZATION REVIEW & MANAGEMENT:						
PART IV - MARKETING AND GENERAL ADMINISTRATIVE COSTS							
1)	COMMISSIONS:						
2)	MARKETING - NON-COMMISSION:						
3)	ALL OTHER ADMIN. EXPENSES:						
PART V - STATE FEES AND FEDERAL AND STATE TAXES:							
1)	CHIP ASSESSMENT:						
2)	GUARANTY FUND ASSESSMENT:						
3)	REGULATORY COMPLIANCE:						
	A) FORM AND RATE FILINGS:						
	B) LICENSURE:						
	C) MARKET CONDUCT EXAMS:						
	D) FINANCIAL REPORTS:						
4)	PREMIUM TAX:						
5)	STATE CORPORATE INCOME TAX:						
6)	FEDERAL CORPORATE INCOME TAX:						
PART VI - INCURRED BUT NOT REPORTED CLAIMS							
1)	INCURRED 1/1/2010 THRU 12/31/2010 BUT NOT REPORTED.						

A&H Expense Report – Definitions and Instructions

Column Definitions

Accident and Health Insurance: All contracts issued pursuant to Section 5/4, Class 1b or Class 2a of the Illinois Insurance Code and reported in the Accident and Health Experience Exhibit.

Major Medical Business: An insurance contract that provides coverage to or reimburses the covered person for hospital, surgical, medical and associated expenses for serious illness, chronic care (excluding long term care) and hospitalization.

Major Medical Business does not include: hospital indemnity; accidental death and dismemberment; credit accident and health; short-term accident and health; accident-only, long-term care, Medicare Supplement, pre-paid products, student blanket, dental-only, vision-only, prescription drug benefits, disability income, specified disease, or similar supplementary benefits; coverage issued as a supplement to liability insurance; worker's compensation or similar insurance; automobile medical payment insurance; short-term limited duration insurance; or coverage under the Federal Employees Health Benefits Program.

Individually Underwritten: Coverage that is individually underwritten and individually rated, whether such coverage is provided under a policy, contract, or evidence of coverage.

Group: Coverage issued in this State through single employer groups, excluding: multiple employer associations and trusts, non-employer based association trusts, and discretionary trusts. Specifically excluded are blanket and franchise accident and sickness insurance, and insurance for any group that includes members other than employees, such as an association that has both employees of participating members and also individuals as members.

Group Size: Determined by number of employees, as defined in the Illinois Health Insurance Portability and Accountability Act.

Instructions for Lines**Part I:**

Line 4) Net of Reinsurance amounts: $\text{Line 4} = \text{Line 1} + \text{Line 2} - \text{Line 3}$.

Part II:

Line 1.4, 2.4, 4.4, 6.4) Net amounts: $\text{Line X.4} = \text{Line X.1} + \text{Line X.2} - \text{Line X.3}$.

Line 3) Current Period: The six month period of time prior to current reporting date.

Line 5) Prior Period: The six month period of time prior to previous reporting date.

Part III:

Definitions of Lines 1, 2, 3, 4, and 6 are consistent with SSAP 55 and SSAP 85.

Part VI:

Line 1): IBNR calculation applies only to the 12 months prior to the current reporting date.

Submission Instructions

Completed A&H Expense Report Data Tables (Exhibit A) should be saved as a Microsoft Excel file and submitted via email attachment to DOI.AHExpenseReports@Illinois.gov.