



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
INDIVIDUAL HEALTH COVERAGE PROGRAM  
& SMALL EMPLOYER HEALTH BENEFITS PROGRAM  
PO Box 325  
TRENTON, NJ 08625-0325

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*Governor*

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STEVEN M. GOLDMAN  
*Commissioner*

**NOTICE OF ANNUAL FILING REQUIREMENTS FOR  
NEW JERSEY IHC & SEH PROGRAM ASSESSMENTS  
ACTION REQUIRED BY  
MARCH 1, 2007 FOR SEH  
APRIL 1, 2007 FOR IHC**

**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 or Non-Member Certifications**  
**Date: January 8, 2007**

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 2005 or 2006 are required to provide the New Jersey Individual Health Coverage Program ("IHC") Board with an Exhibit K Assessment Report and accompanying Worksheets. 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 Worksheets. Please take special care to read the subchapter as you complete the enclosed Exhibit K Assessment Report and Worksheets.

If the IHC Board does not receive an accurate Exhibit K Assessment Report from a Member by the **April 1, 2007** deadline, or has not granted an extension for such a filing, the Board may refer the matter to the DOBI for enforcement. Further, please note that all Exhibit K Assessment Reports may be subject to audit and a carrier should be prepared to support such an audit.

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 2005 and 2006, including plans issued to large groups, small groups, or individuals in New Jersey, are subject to assessment by the IHC Board.

**Mail or Fax Completed Forms to:**  
New Jersey Individual Health Coverage Program  
PO Box 325 [20 West State Street, 11<sup>th</sup> Floor]  
Trenton, NJ 08625-0325  
Fax # 609-633-2030

## **SEH Program**

Carriers which report accident and health premium in 2006 are required to provide the Small Employer Health Benefits Program (“SEH”) Board with *either a Market Share Report or a Certification of Non-member Status. Carriers should not complete both forms.* Copies of these reports are attached hereto. If the SEH Board does not receive an accurate Market Share Report from a Member by the **March 1, 2007** deadline, or has not granted an extension for such a filing, the Board may refer the matter to the DOBI for enforcement. Further, please note that all Market Share Reports may be subject to audit and a carrier should be prepared to support such an audit.

Non-member carriers must file a Certification of Non-member Status by **March 1, 2007** in order to avoid being considered a Member and being assessed based on the carrier's entire accident and health premium reported on its annual statement blank. Carriers which do not report accident and health premium for 2006 are not required to provide the SEH Board with either filing.

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.

<p style="text-align: center;"><b>Mail or Fax Completed Forms to:</b> New Jersey Small Employer Health Benefits Program PO Box 325 [20 West State Street, 11<sup>th</sup> Floor] Trenton, NJ 08625-0325 Fax # 609-633-2030</p>
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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 **March 1, 2007** and the IHC Program filing is due **April 1, 2007**.

If you have any questions, please let me know.

***Ellen DeRosa***  
Executive Director  
IHC & SEH Programs  
609-633-1882 ext. 50302  
[ederosa@dobi.state.nj.us](mailto:ederosa@dobi.state.nj.us)

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

### **11:20-8.1 Scope and applicability**

(a) This subchapter sets forth reporting and certification requirements for premium and non-group enrollment data of Program members and other carriers with reportable accident and health premium in New Jersey. This subchapter also sets forth reporting and certification requirements for premium, claims, and net investment income data of Program members issuing individual health benefits plans.

(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, a copy of the Exhibit K Part C Premium Data Worksheet, and a copy of the Exhibit K Part D Enrollment 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.

(b) If a carrier with reportable accident and health premium in New Jersey is an affiliated carrier, the Exhibit K Assessment Report, the Part C Premium Data Worksheet and the Part D Enrollment Data Worksheet shall be filed as follows:

1. 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.

2. Each affiliated carrier shall file one copy of the Exhibit K Part D Enrollment Data Worksheet if the carrier issued or renewed any of the coverages specified on the Enrollment Data Worksheet. If an affiliated carrier neither issued nor renewed any of the coverages specified on the Enrollment Data Worksheet, it is not necessary for that affiliated carrier to file the Exhibit K Part D Enrollment Data Worksheet.

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 and the Enrollment Data Worksheets for those affiliated carriers with non-group person enrollment.

4. The Assessment Report along with the Premium Data Worksheet(s) and the Enrollment 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 issue non-group coverage, shall file one Exhibit K Assessment Report with the aggregated information for all affiliated carriers, three copies of the Exhibit K Part C Premium Data Worksheet, and two copies of the Exhibit K Part D Enrollment Data Worksheet.

(c) Certified Exhibit K Assessment Reports shall be submitted either by facsimile, with paper copy to follow by mail, 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.

(c) 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.

#### **11:20-8.4 Calculation of average non-group enrollment for the two-year calculation period**

(a) In Part D of the Exhibit K Assessment Report, each carrier shall report its aggregated average non-group enrollment for all affiliates for the preceding two-year calculation period.

(b) Each carrier shall complete an Exhibit K Part D Enrollment Data Worksheet for each affiliate that issued or renewed the categories of non-group enrollment listed on the worksheet and shall attach each Worksheet to its Exhibit K.

1. In Section a of the Enrollment Data Worksheet, the carrier shall report all community rated persons covered under individual health benefits plans, and all persons covered under the basic and essential health care services plan as of the last day of the end of each calendar quarter during the two-year calculation period, and shall report the total of all eight quarters. For contracts issued prior to August 1, 1993, where a carrier's administrative systems cannot provide the number of actual covered persons, the following factors shall be used to convert contracts or subscribers to the total number of covered persons: single = 1; two adults = 2; adult and child(ren) = 2.8; family = 3.9. If a two adults category is not used, a carrier shall use a composite factor of 3.33 in order to reflect the two adults category in the family factor.

2. In Section b of the Enrollment Data Worksheet, the carrier shall report all community rated conversion policy persons as of the last day of the end of each calendar quarter during the two-year calculation period, and shall report the total of all eight quarters.

3. In Section c of the Enrollment Data Worksheet, the carrier shall report all Medicaid recipients, including NJ KidCare Part A recipients and NJ FamilyCare Plan A recipients, but no recipients of any other plans through NJ KidCare or NJ FamilyCare, as of the last day of the end of each calendar quarter during the two-year calculation period, and shall report the total of all eight quarters.

4. In Section d of the Enrollment Data Worksheet, the carrier shall report all Medicare Plus Choice, Medicare Advantage, Medicare cost and risk lives and Medicare Demonstration Project lives as of the last day of the end of each calendar quarter during the Two-Year Calculation Period, and shall report the total of all eight quarters.

5. In Section e of the Enrollment Data Worksheet, the carrier shall calculate the two-year non-group enrollment total by adding the totals from a through d of the Worksheet.

6. In section f of the Enrollment Data Worksheet, the carrier shall calculate the average two-year non-group enrollment to be reported on Exhibit K Part D by dividing the total two-year non-group enrollment total by eight.

### **11:20-8.5 Calculating net paid losses or gains**

(a) For purposes of completing Part E of the Assessment Report form, each member issuing individual health benefits plans shall provide data for its individual health benefits plans issued or renewed pursuant to sections 2b(1) or 3 of the Act (N.J.S.A. 17B:27A-3b(1) or 4), or the basic and essential health care services plan pursuant to the requirements of P.L. 2001, c. 368 for the preceding two-year calculation period. For purposes of completing Part E of the Exhibit K Assessment Report, a member that does not have any net earned premium for the standard individual health plans or basic and essential healthcare services plans during a two-year calculation period shall not be considered to be issuing coverage, and thus shall not complete Part E and is not eligible for reimbursement.

1. All data shall be for direct business only; reinsurance accepted shall not be included, and reinsurance ceded shall not be deducted.

2. The method used by a member to allocate to sublines of the individual line shall be consistent with the method used by a member to allocate to the individual line.

(b) In Part E of the Exhibit K Assessment Report, each member issuing individual health benefits plans shall report premium earned. Premium earned shall be adjusted:

1. By any changes in non-admitted premium assets consistent with statutory report requirements, except that any change in non-admitted assets associated with premium accrued shall be reported consistent with the bases, as appropriate to the member, from the member's NAIC annual statement, adjusted for the individual health benefits plan for which the report is being made, as necessary; and

2. To reflect the premium that a carrier should have earned based on charging premiums consistent with the rate filings the member filed with the Board for the applicable time period.

(c) In Part E of the Exhibit K Assessment Report, each member issuing individual health benefits plans shall report claims paid. Claims paid shall be reported on a basis consistent with statutory reporting, as is appropriate for the member based on the member's NAIC annual statement, adjusted as necessary for the individual health benefits plans for which the report is being made. Claims paid as reported on Exhibit K Assessment Report shall include reimbursement for charges made by providers for services and supplies; surcharges mandated pursuant to the New York Health Care Reform Act of 2000, P.L. 1999, c. 1, codified in the New York Public Health law, section 2807-c through 2807-w; and network access fees where such fees may be demonstrated to have reduced specific claim payments and where the carrier has reported such fees as claims on its NAIC annual statement blank. In reporting claims paid, profits made by affiliated providers of service shall not be included in paid claims. Claims paid shall be adjusted to only include claims that should have been paid according to the terms and conditions of the individual health benefits policy and N.J.S.A. 17B:27A-2 et seq.

(d) In Part E of the Exhibit K Assessment Report, each member issuing individual health benefits shall report its net investment income. Net investment income shall be calculated in accordance with statutory reporting requirements. For purposes of Exhibit K Assessment Report reporting, and notwithstanding how a carrier allocates net investment income to individual lines in other statutory reports or filings, carriers shall allocate net investment income consistent with the following basis, adjusted for the individual health benefits plans for which the report is being made as necessary.

1. The cost of granting and servicing premium notes and policy loans and liens shall be allocated to investment expense. The resulting net income on premium notes and policy loans and liens may be distributed to those lines of business which produced such income. In making such distribution, due consideration shall be given to the variation in the interest rate and incidence of expense on such notes, loans, and liens.

2. Net investment income, after adjustment, if any, as permitted by (d)1 above, shall be distributed to major and secondary lines of business in proportion to the mean funds of each line of business, after suitable adjustment, if any, on account of policy loans, except that any miscellaneous interest income arising from policy or annuity transactions may be allocated directly to the line of business producing such income. "Mean funds" refers to the average net cash flow balance over the two-year calculation period for which the calculation is being made, with the average net cash flow balance determined on a monthly or quarterly basis. The average net cash flow balance is the sum of the beginning of the month or quarter and end of month or quarter cash flow balances divided by two. The "cash flow balance" at the beginning of the month or quarter is equal to the inception to date paid premiums, plus the net investment income at the beginning of the month or quarter, plus loss reimbursement received, less paid claims, less refunds, less loss assessment paid, and

less paid expenses. The “cash flow balance” at the end of the month or quarter is equal to the inception to date paid premiums, plus loss reimbursement received, less paid claims, less refunds, less loss assessment paid and less paid expenses, plus net investment income at the beginning of the month or quarter. “Inception to date” shall mean a measurement of cash flow from the first date the carrier receives premium for standard individual health benefits plans until the end of the most recent two-year calculation period.

(e) In Part E of the Exhibit K Assessment Report, each member issuing individual health benefits plans shall report its net paid gain or net paid loss. The net paid gain or loss for the two-year calculation period shall be determined by taking the claims paid on individual health benefits plans (as set forth on line b in Part E of Exhibit K), less 115 percent of the sum of the net earned premium and the net investment income earned on individual health benefits plans (as set forth in lines a and c, respectively, in Part E of Exhibit K). If 115 percent of the sum of the net earned premium and the net investment income earned on individual health benefits plans is greater than claims paid on individual health benefits plans, the amount shown on line d represents a net paid gain. If 115 percent of the sum of the net earned premium and the net investment income earned on individual health benefits plans is less than claims paid on individual health benefits plans, the amount shown on line d represents a net paid loss.

#### **11:20-8.6 Certifications**

(a) In Part F 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, all Exhibit K Part C Premium Data Worksheets, and all Exhibit K Part D Enrollment 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.

(b) The Chief Financial Officer, or other duly authorized officer, of a member which has filed for reimbursement of losses shall certify, on or before April 1 of the year following every two-year calculation period that the net investment income reported on the Exhibit K Assessment Report has been allocated on a basis consistent with N.J.A.C. 11:20-8.5(d) or, if not, the changes have been outlined in detail including the impact and reason for the change.

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

(a) Failure to file in a timely manner the Exhibit K Assessment Report and certifications 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 for reimbursement of losses and minimum number of non-group persons.

**EXHIBIT K: New Jersey Individual Health Coverage Program Assessment Report  
For the Two-Year Calculation Period 2005-2006**

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, 2007.

**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 <input type="checkbox"/> Non-member of the IHC Program with no net earned premium.	

**Part D. Number of Non-group Persons Enrolled by Member Carrier (Attach worksheet(s))**

Members MUST complete and return one copy of the attached "Exhibit K Part D Enrollment Data Worksheet" for each of the affiliates listed above that issued or renewed non-group enrollment.

Average non-group enrollment for the two-year period:	
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**Part E. Member's Net Paid Gain (Loss) for Individual Health Benefits Plans**

a. Premium Earned	\$
b. Claims Paid	\$
c. Net Investment Income	\$
d. Net Paid Gain (Loss) [115% (a+c)]-b	\$

**Part F. 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, but may not be limited to the following coverages: health insurance for individuals or groups of any size; Medicare Advantage and Medicare + Choice contracts (premium should be limited to premium from insureds); Medicare Cost and Risk; premium from Medicare Demonstration plans, Medicaid; New Jersey FamilyCare Part A and NJ KidCare Part A. Net earned premium shall not include premium earned from plans excluded from the definition of "health benefits plan" as set forth at N.J.A.C. 11:20-1.2.

### **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 F.**

**Exhibit K Part C Premium Data Worksheet for the Two-Year Calculation Period 2005-2006**

Name of Affiliate: \_\_\_\_\_

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

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

<b>Section 1: Total A&amp;H Premium</b>	Premium for 2005	Premium for 2006	Two-Year Total
Amount of Accident & Health Premium on New Jersey NAIC Statement Blank:	\$	\$	\$

<b>Section 2: List of Excepted Benefits and Premium</b>	Premium for 2005	Premium for 2006	Two-Year Total
a. Medicare Advantage and Medicare + Choice coverage (excepted premium amount is limited to amounts paid by federal government and does not include premium paid by insureds)	\$	\$	\$
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.

<b>Section 3: Calculation of "Net Earned Premium"</b>	Premium for 2005	Premium for 2006	Two-Year Total
Net Earned Premium = (Section 1 premium – Section 2 premium)	\$	\$	\$

**Exhibit K Part D Enrollment Data Worksheet  
for the Two-Year Calculation Period 2005-2006**

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

Carriers shall complete and return this page with Exhibit K.

For a through e below, provide the number of covered lives as of the end of each calendar quarter during the Two-Year Calculation Period for each of the categories of coverage described below, and the two-year total for each category. Non-members should be reporting no covered lives in any of the categories below because premium from all of the coverage listed below result in net earned premium.

- a. Persons covered under standard individual health benefits plans or basic and essential health care services plans

Q1	Q2	Q3	Q4	Total Q1-Q8
Q5	Q6	Q7	Q8	

- b. Community rated conversion policy persons

Q1	Q2	Q3	Q4	Total Q1-Q8
Q5	Q6	Q7	Q8	

- c. Medicaid recipients (Include NJ FamilyCare Part A, NJ KidCare Part A but no other NJ FamilyCare or NJ KidCare lives)

Q1	Q2	Q3	Q4	Total Q1-Q8
Q5	Q6	Q7	Q8	

- d. Medicare Advantage and Medicare Plus Choice lives, Medicare Risk and Cost lives, Medicare Demonstration Project lives (Do not include Medicare Supplement)

Q1	Q2	Q3	Q4	Total Q1-Q8
Q5	Q6	Q7	Q8	

- e. Two-Year non-group enrollment total

(Total Q1- Q8 for a through d):

- f. Average two-year non-group enrollment to be reported on Exhibit K Part D

(Line e divided by 8):

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.

### **11:21-10.2 Definitions**

Words and terms used in this subchapter shall have the meanings as set forth in the Act or the chapter, unless the context clearly indicates otherwise.

### **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 March 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 (a)2 below implies. 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 Administrator or 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: 2006**  
**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 **March 1, 2007**.

**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 2006**

1. Net earned premium for all small employer group health benefits plans in 2006:	\$
2. Less refunds paid in 2006:	\$
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:

**THE NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM  
2006 CERTIFICATION OF NON-MEMBER STATUS**

Carrier Name:	
NAIC #:	
Mailing Address:	

I, (print or type name) \_\_\_\_\_, a duly authorized officer of the above named entity, hereby certify that this entity:

**CHECK ONE OPTION:**

<input type="checkbox"/>	Is not a "Carrier" authorized to issue "Health Benefit Plans" in New Jersey, as those terms are defined at N.J.A.C. 11:21-1.2 and N.J.S.A. 17B:27A-17; <b>OR</b>
<input type="checkbox"/>	Is a carrier that is not a "Member" of the New Jersey Small Employer Health Benefits Program because it had no "Health Benefits Plan" in force in 2006 covering a New Jersey "Small Employer," as those terms are defined at N.J.A.C. 11:21-1.2 and N.J.S.A. 17B:27A-17.

The accident and health premiums reported to the New Jersey Department of Banking and Insurance by this carrier for 2006 were entirely attributable to the following types of coverage, all of which are not included in, or are expressly excluded from, the definition of "health benefits plan" in the rule cited above. **If you are not a "Member" you must, in the spaces below, list the types of coverages that make up the carrier's reported A&H premium.**

1.	4.
2.	5.
3.	6.

**Please note: Carriers that cover New Jersey small employers through associations, trusts, or multiple employer arrangements are Members of the Program subject to assessment. If you have questions about this form, call (609) 633-1882, ext. 50302.**

Printed Name:	
Title:	
Signature:	Date:
E-mail Address:	
Phone:	Fax: