

NEW JERSEY DEPT. OF BANKING AND INSURANCE
MEMORANDUM

To: Ellen DeRosa, Executive Director, SEH/IHC Boards
 From: Avnee Parekh, ASA, Managing Actuary, Life & Health Actuarial
 Date: April 1, 2016
 Re: IHC Loss Ratio and Refund Reports for 2014

The above reports were originally due on August 15, 2015. However, the Department extended the deadline to October 30, 2015 due to uncertainty about when CMS would finalize the 2014 Risk Corridors payments, which carriers need to calculate their loss ratios.

The IHC market in 2014 had premiums of \$1.171 billion and claims of \$924 million, for a loss ratio of 78.9%. The following table summarizes statistics for the total IHC market for the last 3 years.

Year	Premium (mms)	Claims (mms)	Loss Ratio	4 th Quarter Enrollment
2014	\$ 1,170.7	\$ 924.3	78.9%	241,850
2013	\$ 734.6	\$ 677.0	92.2%	146,095
2012	\$ 686.7	\$ 592.0	86.2%	144,236

Two carriers paid refunds on a combined group basis. AmeriHealth paid \$11.6 million; and Horizon paid \$11.8 million. The table below summarizes the premiums, claims, loss ratios, and New Jersey refunds (net of any Federal refund liability) for each IHC carrier on a combined group basis.

Combined Group Basis	Premiums	Claims	Loss Ratio	NJ Refund Liability (net of any Federal Liability)
Aetna	\$16,707,586	\$19,920,790	119.2%	\$0
AmeriHealth	\$381,772,741	\$291,997,852	76.5%	\$11,580,898
CIGNA	\$548,688	\$1,634,141	297.8%	\$0
Health Republic	\$24,525,863	\$21,969,577	89.6%	\$0
Horizon	\$635,319,012	\$496,451,085	78.1%	\$11,804,125
Oxford	\$111,854,685	\$92,296,502	82.5%	\$0
TOTAL	\$1,170,728,575	\$924,269,947	78.9%	\$23,385,023