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Insurance Regulators Closely Monitoring Maine Insurance Co-op's Financial Health

CONCORD, NH – Today, the Maine Bureau of Insurance announced that it will be monitoring and posting financial updates on a monthly basis with respect to one of its largest health insurance companies, Community Health Options (CHO), which also sells health insurance plans in New Hampshire. CHO is a consumer-operated and -oriented health plan, or co-op, which began operating in Maine in 2014. It began selling insurance plans in New Hampshire in 2015.

“The New Hampshire Insurance Department has been working closely with the Maine Bureau -- which has primary regulatory oversight over CHO -- and the federal government to monitor CHO's operations and financial results, and it will continue to do so,” said New Hampshire Insurance Commissioner Roger Seigny.

In December, CHO announced that it would stop selling new 2016 individual health insurance plans -- through New Hampshire's federally facilitated exchange and also directly from the company. The company had seen higher-than-expected enrollment in 2015, coupled with higher-than-expected claims costs from those enrolled in its plans, and its 2016 premium rates turned out to be too low to cover its anticipated 2016 losses (claims costs). Consequently, as individual health insurance membership continued to increase beyond the levels expected in CHO's 2016 plan, anticipated losses continued to increase. More information on the December announcement:

<http://www.nh.gov/insurance/media/pr/2015/documents/120915.pdf>.

In New Hampshire, 12,730 have coverage through CHO. In Maine, CHO has 71,539 enrollees. As it notes in its statement, the Maine Bureau has been concerned since October of 2015 about CHO's capital position, particularly the relationship of its capitalization levels to its larger-than-planned insurance risk. This is partially because CHO's membership has grown significantly and rapidly since 2014. The Maine Bureau also noted that CHO's management and employees have worked very hard to reduce 2016 expenses and other costs and, with their consulting actuaries, have prepared a detailed 2016 monthly plan, which will be the basis of the Maine Bureau's monthly monitoring going forward.

If the Maine Bureau determined that CHO would not be able to meet its financial obligations on an ongoing basis, affected consumers would be entitled to a special enrollment period during which they could select new coverage.

“One of the Insurance Department’s top priorities is to ensure the financial health and stability of the companies that provide insurance to New Hampshire residents,” said Insurance Commissioner Roger Sevigny. “Our other top priority is to ensure that Granite State consumers are treated fairly and according to the law by their insurance companies. We will continue to monitor Community Health Options’ financial situation, and our Consumer Services division is available to help anyone who has questions or concerns about their coverage.”

The Maine Bureau’s statement about CHO’s financial status is available here:

http://www.maine.gov/pfr/insurance/ACA/BOI_Statement_on_Community_Health_Options.pdf

The New Hampshire Insurance Department can help:

Contact us with any questions or concerns you may have regarding your insurance coverage at 1-800-852-3416 or (603) 271-1406, or by email at consumerservices@ins.nh.gov.

The New Hampshire Insurance Department’s mission is to promote and protect the public good by ensuring the existence of a safe and competitive insurance marketplace through the development and enforcement of the insurance laws of the State of New Hampshire. For more information, visit www.nh.gov/insurance.

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