

STATE of NEW HAMPSHIRE INSURANCE DEPARTMENT

FINAL ORDER

Docket No.: Ins 05-039-AP

In Re: Small Employer Health Reinsurance Pool
2005 Chapter 225, RSA 420-K Plan of Operation

RSA 420-K established a nonprofit entity to be known as the "New Hampshire Small Employer Health Reinsurance Pool," ("the Pool"). The Pool was duly organized at a meeting that took place at the New Hampshire Insurance Department ("the Department") on July 14, 2005. Member insurers selected an initial board of directors ("the Board") at the organizational meeting.

RSA 420-K:4 I (c) states that "the standard health benefit plan, base reinsurance premium rates, and the rating methodology shall be submitted to the commissioner for approval within 45 days after the appointment of the board." The Department received the Board's proposed standard health benefit plan, base reinsurance premium rates, and the rating methodology on August 26, 2005. Since these items are integrally related to the Pool's plan of operation, the Department issued an Administrative Order on September 14, 2005 delaying approval of these items until it has had an opportunity to receive and hold a hearing on the Board's proposed plan of operation.

RSA 420-K:2 IV requires the Board to submit to the commissioner, within 60 days of the Board's appointment, a proposed plan of operation. The commissioner is required to provide notice and hearing prior to determining whether the plan of operation should be approved. A public hearing on the board's proposed plan of operation for the Pool was held at the offices of the New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, New Hampshire on September 21, 2005 at 10:00 a.m. The hearing was continued to October 6, 2005 to enable the Board to complete its submission by amending the plan of operation with the filing of the Pool's articles and bylaws on or before September 23, 2005.

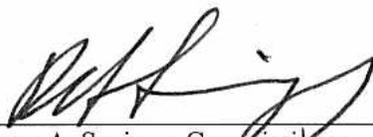
Having reviewed the proposed plan of operation together with the Pool's articles of incorporation and bylaws, the standard health benefit plan, the base reinsurance premium rates, and the rating methodology, and having considered the testimony offered on the September 21st and October 6th hearing dates, and finding that the plan of operation is suitable to assure the fair, reasonable and equitable administration of the pool and provides for the sharing of pool gains or losses on an equitable proportionate basis, the plan of operation dated September 12, 2005, articles of incorporation dated September 23, 2005, bylaws dated September 23, 2005, the standard health benefit plans, the base reinsurance premium rates, and the rating methodology of the Pool are hereby **APPROVED**.

So Ordered,

NEW HAMPSHIRE INSURANCE DEPARTMENT

Dated:

10-25-05



Roger A. Sevigny, Commissioner