

A& H work group - HEALTH ACTUARIAL OPINION

The purpose of the call was to recruit a subgroup to review the current AOMR for health contracts and the need for regulatory modification and to establish a starting list of issues that should be covered in the review.

Regulators in attendance: IL, NM, MN, CT, TX, MO, NY, NE, UT, OH, FL

Interested parties in attendance: United American, Humana, United Health Group, Blue Cross/Blue Shield Association, American Academy of Actuaries, ACLI, Milliman, Omega Squared/AHIP.

Julia Philips of Minnesota led the call and is taking the lead in this effort. The first order of business was to consider the issues that should be on the table for the subgroup.

The list included:

Should there be a model regulation at all?

What is appropriate to put in the model regulation versus in the statement instructions?

Should the regulation define what “member in good standing means”?

There should be no unexplainable differences between the regulations for the health statement blank and the life statement blank.

Should the term “appointed actuary” be defined?

Kerry Krantz (FL) suggested that if the list of items to be opined upon were removed from the AOMR regulation and placed in the statement instructions, then there may be no need for a separate AOMR regulation for the health blank.

The next order of business was to accept volunteers for the subgroup – specifically to work on drafting a new regulation. Volunteers were: Mary Miller (OH), Bill Weller (AHIP) and Julia Phillips (MN). Ms. Phillips asked Shari Westerfield specifically if the BC/BS Association wanted representation on the subgroup. Ms. Westerfield replied that either she or another BC/BS actuary would participate.

Finally, goals of the subgroup were summarized by Ms. Phillips:

Review of consistency and appropriateness.

Eliminate duplicative guidance.

A preliminary estimate for the earliest anticipated effective date was set at 12/31/2008.

John K. Heins, FSA, MAAA

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