

The following pages contain a copy of the initial survey sent to companies requesting information regarding the MLR requirement. The numbers shown in each question response area represent the aggregation of the responses received.

A copy of the supplementary information request sent to the 25 insurers responding “Not Sure Yet” to the question “Will the new MLR requirement cause the company to: (select all that apply)” is also included. As per above, the numbers shown in each question response area represent the aggregation of the responses received.

# VIRGINIA

## MLR Adjustment Survey

Note: In completing this survey, responses from all carriers should refer only to the types of accident and sickness insurance products subject to the MLR requirements in the PPACA and issued in the individual market.

### 1. Company Information

Company Name: 301 Companies representing 94.63% of Virginia Individual Coverages Premium in 2009

### 2. Market Participation

268 Company did not write accident and sickness policies, certificates or evidences of coverage attributable to coverage subject to the PPACA and issued in Virginia in 2009 and 2010 in the individual market (If no coverage written, skip to end of survey)

-OR-

33 Number of accident and sickness policies, certificates or evidences of coverage attributable to coverage subject to the PPACA and issued in Virginia in 2009 and 2010 (if available) in the individual market:

2009: Number of Policies/Certificates/EOCs: 180,505 covering how many lives: 302,762

2010: Number of Policies/Certificates/EOCs: 175,711 covering how many lives: 283,723

- Identify below all zip codes in which the company issues or delivers policies, certificates, or EOCs in Virginia:

|     |    |     |    |     |    |
|-----|----|-----|----|-----|----|
| 201 | 24 | 228 | 19 | 238 | 22 |
| 205 | NA | 229 | 23 | 239 | 20 |
| 220 | 26 | 230 | 22 | 240 | 22 |
| 221 | 25 | 231 | 24 | 241 | 20 |
| 222 | 25 | 232 | 25 | 242 | 17 |
| 223 | 26 | 233 | 20 | 243 | 18 |
| 224 | 25 | 234 | 24 | 244 | 20 |
| 225 | 25 | 235 | 19 | 245 | 23 |
| 226 | 23 | 236 | 24 | 246 | 16 |
| 227 | 24 | 237 | 19 |     |    |

- Is the company actively seeking to write new accident and sickness products in the individual market in Virginia at this time? YES 18 NO 15
- Is the company renewing accident and sickness products in the individual market in Virginia at this time? YES 27 NO 5
- Will the new MLR requirement cause the company to: (select all that apply)
  - 4 Discontinue new sales in the individual accident and sickness market in Virginia?
  - 0 Exit the individual accident and sickness market in Virginia?  
Anticipated exit date: \_\_\_\_\_
  - 25 Not sure yet

### 3. MLR Adjustment

Is the company in favor of Virginia requesting an adjustment of the 80% MLR requirement for individual business to a lower requirement?

7 NO – Not in Favor

-OR-  
(select all that apply)

13 YES – Because of stress on company

17 YES – Because of market destabilization (please identify foreseen areas of disruption in the list below)

7 YES – Because of other reasons: \_\_\_\_\_

Preferred adjustment:

13 65% 2 70% 2 75% 8 Other (identify: \_\_\_\_\_)?

If YES-because of market destabilization, please identify in the list below areas of potential market disruption you foresee in the absence of an adjustment.

Note: If further follow-up is necessary, the Bureau may request estimated financial information or other supporting data relating to areas of potential market destabilization identified below resulting from an 80% MLR requirement on the company for 2011, 2012, and 2013.

(select all that apply)

8 Insurers surrendering licenses

7 Premium increases for continuing policyholders

17 Reduced access by consumers to agents and brokers

8 Benefit design changes (offering only high-deductible plans, etc.)

20 Decreased market participation

10 Changes in marketing

4 Demographic changes in coverage (sudden declines in coverage)

11 Premium volatility

1 Other: \_\_\_\_\_

4. Confidentiality Request

Is the company identified requesting that the information in this survey be considered confidential proprietary pursuant to Virginia Code § 38.2-221.1?

YES

NO

The Bureau likely will publish aggregated and summarized information regarding survey responses.

**Virginia  
MLR Adjustment Survey  
Supplementary Information Request**

According to our records, you recently completed the MLR Adjustment Survey for the Virginia Bureau of Insurance. We are in need of additional clarification of your response to question # 2 in the survey, in which we asked companies to select one or more of the following with respect to future company action resulting from the new MLR requirement:

- (1) the company would discontinue new sales in the individual accident and sickness market in Virginia;
- (2) the company would exit the individual accident and sickness market in Virginia, (with an anticipated exit date);
- (3) the company was not sure yet.

Your company selected "not sure yet", either as the sole response or in conjunction with items (1) and/or (2) above. Your responses to the questions below will enable the Bureau to more clearly evaluate your original survey response and its potential impact on the Virginia individual market. **Please complete the contact information and respond to questions 1 and 2 below in their entirety and provide your response no later than 3/21/11.**

Company Name: \_\_\_\_\_ Follow up surveys were sent to 25 companies. All 25 responded. NAIC Number: \_\_\_\_\_

Contact person In case of questions:

Name: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**1. DISCONTINUANCE OF SALES:**

2 companies discontinued writing new business in 2010 and are not counted in the responses below.

Will the new MLR requirement cause the company to **discontinue new sales** in the individual accident and sickness market in Virginia in **2011**? (*Select only one*)

YES **0**                      NO **16**                      Not Sure Yet **7**

If "not sure yet", please provide detailed responses to (a) and (b) below:

- (a) What factors are being considered to determine the company's future plans with respect to new sales in the individual market in Virginia?

**Various**

- (b) Recognizing that you answered "not sure yet," with regard to *your* company, does the new MLR make **discontinuing new sales** in Virginia:

More likely than not **4**                      Less likely than not **1**

If you answered "More likely than not", in what year would that most likely take place?

2011 **3**                      2012 **1**                      2013 **0**                      2014 or beyond **0**

Please provide any additional information the company will consider with respect to possible discontinuance in future years:

**Various**

## 2. MARKET EXIT

Will the new MLR requirement cause the company to **exit the individual accident and sickness market in Virginia in 2011?** (*Select only one*)

YES **0** NO **18** Not Sure Yet **7**

If “not sure yet”, please provide detailed responses to (a) and (b) below:

- (a) What factors are being considered to determine the company’s future plans with respect to its possible exit from the individual market in Virginia?

**Various**

- (b) Recognizing that you answered “not sure yet,” with regard to *your* company, does the new MLR make **exit from the Virginia market:**

More likely than not **2** Less likely than not **0**

If you answered “More likely than not”, in what year would that most likely take place?

2011 **0** 2012 **2** 2013 **0** 2014 or beyond **0**

Please provide any additional information the company will consider with respect to possible market exit in future years:

**Various**

Additional Comments:

**Various**

As previously advised, the Bureau will likely publish aggregated and summarized information regarding survey responses.

**PLEASE NOTE:** This supplementary information request is considered to be an extension of the original request for information, and as such, we will apply your original request for confidentiality, if so requested in the original survey that the company completed.