



Memo

To: Bill Rivers, NAIC
cc: Health Financial Analysis Program Manager
From: Wayne Johnson, Jan Moenck and Eric Scott, RRC
Date: November 27, 2017
Subject: RE: Request for Comments on Receivership Model Law (E) Working Group's Draft Proposed Revisions to the Life and Health Insurance Guaranty Association Model Act (#520)

On behalf of the Risk & Regulatory Consulting, LLC ("RRC"), this letter responds to your request for input and perspective on the Receivership Model Law (E) Working Group's Draft Revisions to the Life and Health Insurance Guaranty Association Model Act. RRC appreciates the opportunity to provide these comments.

RRC supports the Working Group's recommendations regarding Revisions to the Life and Health Insurance Guaranty Association Model Act and the efforts to promote equity and consistency in the way guaranty associations throughout the country address claims of insolvent insurers. In particular, RRC supports the changes that include health maintenance organizations as "Member Insurers" for the purposes of the Act. RRC serves as the deputy receiver of several health insurance companies in multiple states and has seen firsthand the disparity of outcomes for policyholders and members of an insolvent company with no guaranty association coverage as compared to an insolvent company with coverage. We have also seen the disruption to the health insurance market caused when only a part of the market is responsible for funding guaranty association assessments. We believe the proposed revisions will address the issues and inequities we have observed in these "real life" examples and encourage a more stable market. We further support changes in the model that would bring the same protections to members of other types of health insurers as are afforded to policyholders of indemnity insurers that are members of a state insurance guaranty association.

We thank you for the opportunity to present our comments. RRC would be pleased to respond to any questions on the foregoing and welcomes the opportunity to assist and participate in further discussions.

Respectfully submitted,

Three handwritten signatures in black ink. The first signature on the left is "Wayne Johnson". The middle signature is "Jan M. Moenck". The signature on the right is "Eric Scott".

Wayne Johnson
Jan Moenck
Eric Scott