

## **2010 Financial Results for Health Insurance Companies in Maine**

This publication contains summaries of the information that insurers must provide annually to the Bureau of Insurance. Information is displayed for each market segment of the fully insured market (i.e., for policies under the State's jurisdiction):

- Large group (employers with more than 50 employees)
- Small group (employers with 50 or fewer employees)
- Individual (those who buy their own health insurance)

The summaries below show information for each of Maine's largest health insurers (those companies that have at least \$2 million of health insurance premium in Maine). The "All Other Companies" category includes aggregate data (except for enrollment and per member per month data) for companies with less than \$2 million of premium. The following information is shown:

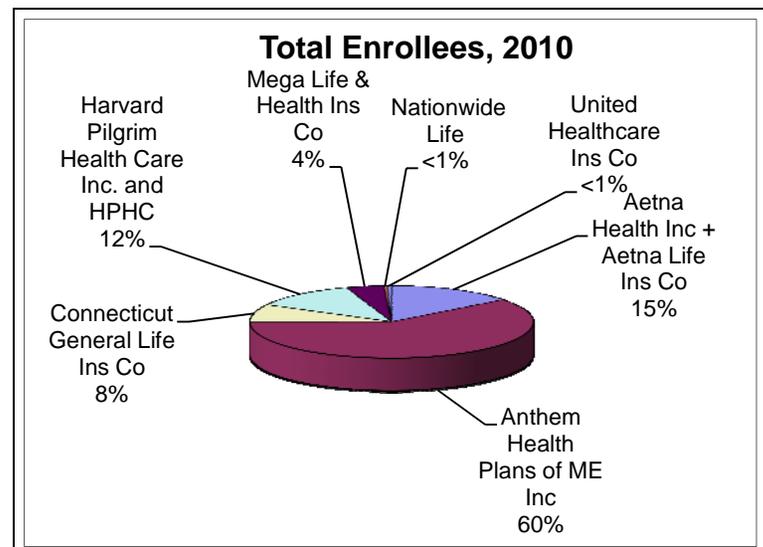
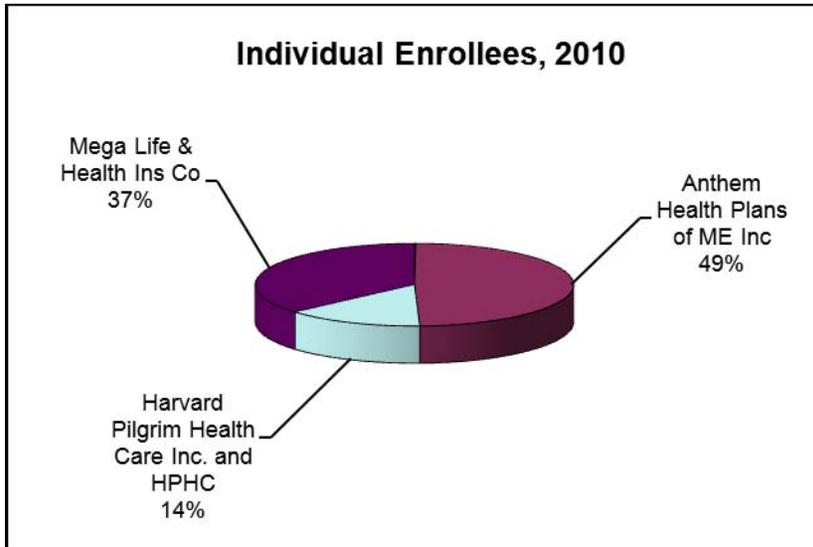
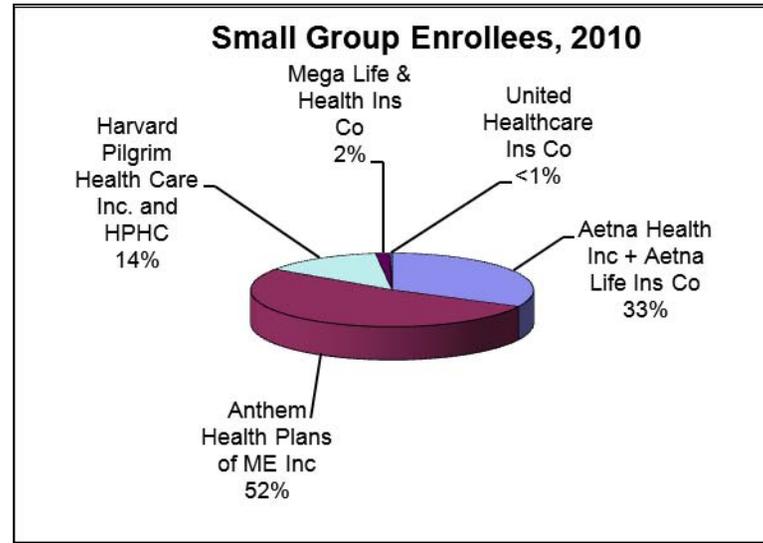
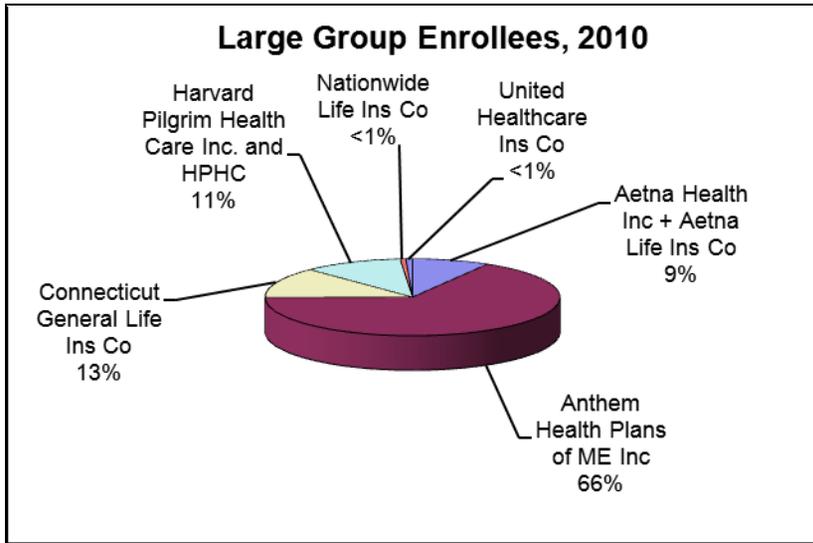
- The number of people enrolled
- Premiums (how much money was collected)
- Claims (how much money was paid to healthcare providers)
- Administrative Expenses (how much money was spent on administration)
- Underwriting Gain or Loss (how much money was left)

## People Enrolled

Insurers	Totals		Large Group		Small Group		Individual	
	2010	Change %	2010	Change %	2010	Change %	2010	Change %
Aetna Health Inc + Aetna Life Ins Co	49,395	-6%	17,598	-39%	31,752	-17%	45	-13%
Anthem Health Plans of ME Inc	205,765	-4%	137,497	1%	50,765	7%	17,503	-9%
Connecticut General Life Ins Co	26,759	-14%	26,726	14%	27	200%	6	-23%
Harvard Pilgrim Health Care Inc. and HPHC	40,959	8%	22,672	14%	13,324	-6%	4,963	-18%
Mega Life & Health Ins Co	14,529	7%			1,560	-11%	12,969	3%
Nationwide Life Ins Co	1,249		1,249					
United Healthcare Ins Co	1,813	-24%	1,529	8%	284	-5%		
<b>Total</b>	<b>340,469</b>	<b>-4%</b>	<b>207,271</b>	<b>-1%</b>	<b>97,712</b>	<b>-1%</b>	<b>35,486</b>	<b>-7%</b>

Note: Small Group and Individual include the DirigoChoice product. This product was sold through Anthem in 2007 and moved to Harvard Pilgrim in 2008.

# Percent of Enrollees by Company



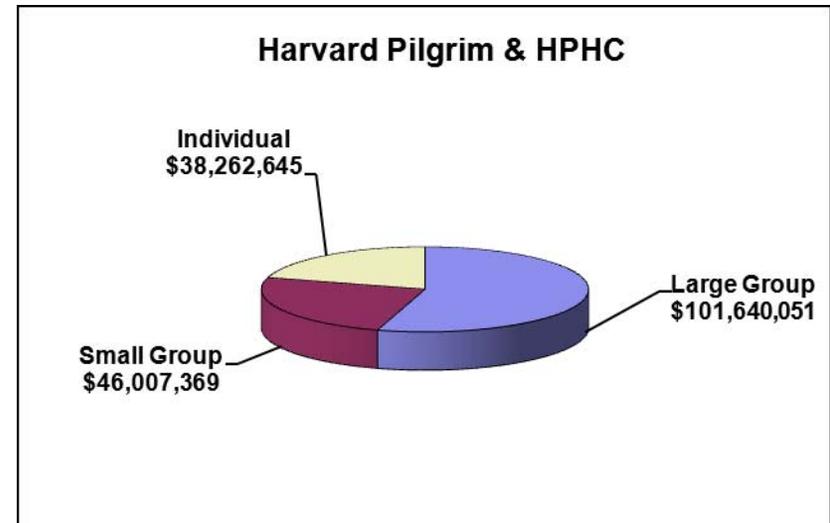
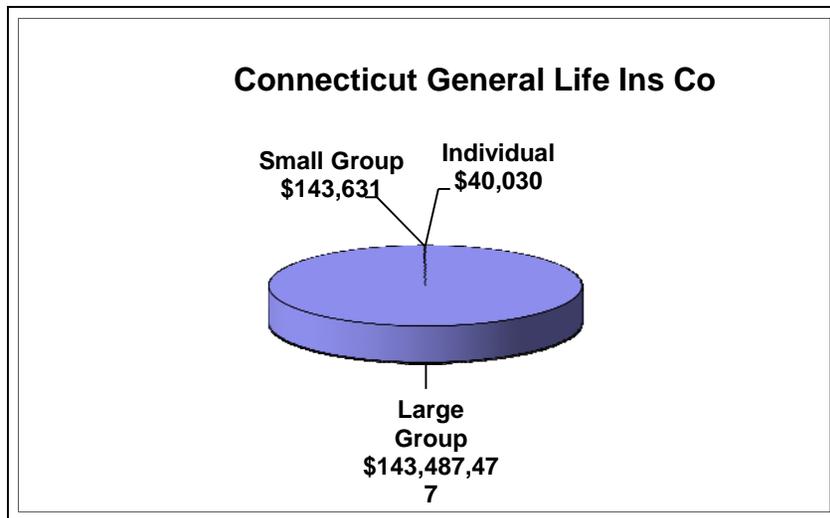
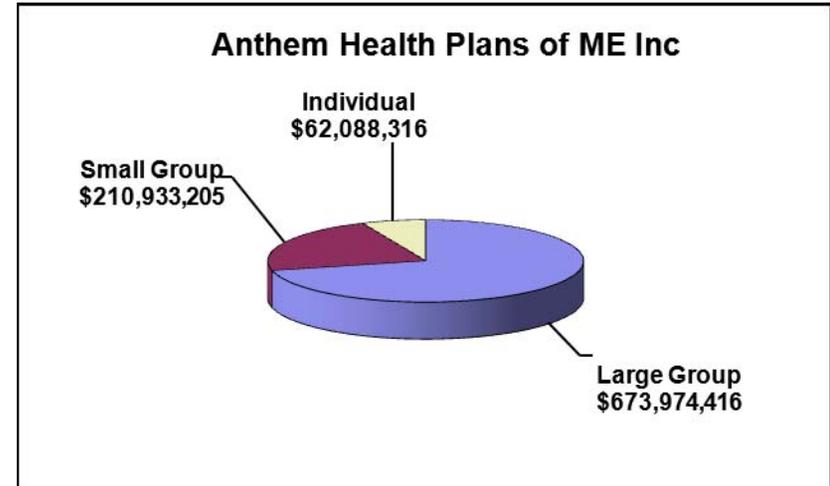
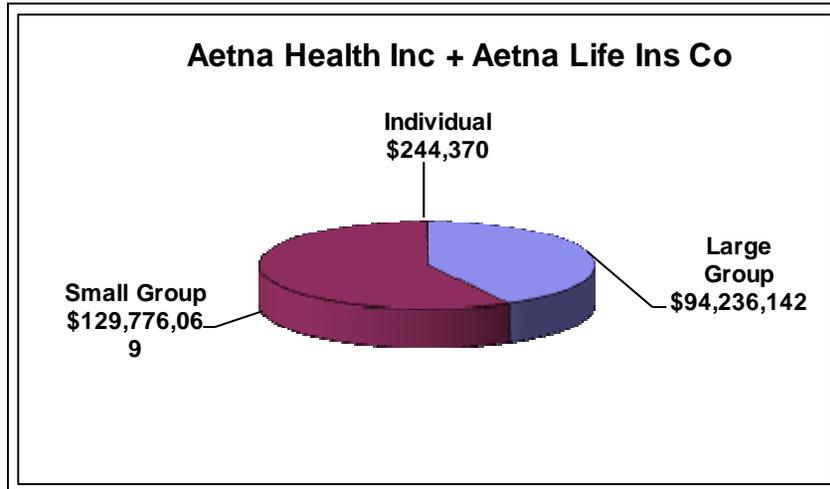
## Premiums

<b>Table 2. 2010 Premium</b>								
<b>Insurers</b>	<b>Totals</b>		<b>Large Group</b>		<b>Small Group</b>	<b>Individual</b>		<b>Change %</b>
	<b>12/31/2010</b>	<b>Change %</b>	<b>12/31/2010</b>	<b>Change %</b>	<b>12/31/2010</b>	<b>Change %</b>	<b>12/31/2010</b>	
Aetna Health Inc + Aetna Life Ins Co	\$224,256,581	1%	\$94,236,142	-38%	\$129,776,069	0%	\$244,370	20%
Anthem Health Plans of ME Inc	\$946,995,937	0%	\$673,974,416	3%	\$210,933,205	1%	\$62,088,316	-4%
Connecticut General Life Ins Co	\$143,671,138	1%	\$143,487,477	2%	\$143,631	28%	\$40,030	
Harvard Pilgrim Health Care Inc. and HPHC	\$185,910,065	6%	\$101,640,051	32%	\$46,007,369	-11%	\$38,262,645	-20%
Mega Life & Health Ins Co	\$34,024,246	12%			\$3,639,783	-17%	\$30,384,463	18%
Nationwide Life Ins Co	\$2,971,914		\$2,971,914					
United Healthcare Ins Co	\$10,147,277	-23%	\$8,745,782	18%	\$1,401,495	25%		
All Other Companies	\$28,711,433	20%	\$5,633,287	6%	\$14,432,292	737%	\$8,645,854	99%
<b>Totals:</b>	<b>\$1,576,688,590</b>	<b>1%</b>	<b>\$1,030,689,069</b>	<b>3%</b>	<b>\$406,333,843</b>	<b>2%</b>	<b>\$139,665,678</b>	<b>-2%</b>

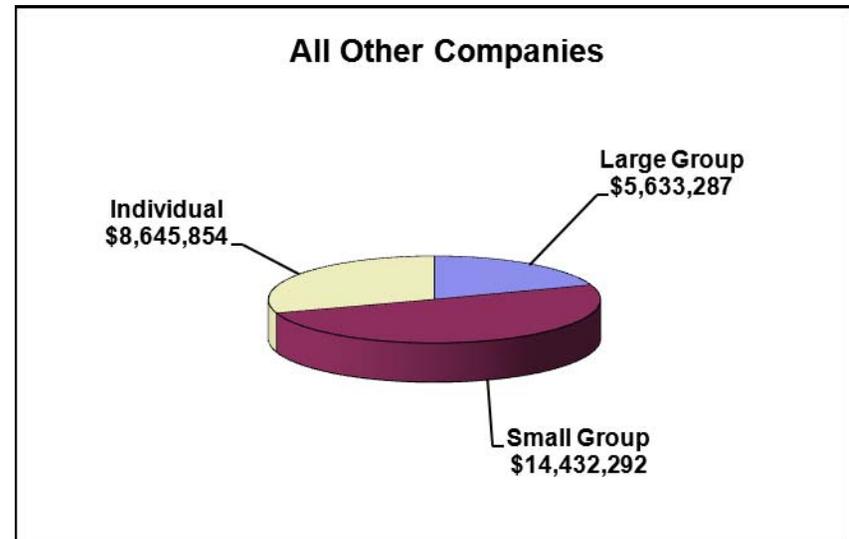
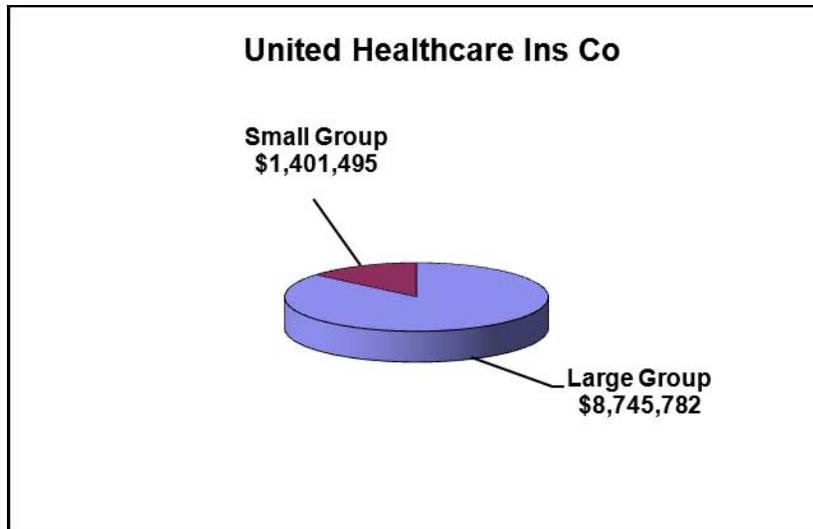
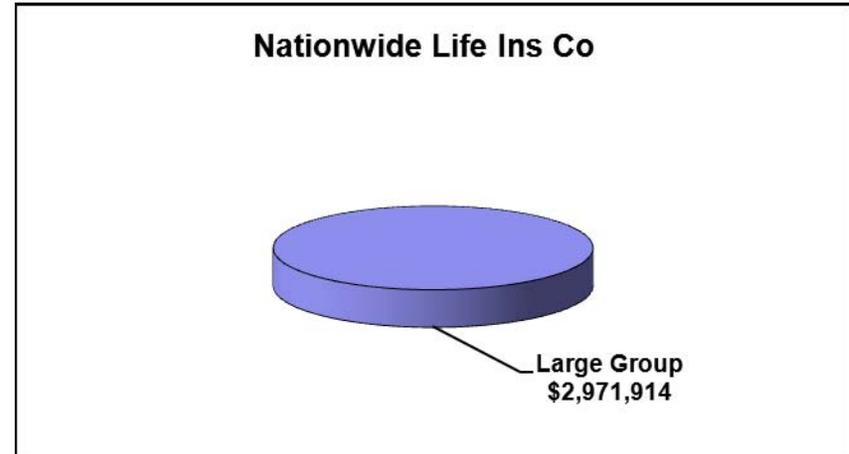
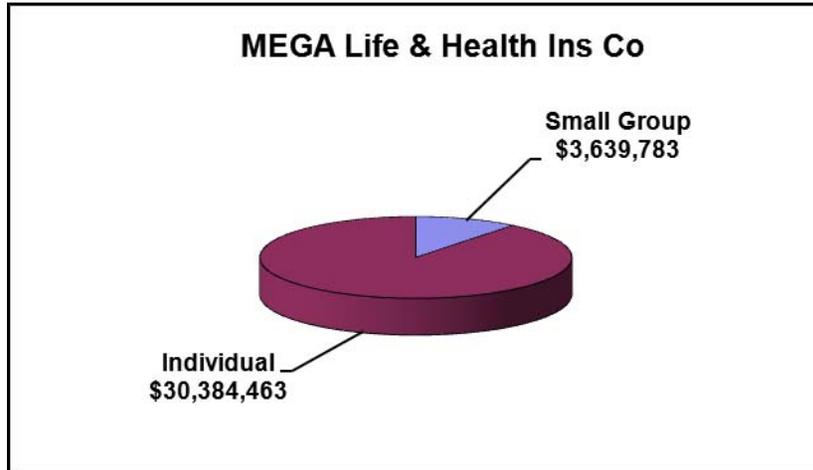
Premiums are the dollars paid by employers and employees and by individuals for insurance coverage.

Note: Small Group and Individual include the DirigoChoice product. This product was sold through Anthem in 2007 and moved to Harvard Pilgrim in 200

## Premiums by Market Segment



## Premiums by Market Segment (Continued)



## Average Monthly Premium per Person

Insurance policies vary widely in terms of deductibles, co-payments, policy limits, and restricted provider networks. Therefore comparing the average premium for different companies may be like comparing apples and oranges. Also, when looking at the percentage change in average premium from year to year, keep in mind that some employers and individuals make changes to their policies to lower their premiums and this may lower the percentage change from year to year.

<b>Table 3. 2010 Average Monthly Premium per Person</b>						
	<b>Large Group</b>		<b>Small Group</b>		<b>Individual</b>	
	<b>2010</b>	<b>Change %</b>	<b>2010</b>	<b>Change %</b>	<b>2010</b>	<b>Change %</b>
Aetna (Aetna Health Inc + Aetna Life Ins Co)	\$411	4%	\$303	5%	\$406	24%
Anthem Health Plans of ME Inc	\$406	2%	\$362	2%	\$281	6%
Connecticut General Life Ins Co)	\$448	-7%	\$413	-51%	\$556	
Harvard Pilgrim Health Care Inc.	\$382	8%	\$418	6%	\$615	5%
Mega Life & Health Ins Co			\$195	0%	\$227	23%
Nationwide Life Ins Co	\$1,039					
United Healthcare Ins Co	\$503	21%	\$415	45%		
<b>Total</b>	<b>\$413</b>	<b>2%</b>	<b>\$347</b>	<b>4%</b>	<b>\$335</b>	<b>9%</b>

Note: The average premium is calculated by dividing the premium in Table 2 by the number of member months.

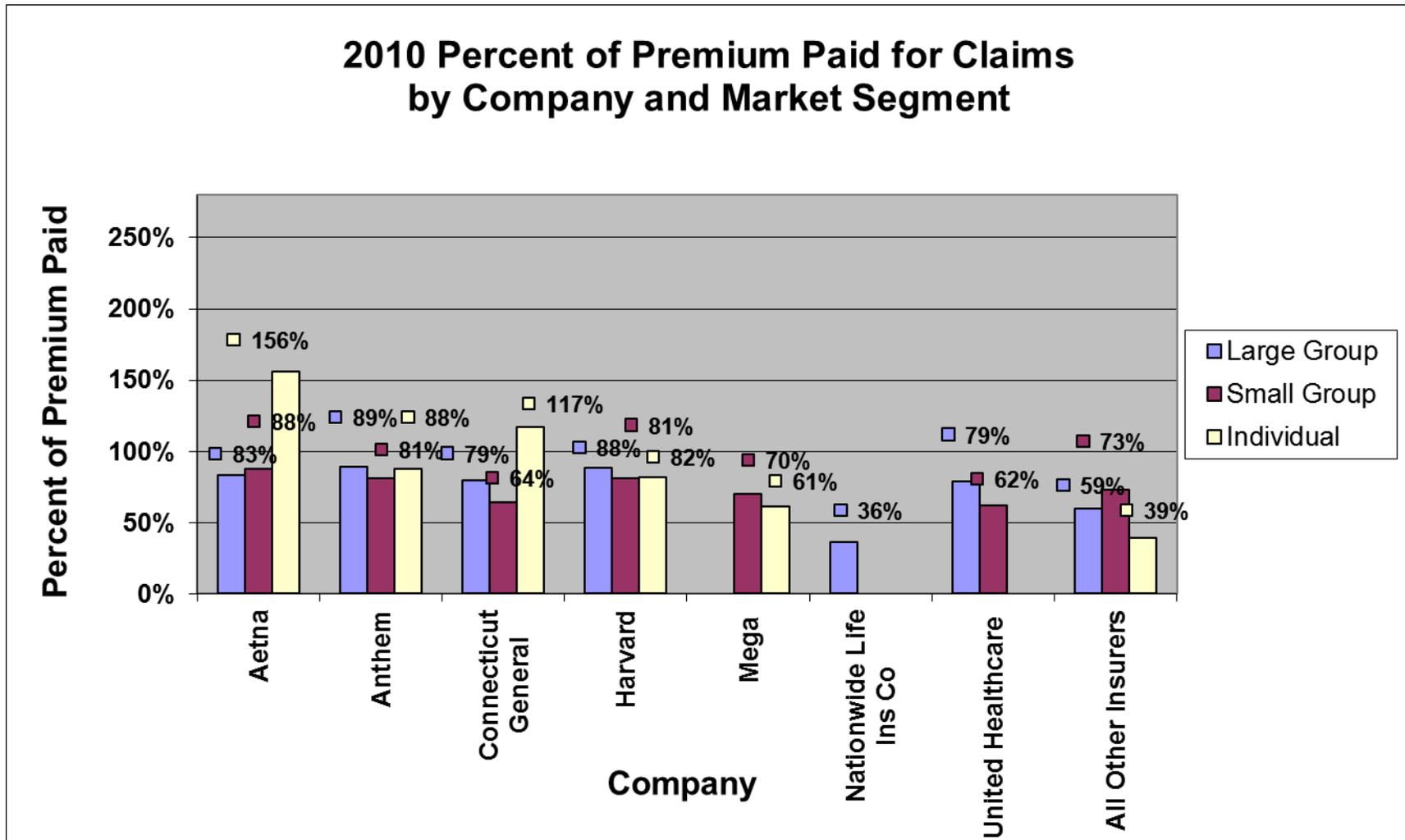
## Claims Paid

The total claims paid are the amount of money paid by insurance companies to health care providers and hospitals for medical services received by their members. The table below shows the amount of claims paid by insurance companies and how those claims payments compare to the amount of premiums paid to the insurance company. A percentage above 100% means that the company paid more to healthcare providers than they collected in premiums from employers and individuals. On the other hand, a percentage below 100% means that the company paid less to healthcare providers than they collected in premiums. The graph on the following page shows the percentage of premiums paid for claims by market segment.

<b>Table 4. 2010 Dollar Amount Spent on Claims and Percentage of Premium</b>							
<b>Insurers</b>	<b>Totals</b>	<b>Large Group</b>		<b>Small Group</b>		<b>Individual</b>	
	<b>2010 Claims</b>	<b>2010 Claims</b>	<b>% of Premium</b>	<b>2010 Claims</b>	<b>% of Premium</b>	<b>2010 Claims</b>	<b>% of Premium</b>
Aetna	\$193,312,231	\$78,658,937	83%	\$114,272,664	88%	\$380,630	156%
Anthem	\$823,002,555	\$597,704,671	89%	\$170,897,672	81%	\$54,400,212	88%
Connecticut General	\$113,853,200	\$113,714,738	79%	\$91,504	64%	\$46,958	117%
Harvard	\$158,404,390	\$89,807,234	88%	\$37,164,936	81%	\$31,432,220	82%
Mega	\$21,174,549			\$2,558,030	70%	\$18,616,519	61%
Nationwide Life Ins Co	\$1,065,174	\$1,065,174	36%				
United Healthcare	\$7,781,710	\$6,914,692	79%	\$867,018	62%		
All Other Insurers	\$17,247,354	\$3,349,668	59%	\$10,530,366	73%	\$3,367,320	39%
<b>Total</b>	<b>\$1,335,841,162</b>	<b>\$891,215,114</b>	<b>86%</b>	<b>\$336,382,190</b>	<b>83%</b>	<b>\$108,243,858</b>	<b>78%</b>

Note: Small Group and Individual include the DirigoChoice product. This product was sold through Anthem in 2007 and moved to Harvard Pilgrim in 2008.

## Percent of Premium Paid for Claims by Company and Market Segment



## Average Monthly Claims per Person

When looking at the percentage change in average claims from year to year, keep in mind that some employers and individuals make changes to their policies to lower their premiums and this may lower the percentage change. If employers and individuals choose plans with higher deductibles and fewer benefits to minimize increases in premiums, then their claim costs will only show part of the picture of the change in their healthcare costs.

<b>Table 5. 2010 Average Monthly Claims Per Person</b>						
	<b>Large Group</b>		<b>Small Group</b>		<b>Individual</b>	
	<b>2010</b>	<b>%Change</b>	<b>2010</b>	<b>%Change</b>	<b>2010</b>	<b>%Change</b>
Aetna (Aetna Health Inc + Aetna Life Ins Co)	\$343	6%	\$267	7%	\$632	-31%
Anthem Health Plans of ME Inc	\$360	0%	\$293	-3%	\$246	-1%
Connecticut General Life Ins Co	\$355	3%	\$263	-79%	\$652	
Harvard Pilgrim Health Care Inc.	\$337	7%	\$338	-5%	\$505	7%
Mega Life & Health Ins Co			\$137	-8%	\$139	17%
Nationwide Life Ins Co	\$372					
United Healthcare Ins Co	\$398	19%	\$257	33%		
<b>Total</b>	<b>\$357</b>	<b>2%</b>	<b>\$287</b>	<b>0%</b>	<b>\$259</b>	<b>1%</b>

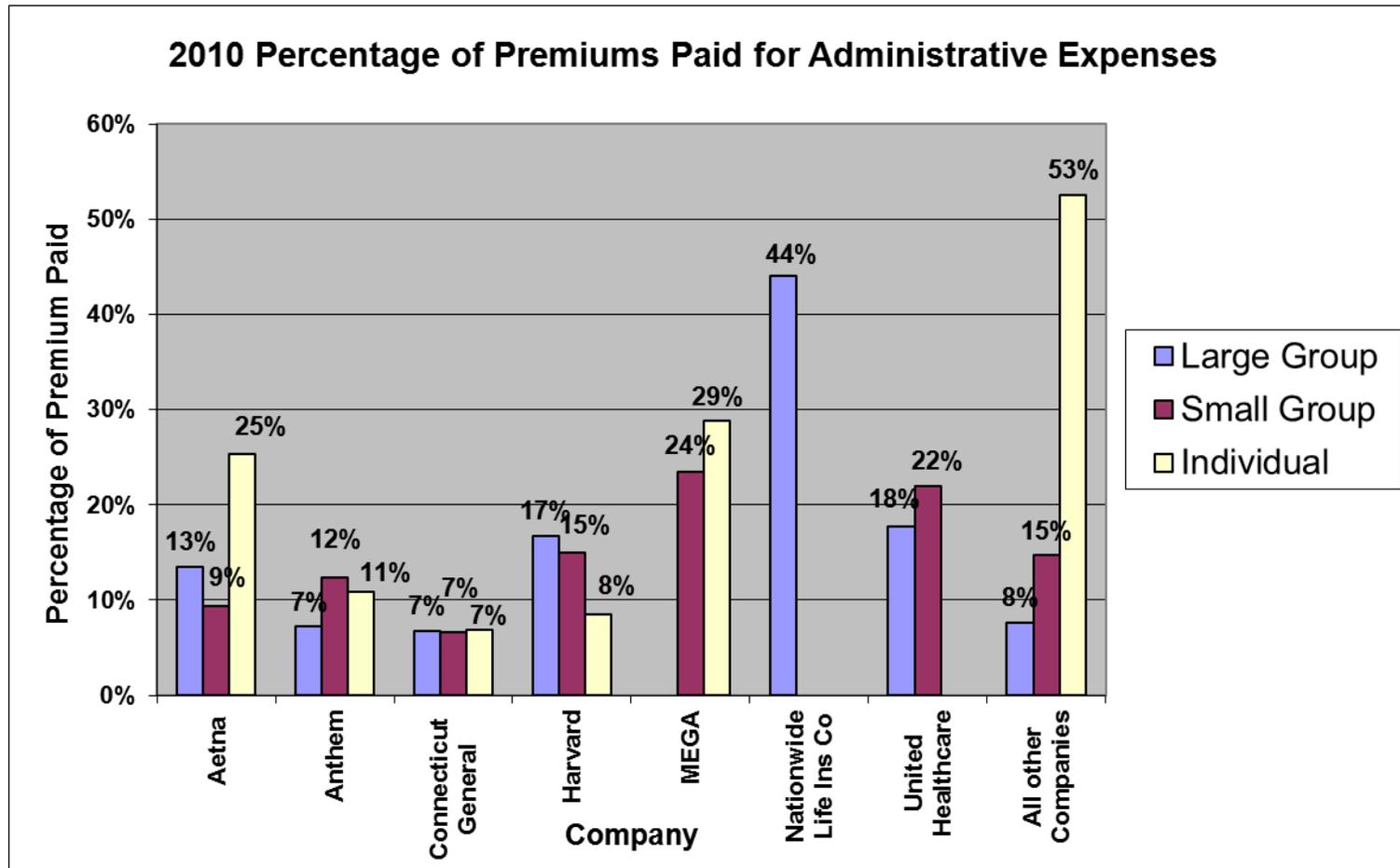
Note: The average monthly claims are calculated by dividing the dollar amount spent on claims in Table 4 by the number of member months.

## Administrative Expenses

Administrative expenses include all expenses other than claims paid to healthcare providers. These expenses include things like office space, salaries, office supplies, marketing, taxes (other than federal income tax), lobbying expenses, and cost containment expenses (which reduce the amount of healthcare services provided, including utilization review, fraud detection, disease management programs, and case management). Overall, administrative expenses were lower for large groups (employers with more than 50 employees). The graph on the following page shows the percentage of premiums paid for administrative expenses by market segment.

<b>Table 6. 2010 Amount of Administrative Expenses and Percentage of Premiums Paid for Administrative Expenses</b>							
	<b>Totals</b>	<b>Large Group</b>		<b>Small Group</b>		<b>Individual</b>	
	<b>2010</b>	<b>2010</b>	<b>% of Prem</b>	<b>2010</b>	<b>% of Prem</b>	<b>2010</b>	<b>% of Prem</b>
Aetna	\$24,915,161	\$12,716,658	13%	\$12,136,571	9%	\$61,932	25%
Anthem	\$81,249,932	\$48,505,094	7%	\$26,023,964	12%	\$6,720,874	11%
Connecticut General	\$9,781,257	\$9,769,038	7%	\$9,485	7%	\$2,734	7%
Harvard	\$27,168,086	\$17,030,539	17%	\$6,898,499	15%	\$3,239,048	8%
MEGA	\$9,597,098			\$855,444	24%	\$8,741,654	29%
Nationwide Life Ins Co	\$1,310,036	\$1,310,036	44%				
United Healthcare	\$1,862,947	\$1,554,618	18%	\$308,329	22%		
All other Companies	\$7,094,754	\$430,686	8%	\$2,117,873	15%	\$4,546,195	53%
<b>Total</b>	<b>\$162,979,270</b>	<b>\$91,316,670</b>	<b>9%</b>	<b>\$48,350,164</b>	<b>12%</b>	<b>\$23,312,436</b>	<b>17%</b>

## Percentage of Premiums Paid for Administrative Expenses



## Underwriting Gain/Loss

The underwriting gain or loss is the amount of premium dollars left, or the shortfall, after claims and administrative expenses are paid. A negative number (displayed in red) means that the company lost money in that particular market segment. Underwriting gain is the major component of company profits. Profits also include investment income and are reduced by federal income tax.

<b>Table 7. 2010 Underwriting Gain/Loss</b>								
	<b>Totals</b>		<b>Large Group</b>		<b>Small Group</b>		<b>Individual</b>	
	<b>2010</b>	<b>% of Premium</b>						
Aetna	\$5,993,072	3%	\$2,860,547	3%	\$3,366,835	3%	-\$234,310	-96%
Anthem Health Plans of ME Inc.	\$49,091,146	5%	\$27,764,651	4%	\$14,011,569	7%	\$7,314,926	12%
Connecticut General	\$20,036,681	14%	\$20,003,701	14%	\$42,642	30%	-\$9,662	-24%
Harvard Pilgrim Health Care Inc.	\$337,589	0%	-\$5,197,722	-5%	\$1,943,934	4%	\$3,591,377	9%
Mega Life & Health Insurance Co.	\$3,530,037	10%			\$728,576	20%	\$2,801,461	9%
Nationwide Life Ins Co	\$389,503	13%	\$389,503	13%				
United Healthcare Insurance Co.	\$382,578	4%	\$168,301	2%	\$214,277	15%		
All other Companies	\$4,255,685	15%	\$1,926,072	34%	\$1,768,782	12%	\$560,831	6%
<b>Total</b>	<b>\$84,016,293</b>	<b>5%</b>	<b>\$47,915,053</b>	<b>5%</b>	<b>\$22,076,615</b>	<b>5%</b>	<b>\$14,024,625</b>	<b>10%</b>