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**Comments on the Recommendations of the Advisory
Committee on Maine's Health Insurance Exchange**

**Presented by:
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**Committee on Insurance and Financial Services
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Senator Whittemore, Representative Richardson, and members of the Committee:

I am David Brenerman, Vice President of Government Affairs at Unum in Portland. Although Unum does not provide major medical insurance, we have several points of interest regarding Health Insurance Exchanges. Our primary interest is the future funding of the Exchange once it is required to be self-sustaining by 2015. Reference to this can be found in the Advisory Committee's report in recommendation A-4 on pages 9 and 10 and in the draft legislation, section 7008, subsection 5 ("Funding; Publication of costs").

The draft legislation allows the Exchange to charge fees and assessments on "health carriers." However, under Maine law, a health carrier can be defined broadly to include not only major medical insurers, but also carriers who provide disability income, long-term care, specified disease, hospital indemnity and other supplemental plans-- products that will not be sold on the Maine Exchange.

Our concern is that the Exchange may assess fees on carriers that do not sell major medical insurance, but are defined as health carriers because they sell the insurance products I have listed. This is a serious matter for those companies like Unum which do not market major medical insurance and whose primary insurance products will not be sold in an Exchange. We also oppose applying assessments to self-insured health plans that would not be utilizing or benefitting from an Exchange.

We believe that the Exchange funding should be limited to participating insurers who stand to gain the most from the sale of major medical insurance through an Exchange.

The Patient Protection and Affordable Care Act (PPACA or ACA) exempts the insurance products that I mentioned from the various requirements of the law. It is clear that PPACA is intended to apply only to major medical and certain dental plans.

Over the years, the IFS Committee has also recognized that various requirements within the health insurance statutes should not apply to disability, long-term care, and various supplemental insurance products. The Committee has exempted these types of insurance using the so-called "AFLAC" amendment. In fact, in 2001, the Legislature enacted section

704 of Title24-A, that created in Maine law a recognition that these insurance products should not be considered to be health insurance under mandated benefit and coverage requirements.

We do not believe that Maine should use its broad definition of "health carrier" as a convenient way to spread costs to insurers who have little to do with the administration of the state health insurance exchange.

I would note that the draft legislation, in the definition of "health benefit plan," in Section 7002, subsection 8, includes a series of exclusions which make it clear that the Exchange Act is intended to apply solely to major medical and certain dental plans.

Unum strongly suggests that when writing the final Exchange legislation, the Committee follow the guidance set by both the Dirigo Health and the Reinsurance Pool laws which specifically exempt disability, LTC, and other supplemental and limited benefit insurance from the fees and assessments that fund them.

We appreciate your consideration of our comments.