

**Bureau of Insurance Statement Regarding Maine Community Health Options' Results
November 1, 2018**

CHO reported net income of \$0.6 million for the month of September (\$0.1 million less than the Plan's expected \$0.7 million of net income) and its year-to-date net income at the end of September was \$32.9 million (\$18.0 million more than Plan). Total revenues YTD were \$4.5 million (1.5%) less than Plan and total expenses YTD were \$2.4 million (5.6%) less than projected in the Plan. As of September 30, 2018, the Company's total reported surplus was \$66.2 million, a \$32.4 million (96.2%) increase from December 31, 2017 and a \$0.7 million (1.1%) increase from August 31, 2018.

The Company reported bonds, cash, cash equivalents, and short-term investments in September totaling \$146.8 million, an \$84.1 million increase from the \$62.8 million CHO reported at December 31, 2017, and an increase of 0.8% over the amount reported for August. These assets exceed the Company's accrued liabilities for member and provider-related obligations and the BOI remains comfortable that CHO has the assets to meet its current obligations to members and their health care providers.

CHO had total membership of 51,583 at the end of September (80.2% individual, 16.8% small group, and 2.9% large group). This reflects a 0.7% decrease in total membership from August 31, 2018, but is 3.8% greater than Plan.

The reported percentage of Net Outstanding Claims Inventory (which is the total pending Net Submitted Amount at September 30, 2018) in the 0-30 day period (80.6%) was higher than the figure reported for August 31, 2018 (76.8%). The 0-60 day period inventory (95.6%) was higher than reported for August (86.8%). The BOI is monitoring the aging of the claim inventory on a weekly basis, so more recent information is available. CHO reports that as of October 23, 2018, the percentage of Net Outstanding Claim Submissions in the 0-30 period was 91.3% and in the 0-60 day period 94.1%. The age of the average claim in CHO's inventory on October 23, 2018 was reported to be 7.3 days. This compares to 25.3 days one year ago on October 24, 2017.

CHO's reported net income for September continues to reflect a conservative approach to claim reserving which is appropriate in light of the Company's results in the last few months of prior years. This includes the recording of a policy reserve which estimates negative claim experience expected in the latter portion of the year as members satisfy deductibles and other cost-sharing thresholds.