

Bureau of Insurance Supplemental Statement Regarding Maine Community Health Options' 2019 Results

March 27, 2020

The Bureau of Insurance (BOI) posted a statement on February 11, 2020 concerning Maine Community Health Options' (CHO) preliminary operating results through December 31, 2019. The BOI advised that since CHO was still consulting with its independent actuaries on a number of material reserve liabilities that a supplemental statement would be posted after the final December 31, 2019 results became known. This is that supplemental statement.

CHO reported preliminary net income of \$23.1 million for 2019. Final year-to-date net income was a reported \$25.2 million, which compares to the Plan's expected \$8.1 million of net income for the year. Preliminary capital and surplus as of December 31, 2019 was a reported \$82.1 million; the final yearend capital and surplus was \$84.2 million.

CHO's final aggregate net health policy reserves as of December 31, 2019 (risk adjustment payable, premium deficiency and medical loss ratio rebate reserves) were \$61.8 million. The preliminary policy reserves totaled \$71.1 million but were reduced after the Company's actuarial review was completed.

The other 2019 results reported in the BOI's February 11, 2020 statement did not materially change. The BOI today also posted a statement concerning CHO's January 2020 results, which were slightly better than the 2020 Plan.