



## **Bureau of Insurance Statement Regarding Maine Community Health Options**

**June 16, 2021**

Maine Community Health Options (CHO) timely filed its quarterly financial statement for the period January 1, 2021 through March 31, 2021. The Bureau of Insurance (BOI) offers these comments on CHO's reported results.

CHO reported net income of \$0.1 million for the first quarter of 2021. Its premium income during the quarter was lower than forecast and its incurred losses were somewhat higher. (The Company's 2021 membership is lower than during 2020.) CHO carried a substantial premium deficiency reserve into 2021 and has reduced that reserve to fully offset underwriting losses. Consequently, CHO's reported underwriting gain/loss through March 31, 2021 is \$0. CHO's aggregate health policy reserves were \$43.1 million as of March 31, 2021 versus \$47.2 million at December 31, 2020. Please see CHO's Q1 financial statement, which is posted on the BOI's website, for greater detail.

Capital and surplus were a reported \$140.4 million at March 31, 2021, a \$0.3 million increase from \$140.1 million at December 31, 2020. The increase resulted from the \$0.1 million of net income and a favorable improvement in non-admitted assets. (CHO's reported surplus at December 31, 2019 was \$84.2 million.)

Since the Company had fewer members and, consequently, less premium, it reported total bonds, cash, cash equivalents, and short-term investments at the end of March of \$203.4 million, a \$5.3 million (2.5%) decrease from \$208.7 million at December 31, 2020. These assets exceed the Company's accrued liabilities for members and provider-related obligations and the BOI remains comfortable that CHO has adequate assets to meet its current obligations to its members and their health care providers.

The reported percentage of the Net Outstanding Claims Inventory (which is the total pending Net Submitted Dollar Amount at March 31, 2020) in the 0-30 day period was 100%. The BOI is monitoring the aging of the claim inventory on a weekly basis and the Company has maintained a similar level of timely claim administration to date.

The BOI will continue to issue statements on CHO's reported results on a quarterly basis during 2021.