



GLOBAL SERVICE/ INDUSTRY

Individual Health Insurance *Impact of Health Reform*

Steve Mahan, KPMG LLP
June 23, 2011

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Agenda

- **Sales**
- **Coverage**
- **Pricing**
- **Looking forward to 2014**
- **Supplemental**



Sales

- **ACA – not much impact immediately**

- **Economy**
 - Unemployment
 - Employers dropping health plans

- **Changing Employment Profiles**
 - Desire more portability



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Coverage

- **Elimination of Annual/Lifetime limits (Essential Benefits only)**
 - Annual limits elimination phased to 2014
 - Lifetime limits eliminated

- **Preventative benefits**
 - Eliminate co-pays/deductibles
 - Grandfathered: applies to new policies only

- **Dependents - No underwriting for children under 19**



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Pricing

- **Medical Loss Ratio**
 - Rebates required if MLR too low
- **Rate Regulation**
 - States still control
 - HHS issued regulation 5/2011
 - Requires review if increase > 10%
 - State take lead
 - HHS will step in if necessary
 - Grants provided to upgrade State review capabilities
 - Disclosure required
- **Political Pressure**



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Looking forward to 2014

- **Expansion of Individual Market Expected**
- **Medicaid Expansion**
 - Some with flip between Medicaid and Individual coverage
- **Subsidies**
- **Exchanges**
 - Rebates required if MLR too low
- **Guaranteed Issue**
- **Employer dumping?**
- **Market outside Exchanges?**
- **Risk pools in and out different?**



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Supplemental Health

- **Coverage**
 - Cancer
 - Critical Illness
 - Accident

- **Not covered by ACA**

- **Some companies may expand into this**



Steven H. Mahan, FSA
KPMG LLP
Dallas, TX
smahan@kpmg.com

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