

APPENDIX F: MLR PRESS RELEASE

**Aetna Life will Refund \$6.6 million to Small Group Employers
"Dirigo reforms are working," states Trish Riley Director of
Health Policy & Finance**

March 3, 2008

Augusta, Maine -

The Bureau of Insurance today announced that Aetna Life Insurance Company, an insurer of Preferred Provider Organization (PPO) plans in Maine, will refund approximately \$6.6 million to small employers as a result of Dirigo Health's rate regulation in the small group health insurance market. The refund represents a portion of the premium paid by small employers from July 1, 2004 through June 30, 2007.

"The law establishing Dirigo Health gives insurers of small groups the option to either submit rates for prior approval or guarantee that at least 78% of premiums collected will be paid out in claims," stated acting Insurance Superintendent Eric Cioppa. "Insurers must review premiums and related medical costs on a rolling 36-month time frame. Those who choose the guarantee option and find they do not meet the targeted 78% must refund the difference to employers."

All the major insurers that offer small group coverage chose the guarantee option and returned at least 78% of premiums to policyholders. Most paid claims totaling 78% or more. Aetna Life met the 78% target through a combination of claim payments and premium refunds. Every year, insurers will have to review the prior three years of premium levels in comparison to related medical claims. If claims are less than 78% of premiums, further refunds will be required.

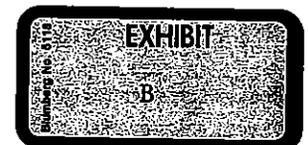
"This is good news for Maine's small employers. I see this as an important first step in the broader Dirigo reforms to control the amount of money paid for health care, and we must continue our work to reign in costs that make health care coverage unaffordable to too many" stated Trish Riley Director, Governor's Office of Health Policy and Finance.

Refunds must be paid by March 7 and affect approximately 1,000 small groups. The refunds do not include HMO plans issued by Aetna Health, which met the 78% target.

The Bureau of Insurance is part of the Department of Professional and Financial Regulation which encourages sound ethical business practices through high quality, impartial and efficient regulation of insurers, financial institutions, creditors, investment providers, and numerous professions and occupations for the purpose of protecting the citizens of Maine. Consumers can reach the Bureau through its web site at www.maine.gov/insurance; by calling 800-300-5000 in state; or by writing to Bureau of Insurance, 34 State House Station, Augusta ME 04333.

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