

**TEXAS HEALTH INSURANCE POOL**  
**Y2015 ASSESSMENT QUESTIONS/ANSWERS**  
**COVERED LIVES REPORTING FORM &**  
**FULLY-INSURED PREMIUMS REPORTING FORM**

**Question:** If the Pool is dissolving, why must our company complete new assessment reporting forms with Y14 data?

**Answer:** Although the Pool is in dissolution, it must still “true up” the assessments and refunds made in 2014. The Y14 interim assessment and subsequent refund were calculated using Y2013 market-share data. The Y14 covered lives and premiums data provided by these new reporting forms will allow the Pool to true-up last year’s assessment activity with the Pool’s audited Y14 financials, using updated market-share information. In all likelihood, the Pool will not have to collect any additional assessments going forward, but the Texas Department of Insurance will retain the authority to do so until such time as all of the obligations of the Pool are satisfied.

**Question:** Are group policies issued to employers, which provide **less than major medical levels of benefits (such as “mini-meds” or other “limited benefit employer policies”)**, subject to assessment?

**Answer:** Yes, unless the group policy is a specifically exempted type of coverage, such as fixed indemnity-only benefits (where the policy pays a flat amount regardless of the actual expenses incurred by the insured), accident only, etc. Please refer to Section 1506.002 (b), (c) and (d), Texas Insurance Code (TIC), for the coverages not included in the definition of a “health benefit plan,” subject to assessment.

**Question:** Is coverage issued to a **Health Group Cooperative** (SB 10 co-op) for small employers exempt from assessment?

**Answer:** No. By statute, an SB 10 co-op for small employers is treated as a large employer (Sec. 1501.063 (b-2), TIC). The covered employee lives and premiums should be reported as large employer covered lives and premiums, subject to assessment.

**Question:** Should the number of employees counted for Line #1, in both the Parts I and II of the covered lives reporting form, be based on:

- group policies issued/sitused in Texas only; or
- **all Texas residents**, covered under any group policy, **regardless of where the group policy is issued** (e.g., an employer group policy issued in a state other than Texas, but which covers Texas employees)?

**Answer:** All employees who reside in Texas must be counted, even if the employer to which the fully insured group policy is issued or the self-funded employer plan to which a stop-loss policy is issued is located outside Texas. Only Texas employees under such a policy should be reported, not non-Texas employees.

**Question:** What types of employees are included on **Line #2 in Sec. II of the** covered lives reporting form?

**Answer:** Only employees of a **small employer**, covered by a group health plan subject to Subchapters D-H, Ch. 1501, should be included on this line. The premiums for these employees should be reported on Line #14 of the premiums reporting form. If the employees of a small employer are covered by one of the product types exempt from the Pool's assessment, those lives and premiums should be reported on the specific deduction line for that product, not on the deduction line for Ch. 1501 small employer plans.

**Question:** Is a **Property & Casualty** company that does not write major medical or similar health insurance policies, but writes Accident insurance, required to file reporting forms?

**Answer:** Yes. Although accident insurance is exempt from assessment, the company must complete both the covered lives and the premium forms in order to claim the exemption.

**Question:** How should we report **dependents**, covered under group health plans, including small employer group plans, on the covered lives form?

**Answer:** Dependents should not be included in the counts for the covered lives form, but the premium for those dependents should be included in the dollar amounts on the premium form.

**Question:** What are "**non-employee certificates**" under discretionary group policies? Does this category include employees covered under Small Employer group plans?

**Answer:** "Non-employee certificates" are those issued under non-employer group policies, such as association group or discretionary trust policies. The lives covered by non-employee certificates should be included in Line 6.b. of Sec. II of the covered lives form. Certificates issued to employees of a small employer or to employees of a large employer are counted elsewhere on the form, either as exempt small employer employees or as assessable large employer employees.

**Question:** How should **minimum premium policies** (MPP) be reported?

**Answer:** Minimum premium plans are classified as fully insured policies and therefore lives insured under a MPP should be counted as fully insured lives in Sec. II on the Covered Lives Reporting form, not as stop loss lives. Premiums for MPP business should also be reported on the Premiums Reporting Form.

**Question:** Who is responsible for reporting **stop loss lives for a self-insured plan**, the stop loss carrier or the self-funded group?

**Answer:** The stop-loss carrier, not the self-funded group, must report.

**Question:** Line 6.a. of Sec. II of the covered lives form asks for the total number of covered Texas residents who are individual policyholders. Are **dependents** excluded from this count?

**Answer:** Yes, the figure you enter on Line 6.a. should exclude dependents—only primary insured policyholders are reflected here.