



NEWS RELEASE

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Anthem Market Conduct Examination Extended to Allow Additional Analysis

DORA's Colorado Insurance Commissioner Marcy Morrison announced today she is extending the Market Conduct Examination of **Rocky Mountain Hospital and Medical Service, Inc. (commonly known as Anthem Blue Cross and Blue Shield)** which began March 1 this year. No deadline is set for the exam completion.

"Although we had anticipated finishing the exam sooner, there are areas included in statute that we will be examining more thoroughly," Morrison said.

Colorado law 10-16-107 (1.6) states "the commissioner may consider profits, dividends, investment income or losses, unearned premium reserve and reserve for losses, surpluses, executive salaries, expected benefits, ratios," as well as annual reports and other actuarial factors.

"Colorado is unique with the recent passage of HB 1389 which expanded our ability to review health rates. We have more authority to be sure increases are justified, even if the rates have been previously approved. In fact, we have a duty to do so," Morrison said. HB 1389 was passed in 2008 for rates effective in 2009 and later.

Morrison indicated that the timing of the Anthem Market Conduct Examination placed the company first in line for an extended exam, but that they are not being singled out. "Other companies should be aware that a thorough financial analysis may occur in future market conduct exams," Morrison said. "It is in the best interest of Colorado consumers for us to analyze more information so we can fairly and completely assess a company's financial situation and understand the factors which are driving rate increases."

Insurance officials would not specify how long the examination would take. "We will be asking the company for additional information, and must give the company time to respond to each request. The answers we receive may satisfy our questions, or may prompt additional requests for information, but we won't know until that give and take occurs," Morrison said.

Colorado law allows carriers 10 days to respond to each new request for information.

Anthem may continue to use its filed rates during the market conduct examination. Carriers may implement new rates on the condition that the Division may require correction of any deficiencies upon later review if the rate charged is found to be excessive, inadequate, or unfairly discriminatory.

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DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.