

APPROVED

MINUTES OF THE MEETING  
OF THE NEW JERSEY SMALL EMPLOYER HEALTH BENEFITS PROGRAM BOARD  
AT THE OFFICES OF THE NEW JERSEY DEPARTMENT OF INSURANCE  
TRENTON, NEW JERSEY  
JULY 13, 1994

**Directors present:** Maureen Lopes, Chair (NJBIA); Melanie Willoughby, Vice Chair (NJRMA); Linda Ilkowitz (Guardian); Dennis Marco (BCBSNJ); Henry Meisner (Prudential); Leon Moskowitz (DOI); David Swords (Aetna); Larry St. John (Travelers); Fred Title (HIP Rutgers).

**Others present:** Kevin O'Leary, Executive Director; Wardell Sanders, SEH Program Assistant Director; Susan Church, IHC Program Assistant Director; DAG Valerie Bollheimer (DOL); Paul Wolcott, Wolcott/Thomas.

**I. Call to Order**

M. Lopes called the meeting to order at approximately 9:40 a.m. and announced that notice of the meeting had been published in three newspapers and posted at the Department of Insurance and the Office of the Secretary of State in accordance with the Open Public Meetings Act. A quorum was present.

**II. Election of Board Member**

The Assistant Director distributed ballots to carrier representatives in the audience wishing to cast in-person ballots for the Board Director position representing a carrier whose principal health insurance is in the small employer market. The nominees for the Board Director position were Colonial Life Insurance Co. of America (D/B/A Chubb LifeAmerica), Home Life Financial Assurance Corporation, John Alden Life Insurance Company, and The Travelers Company.

**III. Report of the Legal Committee**

The Executive Director discussed changes to the draft of the rule adoption regarding proposed amendments to N.J.A.C. 11:21-3.2(d) (optional benefit riders), N.J.A.C. 11:21-4.1(c) (policy forms), and N.J.A.C. 11:21-6.3 (enrollment) and a new rule at N.J.A.C. 11:21-7.15 (permissible rate classification factors). Comments were received from Blue Cross and Blue Shield of New Jersey and The Prudential. The Executive Director noted that the only significant change from the proposed rule was the insertion of a date certain, September 15, 1994, as the effective date of the rules. (Note: Subsequent to the meeting, after discussion with the Attorney General's Office and the Office of Administrative Law, this date was changed to September 11, 1994 to reflect statutory requirements.)

\* L. Moskowitz made a motion to approve the draft rule adoption, F. Title seconded, and the motion was approved unanimously by voice vote.

The Executive Director also discussed a draft rule proposal which would amend Subchapters 1, 2, and 7 of N.J.A.C. 11:21 as well as Exhibits N, O, Q, R and S of the Appendix, which would include a new rule at N.J.A.C. 11:21-3A, and which would repeal N.J.A.C. 11:21-7A. These changes are in response to P.L. 1994, c. 11. After discussion of the draft rule proposal, the Board decided that carriers should be advised, either in the Summary section of the proposal or by bulletin, of the effect that coverage provided to part-time employees and retirees would have on the assessment and reimbursement requirements of the Act.

\* F. Title moved to propose the draft rule proposal, M. Willoughby seconded, and the motion was approved unanimously by voice vote.

#### IV. Communications Report

P. Wolcott indicated that the Buyer's Guide was currently under revision and that it could be completed when the Board formally adopts rules implementing P.L. 1994, c.11. M. Lopes indicated that she, Kevin O'Leary, Susan Church, and Paul Wolcott met with representatives from the New Jersey Association of Health Underwriters, the Professional Insurance Agents of New Jersey, the Independent Insurance Agents of New Jersey, and the Insurance Brokers Association of New Jersey for the purpose of educating the producer community about the SEH Program.

#### V. Report of the Executive Director

The Executive Director reported that the Attorney General's Office submitted a fiscal year 1995 budget which provides for the services of two Deputy Attorneys General, one half a paralegal, and one clerical staff and which creates a ceiling for services of \$241,505. The Executive Director indicated that he would present the Board with a proposed procedure for the payment of SEH Program expenses after consulting with the Attorney General's Office about any legal requirements applicable to such procedures. The Executive Director also reported that there were outstanding issues with respect to some non-member certification requests which he would discuss with Jim Brown of the Legal Committee. Lastly, the Executive Director noted that Jim Donellan of Prudential had finished his duties as Interim Administrator for the SEH and IHC Programs and indicated that an informal luncheon in his honor would be arranged in the near future.

**VI. Review of the Minutes**

\* L. Moskowitz moved to approve the draft minutes of the June 29, 1994 meeting as amended, F. Title seconded, and the motion was approved unanimously by voice vote.

**VII. Announcement of Board Member Election**

The Assistant Director announced that Home Life Financial Assurance Corporation won the election for the Board Director position. Home Life received 15 votes, The Travelers received 12 votes, Colonial Life Insurance Co. received 12 votes, and John Alden Life Insurance Co. received 10 votes.

**VIII. Close of Meeting**

The meeting was adjourned.