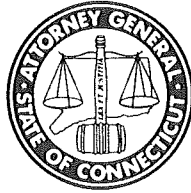


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Office of The Attorney General
State of Connecticut

September 21, 2010

The Honorable Thomas R. Sullivan, Commissioner
Insurance Department
State of Connecticut
P.O. Box 816
Hartford, CT 06142-0816

RE: Requests for Insurance Rate Increases

Dear Commissioner Sullivan:

I am writing to urge you to recognize the significant public and policyholder interests in the pending health insurance rate applications by:

- Posting all applications on your website along with a notice as to how policyholders may comment on the rate increases;
- Holding a public hearing on all rate increases exceeding 5 percent;
- Requiring insurers to notify affected policyholders of the rate increase requests;
- Providing notice of any future rate filing to my office and the Office of Healthcare Advocate

In addition, the Insurance Department has already approved sizable Anthem rate increases effective October 1, 2010. I urge you to reopen that rate filing in order to provide Anthem policyholders with an opportunity to review, analyze and comment on these rates.

In the past few months, Connecticut health insurers have filed interim requests for substantial premium increases with your office without notice to policyholders and the general public and without any public hearing. Attributing these increases to rising medical expenses and new federal insurance requirements, the insurers have sought increases over virtually their entire small group and individual policies. Neither my office nor the public have seen any specific data and evidence possibly justifying these significant cost escalations. Indeed the projected cost increases vary dramatically among the rate filings. Such requests for increases should be closely and critically scrutinized, especially when so many Connecticut citizens find themselves unemployed and without health care benefits.

Last fall, the Healthcare Advocate and I intervened in a public hearing on Anthem's proposed interim rate increases for several health insurance policies. The experience was extraordinarily revealing. It clearly showed that without the hearing, certain justifications for

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rate increases would have not been scrutinized, including the alleged aging membership in the various subject plans -- a variable cost that was already integrated into each of the tiered premium structures. In addition, the categorical breakdown of costs associated with the rate filings appeared to be so generalized as to lack sufficient specificity necessary to make detailed determinations on whether requests were excessive or not. For example, the category Administrative Cost was reported widely in the Anthem filings, but there was no clear definition or specific description of the variety of component costs that factored into that general category.

A similar public hearing process should be held for any pending health insurance rate applications exceeding 5 percent so that policyholders and public officials have greater insight into and justification for these rates, and to require that companies provide meaningful and detailed delineation of costs and profits. Moreover, since notification is essential to public awareness, the Insurance Department should prominently post notices of all pending and future rate increase requests on its website by policy name and insurer, and further require all insurers requesting increases in excess of 5 percent to send written notice to all affected policyholders, including the corresponding hearing dates on which they may express comments and concerns.

Holding the line on excessive insurance premiums is now more important than ever to our economy and public health. I appreciate your prompt attention to this matter.

Very truly yours,



RICHARD BLUMENTHAL