OLIVER WYMAN

Tammy Tomczyk, FSA, MAAA
Principal and Consulting Actuary

411 East Wisconsin Avenue, Suite 1600
Milwaukee, WI 53202-4419
1 414 223 7989 Fax 1 414 223 3244
tammy.tomczyk@oliverwyman.com
www.oliverwyman.com

June 29, 2011

Ms. Therese Goldsmith
Commissioner
Maryland Insurance Administration
200 St. Paul Place
Suite 2700
Baltimore, MD 21202

Subject:
Addendum to Report Issued May 17, 2011 Titled "Recommendations to the Commissioner on Information Provided to Consumers"

Dear Commissioner Goldsmith:

As you know, our work underlying the above captioned report issued May 17, 2011 was based on draft regulations released by the US Department of Health and Human Services (HHS) on December 21, 2010, titled "Rate Increase Disclosure and Review." Since the time our report was issued, HHS published final regulations. These final regulations differ slightly from the draft regulations and, as a result, impact some of the recommendations documented in our report. We are providing you with this addendum that identifies these changes.

1. The final regulations include additional criteria that indicate a state's rate review program must "provide access on a State website to Parts I and II of the Preliminary Justifications for those proposed rate increases that meet or exceed the threshold" and "have a mechanism for receiving public comments on those proposed rate increases" in order to be considered an effective rate review program. Therefore, we recommend the Administration implement the necessary changes to its website to provide access to Parts I and II of the Preliminary justification and put in place a mechanism for receiving public comment.

2. The effective date of the final rule, and the date by which states must demonstrate that they have an effective rate review program in place has been revised from July 1, 2011 to September 1, 2011. Therefore, we recommend the Administration make the changes outlined in item 1 above by September 1, 2011.

Sincerely,

Tammy Tomczyk, FSA, MAAA