

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF BENEFITS ADMINISTRATION

STATE INSURANCE COMMITTEE DECISION REPORT

DELIVERED PURSUANT TO SECTION 5 PART A OF
THE COUNCIL ON PENSIONS AND INSURANCE
STATE INSURANCE COMMITTEE POLICY
DOCUMENT AS REFERENCED IN
TCA 8-27-203(A)(3)

1900 WRS TENNESSEE TOWER
312 ROSA L. PARKS AVE
NASHVILLE, TENNESSEE
37243

DECISIONS MADE APRIL 27TH, 2018

Premium Holiday

The state health plan, managed by the State Insurance Committee, retains funds to pay claims for the plan, including adequate reserves in the event of unforeseen upward claims trend or in the event of plan closure. The State Insurance Committee takes action to address reserve surpluses when they occur.

Because the state plan currently holds surplus reserves, the State Insurance Committee voted to institute a premium holiday for 2018. A premium holiday will yield a reduction in revenue to the plan reserves. As the state plan is partially funded with federal dollars through departmental premium contributions, the premium holiday will spend down surplus reserves to a level more in line with federal targets for plan reserves. The premium holiday also represents a benefit to the state, plan members and federal agencies in proportion to their respective share in building the reserve surplus. The premium holiday will apply to active and retired state and higher education plan members. Staff indicated the premium holiday would be implemented in November 2018.

Committee Action

Commissioner Hunter made a motion to approve the premium holiday. Ms. April Preston seconded that motion, which passed with a unanimous roll call vote. The vote for the motion was as follows:

Martin	yes	Hunter	yes
Wilson	yes	Consiglio-Young	yes
Bachus	yes	Campbell	yes
Hoffmeister	yes	Stamps	yes
Preston	yes		