

July 14, 2016

The Honorable Stephen Taylor
Commissioner
Department of Insurance, Securities Banking
810 First Street, N.E., Suite 710
Washington, DC 20002

Dear Commissioner Taylor:

The DC Chamber of Commerce is the District of Columbia's largest business organization and we urge you to reconsider your recent decision and order to freeze the rates of Group Hospitalization and Medical Services, Inc. (GHMSI), and create a plan for the dedication of its assumed surplus.

GHMSI is a key business and employer in the National Capital Area, and also provides vital health care benefit services to businesses and their employees in the District and in the Washington region. Health insurers must have the financial resources to cover the claims filed by their employees, whatever the reason.

GHMSI is our region's Blue Cross and Blue Shield health plan, covering nearly 6,400 small businesses in the National Capital Area, and over 66,000 employees and their dependents. We appreciate that GHMSI is critical to providing affordable health care coverage and has been an important partner of DC Health Link in implementing the Affordable Care Act (ACA) in the District – one of only a small number of plans to do so.

As a not-for-profit health service plan, GHMSI's mission is to expand and enhance access to affordable and accessible health care for the citizens of the region. Since 2011, GHMSI provided \$67.4 million to government programs and charitable organizations in the National Capital Area, and these contributions should be highlighted and recognized.

Yet despite GHMSI's assistance and participation in serving individuals and businesses under health reform, and despite their significant community giving in recent years in the face of an uncertain ACA market, you have rejected GHMSI's plan stemming from the 2011 surplus review and are instead planning to order the development of a plan to spend \$56 million of GHMSI's surplus. We are greatly concerned by this decision and what it means for GHMSI and the rate payers – the area businesses - who count on GHMSI to be a strong company and have paid into the development of that surplus.

As several national experts have recommended, GHMSI's reserve level is appropriate and should be protected in order to ensure stability for our region's businesses and their employees. GHMSI must maintain adequate reserves in order to best serve the region's businesses and communities.

We urge you to reconsider GHMSI's vital role in serving the region's businesses as well as our community as you continue to review and consider information before you. Should you have any questions, please feel free to contact me at msingleton@dcchamber.org or 202-638-7336.

Sincerely,



Margaret Singleton
Interim President & CEO
DC Chamber of Commerce