

COMMONWEALTH OF VIRGINIA

HOUSE OF DELEGATES

Richmond

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COMMITTEE ASSIGNMENTS:

COMMERCE AND LABOR
HEALTH, WELFARE, AND INSTITUTIONS
PRIVILEGES AND ELECTIONS

September 10, 2009

Commissioner Gennet Purcell
District of Columbia Department of Insurance, Securities, and Banking
810 First St. NE, Suite 701
Washington, DC 20002

Dear Commissioner Purcell:

It is my understanding that the District's Department of Insurance, Securities, and Banking is conducting a review to determine whether the reserves held by CareFirst are excessive. As a member of the Virginia General Assembly and a member of the House Commerce and Labor Committee, which has jurisdiction over insurance-related matters, I wanted to express my concerns regarding the reserve issue for the record.

CareFirst's financial stability is of great importance to Northern Virginia in general, and my constituents specifically, because so many of our citizens rely on CareFirst for their health insurance coverage. It is my understanding that 22% of CareFirst's policy holders reside in Virginia, as opposed to 10% who reside in the District of Columbia. The figures clearly indicate that the reserves that are coming under examination are the product of premiums paid not just by District residents, but by residents of Virginia and Maryland as well.

The reserves that CareFirst has accrued are intended to protect all plan members. The determination regarding the appropriateness of CareFirst's reserves, and potentially, directing the reallocation of those reserves, should not be made unilaterally by one jurisdiction. It would be inappropriate to force a vast majority of plan members in Virginia and Maryland to subsidize health care programs in the District of Columbia.

CareFirst is a regional health insurance carrier. There are multiple jurisdictions with interest in the continued health and vitality of the company. As such, I would respectfully ask that you carefully weigh the impact your decision will have on CareFirst enrollees across all jurisdictions.

Thank you in advance for your thoughtful consideration.

Sincerely,



Mark D. Sickles

cc: Congressman James Moran
Congressman Gerald Connolly