

State of Idaho
Small Employer Health Reinsurance Program &
Individual High-Risk Reinsurance Pool

Board of Directors Minutes

Department of Insurance

October 20, 2025

Board Members Present

Hyatt Erstad, Chair, Erstad & Company
Norm Varin, Vice Chair, PacificSource
Janice Fulkerson, Board Secretary, Consumer Representative
Ann Ibrahim, Regence BlueShield of Idaho
Dean Cameron, Director Idaho Department of Insurance
Senator Jim Guthrie, Idaho State Senate (arrived 12:09pm)
Mike Reynoldson, BlueCross of Idaho (arrived 12:15pm)

Board Members Not Present

Trent Nate, SelectHealth
Representative Jordan Redman, Idaho House of Representatives

Others In Attendance

James Winfield, River 9
Diane Kopecky, River 9
Wes Trexler, Idaho Department of Insurance
Shannon Hohl, Idaho Department of Insurance
Will Coon, Idaho Department of Insurance
Kevin Reddish, YHI
Bruce Mohr, EP Wealth Advisors
Matt Steen, Idaho Attorney General's Office
Robert Schmidt, Milliman
Eric Walters, Milliman
Adrie Blanksma, St Lukes Health Plan

- 1. Hyatt called the meeting to order at 2:05 pm.**
- 2. A roll call was conducted, a quorum established.**
- 3. The meeting agenda was reviewed. No changes were made.**
- 4. Minutes of the Previous Meeting**

A motion was made to approve the minutes of the September 24th meeting of the Board of the Idaho Small Employer Reinsurance Program ("Program") and Idaho Individual High-Risk Reinsurance Pool ("Pool"). The motion was seconded and carried.

5. Investment Update

Bruce Mohr gave a quick update rates are trending a little downward. He noted the portfolio is achieving the liquidity expectations of the board. Finally, the overall returns though decreasing are still higher than historical averages.

6. Operations Report

James Winfield presented the Board with the August Financial Packets for the High-Risk Pool ("Pool").

- **Balance Sheet:** Cash year-to-date approximately \$71.7 million. Both the IBNR for Claims and Premiums are listed in full at \$25,025,000 and \$600,000 respectively.
- **Revenue Statement:** In July the Pool collected the Premium Tax Revenue for the prior year, totaling \$23,185,682. Premiums are \$4.9 million with an annual projection of \$7.6 million. Year-to-date claims for the Grandfathered Plan are \$51,716 compared to last year's \$400,779. Year-to-date for the Conditioned Based Plan is \$103.7 million at the end of July compared to just over \$74 million a year ago.
- **Federal Grant Status:** The program has drawn approximately \$75.6 million from the 1332 waiver funds to date, with approximately \$73 million still available.
- **Cash Flow Estimates:** The 2023 program saw a surplus of \$700,000. In 2024 the program used \$13.7 million of the program assets. For 2025 the program is projected to use another \$14.5 million of program assets.
- **Lives:** There are still 11 members in the Grandfathered Plan and currently 5,930 lives in the Condition Based Plan.

A motion was made to accept the August Operational report as presented. The motion was seconded and carried.

7. Actuarial Committee Report

Robert discussed the minutes of the Actuarial Committee meeting.

A motion was made to accept the Minutes from 10/14/2025 Actuarial Committee as presented. The motion was seconded and carried.

8. 2026 Projection Scenarios for the Grandfathered Plan

Robert discussed the Milliman letter. Robert noted using the morbidity factor, the Board has the ability to set the rates between 125%-150% of the weighted average from the 5 carriers used. Last year the Board elected to set the morbidity factor at 1.367 to achieve a 0% change in rates. If the Board elected to use the 1.367 factor again this year, it would represent an increase of 9.3%. Modifying the morbidity factor from the low to the high, the potential rate change from 2025 to 2026 is approximately 0%-19.9%. The Actuarial Committee recommends an increase of 9.3% which would allow the Board to maintain flexibility in setting rates for 2027. Janice commented that since the Board has not passed on an increase in the program for a couple years that it would be appropriate to support the average recommended increase from the Actuarial Committee. Robert also noted that any changes in rate schedule does not include the additional change in rates that individuals will receive when they change to the next age band at renewal.

A motion was made to accept a 9.3% increase for the year 2026 for the street rates. The motion was seconded and carried. A motion was made to also apply the 9.3% to the reinsurance rates. The motion was seconded and carried.

Milliman will provide final rates to River 9 and they will send on to the appropriate carriers promptly.

9. Legislative Update from the DOI

Director Cameron stated they are just waiting to see what the government does with the enhanced premium tax credits discussion.

The Department will let the Board know of the dates of the public hearing for the 1332 waiver going forward.

Next Meeting:

The next Board meeting is scheduled for February 25, 2026. The Idaho Department of Insurance Conference Room A will be reserved for Board and public members who choose to attend in person.

There being no further business, on motion duly made, seconded, and carried, the meeting was adjourned at 2:50 PM MDT.

Respectfully Submitted,
River 9 Consulting, Inc.