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

Board of Directors Minutes
Department of Insurance
February 25, 2026

Board Members Present

Hyatt Erstad, Chair, Erstad & Company
Norm Varin, Vice Chair, PacificSource
Janice Fulkerson, Board Secretary, Consumer Representative
Senator Jim Guthrie, Idaho State Senate
Mike Reynoldson, BlueCross of Idaho
Trent Nate, SelectHealth (arrived 12:30)
Dean Cameron, Director Idaho Department of Insurance (arrived 12:30)

Board Members Not Present

Ann Ibrahim, Regence BlueShield of Idaho
Representative Jordan Redman, Idaho House of Representatives

Others In Attendance

James Winfield, River 9
Diane Kopecky, River 9
Wes Trexler, Idaho Department of Insurance
Will Coon, Idaho Department of Insurance
Kevin Reddish, YHI
Pat Kelly, YHI
Bruce Mohr, EP Wealth Advisors
Robert Schmidt, Milliman
Eric Walters, Milliman
Amy Ledbertter, Hrusa Insurance Co
Jason Lindstrom, Eide Bailly
Audra Stewart, Eide Bailly
Rafael Droz, Office of Attorney General

1. **Hyatt called the meeting to order at 12:15 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 October 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. Actuarial Committee Meeting

Robert presented the minutes from the Actuarial Committee meeting held on February 12th to determine the IBNR for the Audited Financial Statements for 2025. The committee discussed the 11 remaining members in the Grandfathered Plans and recommended that the IBNR for 2025 should be $15,000. They then discussed the Conditioned Based Pool noting that the actual IBNR for 2024 was $24,290,099, which was close to the estimate of $25,000,000. The actual IBNR for Premiums was lower than expected at $382,800 vs the IBNR of $600,000. The committee recommended Claims IBNR should be $30,000,000 and recommended $400,000 for Premium IBNR.

A motion was made to approve the Actuarial Committee Meeting Minutes as presented, the motion was seconded and carried.

A motion was made to accept the Actuarial Committee 2025 IBNR recommendations of $15,000 for Grandfathered, $30,000,000 for Condition Based claims and $400,000 for Condition Based Premiums were made, seconded and carried.

6. Audited Financial Statements

Jason Lindstrom and Audra Stewart from Eide Bailly were in attendance to discuss the results of the Financial, Carrier and Single Audits for the combined Grandfathered High Risk and Condition-Based Pool.

Jason Lindstrom discussed the combined High Risk and Condition-Based Pool Audit. The Auditors' opinion is an unmodified opinion, a clean opinion. He noted that it is stated that these financials in no way reflect the State of Idaho, only the Idaho High Risk Pool.

- **Balance Sheet:** There was an increase in grant receivable from $27.1 million to $34.8 million and increase in overall assets of $20.9 million. This increase is mostly due to the increase in Grant Funds.
- **Revenue Statement:** There was an increase in claims incurred from $140.3 million to $179.9 million, grant revenue increased for 2025 along with a slight increase in the Premium Tax collect. Overall, there is a restricted Net Position of $47.7 million.
- **Footnote disclosures:** A significant disclosure was Note 5 for IBNR. Jason stated that Eide Bailly was comfortable with the estimates from the actuary committee and the increase makes sense. For Note 9, the first paragraphs are same as prior year, but this year they have made a note regarding the Waiver Amendment and Extension application that was submitted to CMS.
- **Single Audit:** Kali Holt discussed the Single Audit. This is the audit that is required due to the grant funds received. She stated there were no deficiencies, and no noncompliance.
- **Section I - Summary of Auditor's Results:** Audra Stewart reviewed this section noting there were no Material weaknesses, and the program is considered a low risk auditee. As in prior years, the audit will continue to include the Write up of the deficiency noting that Eide Bailly creates the financial statements and completes the audit.

A motion to accept the Audited High Risk Financial Statements was made. The motion was seconded and passed unanimously. Eide Bally will deliver a hard copy to the Department of Insurance and electronic copies to River 9 for distribution.

7. Supplemental Information

James discussed the supplemental information included in the financial packet, noting that all members of the Condition Based Pool terminate as of December 31st as they do each calendar year. James reviewed the lives ceded into the Pool by HCC report to point out that Metastatic Cancer is the largest reimbursement HCC for both 2024 and 2025. He then noted the remaining pages are the Lag Report, which complies, along with the large claims' reports. The Board determined the last report that relates to the Grandfather Plans and tracking their lifetime maximums is no longer needed at the Board level since River 9 and the Carriers are watching those to ensure if a participant reaches the lifetime maximum they will be properly notified.

A motion was made to approve the supplemental information as presented; the motion was seconded and carried.

8. Investment Update

The benchmark 5 year treasury note, the longest maturity allowable for this pools investment, has seen interest rate decline. Interest rates peaked in the summer of 2024 with yields near 4.65%. Interest rates trended generally lower last year reaching their current levels near 3.6%. The forecast is for at least 2 additional cuts in short term rates in 2026 and for intermediate rates to trend marginally lower. The total return for the High Risk Pool last year was 4.52%, above money market rates and the cash management benchmark of 4.19%. These returns were achieved while limiting maturities to the max 5 year guideline and maintaining the average maturity under the 3 year guideline.

9. 2027 Scope/Pricing Milliman

Robert discussed the 2027 Scope and Pricing letter for 2027 and the services Milliman will perform in 2026. There were 9 items on the list shown in the list in the letter. Two options were presented: Option 1 was to perform work consistent with prior years, which includes a market impact projection for the condition-based pool in April and a full projection of 2027 premiums and reinsurance parameters in August/September. Option 2 was to consolidate the 2027 projections of market impact and all 2027 parameters for the condition-based pool into one set of projections in April, saving $30,000 in fees (by eliminating one of the 9 items), but resulting in more approximate projections. Under Option 2, the detailed claims data used in the projections would be from 2023 and 2024, rather than 2024 and 2025 due to the additional set of projections in September under Option 1. The discussion continued among the Board members as to what is best for the Pool, the carriers and the Board. The Chairman feels that the system has worked well for now and changing to using a prior year's data to save $30,000 may not be in everyone's best interest.

The general discussion supported having Milliman complete the scope of services in Option 1.

A motion was made to approve Option 1 presented by Milliman, with all items included (1-9), the motion was seconded and carried.

10. Legislative Update from the DOI

Wes provided the Board with updates to legislation, although there is nothing related directly to the Pool, there are a number of bills that deal with Health Insurance. He discussed the waiver that Health and Welfare was to apply for last year that the DOI has stepped in and applied for the Amendment and Extension of our 1332 waiver. CMS can approve the Extension and not approve the Amendment, if they do approve both and then we will need to do combined reporting. This Amendment should not have an impact on the timing of our April estimate for pass through funding nor will it have an impact on our reinsurance plan.

11. Other Business

Next Meeting:

The next Board meeting is scheduled for April 29, 2026 at Noon. 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 1:45 PM MDT.

Respectfully Submitted,
River 9 Consulting, Inc.