

Financial Overview of BCBSVT

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Senate Finance March 14, 2025

BCBSVT Overview

- Nonprofit Hospital Service Corporation
- Sole domestic health insurance company
 - Only offers health insurance coverage in Vermont
- DFR primary regulator
 - Financial
 - Policy approval
 - Enforcement for compliance with state and federal law
- GMCB retains rate authority for QHP and Large Group

2024 Financials

- **Surplus: \$58.4M**
- **RBC: 213.8%**
 - RBC declined by 124 pts in 2024 due to the net loss and an increase in insured claim volume, despite drawing the \$30M surplus note.
 - DFR order mandates an RBC between 590%-745%
- **Net Underwriting Loss of \$62.1 million**
 - Net loss is driven by escalated claims trend, lower projected QHP risk adjustment recovery and the MDL provider settlement.
 - Net income is \$85.1M behind budget
 - High claims in all insured segments
- **The \$30M surplus note issued by BCBSM**
 - Put into place due to RBC below 200% in summer 2024.

DFR Regulatory Actions

- Solvency Opinions
- BCBSVT Risk Based Capital Order – 2019
 - RBC target range of 590% to 745%.
- Affiliation with Blue Cross Blue Shield Michigan
- RBC Plan
 - Company action level event (300%) triggered in 2024 (8 V.S.A. § 8303)
 - BCBSVT submitted a risk-based capital plan
- Targeted Examination