



# Illinois Department of Insurance

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**PAT QUINN**  
Governor

**Michael T. McRaith**  
Director

May 24, 2010

**Via First Class Mail**

The Honorable Kathleen Sebelius  
Secretary, U.S. Department of Health & Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Re: ***WellPoint Individual Health Insurance Rate Increases.***

Dear Secretary Sebelius:

Thank you for your letter to Illinois Governor Pat Quinn, dated May 4, 2010. In your letter you urged an examination of WellPoint rate increases in light of the California Department of Insurance's finding of unreasonably high medical cost assumptions in a rate filing by a California affiliate of WellPoint. Governor Quinn and this Department share your concern that small errors in actuarial assumptions offered to support an insurer's rate increase can result in unaffordable premiums for policyholders.

Current Illinois law does not restrict health insurance rate increases. Illinois law does not require that health insurance companies report small or large group rates or rate changes to the Department, or even that the increases be "actuarially justified."

With a core mission of consumer protection, we are very concerned about the unjustified rate increases health insurers are imposing on Illinois families and businesses - even high deductible premiums have been increased more than 30% for small business health plans. The Illinois health insurance marketplace desperately needs the enhanced oversight and consumer protections provided by the Affordable Care Act.

If rate review grant funds are made available to Illinois as we hope, then we shall endeavor to review all rate increases in a professional, responsible manner that prioritizes the consumer but recognizes insurer capital requirements. We await your guidance on how we may apply for federal funding to assist Illinois in implementing this important measure.

Honorable Kathleen Sebelius  
May 24, 2010  
Page 2

In the meantime, we shall continue our efforts on behalf of the families and businesses of our State.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael T. McRaith". The signature is fluid and cursive, with the first name "Michael" being the most prominent.

Michael T. McRaith  
Director

cc: Michael Gelder, Office of Governor Pat Quinn  
Jennifer Hoelzle, Office of Governor Pat Quinn