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THE COST OF MEDIGAP PRESCRIPTION DRUG COVERAGE

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A. INTRODUCTION

This report examines the price of standard Medigap policies that offer coverage for prescription drugs. Three of the ten standard Medigap policy forms (H, I, and J) cover prescription drugs. In most states, at least one of these plans appears to be available to new Medicare beneficiaries and also to older Medicare beneficiaries who are either buying Medigap coverage for the first time or looking to change their Medigap policy or insurer. However, in every state, combined enrollment in any Medigap plan that covers prescription drugs is very low. Such low enrollment may be related to non-price problems of access and also to the much higher price of Medigap policies that cover prescription drugs.

No state requires Medigap insurers to offer specific Medigap products other than Plan A, the basic Medigap policy form, and in many states only one or two insurers sell an H, I, or J product anywhere in the state. Of these, some may be closed to new enrollment, and of those that are open, some are not guaranteed issue. Available information suggests that insurance commissioners have maintained at least one guaranteed-issue H, I or J product in nearly every state, although even this estimate may reflect incorrect reporting by insurers (Chollet and Kirk, 2001). However, in some states (and possibly in many localities), Medicare beneficiaries older than age 65 are unable to buy Medigap coverage for prescription drugs if they do not meet insurers' underwriting criteria, price notwithstanding.

Assuming that Medigap policy forms covering prescription drugs are available to either new or older Medicare beneficiaries, prices for these policies typically are steep. Only part of the difference in H, I, or J prices relates to coverage for prescription drugs; these policies also cover various other benefits which do not compare directly to the benefits of other standard policy forms. Therefore, Medigap policyholders who would

buy an H, I, or J policy to add prescription drug coverage also must add or subtract a number of other benefits relative to their current coverage. Bundling benefits in this way helps insurers by discouraging adverse selection: Medicare beneficiaries who need prescription drugs cannot buy coverage only for that specific need. However, the bundling of prescription drug coverage with other benefits also makes Medicare beneficiaries' choice among standard Medigap plans more complex, and the plans that cover prescription drugs – disregarding the potential for adverse selection – more expensive.

In this report we consider the average cost of Medigap policies that covered prescription drugs in 1999, and also their marginal cost relative to other standard Medigap policies. We estimate marginal cost as the average price of Medigap policies that covered prescription drugs in 1999 relative to the average price of the nearest comparison plans in the standard market. We compare the average price of open and guaranteed issue H, I and J Medigap plans (respectively) with the average price of plans that have similar benefit designs, mirroring the choices available to Medigap policyholders who would upgrade their coverage to gain coverage for prescription drugs. Because each state may have a different set of Medigap products (in force, open or guaranteed issue) and also different price structures, we present these results both nationally and by state.

This report focuses only on individual Medigap plans, not group plans – although our general results hold in the group Medigap market as well. Our reasons for focusing only on the individual Medigap market are twofold. First, choices among individual plans are relevant to most Medicare beneficiaries: in 1999, 3/4 of Medigap policyholders nationwide were enrolled in individual plans, and in 22 states more than 90 percent of Medigap policyholders were enrolled in individual plans (Chollet and Kirk, 2001). Second, we believe that nearly all of the group business that insurers report is comprised of association plans (not employer plans which commonly are self-insured), and we have no information about who might be eligible to participate in association plans. Barriers to association membership may explain the wide variation among states in the percentage of Medigap policyholders enrolled in individual versus group plans – from 99 percent in Maryland and Alabama to about 33 percent in California and New Jersey.

The report is organized as follows. In Section 2, we consider the average price that all Medicare beneficiaries paid in 1999 for Medigap policies that covered prescription drugs, and also the average standard (or best) price that new Medicare beneficiaries paid last year at age 65. In Section 3 we consider the marginal (additional) cost of Medigap drug policies in 1999, compared to similar Medigap policies that did not cover prescription drugs. We first examine the marginal cost of Medigap drug policies available to both new Medicare beneficiaries and older Medicare beneficiaries who were sufficiently healthy to pass insurer underwriting screens. We then consider the marginal cost of guaranteed-issue Medigap drug policies that were available to older Medicare beneficiaries who, because of their health status, otherwise would not qualify for Medigap drug coverage. Conclusions are offered in Section 4.

B.   THE   AVERAGE   PRICE   OF   MEDIGAP   COVERAGE   FOR PRESCRIPTION DRUGS

The standard Medigap policies that cover prescription drugs vary in the amount of drug coverage they provide, as well as in other dimensions of coverage. With respect to drug coverage, H and I plans both have a $250 annual deductible for drugs and a 50-percent coinsurance rate. Both cap covered drug expenditures at $2,500 per year, beyond which the policyholder pays all expenses for prescription drugs out-of-pocket. Thus, the maximum drug benefit paid by these plans is $1,250 per year. J plans have the same deductible and coinsurance provisions as H and I plans, but they cap covered drug expenditures at $6,000 per year, paying a maximum drug benefit of $3,000 per year.

In this section, we consider two measures of prices for Medigap drug coverage: (1) average per capita earned premiums for all policies in effect at a point in time, and (2) the "standard" (or lowest) premiums charged at age 65. The first measure reflects the average cost to Medicare beneficiaries of any age, taken as a group; the second measure reflects the average cost encountered by new Medicare beneficiaries first buying Medigap coverage at age 65. Insurers' underwriting rules in most states strongly discourage Medicare beneficiaries from changing Medigap policies or carriers after initial purchase. Thus, this second measure also provides an estimate of the minimum premium

that the entering cohort of Medicare beneficiaries will pay to retain Medigap drug coverage over the rest of their lives.

1.   Average Premiums for all Policies in Force

In 1999, the average Medigap policyholder paid nearly $1,400 per year for an H plan and more than $1,600 for an I or J plan (see Table 1). Average premiums for in-force Medigap drug policies were two to three times those for A policies, and ranged 30 to 70 percent higher than those for F policies – the most popular standard Medigap policy form in most states and nationally.

Not surprisingly, the average cost of Medigap drug policies was much higher in some states than in others. In six states,[1] Medicare beneficiaries paid more than $2,000 per year for H policies (see Table 2); in three states (Vermont, Arizona, and South Carolina) they paid more than $3,500 for J policies. However, in a few states, H policies were noticeably less expensive than average premiums in other states; in Maine, Pennsylvania, Utah and New Hampshire, premiums for H policies in force averaged less than $1,000 per year in 1999.

The reasons for strong differences among states in the average price of these policies are unclear. The pattern of prices apparent in Table 2 (where, in a few states, the average premium for H policies was greater than that for I or J policies which offer more coverage) suggests that the various Medigap policy forms were not equally marketed or available statewide. Selection bias may also influence prices, and the extent of selection bias probably varies from market to market. However, one other study of standard Medigap prices found substantial evidence of noncompetitive pricing to new Medicare beneficiaries at age 65.[2]   The underwriting barriers in most states to Medigap policyholders changing either policies or carriers after age 65 make it likely that noncompetitive pricing would persist among older policyholders as well.

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[1] Virginia, Arizona, Louisiana, Florida, New York and Georgia.

[2] Weiss Ratings, Inc. (1999) reported standard rates that strongly suggest the failure of competition within local market areas, despite standardized Medigap products. In Bakersfield CA, Weiss Ratings was quoted a standard rate of $496 (from Labor Union Life) and $1,220 (from Bankers Life and Casualty Company) for an A plan for a man age 65. In Billings MT, rate quotes for a J plan included $1,518 (Blue Cross Blue Shield of MT) and $3,453 (National States Insurance Company).

Nevertheless, in the vast majority of states, policyholders paid substantially more for H, I or J plans than they paid for policy forms that did not cover prescription drugs. In 22 states, H premiums averaged at least twice the level of premiums for A policies; and in 3 states (Montana, Virginia and Vermont), H policies were two to four times as expensive as F policies. J policies were at least twice as expensive as A policies in all but 8 states, and they were at least 50 percent more expensive than F policies in all but 10 states.

2.   Average Standard Premiums for New-Issue Policies

With funding from the Health Care Financing Administration, Weiss Ratings, Inc. (2001) surveyed Medigap insurers in every state in order to compile average standard premiums available to new (male) Medicare beneficiaries at age 65. Standard premiums are insurers' "best" prices – that is, premiums without rate-ups for health status, health behaviors (such as smoking), or other factors that might suggest higher health risk.

Standard premiums for H, I and J policies are displayed by state in Table 3. In 2000, the average standard rate for an H policy was more than $2,300, and in six states exceeded $3,000.[3] For a J policy, the average standard premium was nearly $3,100, and in three states (Alabama, Florida and Michigan) approached or exceeded $4,000. In general, and unless constrained by state law, standard Medigap premiums for men may be slightly higher than those for women of the same age.[4]

Several aspects of the standard premiums charged to new Medicare beneficiaries are noteworthy. First, calculated as the simple average of quoted premiums for the same calendar year (not displayed in Table 3), average standard premiums at age 65 were higher than average premiums for all policies in force. This would be expected if Medicare beneficiaries avoided more expensive policies or entire policy forms in locales where they were more expensive relative to other available policies. As a result, less expensive premiums would be more common among policyholders, driving lower

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[3] Alaska, Arizona, Arkansas, Idaho, Maine, and Georgia.

[4] Through age 45, women typically are charged more for individual health insurance coverage in states that allow insurers to rate on gender. However, rates for women at age 60 typically are lower than rates for men (Chollet and Kirk, 1998). We were unable to find comparable information for Medigap rates.

average premiums for policies in force, (despite the higher health care costs of older Medigap policyholders). Comparison of the two measures serves as an important reminder that quoted premiums are likely to be a poor gauge of average premiums paid, even in markets where competition is notoriously imperfect.

Second, average standard rates for policies that cover prescription drugs are very high and probably perceived as very high by new Medicare beneficiaries entering the Medigap market. Compared to standard individual rates for full major medical coverage at age 60, standard premiums for J policies (offering much less coverage) are about the same or even higher.

"Sticker shock" is probably a major factor that deters new Medicare beneficiaries from enrolling in Medigap products that cover prescription drugs.[5] In 1999, just 9 percent of all Medigap policyholders who had bought coverage since 1992 (and were still insured in 1999) were enrolled in any Medigap product that covered prescription drugs (Chollet and Kirk, 2001).

Finally, standard premiums for Medigap policies that cover prescription drugs are also expensive relative to other Medigap products on the market. In 2000, the average (nationwide) standard premium quote for plan H was 80 percent higher than the average standard premium for plan F. In 13 states, it was more than twice the average standard premium for plan F. For plan J, the average standard premium was nearly 2½ times that for plan F.

C.   THE MARGINAL PRICE OF MEDIGAP COVERAGE FOR PRESCRIPTION DRUGS

Relative to their current Medigap policies, Medicare beneficiaries in different circumstances may pay different additional amounts to upgrade their policies to an H, I, or J plan. After initial purchase at age 65, the marginal cost of an alternative Medigap policy depends on the health status of the applicant. A Medigap policyholder with recent

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[5] For example, Chollet and Kirk (1998) found 1998 standard rates for individual major medical plans in New York that ranged as low as $2,520 and as high as $3,168 for a 60-year-old man – compared to a 1998 standard premium of $1,741 for an H plan (at age 65) and $2,669 for a J plan (Weiss Ratings, Inc., 2001). In Florida, they found major medical premiums that ranged from $2,700 to $5,616, compared to $2,204 for an H plan and $3,138 for a J plan.

or ongoing health problems may have access to an alternative policy only if it is guaranteed issue.

In this section, we investigate the marginal cost to Medicare policyholders of "trading up" to a Medigap drug policy. Specifically, we consider the average cost of open H, I, and J policies relative to the most similar alternative policies that are open to new enrollment. Most H, I or J policies are not guaranteed issue, so that a Medicare beneficiary might be denied coverage due to health status.

We then consider the marginal cost of trading up to guaranteed-issue Medigap drug coverage. These policies accept applicants whose health status otherwise would preclude them from buying a new Medigap policy after age 65. Therefore, guaranteed-issue policies are potentially more expensive (all else being equal) than open Medigap policies that can deny applicants. However, in markets where very few Medigap insurers offer H, I or J plans at all, guaranteed-issue plans may avoid inter-plan adverse selection and, therefore, extreme cost experience.

For each of the standard policy forms that cover prescription drugs (H, I and J), we identified two policy forms that cover approximately the same benefits other than prescription drugs. The principal differences between H, I and J standard policy forms, respectively, and their nearest comparison plans are described in Table 4. We also compare I and J policies; J policies have a higher coverage limit for prescription drugs, but also provide coverage for preventive care.

1.   The Marginal Price of Open Medigap Drug Plans

In every state, at least one Medigap drug product was open to new enrollment in 1999. However, in some states (specifically, in Maine, New York, Pennsylvania and Vermont) only one or two standard drug products were available, not all three (Chollet and Kirk, 2001).

Medigap policyholders who wish to "trade up" to a policy with drug coverage – and who are able to pass insurers' underwriting screens – generally pay a substantial marginal price to do so. Table 5 summarizes the average marginal price for Medigap drug coverage across all states where comparison plans are available. On average, a

Medicare beneficiary holding an F policy would have paid 94 percent more to obtain a near-substitute I policy. But in addition to coverage for prescription drugs, she would have gained coverage for at-home care after surgery and lost coverage for the Part B deductible. A beneficiary with G coverage would pay nearly 2 ½ times her current premium to gain I coverage – gaining both prescription drug coverage and (of dubious real or actuarial value) full coverage of charges that exceed Medicare reimbursement.

In states where there was some evidence of activity in the market (that is, at least 100 Medicare beneficiaries were enrolled in the H, I or J policy form statewide), marginal premiums for Medigap drug coverage were slightly lower. Medigap policyholders would have paid a marginal premium that ranged from 20 percent (for a B/H or I/J trade-up) to 142 percent (for a G/J trade-up).

Also in states with more covered lives in the Medigap drug policy, relative price relationships were more predictable, and the marginal cost of an F/I trade-up averaged significantly less than the marginal cost for an F/J trade-up. In states with very low statewide enrollment in one of the policy forms, marginal costs tended to be more extreme (both positive and negative). Extreme prices for policies with very low enrollment may reflect errors in insurer reporting and also problems of competition. They also suggest that insurers with very few covered lives in a specific state may have difficulty pricing rationally to policyholders in that state.

Differences among the states' average marginal prices for policy trade-ups are summarized in Table 6, and supporting state-level detail is provided in Appendices 1 through 3. In most states, trading up from B or C plan to an H plan would have entailed an average premium increase of as much as 50 percent, although in 14 states the C/H premium increase would have been less than 20 percent. The marginal cost of trading up from a G plan to either an I or J plan was typically very high, although the benefit gain (other than drug coverage) for a G/I trade-up is very modest. In most states, Medicare beneficiaries holding G policies would have had to pay more than twice as much for either an I or J plan. However, trading up from I to J (gaining a higher limit on drug coverage as well as coverage for preventive care) would have involved a relatively small average premium increase – in 29 states, less than 20 percent.

2. The Marginal Price of Guaranteed-Issue Medigap Drug Plans

The marginal cost of guaranteed-issue Medigap drug plans (not controlling for other factors that may influence price) was generally higher than the marginal cost of all open Medigap drug plans in 1999. In states where guaranteed-issue drug policies were available, Medicare beneficiaries with health problems would have paid an average of 39 and 51 percent more, respectively, to trade up from C or B coverage to H coverage (see Table 7). Again, Medicare beneficiaries with G policies would have paid even more to trade up to drug coverage: 55 percent more to obtain H coverage guaranteed issue, and 108 percent more to obtain J coverage. As we observed among open Medigap drug policies more generally, the marginal cost of guaranteed-issue Medigap drug policies was somewhat lower in states where there was somewhat greater enrollment in these policies (at least 100 lives statewide) – suggesting that insurers some of these states may have had more credible local experience on which to base premiums.

Differences in the marginal cost of Medigap drug policies among states are summarized in Table 8 (supporting detail is offered in Appendices 4 through 6). In 1999, more than half of Medigap policyholders without drug coverage would have paid 21 to 106 percent more than their current premium to trade up to the most similar guaranteed-issue Medigap drug plan. In 21 of the 38 states with guaranteed issue J plans, G policyholders would have paid at least 100 percent more to obtain J coverage.

D. SUMMARY AND CONCLUDING COMMENTS

Premiums for Medigap policies that cover prescription drugs are high by virtually any measure relevant to consumers. In 1999, the average Medigap policyholder paid about $1,400 per year for minimum coverage of prescription drugs – the standard H plan. For J coverage – with higher limits on coverage for prescription drugs and a different assortment of other benefits – the average Medigap policyholder paid more than $1,600 per year. Even these national averages (weighted by plan enrollment) appear to reflect greater purchasing of Medigap drug policies in geographic areas where premiums are lower: average standard rates for Medigap drug coverage (unweighted, for men at age 65) in 2000 were nearly double these amounts.

The cost of Medigap policies that cover prescription drugs also is high relative to other standard Medigap policies. Statewide average premiums for Medigap drug plans ranged 2 to 3 times the average premium for A plans (the Medigap basic benefit) and 30 to 70 percent higher than average premiums for F plans – the most popular Medigap policy form.

In some states, Medicare beneficiaries pay extremely high premiums for Medigap drug coverage. In six states, premiums for H policies averaged more than $2,000 per year; and in three states, J coverage averaged more than $3,500 per year.

In nearly every state, insurers are allowed to underwrite Medigap coverage extensively after first issue to new Medicare beneficiaries at age 65. As a result, it is not surprising that there appears to be very little competition in the Medigap market at large, and probably very little movement of Medigap policyholders among policies or carriers. However, assuming a Medicare beneficiary wished to upgrade coverage from another standard plan, the marginal cost of Medigap coverage for prescription drugs is very steep in most states and averaged nationally. As a result, even if a carrier were willing to sell a coverage upgrade, it is unlikely that many beneficiaries would pay the steep marginal cost.

We estimate that the average marginal cost of upgrading a non-drug Medigap policy to a Medigap drug policy (H, I or J) ranged from 31 to 142 percent in 1999 – depending on the particular trade-up – in states where there was some evidence of an active market for Medigap drug products. For guaranteed-issue coverage (which fewer states have), the marginal cost of trading up to a Medigap drug policy ranged as high as 97 percent in "active market" states; among all states, the marginal cost of upgrading to a guaranteed issue Medigap drug policy ranged as high as 108 percent. In many states, the average marginal cost greatly exceeded the average marginal cost calculated nationally.

In general, the Medigap market is neither a simple nor inexpensive place for Medicare beneficiaries to obtain prescription drug coverage. Part of the marginal cost of Medigap drug coverage is related to the bundling of drug benefits with other benefits in standard Medigap plans. This bundling helps to protect Medigap insurers and products from adverse selection. However, bundling also makes the relative cost of Medigap drug policies at initial purchase much steeper and raises the marginal cost of a Medigap trade-

up after age 65.

An earlier report (Chollet and Kirk, 2001) reviewed the extensive underwriting that federal law and most states allow, permitting insurers to deny coverage to applicants after age 65 based on their health status.   While revision of these regulations – requiring at least periodic open enrollment, as in Massachusetts – might improve competition in Medigap markets, it is unclear that such changes would encourage much purchase of Medigap drug coverage. Where it is available, the marginal cost of guaranteed-issue coverage is very high, although not necessarily higher for guaranteed issue plans than for plans that are more extensively underwritten. The cost of these plans – on average or at the margin – is clearly prohibitive for the vast majority of Medicare beneficiaries who rely on the Medigap market.

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Table 1
Covered Lives and Average Premiums:
Individual Standard Medigap Policies, 1999

Standard policy form	Covered lives (1000's)	Average premium[a]	Average premium relative to[b]	
			A premium	F premium
A	136.3	$886	100.0%	65.8%
B	708.8	$1,091	169.2%	99.7%
C	1,181.0	$1,159	178.4%	105.5%
D	315.9	$1,030	133.3%	81.2%
E	83.4	$997	137.1%	82.3%
F	1,876.9	$1,220	171.9%	100.0%
G	118.8	$934	132.1%	77.8%
H	113.7	$1,384	220.4%	131.3%
I	89.1	$1,653	264.2%	157.0%
J	145.8	$1,619	290.4%	168.8%

Source: Authors' tabulations of 1999 NAIC data.
[a]Weighted by covered lives.
[b]Simple average of ratios calculated by state.

Table 2
Average and Relative Premiums for H, I and J Plans by State, 1999

State	H plan premiums			I plan premiums			J plan premiums		
	Average	Relative to		Average	Relative to		Average	Relative to	
		A	F		A	F		A	F
AK	$1,390	1.80	1.22	$1,545	2.00	1.36	$1,632	2.12	1.43
AL	$1,960	1.81	1.27	$2,097	1.94	1.35	$2,420	2.24	1.56
AR	$1,549	1.92	1.34	$2,140	2.66	1.85	$2,214	2.75	1.91
AZ	$2,340	4.17	1.59	$2,582	4.60	1.76	$3,686	6.57	2.51
CA	$1,445	1.36	0.83	$2,342	2.20	1.35	$2,766	2.60	1.59
CO	$1,150	1.76	0.91	$1,717	2.63	1.36	$1,905	2.92	1.51
CT	$1,725	1.95	1.35	$2,566	2.91	2.01	$2,003	2.27	1.57
DC	$1,499	1.40	1.21	$1,429	1.33	1.16	$1,772	1.65	1.44
DE	$1,169	1.25	1.25	$1,424	1.53	1.52	$1,634	1.75	1.75
FL	$2,094	2.07	1.17	$2,265	2.24	1.27	$2,726	2.69	1.52
GA	$2,009	2.13	1.45	$2,051	2.17	1.48	$2,248	2.38	1.62
HI	$1,769	1.84	1.66	$1,958	2.04	1.83	$1,412	1.47	1.32
IA	$1,228	1.74	1.12	$1,767	2.50	1.61	$2,497	3.54	2.28
ID	$1,447	10.86	1.10	$1,750	13.13	1.34	$1,846	13.85	1.41
IL	$1,809	2.20	1.39	$1,918	2.33	1.48	$2,192	2.66	1.69
IN	$1,646	2.33	1.27	$1,899	2.69	1.46	$2,439	3.46	1.88
KS	$1,594	2.05	1.27	$1,769	2.28	1.41	$2,124	2.74	1.70
KY	$1,631	2.33	1.28	$1,855	2.65	1.46	$2,194	3.14	1.73
LA	$2,163	1.90	1.70	$1,972	1.73	1.55	$2,362	2.08	1.86
MD	$1,485	1.81	1.27	$1,871	2.28	1.60	$1,934	2.35	1.65
ME	$975	1.25	0.96	$1,503	1.93	1.47	$1,373	1.76	1.35
MI	$1,378	1.65	1.11	$1,867	2.24	1.51	$1,874	2.24	1.51
MO	$1,307	1.12	0.99	$1,744	1.49	1.32	$2,549	2.18	1.93
MS	$1,974	2.38	1.51	$2,012	2.42	1.54	$2,229	2.69	1.70
MT	$1,223	4.52	4.08	$1,452	5.37	4.84	$135	0.50	0.45
NC	$1,611	2.36	1.45	$1,564	2.29	1.41	$1,766	2.58	1.59
ND	$1,112	1.96	1.02	$1,180	2.08	1.08	$1,692	2.98	1.55
NE	$1,183	1.74	1.01	$1,814	2.67	1.55	$2,402	3.53	2.06
NH	$264	0.79	0.54	$1,748	5.25	3.60	$283	0.85	0.58
NJ	$1,117	1.20	0.95	$1,410	1.52	1.20	$1,888	2.03	1.60
NM	$1,968	3.05	1.66	$1,605	2.49	1.36	$2,012	3.12	1.70
NV	$1,575	1.80	1.15	$1,609	1.84	1.17	$2,012	2.29	1.47
NY	$2,068	2.12	1.40	$2,658	2.72	1.80	$2,860	2.93	1.93
OH	$1,611	1.86	1.13	$2,141	2.47	1.50	$2,360	2.72	1.65
OK	$1,685	1.97	1.26	$2,077	2.43	1.55	$2,230	2.60	1.66
OR	$1,633	2.16	1.41	$1,648	2.18	1.42	$1,759	2.33	1.52
PA	$876	1.31	0.95	--	--	--	$1,751	2.62	1.90
RI	$1,807	2.23	1.29	$1,799	2.22	1.28	$2,130	2.63	1.52
SC	$1,481	2.37	1.11	$1,908	3.06	1.43	$3,577	5.73	2.69
SD	$1,267	2.10	1.18	$1,514	2.51	1.41	$2,316	3.85	2.15
TN	$1,407	1.74	1.05	$2,398	2.97	1.79	$2,691	3.34	2.01
TX	$1,496	1.33	1.13	$1,857	1.65	1.40	$1,949	1.73	1.47
UT	$614	1.21	1.12	$708	1.40	1.29	$721	1.42	1.31
VA	$2,391	3.21	2.09	$1,382	1.86	1.21	$1,792	2.41	1.57
VT	$1,983	2.73	2.06	$1,360	1.87	1.41	$3,755	5.17	3.91
WA	$1,611	2.32	1.36	$1,625	2.33	1.37	$1,897	2.73	1.60
WV	$1,589	2.07	1.27	$1,711	2.22	1.37	$1,711	2.22	1.37
WY	$1,330	2.53	1.14	$1,496	2.85	1.29	$1,577	3.00	1.36
Average	$1,384	2.20	1.31	$1,653	2.64	1.57	$1,619	2.90	1.69

Source: Authors' tabulations of 1999 NAIC data.
Note: Premiums are weighted by covered lives. Waivered states are omitted. Double dashes indicate that the policy form
    is not available in that state.

Table 3
Average and Relative Standard Premiums
for Prescription Drug Medigap Plans by State, 2000
(Premium quotes for a 65-year old male)

State	Plan H		Plan I		Plan J	
	Average premium	Relative to F	Average premium	Relative to F	Average premium	Relative to F
Alabama	$2,403	1.68	$2,447	1.71	$3,801	2.65
Alaska	$3,293	2.55	$2,794	2.16	$3,365	2.61
Arizona	$3,391	2.47	$3,099	2.25	$2,840	2.07
Arkansas	$3,244	2.42	$3,141	2.34	$3,651	2.72
California	$2,403	1.59	$2,883	1.91	$3,874	2.57
Colorado	$2,085	1.71	$2,285	1.88	$2,425	1.99
Connecticut	$2,823	1.90	$2,786	1.87	$2,616	1.76
Delaware	$1,716	1.37	$2,052	1.64	$3,096	2.47
District of Columbia	$2,806	1.97	$2,826	1.98	$2,960	2.08
Florida	$2,888	1.48	$3,302	1.69	$3,889	1.99
Georgia	$3,105	2.24	$2,987	2.16	$3,707	2.67
Hawaii	$1,595	1.29	$1,839	1.49	$2,795	2.26
Idaho	$3,225	2.35	$2,906	2.12	$2,736	1.99
Illinois	$2,204	1.73	$2,167	1.70	$3,083	2.42
Indiana	$2,019	1.83	$2,007	1.82	$3,135	2.84
Iowa	$2,058	1.87	$2,170	1.97	$2,951	2.68
Kansas	$1,859	1.55	$2,017	1.68	$2,703	2.25
Kentucky	$2,316	1.89	$2,380	1.94	$3,391	2.77
Louisiana	$2,970	2.07	$2,834	1.98	$3,174	2.22
Maine	$3,037	2.01	$3,144	2.08	$2,684	1.78
Maryland	$2,297	1.86	$2,063	1.67	$2,726	2.20
Michigan	$2,214	1.64	$2,244	1.67	$4,030	2.99
Mississippi	$2,078	1.68	$2,155	1.74	$3,159	2.56
Missouri	$2,311	1.68	$2,467	1.80	$2,830	2.06
Montana	$1,834	1.67	$2,122	1.93	$2,496	2.27
Nebraska	$2,283	1.90	$2,135	1.78	$3,098	2.58
Nevada	$2,725	1.91	$2,511	1.76	$3,199	2.24
New Jersey	--	--	$1,691	1.31	--	--
New Mexico	$2,170	1.81	$2,284	1.91	$2,858	2.39
New York	$1,966	1.15	$2,427	1.42	$2,872	1.68
North Carolina	$2,470	2.17	$2,189	1.92	$2,355	2.07
North Dakota	$1,701	1.54	$1,836	1.66	$2,806	2.54
Ohio	$2,310	1.81	$2,287	1.79	$3,117	2.44
Oklahoma	$2,377	1.90	$2,340	1.87	$3,136	2.51
Oregon	$2,722	2.40	$2,283	2.01	$2,743	2.42
Pennsylvania	$2,016	1.27	$1,887	1.19	$2,580	1.62
Rhode Island	$2,598	2.15	$2,627	2.18	$2,318	1.92
South Carolina	$2,185	1.82	$2,344	1.96	$3,171	2.64
South Dakota	$2,449	2.20	$2,240	2.01	$2,836	2.54
Tennessee	$2,382	2.01	$2,344	1.98	$2,948	2.49
Texas	$2,181	1.61	$2,407	1.78	$3,246	2.40
Utah	$1,995	1.90	$1,886	1.80	$2,373	2.26
Vermont	$2,385	1.81	--	--	$2,381	1.81
Virginia	$1,947	1.69	$2,029	1.76	$2,609	2.26
Washington	$2,172	1.60	$2,592	1.91	$2,289	1.69
West Virginia	$2,036	1.69	$2,152	1.79	$2,857	2.37
Wyoming	$2,658	2.25	$2,392	2.03	$2,685	2.27
National average	$2,347	1.80	$2,423	1.86	$3,065	2.36

Source: Compiled from http://www.weissratings.com/main.asp.
Note: Double dashes indicate that the policy form is not available in that state.

	H	I	J
	Table 4 **Marginal Coverage in H, I and J Plans in Addition to Prescription Drugs Coverage Compared to Nearest-Equivalent Medigap Policy Forms**		
Drug coverage	$250 annual deductible and 50% coinsurance above the deductible		
	$2,500 annual limit on covered drug expenditures (maximum annual benefit: $1,250)		$6,000 annual limit on covered drug expenditures (maximum annual benefit: $3,000)
Comparison plans:	*Net coverage relative to comparison plan:*		
B	H covers: • prescription drugs • emergency care in other countries		
C	H covers: • prescription drugs H does *not* cover • $100 Part B deductible		
F		I covers: • prescription drugs • at-home care after surgery I does *not* cover: • Part B deductible	J covers: • prescription drugs • at-home care after surgery • preventive medical care
G		I covers: • prescription drugs • 100% of excess charges (G covers 80%)	J covers: • prescription drugs • 100% of excess charges (G covers 80%) • preventive care • $100 Part B deductible
I			J covers: • preventive care • higher limit on drugs

Table 5

Ratio of National Average Premiums for Open H, I or J Policies to Comparison Policies in the Individual Medigap Market, 1999

	Average premium	Average drug plan premium per average premium for:				
		B	C	F	G	I
States with any covered lives in policy form: [a]						
Open H policies (47):	$978	142.5%	114.5%			--
Open I policies (47):	$1,733	--	--	193.5%	237.7%	--
Open J policies (48):	$1,613	--	--	174.3%	258.5%	135.4%
States with 100 or more covered lives (statewide) in policy form: [a]						
Open H policies (15):	$1,677	145.0%	130.6%	--	--	--
Open I policies (35):	$1,728	--	--	153.3%	224.9%	--
Open J policies (34):	$1,611	--	--	170.5%	242.4%	119.3%

Source: Authors tabulations of 1999 NAIC data.

Note: Premiums are weighted by covered lives.

[a] Number in parentheses is the count of states (and the District of Columbia) where policy form (H, I or J) is available.

Table 6
**Distribution of States by the Marginal Cost of Open Medigap Drug Plans
and Summary Statistics: Individual Policies, 1999**

			Comparison plans			
	H/B	H/C	I/F	I/G	J/F	J/G	J/I
Premium relative to comparison plan:			*Number of states*				
+100 percent or more	4	0	6	31	10	34	3
+50-100 percent	11	12	17	10	28	9	2
+20-50 percent	20	19	19	3	7	1	13
+20 percent or less	11	14	5	2	2	1	29
Total with open plans	46	45	47	46	47	45	47
Summary statistics:			*Average marginal cost*				
Median	138.8%	133.9%	149.9%	212.1%	164.7%	234.0%	116.1%
Minimum	42.4%	29.4%	84.4%	103.1%	44.8%	14.6%	9.2%
Maximum	270.4%	189.6%	808.3%	460.7%	390.6%	839.4%	263.8%

Source: Authors tabulations of 1999 NAIC data.

Note: Waivered states are omitted.

Table 7
Marginal Cost for Guaranteed Issue H, I or J Policies:
Individual Medigap Market, 1999

	Average premium	Average drug plan premium per average premium for:				
		B	C	F	G	I
States with any covered lives in policy form: [a]						
Guaranteed issue						
H policies (42):	$1,793	151.0%	139.3%			--
I policies (39):	$1,539	--	--	111.1%	154.6%	--
J policies (39):	$2,134	--	--	127.0%	208.4%	129.3%
States with 100 or more covered lives (statewide) in policy form: [a]						
Guaranteed issue						
H policies (2):	$1,560	142.5%	137.7%			--
I policies (4):	$1,526	--	--	102.2%	140.3%	--
J policies (5):	$2,210	--	--	155.7%	196.8%	112.9%

Source: Authors tabulations of 1999 NAIC data.

Note: Premiums are weighted by covered lives.

[a] Number in parentheses is the count of states (including the District of Columbia) where policy form (H, I or J) is available.

Table 8
**Distribution of States by the Marginal Cost of Guaranteed-Issue Medigap Drug Plans
and Summary Statistics: Individual Policies, 1999**

	Comparison plans						
	H/B	H/C	I/F	I/G	J/F	J/G	J/I
Premium relative to comparison plan:			*Number of states*				
+100 percent or more	6	4	4	14	8	21	3
+50-100 percent	9	9	6	8	12	9	4
+20-50 percent	14	10	11	8	12	6	4
+20 percent or less	13	19	18	9	7	2	17
Total	42	42	39	39	39	38	28
Summary statistics:			*Average marginal cost*				
Median	139.9%	121.5%	125.0%	158.8%	153.9%	205.8%	106.5%
Minimum	61.0%	53.8%	28.4%	35.2%	55.3%	79.7%	35.6%
Maximum	453.8%	580.3%	477.2%	522.2%	390.6%	839.4%	270.0%

Source: Authors tabulations of 1999 NAIC data.

Note: Waivered states are omitted.

Average Premiums for Open H Policies Compared to B and C Policies:
Individual Medigap Policies by State, 1999

States	Open H policies			All B policies		All C policies	
	Number of plans	Covered lives	Average premium	Average premium	Premium ratio: H/B	Average premium	Premium ratio: H/C
AK	2	22	$1,390	$911	152.6%	$1,089	127.6%
AL	4	65	$1,953	$1,117	174.7%	$1,256	155.4%
AR	2	49	$1,767	$1,273	138.8%	$1,059	166.8%
AZ	2	18	$2,756	$1,425	193.4%	$1,674	164.7%
CA	2	4	$2,663	$1,868	142.6%	$1,708	155.9%
CO	2	5	$1,086	$1,001	108.5%	$1,219	89.1%
CT	2	1,610	$1,720	$1,042	165.1%	$1,344	127.9%
DC	2	22	$1,499	$1,214	123.5%	$1,266	118.4%
DE	1	11	$1,169	$1,031	113.4%	$1,020	114.6%
FL	12	1,232	$2,168	$1,236	175.3%	$1,465	148.0%
GA	2	253	$2,011	$1,283	156.8%	$1,325	151.7%
HI	1	4	$1,769	$1,305	135.6%	$1,309	135.2%
IA	--	--	--	$1,134	--	$1,386	--
ID	1	2	$2,349	$1,382	170.0%	$1,239	189.6%
IL	5	448	$1,865	$1,575	118.4%	$1,355	137.6%
IN	6	889	$1,768	$1,234	143.3%	$1,386	127.6%
KS	4	96	$1,933	$1,359	142.3%	$1,447	133.6%
KY	6	291	$1,891	$825	229.3%	$1,163	162.6%
LA	3	61	$2,157	$1,528	141.2%	$1,612	133.9%
MD	3	216	$1,479	$694	213.2%	$1,127	131.3%
ME	1	1	$621	$1,017	61.0%	$1,155	53.8%
MI	2	7	$1,688	$1,272	132.7%	$1,508	111.9%
MO	8	497	$1,270	$1,208	105.1%	$1,363	93.2%
MS	4	121	$1,974	$1,420	139.1%	$1,395	141.6%
MT	--	--	--	$800	--	$129	--
NC	3	1,800	$1,642	$1,120	146.5%	$1,203	136.5%
ND	--	--	--	$818	--	$1,053	--
NE	4	53	$1,803	$971	185.7%	$1,196	150.8%
NH	2	941	$261	$616	42.4%	$888	29.4%
NJ	1	61	$1,117	$810	137.8%	$1,455	76.8%
NM	1	1	$2,354	$870	270.4%	$1,337	176.1%
NV	2	65	$1,567	$1,284	122.0%	$1,580	99.2%
NY	1	253	$1,646	$1,455	113.1%	$1,442	114.2%
OH	4	75	$2,227	$1,929	115.4%	$1,509	147.6%
OK	6	86	$1,824	$1,325	137.7%	$1,268	143.8%
OR	1	96	$1,627	$1,127	144.4%	$1,181	137.8%
PA	14	52,384	$855	$719	118.9%	$903	94.7%
RI	2	40	$1,687	$1,324	127.5%	$1,355	124.6%
SC	5	197	$1,481	$1,073	138.0%	$1,135	130.5%
SD	2	27	$1,307	$1,130	115.6%	$1,252	104.4%
TN	4	20	$1,543	$1,229	125.6%	$1,341	115.1%
TX	2	15	$1,671	$1,290	129.5%	$1,268	131.7%
UT	4	9	$1,481	$888	166.8%	$971	152.6%
VA	4	19	$2,154	$976	220.7%	$1,364	157.9%
VT	1	1	$1,658	$1,002	165.5%	$913	181.5%
WA	4	253	$1,611	$899	179.3%	$1,109	145.3%
WV	4	185	$1,574	$1,280	123.0%	$1,312	120.0%
WY	2	40	$1,440	$1,176	122.5%	$1,060	135.8%
Average	3	1,390	$978	$1,091	142.5%	1251.9	114.5%

Source: Authors' tabulations of 1999 NAIC data.

Note: Premiums are weighted by covered lives. Double dashes indicate that the policy form is not sold
in the state. Waivered states are omitted.

Appendix 2
Average Premiums for Open I Policies Compared to F and G Policies:
Individual Medigap Policies by State, 1999

States	Open I policies			All F policies		All G policies	
	Number of plans	Total covered lives	Average premium	Average premium	Premium ratio: I/F	Average premium	Premium ratio: I/G
AK	3	509	$1,513	$1,140	132.8%	$1,057	143.1%
AL	5	310	$2,074	$1,549	133.9%	$1,145	181.1%
AR	6	3,393	$2,147	$1,158	185.3%	$1,054	203.6%
AZ	3	14	$3,569	$1,401	254.7%	$775	460.7%
CA	4	27	$3,298	$1,736	189.9%	$1,018	323.8%
CO	4	851	$1,717	$1,261	136.2%	$833	206.2%
CT	2	81	$3,113	$1,279	243.5%	$850	366.2%
DC	4	172	$1,404	$1,234	113.8%	$1,179	119.1%
DE	6	955	$1,410	$935	150.8%	$500	281.9%
FL	10	4,704	$2,269	$1,788	126.9%	$1,544	147.0%
GA	4	1,494	$2,030	$1,384	146.7%	$1,050	193.4%
HI	1	2	$1,822	$1,069	170.4%	$863	211.2%
IA	2	67	$2,563	$1,095	233.9%	$809	316.7%
ID	2	15	$1,874	$1,310	143.1%	$1,079	173.6%
IL	8	2,627	$1,937	$1,300	149.0%	$1,103	175.6%
IN	7	570	$2,443	$1,300	188.0%	$933	262.0%
KS	7	757	$2,069	$1,251	165.3%	$803	257.7%
KY	4	1,086	$1,820	$1,270	143.3%	$867	209.9%
LA	7	1,806	$1,961	$1,271	154.3%	$1,171	167.5%
MD	8	133	$1,301	$1,170	111.2%	$739	176.1%
ME	1	4,641	$1,614	$1,019	158.4%	$472	341.9%
MI	5	147	$2,117	$1,238	171.1%	$1,014	208.7%
MO	8	806	$1,760	$1,323	133.0%	$746	236.0%
MS	6	601	$2,004	$1,309	153.1%	$915	219.0%
MT	3	20	$2,422	$300	808.3%	$919	263.7%
NC	8	4,525	$1,609	$1,108	145.2%	$606	265.3%
ND	2	45	$921	$1,091	84.4%	$894	103.1%
NE	7	515	$2,213	$1,169	189.4%	$810	273.1%
NH	2	10	$935	$486	192.4%	$524	178.2%
NJ	3	4,099	$1,381	$1,178	117.3%	$648	213.1%
NM	6	293	$1,586	$1,184	133.9%	$765	207.3%
NV	7	642	$1,582	$1,371	115.4%	$962	164.5%
NY	3	909	$2,660	$1,480	179.7%	$1,106	240.4%
OH	7	282	$2,552	$1,430	178.4%	$1,019	250.3%
OK	9	527	$2,232	$1,341	166.5%	$884	252.6%
OR	9	4,533	$1,652	$1,159	142.5%	$803	205.9%
PA	--	--	--	$923	--	$733	--
RI	2	188	$1,795	$1,405	127.8%	$1,234	145.4%
SC	6	1,149	$1,890	$1,330	142.1%	$735	257.0%
SD	3	91	$2,003	$1,076	186.1%	$957	209.4%
TN	5	94	$2,563	$1,337	191.7%	$892	287.4%
TX	7	304	$2,757	$1,328	207.6%	$1,072	257.0%
UT	2	6	$1,203	$548	219.4%	$503	239.3%
VA	9	10,697	$1,374	$1,142	120.3%	$567	242.2%
VT	--	--	--	$961	--	--	--
WA	9	11,093	$1,625	$1,183	137.4%	$709	229.3%
WV	7	1,641	$1,697	$1,246	136.1%	$1,050	161.6%
WY	5	363	$1,514	$1,163	130.1%	$841	180.0%
US average	5	1,474	$1,733	$1,219	193.5%	$935	237.7%

Source: Authors' tabulations of 1999 NAIC data.

Note: Premiums are weighted by covered lives. Double dashes indicate that the policy form is not sold
  in the state. Waivered states are omitted.

Average Premiums for Open J Policies Compared to F, G and I Policies:
Individual Medigap Policies by State, 1999

States	Open J policies			All F policies		All G policies		All I policies	
	Number of plans	Total covered lives	Average premium	Average premium	Premium ratio: J/F	Average premium	Premium ratio: J/G	Average premium	Premium ratio: J/I
AK	2	517	$1,632	$1,140	143.2%	$1,057	154.4%	$1,545	105.6%
AL	4	534	$2,420	$1,549	156.2%	$1,145	211.3%	$2,097	115.4%
AR	4	552	$2,211	$1,158	190.9%	$1,054	209.7%	$2,140	103.3%
AZ	5	24	$2,814	$1,401	200.8%	$775	363.2%	$2,582	109.0%
CA	2	24	$2,897	$1,736	166.8%	$1,018	284.5%	$2,342	123.7%
CO	4	24	$3,214	$1,261	255.0%	$833	385.9%	$1,717	187.2%
CT	2	1204	$1,996	$1,279	156.1%	$850	234.8%	$2,566	77.8%
DC	2	550	$1,771	$1,234	143.5%	$1,179	150.2%	$1,429	123.9%
DE	2	1097	$1,633	$935	174.7%	$500	326.5%	$1,424	114.7%
FL	9	6648	$2,795	$1,788	156.3%	$1,544	181.1%	$2,265	123.4%
GA	5	2773	$2,248	$1,384	162.4%	$1,050	214.1%	$2,051	109.6%
HI	--	--	--	$1,069	--	$863	--	$1,958	--
IA	4	3514	$2,484	$1,095	226.8%	$809	307.0%	$1,767	140.5%
ID	4	795	$2,043	$1,310	155.9%	$1,079	189.3%	$1,750	116.8%
IL	9	8007	$2,180	$1,300	167.7%	$1,103	197.6%	$1,918	113.7%
IN	4	141	$2,033	$1,300	156.4%	$933	218.0%	$1,899	107.0%
KS	6	1549	$2,517	$1,251	201.1%	$803	313.6%	$1,769	142.3%
KY	5	1416	$2,188	$1,270	172.2%	$867	252.3%	$1,855	117.9%
LA	4	834	$2,355	$1,271	185.3%	$1,171	201.2%	$1,972	119.5%
MD	5	3274	$1,933	$1,170	165.2%	$739	261.7%	$1,871	103.3%
ME	1	1	$3,964	$1,019	388.9%	$472	839.4%	$1,503	263.8%
MI	3	70	$2,123	$1,238	171.5%	$1,014	209.3%	$1,867	113.7%
MO	8	1638	$2,536	$1,323	191.6%	$746	340.0%	$1,744	145.4%
MS	6	2601	$2,219	$1,309	169.5%	$915	242.5%	$2,012	110.3%
MT	4	24247	$134	$300	44.8%	$919	14.6%	$1,452	9.2%
NC	6	27219	$1,809	$1,108	163.3%	$606	298.3%	$1,564	115.6%
ND	3	30	$1,449	$1,091	132.8%	$894	162.2%	$1,180	122.8%
NE	6	413	$2,384	$1,169	204.0%	$810	294.2%	$1,814	131.4%
NH	2	2717	$280	$486	57.8%	$524	53.5%	$1,748	16.0%
NJ	1	242	$1,888	$1,178	160.4%	$648	291.5%	$1,410	133.9%
NM	3	25	$1,531	$1,184	129.2%	$765	200.1%	$1,605	95.4%
NV	5	1167	$2,014	$1,371	146.9%	$962	209.4%	$1,609	125.2%
NY	1	117	$2,860	$1,480	193.2%	$1,106	258.5%	$2,658	107.6%
OH	4	74	$2,304	$1,430	161.1%	$1,019	226.0%	$2,141	107.6%
OK	7	964	$2,209	$1,341	164.7%	$884	250.0%	$2,077	106.3%
OR	4	1261	$1,798	$1,159	155.1%	$803	224.0%	$1,648	109.1%
PA	3	76	$1,605	$923	173.8%	$733	218.9%	--	--
RI	2	342	$2,130	$1,405	151.6%	$1,234	172.5%	$1,799	118.4%
SC	5	16	$2,806	$1,330	211.0%	$735	3.8165	1908.35	147.0%
SD	4	1,360	$2,380	$1,076	221.1%	$957	2.48773	1514.23	157.2%
TN	5	47	$2,080	$1,337	1.55613	$892	2.33274	$2,398	86.7%
TX	9	1999	$2,579	$1,328	1.94156	$1,072	2.40431	$1,857	138.9%
UT	3	30	$1,678	$548	3.06052	$503	3.33831	$708	237.0%
VA	7	13144	$1,791	$1,142	1.56816	$567	3.15698	$1,382	129.6%
VT	1	2	$3,755	$961	3.90618	--	--	$1,627	230.8%
WA	6	1936	$1,895	$1,183	1.60236	$709	2.67426	$1,625	116.6%
WV	5	2303	$1,710	$1,246	1.37153	$1,050	1.62845	$1,711	99.9%
WY	4	606	$1,556	$1,163	1.33732	$841	1.84934	$1,496	104.0%
Average	4	2,513	$1,613	$1,219	174.3%	$935	258.5%	$1,677	135.4%

Source: Authors' tabulations of 1999 NAIC data.

Note: Premiums are weighted by covered lives. Double dashes indicate that the policy form is not sold
      in the state. Waivered states are omitted.

Appendix 4
Average Premiums for Open Guaranteed Issue H Policies
Compared to B and C Policies:
Individual Medigap Policies by State, 1999

States	Open guaranteed issue H policies			All B policies		All C policies	
	Number of plans	Total covered lives	Average premium	Average premium	Premium ratio: H/B	Average premium	Premium ratio: H/C
AK	1	2	$1,315	$911	144.3%	$1,089	120.7%
AL	3	14	$1,312	$1,117	117.4%	$1,256	104.5%
AR	1	10	$1,069	$1,273	84.0%	$1,059	100.9%
AZ	2	18	$2,756	$1,425	193.4%	$1,674	164.7%
CA	2	4	$2,663	$1,868	142.6%	$1,708	155.9%
CO	1	3	$1,593	$1,001	159.1%	$1,219	130.7%
CT	1	37	$1,544	$1,042	148.2%	$1,344	114.9%
DC	1	1	$1,183	$1,214	97.5%	$1,266	93.4%
DE	--	--	--	$1,031	--	$1,020	--
FL	7	124	$1,778	$1,236	143.8%	$1,465	121.4%
GA	1	4	$2,749	$1,283	214.3%	$1,325	207.4%
HI	1	4	$1,769	$1,305	135.6%	$1,309	135.2%
IA	--	--	--	$1,134	--	$1,386	--
ID	1	2	$2,349	$1,382	170.0%	$1,239	189.6%
IL	3	59	$2,098	$1,575	133.2%	$1,355	154.8%
IN	2	10	$1,501	$1,234	121.7%	$1,386	108.3%
KS	2	13	$859	$1,359	63.2%	$1,447	59.4%
KY	2	27	$1,914	$825	232.2%	$1,163	164.6%
LA	2	17	$1,315	$1,528	86.0%	$1,612	81.6%
MD	2	23	$1,085	$694	156.3%	$1,127	96.3%
ME	1	1	$621	$1,017	61.0%	$1,155	53.8%
MI	1	5	$2,079	$1,272	163.4%	$1,508	137.8%
MO	4	278	$1,358	$1,208	112.5%	$1,363	99.7%
MS	2	44	$1,813	$1,420	127.7%	$1,395	130.0%
MT	--	--	--	$800	--	$129	--
NC	1	5	$1,108	$1,120	98.9%	$1,203	92.1%
ND	--	--	--	$818	--	$1,053	--
NE	1	3	$1,453	$971	149.7%	$1,196	121.5%
NH	1	3	$1,872	$616	303.9%	$888	210.9%
NJ	1	61	$1,117	$810	137.8%	$1,455	76.8%
NM	--	--	--	$870	--	$1,337	--
NV	1	15	$1,247	$1,284	97.1%	$1,580	78.9%
NY	1	253	$1,646	$1,455	113.1%	$1,442	114.2%
OH	1	1	$8,754	$1,929	453.8%	$1,509	580.3%
OK	3	16	$1,345	$1,325	101.6%	$1,268	106.1%
OR	--	--	--	$1,127	--	$1,181	--
PA	2	40	$1,204	$719	167.5%	$903	133.4%
RI	1	3	$1,433	$1,324	108.2%	$1,355	105.8%
SC	1	3	$1,981	$1,073	184.5%	$1,135	174.6%
SD	1	1	$1,377	$1,130	121.8%	$1,252	110.0%
TN	2	5	$3,127	$1,229	254.5%	$1,341	233.1%
TX	1	5	$1,831	$1,290	142.0%	$1,268	144.4%
UT	3	3	$1,835	$888	206.6%	$971	189.0%
VA	2	12	$1,297	$976	132.9%	$1,364	95.1%
VT	1	1	$1,658	$1,002	165.5%	$913	181.5%
WA	3	37	$1,398	$899	155.5%	$1,109	126.0%
WV	3	12	$1,320	$1,280	103.2%	$1,312	100.6%
WY	1	3	$1,590	$1,176	135.2%	$1,060	150.0%
Average	2	28	$1,560	$1,091	142.5%	$1,159	137.7%

Source: Authors' tabulations of 1999 NAIC data.

Note: Premiums are weighted by covered lives. Double dashes indicate that the policy form is not sold in the state. Waivered states are omitted.