

**State:** Rhode Island **Filing Company:** UnitedHealthcare Insurance Company  
**TOI/Sub-TOI:** MS02G Group Medicare Supplement - Pre-Standardized/MS02G.000 Medicare Supplement - Pre-Standardized  
**Product Name:** GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS  
**Project Name/Number:** RATE/RERATE 2013 - PRE -STD

### Filing at a Glance

Company: UnitedHealthcare Insurance Company  
 Product Name: GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS  
 State: Rhode Island  
 TOI: MS02G Group Medicare Supplement - Pre-Standardized  
 Sub-TOI: MS02G.000 Medicare Supplement - Pre-Standardized  
 Filing Type: Rate  
 Date Submitted: 08/24/2012  
 SERFF Tr Num: UHLC-128535142  
 SERFF Status: Assigned  
 State Tr Num:  
 State Status: Open- Pending Management Review  
 Co Tr Num: RERATE 2013 - PRE -STD  
 Implementation: 01/01/2013  
 Date Requested:  
 Author(s): Michelle Ambach, Wanda Augustus, Tammy Frederick, Bobbie Walton, Sarah Michener, Celina Schrier, Lauren Mulhern  
 Reviewer(s): Herbert Olson (primary), Adrienne Evans, Sandra West, Charles DeWeese, Maria Casale  
 Disposition Date:  
 Disposition Status:  
 Implementation Date:  
 State Filing Description:  
 Assigned to 3 amigos 8-30-12 payment received 40.00 EFT slw

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### General Information

Project Name: RATE Status of Filing in Domicile: Pending  
 Project Number: RERATE 2013 - PRE -STD Date Approved in Domicile:  
 Requested Filing Mode: Review & Approval Domicile Status Comments:  
 Explanation for Combination/Other: Market Type: Group  
 Submission Type: New Submission Group Market Size: Large  
 Group Market Type: Association Overall Rate Impact:  
 Filing Status Changed: 08/27/2012  
 State Status Changed: 09/13/2012 Deemer Date:  
 Created By: Michelle Ambach Submitted By: Michelle Ambach  
 Corresponding Filing Tracking Number: RERATE 2013 - PRE - STD

**Filing Description:**  
 RE: Rate Revision Filing  
 Rates for Pre-Standardized Medicare Supplement Plans  
 UnitedHealthcare Insurance Company  
 NAIC #0707-79413

### Company and Contact

#### Filing Contact Information

Susan Cipollo, Director Susan\_J\_Cipollo@uhc.com  
 680 Blair Mill Rd. 215-902-8444 [Phone]  
 Horsham, PA 19044 215-902-8813 [FAX]

#### Filing Company Information

UnitedHealthcare Insurance Company CoCode: 79413 State of Domicile: Connecticut  
 185 Asylum Street Group Code: 707 Company Type: Life and Health  
 Hartford, CT 06103 Group Name: State ID Number:  
 (860) 702-5000 ext. [Phone] FEIN Number: 36-2739571

### Filing Fees

Fee Required? Yes  
 Fee Amount: \$40.00  
 Retaliatory? No  
 Fee Explanation: REQUIRED FEE  
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
UnitedHealthcare Insurance Company	\$40.00	08/24/2012	61998059

SERFF Tracking #:

UHLC-128535142

State Tracking #:

Company Tracking #:

RERATE 2013 - PRE -STD

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Rhode Island

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RATE/RERATE 2013 - PRE -STD

## Correspondence Summary

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
STATUS REQUEST	Note To Reviewer	Michelle Ambach	09/28/2012	09/28/2012
Actuarial Review Letter	Reviewer Note	Charles DeWeese	09/13/2012	

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## Note To Reviewer

**Created By:**

Michelle Ambach on 09/28/2012 01:23 PM

**Last Edited By:**

Michelle Ambach

**Submitted On:**

09/28/2012 01:24 PM

**Subject:**

STATUS REQUEST

**Comments:**

I would like to request the status of our Pre-Std 2013 rate filing.  
Any information you can provide to me would be greatly appreciated.  
Thanks

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## Reviewer Note

### Created By:

Charles DeWeese on 09/13/2012 12:39 PM

### Subject:

Actuarial Review Letter

### Comments:

Herb: I have attached a review letter recommending approval. This is a filing for a relatively modest increase (3.8%) on pre-standardized plans with 259 remaining subscriber. I think the increase request is reasonable, unless the Commissioner would like to ask for public comment.

# DeWeese Consulting, Inc.

Charles C. DeWeese, FSA, MAAA  
Consulting Actuary

263 Wright Road  
Canton CT 06019-3754  
Tel: (860) 693-3988  
Fax (860) 693-3989  
deweesecc@gmail.com

September 13, 2012

Mr. Herbert W. Olson  
Legal Counsel  
Office of the Health Insurance Commissioner  
1511 Pontiac Avenue  
Building 69-1  
Cranston, RI 02920

Re: United HealthCare Insurance Company  
AARP Pre-Standardized Plans Medical Supplement Rate Filing  
Group Policy Number G-36000-4  
SERFF # UHLC-128535142

Dear Herb:

I have reviewed the rate filing submitted September 14, 2011 by UnitedHealthCare requesting approval of rate increases that average 3.8% on each of United's pre-standardized plans. The rate changes vary slightly by plan because United rounds its monthly rates to the nearest \$0.25. These plans were last written in 1992 (prior to the introduction of the standardized plans). Consequently, the population is aging. There are approximately 259 members remaining in these plans in Rhode Island, the youngest of whom would be approximately 86 by the time the new rates are effective.

While the rate increases are designated for the 2013 calendar year and theoretically effective January 1, 2013, the company intends to defer the rate increases until April 1, 2013. I see no reason that should not be permissible. The filing is accompanied by an Actuarial Memorandum prepared by Timothy A. Koenig, ASA, MAAA, Director, Actuarial Services.

The rate filing involves standard actuarial methods. It is based on an expected lifetime loss ratio of 85.8%, an aggregate historical loss ratio of 85.8% and a benefit trend projection of 2.8%. In general, the trend assumptions are reasonable, particularly since the population covered is so elderly.

In my opinion, the proposed rates are reasonable, and it would be reasonable to approve them.

Sincerely,



Charles C. DeWeese, FSA, MAAA  
Consulting Actuary

SERFF Tracking #:

UHLC-128535142

State Tracking #:

Company Tracking #:

RERATE 2013 - PRE -STD

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### Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 2.500%  
**Effective Date of Last Rate Revision:** 01/01/2012  
**Filing Method of Last Filing:** SERFF

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
UnitedHealthcare Insurance Company	3.800%	3.800%	\$15,772	235	\$576,310	3.900%	0.000%

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RERATE 2013 - PRE -STD

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RATE/RERATE 2013 - PRE -STD

### Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action*	Rate Action Information	Attachments
1		RATE SCHEDULE AND RATE ATTACHMENTS	G-36000-4	New		RI Attachments 2013 (Pre).pdf RI Rate Schedule 2013 (Pre).pdf



# **UNITEDHEALTHCARE INSURANCE COMPANY**

## **PRE-STANDARDIZED MEDICARE SUPPLEMENT RATE FILING**

### **GROUP POLICY NUMBER G-36000-4**

#### **Rhode Island**

#### **EFFECTIVE 1/1/2013**

### **CONTENTS**

1. Rate Schedule (1 page)
2. Actuarial Memorandum (5 pages)
3. Attachment 1 – Loss Ratio Projections (1 page)
4. Attachment 2 – Experience Exhibit (1 page)
5. Attachment 3 – Per Member Per Month Claim Costs by Benefit (1 page)
6. Attachment 4 – Average Annualized Premiums (1 page)
7. Attachment 5 – Rate History (1 page)
8. Attachment 6 – Rhode Island and National Average Lives (2 pages)
9. Attachment 7 – Benefit Description Charts (5 pages)
10. Attachment 8 – Pre-Standardized Plans Trend Development (1 page)
11. Attachment 9 – Pre-Standardized Aggregate Loss Ratio Calculation (1 page)
12. Attachment 10 – Pre-Standardized Plans Paid and Incurred Experience (1 page)
13. Attachment 11 – Rates for Non Issued Plans (1 page)

August 2012

**RHODE ISLAND - LOSS RATIO PROJECTIONS**

Company: UnitedHealthcare Insurance Company  
 Policy Form: G-36000-4 Pre-Standardized Plans\*

**TOTAL PRE-STANDARDIZED****HISTORICAL EXPERIENCE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
1994	\$2,308,925	\$2,107,905	91.3%	3,422
1995	\$2,054,340	\$2,106,267	102.5%	3,132
1996	\$2,446,505	\$2,252,767	92.1%	2,730
1997	\$2,370,295	\$2,121,440	89.5%	2,301
1998	\$2,278,499	\$1,890,680	83.0%	1,725
1999	\$2,102,867	\$1,592,176	75.7%	1,380
2000	\$2,008,482	\$1,518,250	75.6%	1,237
2001	\$1,826,897	\$1,436,259	78.6%	1,128
2002	\$1,669,249	\$1,299,063	77.8%	990
2003	\$1,540,747	\$1,242,577	80.6%	900
2004	\$1,376,857	\$1,193,056	86.7%	801
2005	\$1,241,378	\$1,021,521	82.3%	701
2006	\$1,158,491	\$1,036,774	89.5%	615
2007	\$1,075,500	\$857,201	79.7%	536
2008	\$970,840	\$837,954	86.3%	464
2009	\$868,092	\$702,419	80.9%	401
2010	\$759,786	\$641,902	84.5%	338
2011	\$698,369	\$594,231	85.1%	301
2012	\$633,890	\$543,588	85.8%	268
<b>Total Historical</b>	<b>\$29,390,009</b>	<b>\$24,996,030</b>	<b>85.0%</b>	<b>n/a</b>
With Interest	\$53,229,484	\$45,692,351	85.8%	n/a

**PROJECTED EXPERIENCE - WITH 2013 RATE CHANGE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
2013	\$575,189	\$490,283	85.2%	235
2014	\$535,570	\$452,139	84.4%	205
2015	\$493,902	\$416,963	84.4%	178
2016	\$455,477	\$384,523	84.4%	155
2017	\$420,041	\$354,607	84.4%	135
2018	\$387,361	\$327,019	84.4%	117
2019	\$357,225	\$301,577	84.4%	102
2020	\$329,433	\$278,114	84.4%	89
2021	\$303,803	\$256,477	84.4%	77
2022	\$280,167	\$236,523	84.4%	67
<b>Total Projected</b>	<b>\$4,138,167</b>	<b>\$3,498,225</b>	<b>84.5%</b>	<b>n/a</b>
Discounted with Interest	\$3,379,235	\$2,857,406	84.6%	n/a

**PROJECTED EXPERIENCE - WITHOUT 2013 RATE CHANGE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
<b>Total Projected</b>	<b>\$3,991,503</b>	<b>\$3,498,225</b>	<b>87.6%</b>	<b>n/a</b>
Discounted with Interest	\$3,260,323	\$2,857,406	87.6%	n/a

**LIFETIME EXPERIENCE - WITH 2013 RATE CHANGE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
<b>Total Lifetime</b>	<b>\$33,528,176</b>	<b>\$28,494,255</b>	<b>85.0%</b>	<b>n/a</b>
Discounted with Interest	\$56,608,719	\$48,549,757	85.8%	n/a

\*Excludes AD/DP Experience.

**Rhode Island  
Pre-Standardized Medicare Supplement Exhibit**

**Total**

<b>Calendar Year</b>	<b>Incurred Claims</b>	<b>Earned Premiums</b>	<b>Loss Ratio</b>	<b>Average Lives</b>
<b>1994</b>	2,117,030	2,334,215	90.7%	3,422
<b>1995</b>	2,115,779	2,069,368	102.2%	3,132
<b>1996</b>	2,261,499	2,459,473	92.0%	2,730
<b>1997</b>	2,131,670	2,381,661	89.5%	2,301
<b>1998</b>	1,905,170	2,288,154	83.3%	1,725
<b>1999</b>	1,601,086	2,111,097	75.8%	1,380
<b>2000</b>	1,526,950	2,015,683	75.8%	1,237
<b>2001</b>	1,445,679	1,833,246	78.9%	1,128
<b>2002</b>	1,302,903	1,674,866	77.8%	990
<b>2003</b>	1,244,719	1,545,846	80.5%	900
<b>2004</b>	1,194,616	1,381,223	86.5%	801
<b>2005</b>	1,023,921	1,245,144	82.2%	701
<b>2006</b>	1,039,624	1,161,845	89.5%	615
<b>2007</b>	859,451	1,078,304	79.7%	536
<b>2008</b>	841,434	973,203	86.5%	464
<b>2009</b>	704,819	870,122	81.0%	401
<b>2010</b>	644,302	761,502	84.6%	338
<b>2011</b>	596,791	699,843	85.3%	301

*\*Pre-Standardized Plans in force on the SSAA-94 effective date are grouped together by type and treated as if they were issued on the SSAA-94 effective date.*

*\*\*Includes AD/DP experience.*

**PRE-STANDARDIZED PLANS  
RHODE ISLAND BENEFIT COSTS**

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	Per Member Per Month Costs*					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Proj 2012</u>	<u>Proj 2013</u>
Part B Coinsurance	\$84.64	\$90.83	\$92.37	\$93.76	\$94.82	\$96.91
Part B Excess Charges	\$0.07	\$0.56	\$0.33	\$0.27	\$0.27	\$0.30
Part A Deductible	\$28.48	\$24.49	\$28.65	\$30.09	\$31.13	\$32.00
Long Hospital Stay	\$0.83	\$0.00	\$0.00	\$0.29	\$0.50	\$0.50
SNF Day 21-100	\$34.07	\$26.73	\$37.62	\$40.45	\$41.05	\$42.61
SNF Day 101-365	\$3.22	\$4.28	\$0.64	\$1.00	\$2.00	\$2.25
Other	\$0.08	\$0.00	\$0.00	\$0.00	\$0.09	\$0.10
Prescription Drugs	\$26.09	\$27.97	\$30.18	\$25.49	\$26.92	\$26.57
<b>Total PMPM Cost**</b>	<b>\$151.17</b>	<b>\$146.35</b>	<b>\$158.97</b>	<b>\$165.13</b>	<b>\$169.18</b>	<b>\$173.93</b>
<i>Trend</i>		-3.2%	8.6%	3.9%	2.5%	2.8%

*"Other" includes foreign care and/or private duty nursing benefits.*

\* *The per member per month cost is equal to the incurred claims divided by the number of lives with that specific benefit.*

\*\* *Beginning in 2006, some insureds enrolled in plans that offer prescription drug coverage will not have the drug benefit.*

### Rhode Island Average Annualized Premiums\*

<u>Plan</u>	Proposed <u>2013</u>	<u>2012</u>
M1/J1/P1	\$1,599	\$1,544
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$1,931	\$1,867
M3/J3/P3	\$3,006	\$2,895
M4	-	-
M5/J5/P5	\$1,887	\$1,810
M6/J6/P6/DC/DE/DF	\$2,346	\$2,259
M7/P7	\$3,103	\$2,989
MA/PA	\$1,584	\$1,525
AD/DP	\$47	\$47

*\*Average premiums are net of discounts.*

**Rhode Island  
Pre-Standardized Plans Rate History**

	<u>1/2008</u>	<u>1/2009</u>	<u>1/2010</u>	<u>1/2011</u>	<u>1/2012*</u>	<u>Proposed 1/2013**</u>	<u>2009/2008</u>	<u>2010/2009</u>	<u>2011/2010</u>	<u>2012/2011*</u>	<u>Proposed 2013/2012**</u>
<b>M1/J1/P1</b>	\$116.25	\$120.00	\$124.75	\$128.00	\$131.25	\$136.25	3.2%	4.0%	2.6%	2.5%	3.8%
<b>M2/J2/P2/MC/MH/MM/MS/DA/DB</b>	\$140.00	\$144.50	\$150.25	\$154.25	\$158.25	\$164.25	3.2%	4.0%	2.7%	2.6%	3.8%
<b>M3/J3/P3 (with drugs)</b>	\$241.25	\$248.75	\$258.75	\$265.50	\$272.25	\$282.50	3.1%	4.0%	2.6%	2.5%	3.8%
<b>M3/J3/P3 (without drugs)</b>	\$211.75	\$218.50	\$227.25	\$233.00	\$239.00	\$248.00	3.2%	4.0%	2.5%	2.6%	3.8%
<b>M4 (with drugs)</b>	\$264.00	\$272.25	\$283.25	\$290.75	\$298.25	\$309.50	3.1%	4.0%	2.6%	2.6%	3.8%
<b>M4 (without drugs)</b>	\$234.50	\$241.75	\$251.50	\$258.25	\$264.75	\$274.75	3.1%	4.0%	2.7%	2.5%	3.8%
<b>M5/J5/P5</b>	\$136.50	\$140.75	\$146.50	\$150.50	\$154.50	\$160.50	3.1%	4.1%	2.7%	2.7%	3.9%
<b>M6/J6/P6/DC/DE/DF</b>	\$170.25	\$175.50	\$182.50	\$187.25	\$192.00	\$199.25	3.1%	4.0%	2.6%	2.5%	3.8%
<b>M7/P7 (with drugs)</b>	\$251.25	\$259.25	\$269.50	\$276.50	\$283.50	\$294.25	3.2%	4.0%	2.6%	2.5%	3.8%
<b>M7/P7 (without drugs)</b>	\$221.75	\$228.75	\$238.00	\$244.25	\$250.50	\$260.25	3.2%	4.0%	2.6%	2.6%	3.9%
<b>MA/PA</b>	\$115.25	\$118.75	\$123.50	\$126.75	\$130.00	\$135.00	3.0%	4.0%	2.6%	2.6%	3.8%
<b>AD/DP</b> (Recuperation Care Rider)	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	0.0%	0.0%	0.0%	0.0%	0.0%

\* The 2012 rates were deferred until April 1, 2012.

\*\* We are proposing to defer the implementation of the 2013 rate changes to April 1, 2013.

**Rhode Island Average Lives**

<u>Plan</u>	<u>2013</u>	<u>2012</u>
M1/J1/P1	3	4
M2/J2/P2/MC/MH/MM/MS/DA/DB	4	5
M3/J3/P3	42	49
M4	-	-
M5/J5/P5	2	2
M6/J6/P6/DC/DE/DF	152	171
M7/P7	20	23
MA/PA	12	14
AD/DP	24	27

**National Average Lives**

<u>Plan</u>	<u>2013</u>	<u>2012</u>
M1/J1/P1	2,889	3,458
M2/J2/P2/MC/MH/MM/MS/DA/DB	6,601	8,338
M3/J3/P3	14,428	17,496
M4	132	153
M5/J5/P5	2,604	3,088
M6/J6/P6/DC/DE/DF	83,768	101,682
M7/P7	13,566	16,139
MA/PA	6,355	7,384
AD/DP	11,018	13,338



Service	Benefit	AARP's Medicare Supplement (M1, P1, J1)	AARP's Medicare Supplement Plus (M2,P2,J2)
<p><b>HOSPITAL EXPENSES</b> (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$297	Actual charges up to \$1188
	Days 61 through 90	to \$297/day	to \$297/day
	Days 91 and after when using a Lifetime Reserve Day	\$594/day	\$594/day
	Days 91 and after when LTR's are available but not used	\$594/day for up to 60 days	\$594/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p><b>SKILLED NURSING FACILITY STAYS</b> (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$148.50/day	\$148.50/day
	Days 101 through 365	\$297/day	\$297/day
<p><b>MEDICAL CARE</b> (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$200 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$200 medical deductible**
<p><b>IN-HOSPITAL PRIVATE DUTY NURSING CARE</b></p>	In-Hospital Care by an RN or LPN	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.
<p><b>BLOOD</b> - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
<p><b>PRESCRIPTION DRUGS</b></p>	Purchased Out-of-Hospital and outside of a SNF	No benefit	No benefit
<p><b>FOREIGN HOSPITAL &amp; MEDICAL CARE</b> Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges after first \$50 up to \$25,000 per trip period	80% of reasonable charges after first \$50 up to \$25,000 per trip period

\* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

\*\* Medical deductible- first \$200 (Plans M1 & M2) or first \$153 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

Service	Benefit	AARP's Extended Medicare Supplement (M3,P3,J3)	AARP'S Comprehensive Medicare Supplement (M4)
<p><b>HOSPITAL EXPENSES</b> (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$1188	Actual charges up to \$1188
	Days 61 through 90	to \$297/day	to \$297/day
	Days 91 and after when using a Lifetime Reserve Day	\$594/day	\$594/day
	Days 91 and after when LTR's are available but not used	\$594/day for up to 60 days	\$594/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p><b>SKILLED NURSING FACILITY STAYS</b> (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$148.50/day	\$148.50/day
	Days 101 through 365	\$297/day	\$297/day
<p><b>MEDICAL CARE</b> (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$153 medical deductible**	100% of Medicare eligible expenses not paid in full by Medicare, up to the limiting charge set by Medicare, after a \$153 medical deductible**
<p><b>IN-HOSPITAL PRIVATE DUTY NURSING CARE</b></p>	In-Hospital Care by an RN or LPN	80% of usual and prevailing charges	80% of usual and prevailing charges
<p><b>BLOOD</b> - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
<p><b>PRESCRIPTION DRUGS</b></p>	Purchased Out-of-Hospital and outside of a SNF	50% of usual and prevailing charges after \$50 deductible; Max benefit of \$500/yr.	50% of usual and prevailing after \$50 deductible; Max benefit of \$500/yr.
<p><b>FOREIGN HOSPITAL &amp; MEDICAL CARE</b> Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges after first \$50 up to \$25,000 per trip period	80% of reasonable charges after first \$50 up to \$25,000 per trip period

\* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

\*\* Medical deductible- first \$200 (Plans M1 & M2) or first \$153 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

Service	Benefit	AARP's Medicare Supplement (M5,P5,J5)	AARP'S Medicare Supplement Plus (M6,P6,J6)
<p><b>HOSPITAL EXPENSES</b> (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$297	Actual charges up to \$1188
	Days 61 through 90	to \$297/day	to \$297/day
	Days 91 and after when using a Lifetime Reserve Day	\$594/day	\$594/day
	Days 91 and after when LTR's are available but not used	\$594/day for up to 60 days	\$594/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p><b>SKILLED NURSING FACILITY STAYS</b> (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$148.50/day	\$148.50/day
	Days 101 through 365	\$297/day	\$297/day
<p><b>MEDICAL CARE</b> (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$153 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$153 medical deductible**
<p><b>IN-HOSPITAL PRIVATE DUTY NURSING CARE</b></p>	In-Hospital Care by an RN or LPN	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.
<p><b>BLOOD</b> - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
<p><b>PRESCRIPTION DRUGS</b></p>	Purchased Out-of-Hospital and outside of a SNF	No benefit	No benefit
<p><b>FOREIGN HOSPITAL &amp; MEDICAL CARE</b> Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges after first \$50 up to \$25,000 per trip period	80% of reasonable charges after first \$50 up to \$25,000 per trip period

\* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

\*\* Medical deductible- first \$200 (Plans M1 & M2) or first \$153 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

Service	Benefit	AARP'S Comprehensive Medicare Supplement (M7,P7)	AARP's Medicare Supplement (MA, PA)
<p><b>HOSPITAL EXPENSES</b> (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$1188	No benefit
	Days 61 through 90	to \$297/day	to \$297/day
	Days 91 and after when using a Lifetime Reserve Day	\$594/day	\$594/day
	Days 91 and after when LTR's are available but not used	\$594/day for up to 60 days	\$594/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p><b>SKILLED NURSING FACILITY STAYS</b> (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$148.50/day	\$148.50/day
	Days 101 through 365	\$297/day	\$297/day
<p><b>MEDICAL CARE</b> (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	Medicare eligible expenses not paid in full by Medicare. Up to the usual & prevailing charge set by Medicare after a \$153 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$153 medical deductible**
<p><b>IN-HOSPITAL PRIVATE DUTY NURSING CARE</b></p>	In-Hospital Care by an RN or LPN	80% of the usual and prevailing charges	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/hospital stay
<p><b>BLOOD</b> - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	100% of the cost not paid by Medicare
<p><b>PRESCRIPTION DRUGS</b></p>	Purchased Out-of-Hospital and outside of a SNF	50% of usual and prevailing charges after \$50 deductible; Max benefit of \$500/yr.	No benefit
<p><b>FOREIGN HOSPITAL &amp; MEDICAL CARE</b> Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges after first \$50 up to \$25,000 per trip period	80% of reasonable charges after first \$50 up to \$25,000 per trip period

\* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

\*\* Medical deductible- first \$200 (Plans M1 & M2) or first \$153 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

Service	Benefit	AD/DP
<i>Nursing Home Stays</i>	Days 1-20 per calendar year*	\$60/day
	Days 21 and after	No Benefit
<i>Home Health Care Visits</i>	Visits 1-40 per calendar year*	\$30/visit; 3 hr. minimum/visit
	Visits 41 and after	No Benefit

\* Days and visits which are covered (wholly or partly) by Medicare are days and visits not eligible for benefits under this rider.

## Rhode Island Medicare Supplement Pre-Standardized Plans Trend Development

The components of the composite trend are shown below.

### Part B Coinsurance.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Medicare Fee Update	1.0%	0.3%	0.0%	1.0%
Utilization Trend	0.7%	1.2%	1.2%	1.2%
Composite Trend	1.7%	1.5%	1.1%	2.2%

The net increase in the cost for Part B services in 2012 was 0.0%. For 2013, we assume a net increase of 1.0%.

Utilization trend considers changes in the number of services used as well as the intensity of services. Our assumed utilization trends for 2012 and 2013 are 1.2% and 1.2%, respectively.

**Part B Excess.** Projected claim costs for 2012 and 2013 are \$0.27 and \$0.30 respectively.

### Part A Deductible.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Medicare Part A Deductible	\$1,100	\$1,132	\$1,156	\$1,188
% Change in Part A Deductible	3.0%	2.9%	2.1%	2.8%
Utilization Trend	13.6%	2.1%	1.3%	0.0%
Composite Trend	17.0%	5.0%	3.4%	2.8%

**Hospital Co-Payments.** Hospital Co-payments are paid for days 61 and after for long hospital stays.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Medicare Daily Coinsurance Amount	\$275	\$283	\$289	\$297
% Change in Daily Coinsurance	3.0%	2.9%	2.1%	2.8%
Utilization/ Length of Stay Trend	N/A	N/A	71.0%	-2.7%
Composite Trend	N/A	N/A	74.6%	0.0%

**Skilled Nursing.** Medicare Supplement plans which have a skilled nursing facility stay benefit pay the Medicare cost sharing amount for days 21-100. These plans also cover an additional 265 days.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Medicare Daily Coinsurance	\$138	\$142	\$145	\$149
% Change in Daily Coinsurance	3.0%	2.9%	2.1%	2.8%
Utilization/Length of Stay, days 21-365	19.8%	5.3%	1.7%	1.4%
Composite Trend	23.4%	8.4%	3.8%	4.2%

**Foreign Care / Private Duty Nursing.** In aggregate, these benefits represent less than 0.1% of the total Rhode Island claim cost and have assumed costs based on recent experience.

**Prescription Drugs.** Our assumed composite trends for plans M3, M4, and M7 are 5.6% for 2012, and -1.3% for 2013, based on recent experience.

## RHODE ISLAND AGGREGATE LOSS RATIO CALCULATION

	<u>Premium</u>	<u>Premium</u>	<u>Incurred</u>	<u>Incurred Claims</u>	<u>Incurred</u>
	<u>a</u>	<u>to 12/12</u>	<u>Claims</u>	<u>to 12/12</u>	<u>Loss Ratio</u>
	a	b	c	d	d/b
<b>TOTAL M-SERIES</b>					
1990	\$1,694,000	\$5,077,765	\$1,644,749	\$4,930,136	97.1%
1991	\$2,061,167	\$5,884,142	\$1,741,043	\$4,970,265	84.5%
1992	\$2,277,300	\$6,191,571	\$2,257,282	\$6,137,146	99.1%
1993	\$2,367,460	\$6,130,191	\$2,195,875	\$5,685,896	92.8%
1994	\$2,308,925	\$5,693,927	\$2,107,905	\$5,198,202	91.3%
1995	\$2,054,340	\$4,824,864	\$2,106,267	\$4,946,820	102.5%
1996	\$2,446,505	\$5,472,296	\$2,252,767	\$5,038,947	92.1%
1997	\$2,370,295	\$5,049,361	\$2,121,440	\$4,519,235	89.5%
1998	\$2,278,499	\$4,622,678	\$1,890,680	\$3,835,861	83.0%
1999	\$2,102,867	\$4,063,193	\$1,592,176	\$3,076,426	75.7%
2000	\$2,008,482	\$3,696,018	\$1,518,250	\$2,793,891	75.6%
2001	\$1,826,897	\$3,201,777	\$1,436,259	\$2,517,154	78.6%
2002	\$1,669,249	\$2,786,177	\$1,299,063	\$2,168,292	77.8%
2003	\$1,540,747	\$2,449,231	\$1,242,577	\$1,975,248	80.6%
2004	\$1,376,857	\$2,084,481	\$1,193,056	\$1,806,217	86.7%
2005	\$1,241,378	\$1,789,879	\$1,021,521	\$1,472,879	82.3%
2006	\$1,158,491	\$1,590,828	\$1,036,774	\$1,423,687	89.5%
2007	\$1,075,500	\$1,406,538	\$857,201	\$1,121,047	79.7%
2008	\$970,840	\$1,209,204	\$837,954	\$1,043,691	86.3%
2009	\$868,092	\$1,029,741	\$702,419	\$833,218	80.9%
2010	\$759,786	\$858,350	\$641,902	\$725,173	84.5%
2011	\$698,369	\$751,396	\$594,231	\$639,351	85.1%
2012	\$633,890	\$649,544	\$543,588	\$557,012	85.8%
Sub-Total	\$37,789,936	\$76,513,153	\$32,834,979	\$67,415,794	88.1%
2013	\$575,189	\$561,327	\$490,283	\$478,468	85.2%
2014	\$535,570	\$497,774	\$452,139	\$420,231	84.4%
2015	\$493,902	\$437,187	\$416,963	\$369,083	84.4%
2016	\$455,477	\$383,976	\$384,523	\$324,160	84.4%
2017	\$420,041	\$337,240	\$354,607	\$284,705	84.4%
2018	\$387,361	\$296,193	\$327,019	\$250,053	84.4%
2019	\$357,225	\$260,142	\$301,577	\$219,618	84.4%
2020	\$329,433	\$228,479	\$278,114	\$192,887	84.4%
2021	\$303,803	\$200,670	\$256,477	\$169,410	84.4%
2022	\$280,167	\$176,246	\$236,523	\$148,790	84.4%
Aggregate (1990-2022)	\$41,928,103	\$79,892,388	\$36,333,204	\$70,273,200	88.0%
Expected Future (2013-2022)	\$4,138,167	\$3,379,235	\$3,498,225	\$2,857,406	84.6%

Assumption: Interest rate is 5%.

**Rhode Island Pre-Standardized  
Paid and Incurred Experience**  
*(Most recent 5 years shown)*

<b>Pre-Standardized *</b>	<u>Paid Premium</u>	<u>Earned Premium</u>	<u>Paid Claims</u>	<u>Incurred Claims</u>	<u>Incurred Expenses</u>	<u>Paid Loss Ratios</u>	<u>Incurred Loss Ratios</u>
2007	1,075,500	1,075,500	876,078	857,201	162,687	81.5%	79.7%
2008	970,840	970,840	863,797	837,954	145,576	89.0%	86.3%
2009	868,092	868,092	767,540	702,419	135,069	88.4%	80.9%
2010	759,786	759,786	619,321	641,902	117,837	81.5%	84.5%
2011	698,369	698,369	620,501	594,231	112,243	88.8%	85.1%

\* Excludes AD/DP



**2013 RATES FOR PLANS NOT ISSUED IN  
RHODE ISLAND**

<u>Plan</u>	<u>Monthly Rate</u>
S1	\$136.25
S2	\$164.25
S3 (with drugs)	\$282.50
S3 (without drugs)	\$248.00
S4 (with drugs)	\$309.50
S4 (without drugs)	\$274.75
S6	\$199.25
S7 (with drugs)	\$294.25
S7 (without drugs)	\$260.25
SA	\$135.00
TA/XA/HA/YA	\$135.00
NA/QA	\$132.25
N6/Q6	\$192.00
N3/Q3 (with drugs)	\$90.50
N3/Q3 (without drugs)	\$56.00
N7/Q7 (with drugs)	\$102.25
N7/Q7 (without drugs)	\$68.25
M8/P8	\$157.50
M9/P9	\$197.00
D6/D7/D8/D9	\$14.75

**2013 Rates for Pre-Baucus Coverages**

AG	\$55.50
W (with drugs)	\$249.00
W (without drugs)	\$226.50
X	\$159.50
Y	\$104.50

UNITEDHEALTHCARE INSURANCE COMPANY  
AARP MEDICARE SUPPLEMENT PORTFOLIO

**RATE SCHEDULE**

FOR

**RHODE ISLAND**

GROUP POLICY NUMBER G-36000-4

<u>Plan</u>	<u>Proposed 2013 Monthly Rate</u>	<u>2012 Monthly Rate</u>	<u>Diff. (%)</u>
M1/J1/P1	\$136.25	\$131.25	3.8%
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$164.25	\$158.25	3.8%
M3/J3/P3 (with drugs)	\$282.50	\$272.25	3.8%
M3/J3/P3 (without drugs)	\$248.00	\$239.00	3.8%
M4 (with drugs)	\$309.50	\$298.25	3.8%
M4 (without drugs)	\$274.75	\$264.75	3.8%
M5/J5/P5	\$160.50	\$154.50	3.9%
M6/J6/P6/DC/DE/DF	\$199.25	\$192.00	3.8%
M7/P7 (with drugs)	\$294.25	\$283.50	3.8%
M7/P7 (without drugs)	\$260.25	\$250.50	3.9%
MA/PA	\$135.00	\$130.00	3.8%
AD/DP	\$4.00	\$4.00	0.0%

*\* Discounts available for Multi-Insured, Electronic Funds Transfer, and Annual Pay.*

**State:** Rhode Island **Filing Company:** UnitedHealthcare Insurance Company  
**TOI/Sub-TOI:** MS02G Group Medicare Supplement - Pre-Standardized/MS02G.000 Medicare Supplement - Pre-Standardized  
**Product Name:** GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS  
**Project Name/Number:** RATE/RERATE 2013 - PRE -STD

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	A&H Experience		
Comments:	THE EXPERIENCE IS ATTACHED TO THE RATE/RULE SCHEDULE TAB.		
		Item Status:	Status Date:
Satisfied - Item:	Actuarial Certification - Life & A&H		
Comments:	THE ACTUARIAL CERTIFICATION IS INCLUDED IN THE ACTUARIAL MEMORANDUM.		
		Item Status:	Status Date:
Satisfied - Item:	Actuarial Memorandum - A&H Rate Revision Filing		
Comments:	SEE ATTACHED ACTUARIAL MEMORANDUM.		
Attachment(s):			
RI Memorandum 2013 (Pre).pdf			
		Item Status:	Status Date:
Bypassed - Item:	Exhibit - Group Medicare Supplement		
Bypass Reason:	N/A		
Comments:			
		Item Status:	Status Date:
Satisfied - Item:	Premium Rate Sheets - Life & A&H		
Comments:	THE RATES ARE ATTACHED TO THE RATE/RULE SCHEDULE TAB.		
		Item Status:	Status Date:
Satisfied - Item:	Cover Letter		
Comments:	SEE ATTACHED COVER LETTER.		
Attachment(s):			
RI cover letter 2013 (Pre).pdf			
		Item Status:	Status Date:

**SERFF Tracking #:**

UHLC-128535142

**State Tracking #:**

**Company Tracking #:**

RERATE 2013 - PRE -STD

**State:**

Rhode Island

**Filing Company:**

UnitedHealthcare Insurance Company

**TOI/Sub-TOI:**

MS02G Group Medicare Supplement - Pre-Standardized/MS02G.000 Medicare Supplement - Pre-Standardized

**Product Name:**

GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS

**Project Name/Number:**

RATE/RERATE 2013 - PRE -STD

Satisfied - Item:	Uniform Transmittal Document		
Comments:	SEE ATTACHED UNIFORM TRANSMITTAL DOCUMENT.		
Attachment(s):			
RI Uniform Transmittal 2013 (Pre).pdf			

**UnitedHealthcare Insurance Company**

**Actuarial Memorandum**

**AARP Medicare Supplement Portfolio**

**Group Policy Number G-36000-4**

Rhode Island

**A. Purpose of Filing**

The purpose of this filing is to request approval of 2013 rate revisions for Pre-Standardized Medicare Supplement plans offered to AARP members and to demonstrate compliance with loss ratio standards.

**B. General Description**

1. Issuer Name – The Prudential Insurance Company of America. UnitedHealthcare assumed this risk effective January 1, 1998, through an assumptive reinsurance agreement with Prudential.
2. Form Number – Group Policy Number G-36000-4  
Prescription Drug Elimination Rider: CRA 1664
3. Policy Type – Pre-Standardized Group Medicare Supplement.
4. Benefit Description – See Attachment 7 for plan specific benefit descriptions. These Medicare Supplement plans were sold prior to standardization and met Baucus requirements.

Prescription drug benefits will be discontinued for insureds covered by Plans M3, M4, and M7 who enroll in Medicare Part D. Prescription drug benefits will continue for insureds covered by Plans M3, M4, and M7 who do not enroll in Medicare Part D.

5. Renewal Provision – Guaranteed renewable. If the group policy is terminated by the group policyholder and not replaced by another group policy by the same policyholder, an individual policy will be offered.
6. Marketing Method – This is a closed block of business. Plans were marketed through the mail to members of AARP.
7. Underwriting Method – The Pre-Standardized Plans and Rider AD/DP were available on a guaranteed issue basis.

8. Pre-Existing Conditions Exclusion – This is a closed block of business; the maximum exclusion on any of these plans was 6 months/6 months.
9. Issue Age Limits – This is a closed block of business.
10. Premium Basis – Premium is earned on the first of the month for the entire month in which it is due. Premiums do not vary by age and contain no pre-funding components.

Discounts Available – The discounts currently available to AARP Medicare Supplement members will remain:

- a) Payment by Electronic Funds Transfer (\$2.00 per household per month).
- b) Annual Pay (\$24 per household for those that pay their entire calendar year premium in January).
- c) Multi-Insured - 5% when two or more insureds on one account have at least one plan of insurance issued under a group master policy between the Trustees of AARP and UnitedHealthcare Insurance Company.

11. Actuary's Name: Timothy A. Koenig, ASA, MAAA  
Director, Actuarial Services  
UnitedHealthcare Insurance Company  
Post Office Box 130  
Montgomeryville, PA 18936  
(215) 902-8429

12. Domicile State Approval – UnitedHealthcare Insurance Company is domiciled in Connecticut. The Connecticut Department of Insurance does not require these rates to be filed for your state. We file Connecticut specific rates (i.e., rates charged to Connecticut residents) with the Connecticut Department of Insurance. Proposed 2013 Connecticut specific rates will be filed for approval with the Connecticut Department of Insurance in August, 2012.

### **C. Rate Methodology/Assumptions**

1. General Method – Projections used in developing the 2013 rates are shown in Attachment 1. Based on historical claim patterns, per member per month net claim costs are developed by benefit and trended to the end of the 2013 rating period (also see Attachment 3).

The rate increase percentage for these certificates represents the average increase needed for the plans when grouped together. This approach should result in more moderate increases for all of the insureds.

The rates are based on state of residence. When notification of a change of residence is received, rates are adjusted accordingly.

2. Priced with Trend/Selection – Claim cost trends are projected for 2012 and 2013. The trend assumptions are based on the historical experience of the AARP Medicare Supplement Plans in your state. These certificates have been in force since 1992 or prior; no explicit adjustment for selection is included in the pricing.
3. Priced with Rate Increases – We anticipate future annual rate increases similar to future medical trend levels for most plans.
4. Commission Rate – None.
5. Replacement Commissions – None.
6. Lapse Assumption – Lapse assumptions are based on actual experience in your state. For 2012 and 2013, the assumed annual lapse rates (including death) are 11.0% and 12.3%, respectively.
7. Morbidity Assumption – Morbidity assumptions are based on actual experience in your state and are incorporated into the trend projections and base claim costs.
8. Interest Assumptions – 5.0%.
9. Pre-Funding – These plans are community-rated. The rates are projected to be effective until December 31, 2013 and reflect no pre-funding.

#### **D. Scope/Reason for Request**

1. Overall Increase – The overall increase is 3.8%.
2. Variations by Cell – The requested rate increases represent the average increase needed for the plans when grouped together (see enclosed Rate Schedule).
3. Effective Date – January 1, 2013.
4. Timing – These plans are rated on a calendar year basis. For 2013, we propose to defer the rate revision until April 1, 2013, and have rates effective through December 31, 2013.

#### **E. Rates and Rating Factors**

1. Current – See Rate Schedule.
2. Proposed – See Rate Schedule.
3. Period Rates Apply – Effective January 1, 2013. We anticipate filing rates for January 1, 2014.

**F. Average Annualized Premium** - \$2,474. See Attachment 4 for annualized premiums by plan.

**G. Rate History** – See Attachment 5.

**H. Average Lives** – See Attachment 1.

**I. Historical Incurred Claims** – See Attachment 1.

**J. Historical Earned Premium** – See Attachment 1.

**K. Loss Ratio Projection**

1. Definition – Loss ratios are calculated as incurred claims divided by premium.
2. Base Period – Claim cost projections are based on claim data incurred through 2011.
3. Lapse Assumption – Lapse assumptions are based on actual AARP Medicare Supplement experience in your state. For 2012 and 2013, the assumed annual lapse rates (including death) are 11.0% and 12.3%, respectively.
4. Claim Trend Assumption – Claim trend projections are based on actual AARP Medicare Supplement experience in your state and reflect changes made to the Medicare program. See Attachment 3 for projected claim trends.
5. Attained Age/Selection Adjustments – These plans are community rated. Demographic and selection differences are built into the historical claim costs.
6. Future Rate Increases – We anticipate future annual rate increases similar to future medical trend levels for most plans.
7. Interest Assumption – 5.0%.
8. With and Without Rate Change
  - The anticipated loss ratio with the rate change implemented on April 1, 2013 is 85.8%.
  - Without a change to the 2012 rates, the anticipated loss ratio is 85.9%.

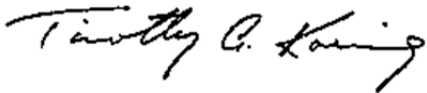


**L. Loss Ratio Demonstration**

All Pre-Standardized plans have been in force at least three years. The anticipated loss ratio for these plans is 85.8% (See Attachment 1). This anticipated loss ratio meets or exceeds the loss ratio presumed reasonable by Rhode Island law.

**M. Actuarial Certification**

1. The assumptions within this filing present my best judgment as to the expected value for each assumption and are consistent with UnitedHealthcare's business plan at the time of the filing.
2. The anticipated lifetime loss ratio, future loss ratios, and third-year loss ratios all meet or exceed the applicable ratio.
3. This filing was prepared based on the current standards of practice as promulgated by the Actuarial Standards Board including the data quality standard of practice. I relied on prior audits of the source data used in this filing and compared the data contained in prior comparable submissions to verify its reasonability.
4. To the best of my knowledge, this filing is in compliance with the applicable laws and regulations of the state of Rhode Island. I relied on direction and advice from other UnitedHealth Group staff regarding legal and compliance requirements.
5. The rates determined in this filing are reasonable in relationship to the benefits provided.



\_\_\_\_\_  
Timothy A. Koenig, ASA, MAAA  
Director, Actuarial Services

\_\_\_\_\_  
August 24, 2012

Date



UnitedHealth Group  
P.O. Box 130  
Montgomeryville PA 18936

August 24, 2012

Joseph Torti III  
Superintendent  
Rhode Island Department of Business Regulation  
Division of Insurance  
1511 Pontiac Avenue, Building 69-2  
Cranston, Rhode Island 02920

RE: Rate Revision Filing  
Rates for Pre-Standardized Medicare Supplement Plans  
UnitedHealthcare Insurance Company  
NAIC #0707-79413

Dear Superintendent:

The attached filing is made to obtain approval for rates effective January 1, 2013 for Pre-Standardized Medicare Supplement Plans, issued to members of AARP.

The proposed rates include an average rate increase of 3.8%. With these increases we project an anticipated loss ratio of 85.8%.

The enclosed actuarial memorandum provides supporting information. Certification regarding compliance with loss ratio standards for your state is also provided.

The rates are proposed to be effective January 1, 2013 through December 31, 2013. For 2013, we propose to defer the implementation of the January 1, 2013 rate revision until April 1, 2013, and have the rates effective through December 31, 2013. We anticipate that the next rate revision will be effective January 1, 2014 through December 31, 2014.

We would appreciate your acting expeditiously on this request so that we can provide AARP members with adequate notice of their 2013 rates.

If you need any further information regarding this matter, please contact me at (215) 902-8429, or via fax at (215) 902-8802. If you prefer to e-mail me, my address is Timothy\_A\_Koenig@uhc.com.

Sincerely,

A handwritten signature in black ink that reads 'Timothy A. Koenig'.

Timothy A. Koenig, ASA, MAAA  
Director, Actuarial Services

## Life, Accident & Health, Annuity, Credit Transmittal Document

<b>1.</b>	<b>Prepared for the State of</b>	<b>Rhode Island</b>
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<b>2.</b>	<b>Department Use Only</b>
	<b>State Tracking ID</b>

3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
	UnitedHealthcare Insurance Company P.O. Box 130 Montgomeryville, Pa 18936	CT	HEALTH	0707	79413	36-2739571	

4.	Contact Name & Address	Telephone #	Fax #	E-mail Address
	TIMOTHY A. KOENIG P.O.BOX 130 MONTGOMERYVILLE, PA 18936	215-902-8429	215-902-8802	TIMOTHY_A_KOENIG@UHC.COM

<b>5.</b>	<b>Requested Filing Mode</b>	<input checked="" type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____
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<b>6.</b>	<b>Company Tracking Number</b>	<b>RERATE 2013 PRE-STD</b>
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<b>7.</b>	<input checked="" type="checkbox"/> <b>New Submission</b> <input type="checkbox"/> <b>Resubmission</b>	Previous file # _____
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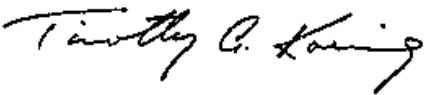
<b>8.</b>	<b>Market</b>	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise <input type="checkbox"/> Small <input checked="" type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input checked="" type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____
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<b>9.</b>	<b>Type of Insurance (TOI)</b>	<b>MS02G</b>
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<b>10.</b>	<b>Sub-Type of Insurance (Sub-TOI)</b>	<b><u>MS02G.000</u></b>
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<b>11.</b>	<b>Submitted Documents</b>	<input type="checkbox"/> <b>FORMS</b> <input type="checkbox"/> Policy <input type="checkbox"/> Outline of Coverage <input type="checkbox"/> Certificate <input type="checkbox"/> Application/Enrollment <input type="checkbox"/> Rider/Endorsement <input type="checkbox"/> Advertising <input type="checkbox"/> Schedule of Benefits <input type="checkbox"/> Other  <u>Rates</u> <input type="checkbox"/> New Rate <input checked="" type="checkbox"/> Revised Rate  <input type="checkbox"/> <b>FILING OTHER THAN FORM OR RATE:</b> Please explain: _____  <u>SUPPORTING DOCUMENTATION</u> <input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Third Party Authorization <input type="checkbox"/> Association Bylaws <input type="checkbox"/> Trust Agreements <input type="checkbox"/> Statement of Variability <input type="checkbox"/> Certifications <input checked="" type="checkbox"/> Actuarial Memorandum <input type="checkbox"/> Other: _____
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12.	<b>Filing Submission Date</b>	<b>August 24, 2012</b>	
13	<b>Filing Fee (If required)</b>	Amount <u>\$40.00</u>	Check Date <u>EFT</u>
		Retaliatory <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Check Number <u>EFT</u>
14.	<b>Date of Domiciliary Approval</b>	<b>PENDING APPROVAL</b>	
15.	<b>Filing Description:</b>		
<p><b>RATES FOR PRE-STANDARDIZED MEDICARE SUPPLEMENT PLANS</b></p> <p><b>SEE ATTACHED COVER LETTER</b></p>			

16.	<b>Certification (If required)</b>		
<p><b>I HEREBY CERTIFY</b> that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of <u>Rhode Island</u>.</p>			
Print Name <u>TIMOTHY A. KOENIG</u>		Title <u>DIRECTOR, ACTUARIAL SERVICES</u>	
			
Signature _____		Date: <u>August 24, 2012</u>	

<b>17.</b>	<b>Form Filing Attachment</b>	
This filing transmittal is part of company tracking number		N/A
This filing corresponds to rate filing company tracking number		

	Document Name	Form Number		Replaced Form Number
	Description			Previous State Filing Number
01		N/A	<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

LH FFA-1

18.		Rate Filing Attachment		
This filing transmittal is part of company tracking number		RERATE 2013 PRE-STD		
This filing corresponds to form filing company tracking number				
Overall percentage rate indication (when applicable)				
Overall percentage rate impact for this filing		3.8%		
	Document Name	Affected Form Numbers		Previous State Filing Number
	Description			
01	Actuarial Memorandum and Rate Schedule Pre-Standardized coverage; rates not based on age	G-36000-4	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request + <u>3.8%</u> <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	

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