

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 PLANS PRE-STANDARDIZED
Project Name/Number: RATE/C18-010- PRE-STANDARDIZED

Filing at a Glance

Company: UnitedHealthcare Insurance Company
Product Name: GROUP MEDICARE SUPPLEMENT PLANS PRE-STANDARDIZED
State: Rhode Island
TOI: MS02G Group Medicare Supplement - Pre-Standardized
Sub-TOI: MS02G.000 Medicare Supplement - Pre-Standardized
Filing Type: Rate
Date Submitted: 07/13/2018
SERFF Tr Num: UHLC-131487584
SERFF Status: Assigned
State Tr Num:
State Status: Open-Pending Actuary Review
Co Tr Num: C18-010- PRE-STANDARDIZED

Implementation: 01/01/2019
Date Requested:
Author(s): Michelle Ambach, Bobbie Walton, Gerry McCadden, Michelle Richart, Lisa Muhammad, Sarah Michener, Celina Sagin, Lauren Mulhern, Erin Eckhoff, Jennifer Dyer, Ron Beverly II, Harry Schwarz, Heui Chan Lee, Gregory Moyer, Xiaoping Hu
Reviewer(s): John Garrett (primary), Linda Johnson, Charles DeWeese, Maria Casale, Victor Woods
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: Rhode Island **Filing Company:** UnitedHealthcare Insurance Company
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General Information

Project Name: RATE Status of Filing in Domicile: Not Filed
 Project Number: C18-010- PRE-STANDARDIZED 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: 07/16/2018 Deemer Date:
 State Status Changed: 07/16/2018 Submitted By: Michelle Ambach
 Created By: Lisa Muhammad
 Corresponding Filing Tracking Number: Form filing approved
 6/13/1997. See supporting documentation for comment.

Filing Description:

The purpose of this filing is to request approval of 2019 rates for Pre-Standardized Medicare Supplement plans, file experience, and to demonstrate compliance with loss ratio standards.

The rates included are a continuation of 2018 rates. We project an anticipated lifetime loss ratio of 85.5%. We anticipate that the next rate revision will be effective January 1, 2020 through December 31, 2020.

This actuarial memorandum or filing is not intended for any use other than the stated purpose.

Company and Contact

Filing Contact Information

Sarah Michener, Director, Actuarial sarah_l_michener@uhc.com
 680 Blair Mill Rd 215-902-8419 [Phone]
 Horsham, PA 19044

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: 79413 |
| (860) 702-5000 ext. [Phone] | FEIN Number: 36-2739571 | |

Filing Fees

Fee Required? Yes
 Fee Amount: \$225.00
 Retaliatory? No
 Fee Explanation: Required fee
 Per Company: Yes

| Company | Amount | Date Processed | Transaction # |
|------------------------------------|----------|----------------|---------------|
| UnitedHealthcare Insurance Company | \$225.00 | 07/13/2018 | 142930001 |

SERFF Tracking #:

UHLC-131487584

State Tracking #:

Company Tracking #:

C18-010- PRE-STANDARDIZED

State: Rhode Island **Filing Company:** UnitedHealthcare Insurance Company
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Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 01/01/2018
Filing Method of Last Filing: SERFF
SERFF Tracking Number of Last Filing: UHLC-131047938

Company Rate Information

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | Number 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 | 0.000% | 0.000% | \$0 | 87 | \$217,199 | 0.000% | 0.000% |

SERFF Tracking #:

UHLC-131487584

State Tracking #:**Company Tracking #:**

C18-010- PRE-STANDARDIZED

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 PLANS PRE-STANDARDIZED

Project Name/Number:

RATE/C18-010- PRE-STANDARDIZED

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 | G-36000-4, CRA 1664 | Revised | Previous State Filing Number: UHLC-131047938 Percent Rate Change Request: | RI - 2019 Rate Schedules (Pre).pdf, |

UNITEDHEALTHCARE INSURANCE COMPANY

**RATE SCHEDULE
FOR
RHODE ISLAND**

AARP MEDICARE SUPPLEMENT PORTFOLIO
GROUP POLICY NUMBER G-36000-4

| <u>Plan</u> | <u>Current 2018 Monthly Rate</u> | <u>Proposed 2019 Monthly Rate</u> | <u>Proposed 2019 Monthly Rate Changes</u> |
|----------------------------|--|---|---|
| M1/J1/P1 | \$137.00 | \$137.00 | 0.0% |
| M2/J2/P2/MC/MH/MM/MS/DA/DB | \$165.25 | \$165.25 | 0.0% |
| M3/J3/P3 (with drugs) | \$284.25 | \$284.25 | 0.0% |
| M3/J3/P3 (without drugs) | \$249.50 | \$249.50 | 0.0% |
| M4 (with drugs) | \$311.25 | \$311.25 | 0.0% |
| M4 (without drugs) | \$276.50 | \$276.50 | 0.0% |
| M5/J5/P5 | \$161.50 | \$161.50 | 0.0% |
| M6/J6/P6/DC/DE/DF | \$200.50 | \$200.50 | 0.0% |
| M7/P7 (with drugs) | \$296.00 | \$296.00 | 0.0% |
| M7/P7 (without drugs) | \$261.75 | \$261.75 | 0.0% |
| MA/PA | \$135.75 | \$135.75 | 0.0% |
| 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
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Project Name/Number: RATE/C18-010- PRE-STANDARDIZED

Supporting Document Schedules

| | |
|--------------------------|--|
| Satisfied - Item: | A&H Experience |
| Comments: | THE EXPERIENCE IS ATTACHED TO THE RATE/RULE SCHEDULE TAB |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|---|
| Satisfied - Item: | Actuarial Certification - Life & A&H |
| Comments: | THE ACTUARIAL CERTIFICATION IS INCLUDED IN THE ACTUARIAL MEMORANDUM |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|---|
| Satisfied - Item: | Actuarial Memorandum - A&H Rate Revision Filing |
| Comments: | |
| Attachment(s): | RI - 2019 Memorandum (Pre).pdf |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|---|
| Satisfied - Item: | *Medicare Supplement-Group |
| Comments: | The form filing was a paper filing, with no tracking number, of assumption of prior carrier's business approved 6/13/1997. UnitedHealthcare assumed this risk effective January 1, 1998 from The Prudential Insurance Company of America, through an assumption reinsurance agreement |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|--|
| Satisfied - Item: | Premium Rate Sheets - Life & A&H |
| Comments: | THE RATES ARE ATTACHED TO THE RATE/RULE SCHEDULE TAB |
| Attachment(s): | |
| Item Status: | |
| Status Date: | |

| | |
|--------------------------|---------------------------------|
| Satisfied - Item: | Attachments (PRE) |
| Comments: | |
| Attachment(s): | RI - 2019 Attachments (Pre).pdf |

SERFF Tracking #:

UHLC-131487584

State Tracking #:

Company Tracking #:

C18-010- PRE-STANDARDIZED

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 PLANS PRE-STANDARDIZED

Project Name/Number:

RATE/C18-010- PRE-STANDARDIZED

| | |
|---------------------|--|
| Item Status: | |
| Status Date: | |

UnitedHealthcare Insurance Company

Annual Medicare Supplement Filing Actuarial Memorandum

AARP Medicare Supplement Portfolio Group Policy Number G-36000-4

Pre-Standardized Plans

Rhode Island

A. Purpose of Filing

The purpose of this filing is to request approval of 2019 rates for Pre-Standardized Medicare Supplement plans, file experience, and to demonstrate compliance with loss ratio standards.

The rates included are a continuation of 2018 rates. We project an anticipated lifetime loss ratio of 85.5%. We anticipate that the next rate revision will be effective January 1, 2020 through December 31, 2020.

This actuarial memorandum or filing is not intended for any use other than the stated purpose.

B. General Description

1. Issuer Name – The Prudential Insurance Company of America. UnitedHealthcare assumed this risk effective January 1, 1998, through an assumption 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.
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, or members of a group account, each have at least one eligible plan of insurance issued under a group master policy between the Trustees of AARP and UnitedHealthcare Insurance Company.
11. Actuary's Name: Gregory S. Moyer, FSA, MAAA
Associate Director, Actuarial Services
UnitedHealthcare Insurance Company
680 Blair Mill Road
Horsham, PA 19044
(215) 902-8854
 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 2019 Connecticut specific rates will be filed for approval with the Connecticut Department of Insurance in August 2018.

C. Rate Methodology/Assumptions

1. General Method – Projections used in developing the 2019 rates are shown in Attachment 1. Based on historical claim patterns, per member per month claim costs are developed by benefit and trended to the end of the 2019 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.

Rates are based on state of residence as approved by the 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 2018 and 2019. The trend assumptions are based on historical AARP Medicare Supplement experience. 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.
4. Commission Rate – None.
5. Replacement Commissions – None.
6. Lapse Assumption – Lapse assumptions are based on historical AARP Medicare Supplement experience. For 2018 and 2019, the assumed annual lapse rates (including death) are 9.4% and 14.5%, respectively.
7. Morbidity Assumption – Morbidity assumptions are based on historical AARP Medicare Supplement experience 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, 2019 and reflect no pre-funding.

D. Scope/Reason for Request

1. Overall Increase – The overall increase is 0.0%.
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, 2019.
4. Timing – These plans are rated on a calendar year basis.

E. Rates and Rating Factors

1. Current – See Rate Schedule.
2. Proposed – See Rate Schedule.
3. Period Rates Apply – Effective January 1, 2019.

F. Average Annualized Premium - \$2,506. See Attachment 4 for 2019 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 2017.
3. Lapse Assumption – Lapse assumptions are based on historical AARP Medicare Supplement experience. For 2018 and 2019, the assumed annual lapse rates (including death) are 9.4% and 14.5%, respectively.
4. Claim Trend Assumption – Claim trend projections are based on historical AARP Medicare Supplement experience 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.
7. Interest Assumption – 5.0%.
8. With and Without Rate Change
 - Without a change to the 2018 rates, the anticipated lifetime loss ratio is 85.5%.

L. Loss Ratio Demonstration

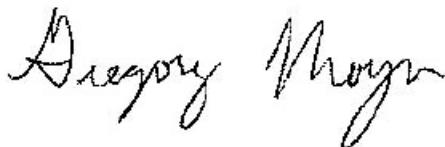
All Pre-Standardized plans have been in force at least three years. After proposed rate actions and considering the credibility of the business, anticipated lifetime loss ratios, projected future loss ratios and expected third year loss ratios are greater than or equal to the applicable ratio.

M. Actuarial Certification

I am a member of the Society of Actuaries and a member of the American Academy of Actuaries. I meet the Qualification Standards of Actuarial Opinion as adopted by the American Academy of Actuaries and am qualified to render this prescribed statement of actuarial opinion.

I hereby certify that to the best of my knowledge and judgment, the following items are true with respect to this Medicare Supplement rate filing:

- This entire filing is in compliance with your state’s applicable laws, regulations and rules.
- This filing complies with all applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board, including Actuarial Standard of Practice No. 8 “Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits” and Actuarial Standard of Practice No. 23 “Data Quality”.
- Data provided by others were reviewed and determined to be of high quality and reliable.
- 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.
- The filed rates maintain the proper relationship between policies which were originally filed with differing rating methodologies.
- The rates determined in this filing are reasonable in relation to the benefits provided and are not excessive, inadequate or unfairly discriminatory.
- The anticipated lifetime loss ratio, future loss ratios, and third-year loss ratios all meet or exceed the applicable ratio.



Gregory S. Moyer, FSA, MAAA
Associate Director, Actuarial Services
UnitedHealthcare Insurance Company

July 12, 2018

Date

UNITEDHEALTHCARE INSURANCE COMPANY

PRE-STANDARDIZED MEDICARE SUPPLEMENT RATE FILING

GROUP POLICY NUMBER G-36000-4

Rhode Island

EFFECTIVE 1/1/2019

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6. Attachment 4 – Average Annualized Premiums (1 page)
7. Attachment 5 – Rate History (1 page)
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13. Attachment 11 – Rates for Non Issued Plans (1 page)

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 | \$702,157 | 80.9% | 401 |
| 2010 | \$759,786 | \$637,370 | 83.9% | 338 |
| 2011 | \$698,369 | \$582,380 | 83.4% | 301 |
| 2012 | \$623,317 | \$468,046 | 75.1% | 263 |
| 2013 | \$563,103 | \$482,084 | 85.6% | 229 |
| 2014 | \$493,742 | \$350,141 | 70.9% | 199 |
| 2015 | \$407,260 | \$321,923 | 79.0% | 165 |
| 2016 | \$340,519 | \$264,815 | 77.8% | 137 |
| 2017 | \$280,999 | \$303,400 | 108.0% | 112 |
| 2018 | \$254,190 | \$207,207 | 81.5% | 101 |
| Total Historical | \$31,719,249 | \$26,833,412 | 84.6% | n/a |
| With Interest** | \$74,100,066 | \$63,390,399 | 85.5% | n/a |

FUTURE EXPERIENCE - WITH 2019 RATE CHANGE

| | <u>Premium</u> | <u>Incurred Claims</u> | <u>Loss Ratio</u> | <u>Average Lives</u> |
|----------------------------|--------------------|----------------------------|-----------------------|--------------------------|
| 2019 | \$216,915 | \$183,647 | 84.7% | 87 |
| 2020 | \$182,209 | \$154,263 | 84.7% | 69 |
| 2021 | \$153,055 | \$129,581 | 84.7% | 55 |
| 2022 | \$128,567 | \$108,848 | 84.7% | 44 |
| 2023 | \$107,996 | \$91,432 | 84.7% | 35 |
| 2024 | \$90,717 | \$76,803 | 84.7% | 28 |
| 2025 | \$76,202 | \$64,515 | 84.7% | 23 |
| 2026 | \$64,010 | \$54,192 | 84.7% | 18 |
| 2027 | \$53,768 | \$45,522 | 84.7% | 15 |
| 2028 | \$45,165 | \$38,238 | 84.7% | 12 |
| Total Future | \$1,118,604 | \$947,042 | 84.7% | n/a |
| Discounted with Interest** | \$944,789 | \$799,886 | 84.7% | n/a |

LIFETIME EXPERIENCE - WITHOUT 2019 RATE CHANGE**

| | <u>Premium</u> | <u>Incurred Claims</u> | <u>Loss Ratio</u> | <u>Average Lives</u> |
|------------------|----------------|----------------------------|-----------------------|--------------------------|
| Total Historical | \$74,100,066 | \$63,390,399 | 85.5% | n/a |
| Total Future | \$944,789 | \$799,886 | 84.7% | n/a |
| Total Lifetime | \$75,044,855 | \$64,190,284 | 85.5% | n/a |

LIFETIME EXPERIENCE - WITH 2019 RATE CHANGE**

| | <u>Premium</u> | <u>Incurred Claims</u> | <u>Loss Ratio</u> | <u>Average Lives</u> |
|------------------|----------------|----------------------------|-----------------------|--------------------------|
| Total Historical | \$74,100,066 | \$63,390,399 | 85.5% | n/a |
| Total Future | \$944,789 | \$799,886 | 84.7% | n/a |
| Total Lifetime | \$75,044,855 | \$64,190,284 | 85.5% | n/a |

*Excludes AD/DP Experience.

**Accumulated at 5% interest rate

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

Total

| Calendar Year | Incurred Claims | Earned Premiums | Loss Ratio | Average Lives |
|----------------------|------------------------|------------------------|-------------------|----------------------|
| 1994 | 2,117,030 | 2,334,215 | 90.7% | 3,422 |
| 1995 | 2,115,779 | 2,069,368 | 102.2% | 3,132 |
| 1996 | 2,261,499 | 2,459,473 | 92.0% | 2,730 |
| 1997 | 2,131,670 | 2,381,661 | 89.5% | 2,301 |
| 1998 | 1,905,170 | 2,288,154 | 83.3% | 1,725 |
| 1999 | 1,601,086 | 2,111,097 | 75.8% | 1,380 |
| 2000 | 1,526,950 | 2,015,683 | 75.8% | 1,237 |
| 2001 | 1,445,679 | 1,833,246 | 78.9% | 1,128 |
| 2002 | 1,302,903 | 1,674,866 | 77.8% | 990 |
| 2003 | 1,244,719 | 1,545,846 | 80.5% | 900 |
| 2004 | 1,194,616 | 1,381,223 | 86.5% | 801 |
| 2005 | 1,023,921 | 1,245,144 | 82.2% | 701 |
| 2006 | 1,039,624 | 1,161,845 | 89.5% | 615 |
| 2007 | 859,451 | 1,078,304 | 79.7% | 536 |
| 2008 | 841,434 | 973,203 | 86.5% | 464 |
| 2009 | 704,557 | 870,122 | 81.0% | 401 |
| 2010 | 639,770 | 761,502 | 84.0% | 338 |
| 2011 | 584,780 | 699,843 | 83.6% | 301 |
| 2012 | 468,046 | 624,603 | 74.9% | 263 |
| 2013 | 482,084 | 564,164 | 85.5% | 229 |
| 2014 | 350,141 | 494,537 | 70.8% | 199 |
| 2015 | 321,923 | 407,953 | 78.9% | 165 |
| 2016 | 264,815 | 341,074 | 77.6% | 137 |
| 2017 | 303,414 | 281,405 | 107.8% | 112 |

**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**

| | Per Member Per Month Costs* | | | | | |
|------------------------|-----------------------------|-----------------|-----------------|-----------------|------------------|------------------|
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>Proj 2018</u> | <u>Proj 2019</u> |
| Part B Coinsurance | \$84.57 | \$89.85 | \$95.91 | \$124.81 | \$100.15 | \$103.94 |
| Part B Excess Charges | \$0.38 | \$0.45 | \$0.39 | \$0.28 | \$0.40 | \$0.40 |
| Part A Deductible | \$34.31 | \$34.08 | \$36.21 | \$46.52 | \$36.79 | \$38.28 |
| Long Hospital Stay | \$0.00 | \$0.00 | \$0.00 | \$4.04 | \$0.20 | \$0.20 |
| SNF Day 21-100 | \$28.66 | \$39.40 | \$29.88 | \$51.46 | \$33.30 | \$34.21 |
| SNF Day 101-365 | \$0.00 | \$0.00 | \$0.00 | \$0.46 | \$0.70 | \$0.75 |
| Other | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.10 | \$0.10 |
| Prescription Drugs | \$21.15 | \$26.20 | \$32.71 | \$15.90 | \$20.25 | \$20.72 |
| Total PMPM Cost | \$146.93 | \$162.51 | \$161.37 | \$226.09 | \$170.46 | \$176.70 |
| <i>Trend</i> | | <i>10.6%</i> | <i>-0.7%</i> | <i>40.1%</i> | <i>-24.6%</i> | <i>3.7%</i> |

"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.*

Rhode Island Average Annualized Premiums*

| <u>Plan</u> | Proposed <u>2019</u> | <u>2018</u> |
|----------------------------|-------------------------|-------------|
| M1/J1/P1 | \$1,616 | \$1,616 |
| M2/J2/P2/MC/MH/MM/MS/DA/DB | \$1,953 | \$1,957 |
| M3/J3/P3 | \$2,996 | \$2,995 |
| M4 | - | - |
| M5/J5/P5 | - | - |
| M6/J6/P6/DC/DE/DF | \$2,373 | \$2,371 |
| M7/P7 | \$3,148 | \$3,147 |
| MA/PA | \$1,601 | \$1,602 |
| AD/DP | \$48 | \$48 |
| Total | \$2,506 | \$2,511 |

**Average premiums are net of discounts.*

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

| | <u>1/2014</u> | <u>1/2015*</u> | <u>1/2016</u> | <u>1/2017</u> | <u>1/2018</u> | Proposed <u>1/2019</u> | <u>2015/2014*</u> | <u>2016/2015</u> | <u>2017/2016</u> | <u>2018/2017</u> | Proposed <u>2019/2018</u> |
|---|---------------|----------------|---------------|---------------|---------------|----------------------------------|-------------------|------------------|------------------|------------------|-------------------------------------|
| M1/J1/P1 | \$136.25 | \$137.00 | \$137.00 | \$137.00 | \$137.00 | \$137.00 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| M2/J2/P2/MC/MH/MM/MS/DA/DB | \$164.25 | \$165.25 | \$165.25 | \$165.25 | \$165.25 | \$165.25 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| M3/J3/P3 (with drugs) | \$282.50 | \$284.25 | \$284.25 | \$284.25 | \$284.25 | \$284.25 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| M3/J3/P3 (without drugs) | \$248.00 | \$249.50 | \$249.50 | \$249.50 | \$249.50 | \$249.50 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| M4 (with drugs) | \$309.50 | \$311.25 | \$311.25 | \$311.25 | \$311.25 | \$311.25 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| M4 (without drugs) | \$274.75 | \$276.50 | \$276.50 | \$276.50 | \$276.50 | \$276.50 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| M5/J5/P5 | \$160.50 | \$161.50 | \$161.50 | \$161.50 | \$161.50 | \$161.50 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| M6/J6/P6/DC/DE/DF | \$199.25 | \$200.50 | \$200.50 | \$200.50 | \$200.50 | \$200.50 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| M7/P7 (with drugs) | \$294.25 | \$296.00 | \$296.00 | \$296.00 | \$296.00 | \$296.00 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| M7/P7 (without drugs) | \$260.25 | \$261.75 | \$261.75 | \$261.75 | \$261.75 | \$261.75 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| MA/PA | \$135.00 | \$135.75 | \$135.75 | \$135.75 | \$135.75 | \$135.75 | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| AD/DP (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 rate changes were deferred until April 1st.

Rhode Island Average Lives

| <u>Plan</u> | <u>2019</u> | <u>2018</u> |
|----------------------------|-------------|-------------|
| M1/J1/P1 | 2 | 2 |
| M2/J2/P2/MC/MH/MM/MS/DA/DB | 2 | 2 |
| M3/J3/P3 | 16 | 20 |
| M4 | - | - |
| M5/J5/P5 | - | - |
| M6/J6/P6/DC/DE/DF | 57 | 65 |
| M7/P7 | 7 | 9 |
| MA/PA | 3 | 4 |
| AD/DP | 6 | 7 |
| Total | 87 | 101 |

National Average Lives

| <u>Plan</u> | <u>2019</u> | <u>2018</u> |
|----------------------------|-------------|-------------|
| M1/J1/P1 | 556 | 689 |
| M2/J2/P2/MC/MH/MM/MS/DA/DB | 1,032 | 1,392 |
| M3/J3/P3 | 3,192 | 4,291 |
| M4 | 10 | 13 |
| M5/J5/P5 | 589 | 743 |
| M6/J6/P6/DC/DE/DF | 18,681 | 26,114 |
| M7/P7 | 3,438 | 4,540 |
| MA/PA | 1,961 | 2,490 |
| AD/DP | 3,045 | 3,688 |
| Total | 29,459 | 40,271 |

| Service | Benefit | AARP's Medicare Supplement (M1, P1, J1) | AARP's Medicare Supplement Plus (M2,P2,J2) |
|--|---|---|---|
| HOSPITAL EXPENSES (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. | Days 1 through 60 | Actual charges up to \$344 | Actual charges up to \$1376 |
| | Days 61 through 90 | to \$344/day | to \$344/day |
| | Days 91 and after when using a Lifetime Reserve Day | \$688/day | \$688/day |
| | Days 91 and after when LTR's are available but not used | \$688/day for up to 60 days | \$688/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) |
| SKILLED NURSING FACILITY STAYS (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. | Days 1 through 20 | No benefit | No benefit |
| | Days 21 through 100 | \$172.00/day | \$172.00/day |
| | Days 101 through 365 | \$344/day | \$344/day |
| MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc. | 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** |
| IN-HOSPITAL PRIVATE DUTY NURSING CARE | 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. |
| BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells. | | The reasonable cost under Parts A and B | The reasonable cost under Parts A and B |
| PRESCRIPTION DRUGS | Purchased Out-of-Hospital and outside of a SNF (1) | No benefit | No benefit |
| FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S. | Days 1 through 60 of each trip period (2) | 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 \$192 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) 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.

(2) 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>HOSPITAL EXPENSES (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 \$1376 | Actual charges up to \$1376 |
| | Days 61 through 90 | to \$344/day | to \$344/day |
| | Days 91 and after when using a Lifetime Reserve Day | \$688/day | \$688/day |
| | Days 91 and after when LTR's are available but not used | \$688/day for up to 60 days | \$688/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>SKILLED NURSING FACILITY STAYS (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 | \$172.00/day | \$172.00/day |
| | Days 101 through 365 | \$344/day | \$344/day |
| <p>MEDICAL CARE (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 \$192 medical deductible** | 100% of Medicare eligible expenses not paid in full by Medicare, up to the limiting charge set by Medicare, after a \$192 medical deductible** |
| <p>IN-HOSPITAL PRIVATE DUTY NURSING CARE</p> | In-Hospital Care by an RN or LPN | 80% of usual and prevailing charges | 80% of usual and prevailing charges |
| <p>BLOOD - 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>PRESCRIPTION DRUGS</p> | Purchased Out-of-Hospital and outside of a SNF (1) | 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>FOREIGN HOSPITAL & MEDICAL CARE 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 (2) | 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 \$192 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) Prescription drug benefits will be discontinued for insureds covered by Plans M3, M4, and M7 who enrol 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.

(2) 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) |
|--|---|---|---|
| HOSPITAL EXPENSES (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. | Days 1 through 60 | Actual charges up to \$344 | Actual charges up to \$1376 |
| | Days 61 through 90 | to \$344/day | to \$344/day |
| | Days 91 and after when using a Lifetime Reserve Day | \$688/day | \$688/day |
| | Days 91 and after when LTR's are available but not used | \$688/day for up to 60 days | \$688/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) |
| SKILLED NURSING FACILITY STAYS (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. | Days 1 through 20 | No benefit | No benefit |
| | Days 21 through 100 | \$172.00/day | \$172.00/day |
| | Days 101 through 365 | \$344/day | \$344/day |
| MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc. | In-Hospital and Out of Hospital | 20% of Medicare eligible expenses not paid in full by Medicare after a \$192 medical deductible** | 20% of Medicare eligible expenses not paid in full by Medicare after a \$192 medical deductible** |
| IN-HOSPITAL PRIVATE DUTY NURSING CARE | 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. |
| BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells. | | The reasonable cost under Parts A and B | The reasonable cost under Parts A and B |
| PRESCRIPTION DRUGS | Purchased Out-of-Hospital and outside of a SNF (1) | No benefit | No benefit |
| FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S. | Days 1 through 60 of each trip period (2) | 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 \$192 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) Prescription drug benefits will be discontinued for insureds covered by Plans M3, M4, and M7 who enrol 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.

(2) 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) |
|--|---|---|--|
| HOSPITAL EXPENSES (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. | Days 1 through 60 | Actual charges up to \$1376 | No benefit |
| | Days 61 through 90 | to \$344/day | to \$344/day |
| | Days 91 and after when using a Lifetime Reserve Day | \$688/day | \$688/day |
| | Days 91 and after when LTR's are available but not used | \$688/day for up to 60 days | \$688/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) |
| SKILLED NURSING FACILITY STAYS (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. | Days 1 through 20 | No benefit | No benefit |
| | Days 21 through 100 | \$172.00/day | \$172.00/day |
| | Days 101 through 365 | \$344/day | \$344/day |
| MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc. | 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 \$192 medical deductible** | 20% of Medicare eligible expenses not paid in full by Medicare after a \$192 medical deductible** |
| IN-HOSPITAL PRIVATE DUTY NURSING CARE | 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 |
| BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells. | | The reasonable cost under Parts A and B | 100% of the cost not paid by Medicare |
| PRESCRIPTION DRUGS | Purchased Out-of-Hospital and outside of a SNF (1) | 50% of usual and prevailing charges after \$50 deductible; Max benefit of \$500/yr. | No benefit |
| FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S. | Days 1 through 60 of each trip period (2) | 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 \$192 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) 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.

(2) 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 Trends

The components of the composite trend are shown below.

Part B Coinsurance

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|------------------------|-------------|--------------|---------------|-------------|
| Medicare Fee Update | -1.4% | 0.6% | 1.1% | 1.3% |
| Utilization Trend | 8.2% | 29.3% | -20.6% | 2.4% |
| Composite Trend | 6.7% | 30.1% | -19.8% | 3.8% |

The net change in the cost for Part B services in 2018 was 1.1%. For 2019, we assume a net change of 1.3%.

Utilization trend considers changes in the number of services used as well as the intensity of services. Our assumed utilization trends for 2018 and 2019 are -20.6% and 2.4%, respectively.

Part B Excess -- Projected claim costs for 2018 and 2019 are \$0.40 and \$0.40 respectively.

Part A Deductible

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-------------------------------|-------------|--------------|---------------|-------------|
| Medicare Part A Deductible | \$1,288 | \$1,316 | \$1,340 | \$1,376 |
| % Change in Part A Deductible | 2.2% | 2.2% | 1.8% | 2.7% |
| Utilization Trend | 3.9% | 25.7% | -22.3% | 1.3% |
| Composite Trend | 6.3% | 28.5% | -20.9% | 4.0% |

Hospital Co-Payments -- Hospital Co-payments are paid for days 61 and after for long hospital stays. Projected claim costs for 2018 and 2019 are \$0.20 and \$0.20 respectively.

Skilled Nursing (21-100) -- Medicare Supplement plans which have a skilled nursing facility stay benefit pay the Medicare cost sharing amount for days 21-100.

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|---------------|--------------|---------------|-------------|
| Medicare Daily Coinsurance | \$161 | \$165 | \$168 | \$172 |
| % Change in Daily Coinsurance | 2.2% | 2.2% | 1.8% | 2.7% |
| Utilization/Length of Stay, days 21-100 | -25.8% | 68.5% | -36.4% | 0.0% |
| Trend/Length of Stay, days 21-100 | -24.2% | 72.2% | -35.3% | 2.7% |

Skilled Nursing (days 101-365) -- Medicare Supplement plans which have a skilled nursing facility stay benefit also cover an additional 265 days. Projected Claim costs for 2018 and 2019 are \$0.70 and \$0.75, respectively.

Foreign Care / Private Duty Nursing / Prescription Drugs -- In aggregate, these benefits represent less than 1% of the total Rhode Island claim costs. Projected costs for these benefits were based on historical experience and actuarial judgment.

RHODE ISLAND - HISTORICAL AND PROJECTED LOSS RATIOS

| | Premium | Premium | Inurred | Inurred Claims | Inurred |
|--------------------------------|--------------|---------------|--------------|----------------|------------|
| | Accumulated | Accumulated | Claims | Accumulated | Loss Ratio |
| | 12/18 | 12/18 | 12/18 | 12/18 | d/b |
| | a | b | c | d | |
| TOTAL PRE-STANDARDIZED* | | | | | |
| 1990 | \$1,694,000 | \$6,804,691 | \$1,644,749 | \$6,606,853 | 97.1% |
| 1991 | \$2,061,167 | \$7,885,312 | \$1,741,043 | \$6,660,630 | 84.5% |
| 1992 | \$2,277,300 | \$8,297,298 | \$2,257,282 | \$8,224,362 | 99.1% |
| 1993 | \$2,367,460 | \$8,215,042 | \$2,195,875 | \$7,619,645 | 92.8% |
| 1994 | \$2,308,925 | \$7,630,406 | \$2,107,905 | \$6,966,088 | 91.3% |
| 1995 | \$2,054,340 | \$6,465,779 | \$2,106,267 | \$6,629,213 | 102.5% |
| 1996 | \$2,446,505 | \$7,333,400 | \$2,252,767 | \$6,752,671 | 92.1% |
| 1997 | \$2,370,295 | \$6,766,627 | \$2,121,440 | \$6,056,207 | 89.5% |
| 1998 | \$2,278,499 | \$6,194,831 | \$1,890,680 | \$5,140,420 | 83.0% |
| 1999 | \$2,102,867 | \$5,445,067 | \$1,592,176 | \$4,122,706 | 75.7% |
| 2000 | \$2,008,482 | \$4,953,018 | \$1,518,250 | \$3,744,082 | 75.6% |
| 2001 | \$1,826,897 | \$4,290,687 | \$1,436,259 | \$3,373,227 | 78.6% |
| 2002 | \$1,669,249 | \$3,733,744 | \$1,299,063 | \$2,905,719 | 77.8% |
| 2003 | \$1,540,747 | \$3,282,203 | \$1,242,577 | \$2,647,021 | 80.6% |
| 2004 | \$1,376,857 | \$2,793,404 | \$1,193,056 | \$2,420,503 | 86.7% |
| 2005 | \$1,241,378 | \$2,398,609 | \$1,021,521 | \$1,973,798 | 82.3% |
| 2006 | \$1,158,491 | \$2,131,862 | \$1,036,774 | \$1,907,876 | 89.5% |
| 2007 | \$1,075,500 | \$1,884,896 | \$857,201 | \$1,502,310 | 79.7% |
| 2008 | \$970,840 | \$1,620,450 | \$837,954 | \$1,398,645 | 86.3% |
| 2009 | \$868,092 | \$1,379,952 | \$702,157 | \$1,116,176 | 80.9% |
| 2010 | \$759,786 | \$1,150,271 | \$637,370 | \$964,941 | 83.9% |
| 2011 | \$698,369 | \$1,006,943 | \$582,380 | \$839,704 | 83.4% |
| 2012 | \$623,317 | \$855,932 | \$468,046 | \$642,715 | 75.1% |
| 2013 | \$563,103 | \$736,425 | \$482,084 | \$630,470 | 85.6% |
| 2014 | \$493,742 | \$614,967 | \$350,141 | \$436,109 | 70.9% |
| 2015 | \$407,260 | \$483,097 | \$321,923 | \$381,869 | 79.0% |
| 2016 | \$340,519 | \$384,693 | \$264,815 | \$299,168 | 77.8% |
| 2017 | \$280,999 | \$302,336 | \$303,400 | \$326,437 | 108.0% |
| 2018 | \$254,190 | \$260,467 | \$207,207 | \$212,324 | 81.5% |
| Total Historical | \$40,119,176 | \$105,302,409 | \$34,672,362 | \$92,501,890 | 87.8% |
| 2019 | \$216,915 | \$211,688 | \$183,647 | \$179,221 | 84.7% |
| 2020 | \$182,209 | \$169,350 | \$154,263 | \$143,377 | 84.7% |
| 2021 | \$153,055 | \$135,480 | \$129,581 | \$114,701 | 84.7% |
| 2022 | \$128,567 | \$108,384 | \$108,848 | \$91,761 | 84.7% |
| 2023 | \$107,996 | \$86,707 | \$91,432 | \$73,409 | 84.7% |
| 2024 | \$90,717 | \$69,366 | \$76,803 | \$58,727 | 84.7% |
| 2025 | \$76,202 | \$55,493 | \$64,515 | \$46,982 | 84.7% |
| 2026 | \$64,010 | \$44,394 | \$54,192 | \$37,585 | 84.7% |
| 2027 | \$53,768 | \$35,515 | \$45,522 | \$30,068 | 84.7% |
| 2028 | \$45,165 | \$28,412 | \$38,238 | \$24,055 | 84.7% |
| Total Future | \$1,118,604 | \$944,789 | \$947,042 | \$799,886 | 84.7% |
| Aggregate (1990-2027) | \$41,237,780 | \$106,247,199 | \$35,619,403 | \$93,301,775 | 87.8% |

Assumption: Interest rate is 5%.

* Excludes AD/DP experience.

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

| Pre-Standardized * | <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> |
|---------------------------|-------------------------|---------------------------|------------------------|----------------------------|------------------------------|-----------------------------|---------------------------------|
| 2013 | 563,103 | 563,103 | 484,460 | 482,084 | 87,989 | 86.0% | 85.6% |
| 2014 | 493,742 | 493,742 | 379,682 | 350,141 | 76,407 | 76.9% | 70.9% |
| 2015 | 407,260 | 407,260 | 296,355 | 321,923 | 63,490 | 72.8% | 79.0% |
| 2016 | 340,519 | 340,519 | 311,164 | 264,815 | 52,504 | 91.4% | 77.8% |
| 2017 | 280,999 | 280,999 | 295,528 | 303,400 | 42,617 | 105.2% | 108.0% |

* Excludes AD/DP experience.

**2019 RATES FOR PLANS NOT ISSUED IN
RHODE ISLAND**

| <u>Plan</u> | <u>Monthly Rate</u> |
|-----------------------|---------------------|
| S1 | \$137.00 |
| S2 | \$165.25 |
| S3 (with drugs) | \$284.25 |
| S3 (without drugs) | \$249.50 |
| S4 (with drugs) | \$311.25 |
| S4 (without drugs) | \$276.50 |
| S6 | \$200.50 |
| S7 (with drugs) | \$296.00 |
| S7 (without drugs) | \$261.75 |
| SA | \$135.75 |
| TA/XA/HA/YA | \$135.75 |
| NA/QA | \$133.00 |
| N6/Q6 | \$193.25 |
| N3/Q3 (with drugs) | \$91.00 |
| N3/Q3 (without drugs) | \$56.75 |
| N7/Q7 (with drugs) | \$103.75 |
| N7/Q7 (without drugs) | \$69.00 |
| M8/P8 | \$158.50 |
| M9/P9 | \$198.25 |
| D6/D7/D8/D9 | \$14.75 |

2019 Rates for Pre-Baucus Coverages

| | |
|-------------------|----------|
| AG | \$55.75 |
| W (with drugs) | \$250.50 |
| W (without drugs) | \$227.75 |
| X | \$160.50 |
| Y | \$105.25 |