

<<Small Group - Off Exchange Explanation of Renewal Rates>>

Rhode Island Small Employer Health Insurance Renewal Explanation Form

Insurer Name:

Group Name:

Renewal Date:

Group Number:

This form provides an explanation of why your premium is <<increasing or decreasing>> in 2015 if you keep your current plan. If you choose to purchase a different plan, your premium may be higher or lower depending on the plan you choose.

Premium for your 2014 plan: \$

Premium for your 2015 plan: \$

Factors that Changed Your Premium:

The new premium for your plan is based on the following factors; these are the only factors permitted under RI and federal law.

<u><<Plan Name>></u>	
A. Health care inflation:	%
B. Change in administrative expenses and reserve costs:	%
C. Changes in laws, regulations, taxes, and fees:	%
D. Changes due to the age and/or composition of your group:	%
E. Change in relative value of benefit plan:	%
F. Total Change:	%

Broker: [name]. Broker payments are included in premiums for all small employers as administrative expenses, whether or not the small employer uses a broker to select a plan. Broker payments average 2% of total small employer premiums.

Explanations of Lines A through F:

- A. The health care inflation factor reflects changes in the cost of health care services used by members (for example hospital, physician, and prescription drug costs), and changes in how those services are used by members. This factor applies to all plans – it is not specific to your plan.
- B. Included in this factor are any changes in the insurer’s cost of (i) administering coverage under your plan, (ii) operating the insurance company, and (iii) setting aside reserves to pay for unanticipated member claims.
- C. This factor includes changes in coverage or rating rules required by federal or state law, and changes in taxes and fees. The law requires the insurer to make these changes.
- D. These changes reflect changes any changes in the age and composition of your group. These changes are unique to your specific plan.
- E. This change is based on the relative value of your plan compared to the value of the overall [insurer] small group market – it is specific to your plan. For all small group plans the change balances to zero, but some plans may go up while some others go down relative to each other.
- F. The total change in premium compared to last year’s premium is shown on Line F, and reflects the combined effect of the changes shown in Lines A through E.

Questions?

Call [Account Executive/customer service representative] at [insurer] at [phone number].



This form was designed on behalf of small employers by the Office of the Health Insurance Commissioner (OHIC) pursuant to RI Gen Law 27-50-12.1. For more information, please contact OHIC at (401) 462-9517.