IDOI Actuarial Memorandum Outline

Major Medical

Provide the data listed below in the actuarial memorandum as an attachment under the Supporting Documentation tab in SERFF.

# General Information

* 1. SERFF Tracking Number of this filing:
	2. Company Legal Name:
	3. State of Domicile:
	4. HIOS Issuer ID:
	5. NAIC Company Code:
	6. Market (Individual/Small Group/Large Group/Student):
	7. Effective Date:
	8. Company Contact Information
		1. Primary Contact Name:
		2. Primary Contact Telephone Number:
		3. Primary Contact Email Address:

# Scope and Purpose of the Filing

* 1. Provide in broad terms the aggregate rate change being requested along with information as to the determination of a threshold rate increase filing. Provide the range of changes for all plans within this submission. Indicate any major changes being sought in the filing such as termination of products or changes in benefits.

# Benefit Structure

* 1. Provide sufficient detail for an analysis of the pricing including scope and purpose. Please emphasize anything that is a substantial change from the most recent submission.
		1. Provide market impacted.
		2. Provide a copy of the policy form or the appropriate SERFF tracking number.
		3. Provide any changes from the most recent filing.
		4. Provide the prior SERFF tracking number.
		5. Provide a summary of the benefits provided for the following:
			1. Essential Health Benefits
			2. State Mandated Benefits Which are Not Essential Health Benefits
			3. Additional Mandatory Supplemental Benefits
			4. Additional Optional Supplemental Benefits

# Current Rates (For Rate Revisions)

* 1. Include a complete set of current rates or the appropriate SERFF tracking number.

# Proposed Rates

* 1. Highlight any factors that are a change from the most recent submission.
		1. Include a complete set of proposed rates.
		2. Include the following items and any other guidelines that impact policyholder’s premium payment:
			1. Modal factors
			2. Geographic factors
			3. Family size
			4. Tobacco Use Factors
			5. Changes in Morbidity or Trend factors.
			6. Additional Mandates
			7. Other Factors

# Assumptions

* 1. Please highlight within the assumptions all factors that resulted in a change in the premiums being proposed. Include the following data and a detailed description of the basis for the assumptions used in pricing: Follow the guidelines from [Actuarial Standards of Practice (ASOP) No. 8. Section 3.2.2](http://www.actuarialstandardsboard.org/pdf/asops/asop008_129.pdf)
		1. Annual Overall Trend Rate
			1. Provide the annual per individual rate of medical cost increase assumed for the next year.
			2. Provide the annual per individual rate of premium increase assumed for the next year.
		2. General marketing method –
			1. Individual on or off exchange only
			2. Small group including SHOP
			3. Large group
			4. Student.

# Premium Guarantee Provision

* 1. Provide a detailed description of the premium rate guarantee provision. (guaranteed renewable/conditional/optional/non-cancellable)
	2. Include an estimate of average projected annual premium per policy.
	3. For rate revisions, include average current annual premium per policy.

# Rating Factors

* 1. Identify from the following which rating structures (and any others) are used for this product:
		1. Age Factors
		2. Geographic Factors
		3. Tobacco (Rate cannot vary by more than 150% over the non-tobacco rate.)
		4. Family Composition
		5. Benefit Plan Factors
	2. Non-Benefit Expenses
		1. Administrative Expenses
		2. Sales and Marketing Expenses
		3. Net Cost of Private Reinsurance
		4. Premium Tax
		5. Other Taxes, License and Fees
		6. Other Expenses
		7. Risk Margin
		8. Profit or Contribution to Surplus Margin
	3. Impact of Contractual Arrangement
		1. Provide information regarding the expected impact of contractual agreements with health care providers and administrators.

# Historical Experience (For Rate Revisions)

* 1. Indicate experience period, including last date of paid claims. Provide Indiana and Nationwide data for below.
		1. Earned Premium Net of Rebates
			1. Provide the historical earned premium for each calendar year from inception.
			2. Include all premiums regardless of ownership of this block.
				1. Provide as much of the earned premium paid in the current year since the last calendar year as possible.
			3. Include the following items and any other changes that impact policyholder’s premium payment. All payments from policyholder are considered premium, including:
				1. Fees
				2. Taxes
				3. Modal loading
		2. Incurred Losses
			1. Losses should exclude ALR, exclude LAE, show detail of IBNR and indicate the paid-to-date.
			2. Provide the historical incurred losses for each calendar year from inception.
			3. Include all ownership regardless of ownership of this block.
				1. Provide as much of the incurred losses paid in the current year since the last calendar year as possible.
		3. Risk Adjustment, Reinsurance and Risk Corridor for ACA Products.
			1. Provide information related to the experience and methodology used to estimate the following that are incorporated in the rate development process:
				1. Risk Transfer Payments
				2. Temporary Reinsurance (Individual Market Only)

# Rate Change (For Rate Revisions)

* 1. Provide Indiana and Nationwide data for the following. Label clearly.
		1. Rate change currently indicated to achieve the target loss ratio
		2. Rate change requested
		3. Desired implementation date if other than the start of the calendar year
		4. Three year rate increase history that includes the following:
			1. The rate increase percent with a month/year effective date

# Projected Experience with Requested Rate Change (For Rate Revisions)

* 1. Provide best estimates for the data below.
		1. Earned Premium with Enrollment Projections
			1. Provide the projected earned premium using realistic assumptions for the next 12 months from the proposed effective date.
		2. Incurred Claims
			1. Provide the anticipated projected incurred claims using realistic assumptions for the next 12 months from the proposed effective date
		3. Anticipated Loss Ratios
			1. Provide the anticipated loss ratios and MLR for the next 12 months from the proposed effective date

# Projected Experience without Requested Rate Change

* 1. Provide best estimates for the date below.
		1. Earned Premium with Enrollment Projections
			1. Provide the projected earned premium using realistic assumptions for the following:
				1. Next 12 months from the paid to date.
				2. Next full calendar year
		2. Incurred Claims
			1. Provide the anticipated projected incurred claims using realistic assumptions for the next 12 months from the proposed effective date.
		3. Anticipated Loss Ratios
			1. Provide the anticipated loss ratios for the next 12 months from the proposed effective date
		4. Projected Medical Loss Ratio
			1. Show the development of the numerator and denominator of the calculations

# ACA Development

* 1. Briefly discuss the development of each item.
		1. Changes in benefits at the product level
			1. Demonstration that no plan adjusted index rate changed by more than 2%
		2. Index Rate
		3. Market Adjusted Index Rate
		4. Plan Adjusted Index Rate
		5. Calibration
		6. Consumer Adjusted Premium Rate Development
		7. AV Metal Values
			1. Include AV print out for each plan
		8. AV Pricing Values
		9. Membership Projections
		10. Terminated Products.
		11. Provide a demonstration of the development of the projected MLR.

# Company Financial Position (For ACA products)

* 1. Provide information on the company’s financial position.
		1. Include the risk-based capital ratio as of the most recent year-end.
		2. Provide last five years of surplus.

# Actuarial Certification/Rate Attestation

* 1. Provide an actuarial certification with a clear statement attesting to the following:
		1. Compliance with all applicable state and federal statutes and regulations
		2. Compliance with actuarial standards of practice (ASOP)

# On/Off Exchange Attestation (For ACA products)

* 1. Provide an attestation along with documentation proving the same premium rate is being charged without regard to whether the plan is offered through an Exchange, or whether the plan is offered directly from the issuer or through an agent.