Estimated 2014 Premium Rate Changes due to PPACA

PPACA Item			INDIVIDUAL BUSINESS: New Business	INDIVIDUAL BUSINESS: Existing Non-Grandfathered Business
Essential Health Benefits (EHBs) and Cost-Sharing Rules			15.0%	15.0%
Minimum Bronze Level			10.0%	8.0%
Guarantee Issue, Removal of Underwriting Actions			65.0%	10.0%
Insurer Fees			2.3%	2.3%
Reinsurance Recovery*			-10.0%	-10.0%
Risk Adjustment Transfer Payment **			0.0%	35.0%
Reinsurance, Risk Adjustment Fees ($5.33 pmpm)			1.8%	1.8%
Secondary Effect - Small Employer Market Dropout			n/a	n/a
Average Starting Premium Per Member Per Month			$ 158	$ 179
+ Essential Health Benefits (EHBs) and Cost-Sharing Rules			$ 182	$ 206
+ Minimum Bronze Level			$ 200	$ 222
+ Guarantee Issue, Removal of Underwriting Actions			$ 330	$ 245
+ Insurer Fees			$ 337	$ 250
+ Reinsurance Recovery*			$ 304	$ 225
+ Risk Adjustment Transfer Payment **			$ 304	$ 304
+ Reinsurance, Risk Adjustment Fees ($5.33 pmpm)			$ 309	$ 309
+ Secondary Effect - Small Employer Market Dropout			$ 309	$ 309
Total Average Change Due to 2014 PPACA-Related Impacts			**96%**	**73%**
Potential Rate Change Ranges* due to:**				
(1) Age	Low	*-25%*	47%	30%
	High	*52%*	197%	163%
(2) Minimum Bronze Plan	Low	*0%*	78%	60%
	High	*90%*	238%	204%
Both (1) & (2)	Low	*-25%*	33%	20%
	High	*189%*	413%	362%

Actuel Insurance Company Analysis

How much could Obamacare cost YOU?

96% MORE
for those getting a new plan

73% MORE
for those keeping their insurance

as much as
413% MORE
based on age and Obamacare plan mandates

* *Reinsurance recoveries could range from 5% - 15%, with larger variances at the state level based on the block size.*

** *Risk adjustment transfer payment is based on internal data comparisons. While 35% is shown for existing business impact, actual transfer will differ. Additional analysis pending. We expect the risk adjustment transfer to be a payment from Existing Non-Grandfathered Business, since the existing business is largely an underwritten block with lower average morbidity.*

*** *Ranges do not account for additional variation due to Area Factor and Underwriting Roting changes.*

**** *Premium for Individual book of business is not directly comparable to premium for Small Group book of business in this example due to different inherent benefit levels, geographic mix, and other factors*

Material produced to the U.S. House of Representatives Committee on Energy and Commerce in response to 03/14/13 request.
The analyses are not a comprehensive summary of all PPACA-related premium impacts. There may be other factors that impact premiums that are not reflected in the material.

Small Group 2014
Likely Rate Increase Distribution

Likely Rate Increase	Community-Rated States	States with Moderate Rating Bands (+/-25% or less)	States with Wide Rating Bands (>+/-25%)	Total Small Group Block
States*	CO, CT, MD, MA, NJ, RI, VT, WA	CA, FL, KY, OR, AL, AR, GA, IL, IA, KS, MN, MS, MT, NE, NC, ND, NM, OK, SC, TX	AZ, DC, DE, ID, IN, LA, MI, MO, NV, OH, PA, TN, UT, VA, WV, WI, WY	
<10%	16%	21%	24%	21%
10-20%	38%	18%	15%	21%
20-30%	32%	23%	17%	23%
>30%	14%	38%	44%	35%

* Excludes NY, AK, HI, ME, NH, SD

Actuarial Insurance Company Analysis

Includes: Medical Trend and Demographic Impact (~10%), Insurer Fee & Reinsurance Assessment (3.8%), Product Changes (~3%), Employer Movement (~2%) and impact of Adjusted Community Rating (includes impact of limiting age, removing gender, industry, group size, and other prohibited adjustments)

Excludes: Impact of risk adjustment (varies by state), impact of re-sloping (revenue neutral but varies by group); and SHOP user fees/assessments.

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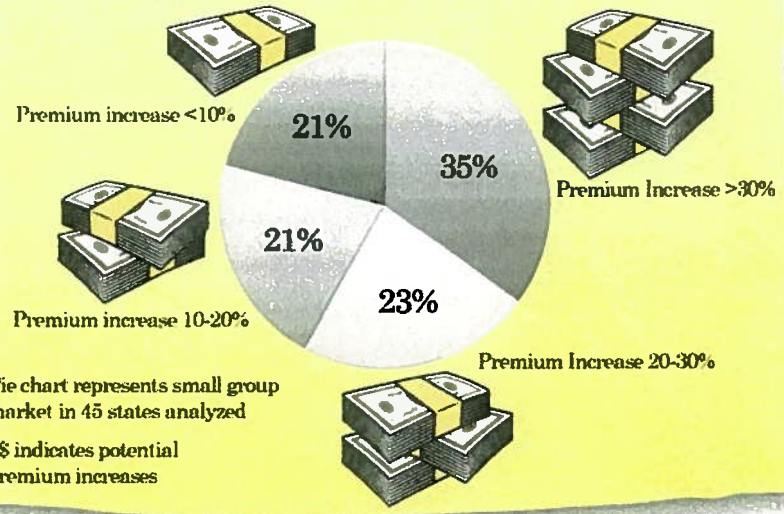
How much could Obamacare cost YOU?

Within the 45 states analyzed 35% of the market will see a premium increase greater than 30%



Pie chart represents small group market in 45 states analyzed

$$ indicates potential premium increases

How much could Obamacare cost YOU?

Examples of actual premium increases projected in the individual and small group markets

One national insurer predicts a 96 percent average increase for new customers in the individual market; Another predicts that small businesses in "nearly all states will see premium increases" in the small group market

Arizona: Potential premium increases ranging from 24 - 26 percent in the individual market and 30 percent in the small group market

California: Potential premium increases from 23 - 66 percent in the individual market and 37 percent in the small group market

Colorado: Potential premium increases from 23 - 25 percent in the individual market and 17 percent in the small group market

Connecticut: Potential premium increases of 36 percent in the small group market

Florida: In the individual market, example of 21-year-old male and female currently enrolled in less comprehensive plans could see increases of 122 and 101 percent respectively; in the small group market, estimated increases ranged from 13 - 75 percent

Georgia: Potential premium increases from 48 - 63 percent in the individual market and 25 percent in the small group market

Idaho: While no overall average was provided, one provider suggested 50 percent of existing customers in the small group market would face premium increases

Indiana: One example provided by an insurer showed a 101 percent increase in the small group market

Illinois: Potential premium increases from 27 - 61 percent in the individual market and 25 percent in the small group market

Maine: Potential premium increases of 55 percent in the small group market

Maryland: Potential premium increases of 19 percent in the small group market

Michigan: Potential premium increases from 25 - 88 percent for males in the individual market, with premiums to vary greatly throughout the state; in the small group market, an estimated 44 percent of plans seeing a decrease and 56 percent seeing an increase

Nevada: Potential premium increases of 31 percent in the small group market

New Jersey: Example of young male and older male in the individual market, premiums could range from 19 and 6 percent increase to 25 and 23 percent decrease, respectively; in the small group market, potential premium increases of 16 percent

Ohio: Potential premium increases from 14 - 20 percent in the individual market and 28 percent in the small group market

Oregon: For one insurer, >35% of existing customers in the small group market will see either no change or an increase of up to 10 percent

Pennsylvania: An average increase of 30 percent in the individual market and 27 percent in the small group market

Tennessee: Potential premium increases from 49 - 54 percent in the individual market and 35 percent in the small group market

Texas: Potential premium increases from 5 - 43 percent in the individual market and 23 percent in the small group market

Utah: For one insurer, ~50% of existing customers in the small group market will see increases from 5 - 45 percent

Virginia: Potential premium increases of 31 percent in the small group market

Washington: For one insurer, >70% of existing customers in the small group market will see either no change or an increase of up to 10 percent; 20% will see an increase from 10 - 20 percent