



USable Mutual Insurance Company (AR BCBS) – Small Group

Rate request filing SERFF Tracking #: **ARBB-131117135**

Product Name: **2018 QHP Grp Exchange Rate Filing**

This document is offered as a tool for Arkansas consumers to help explain the company's rate filing prepared and uses information submitted by the insurance company. It is not intended to describe or include all factors or information considered in AID's review process. All information is in the public domain. Financial information is based upon the annual company statement filed for the calendar year noted. For further information on this filing, visit: <https://www.insurance.arkansas.gov/uploads/pages/py2018-sq-arbb2-full.pdf>.

Overview

Requested average rate change:	8.60%
Range of requested rate change:	1.90% – 23.40%
Effective date:	January 1, 2018
Covered lives affected:	10,253
This plan is available in the following:	Statewide

Financial information

Experience from January-December 2016:

Premiums written:	\$53.9M
Claims paid:	\$42.7M

Projection for January-December 2018:

Projected premium:	\$62.5M
Projected claims:	\$49.5M

Company justification for requested change

According to the company's filing, the following components make up its rate request:

"In general the factors driving the proposed 8.60% average rate change are medical cost and utilization trends."

- 28% of the 8.60% total request is due to Medical Utilization Changes.
- 57% of the 8.60% total request is due to Medical Price Changes.
- 0% of the 8.60% total request is due to Medical Benefit Changes Required by Law.
- 8% of the 8.60% total request is due to Medical Benefit Changes Not Required by Law.
- - 4% of the 8.60% total request is due to Changes to Administration Costs.
- 0% of the 8.60% total request is due to Changes to Profit Margin.
- 11% of the 8.60% total request is due to Other, defined as: "Any ACA Taxes and Fees changes plus impact of changes in demographic makeup, and the impact of prior year's understatement of claim expenses."