



## QualChoice Life and Health Insurance Company, Inc. – Small Group

Rate request filing SERFF Tracking #: **QUAC-131113463**

Product Name: **QCLHC Small Group Metal Rates 2018**

*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-qclh-full.pdf>.*

### Overview

<b>Requested average rate change:</b>	<b>(7.18%)</b>
Range of requested rate change:	(13.34%) – (2.31%)
Effective date:	January 1, 2018
Covered lives affected:	138
This plan is available in the following:	Statewide

### Financial information

#### Experience from January-December 2016:

Premiums written:	\$639,485
Claims paid:	\$511,589

#### Projection for January-December 2018:

Projected premium:	\$3.17M
Projected claims:	\$2.54M

### Company justification for requested change

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

"Price Inflation - the cost per service is increasing; Utilization Trend - the number of and distribution of services utilized by members is increasing plan sponsor costs; Morbidity - the anticipated average risk profile of projected membership in 2018; and Administrative Expenses"

- - 77.4% of the - 7.18% total request is due to Medical Utilization Changes.
- - 43.5% of the - 7.18% total request is due to Medical Price Changes.
- 0% of the - 7.18% total request is due to Medical Benefit Changes Required by Law.
- 0% of the - 7.18% total request is due to Medical Benefit Changes Not Required by Law.
- 18.3% of the - 7.18% total request is due to Changes to Administration Costs.
- 10.5% of the - 7.18% total request is due to Changes to Profit Margin.
- 192.1% of the - 7.18% total request is due to Other, defined as: "Morbidity, Risk Adjustment, and Benefit Pricing."