

State: Rhode Island **Filing Company:** UnitedHealthcare Insurance Company
TOI/Sub-TOI: MS02G Group Medicare Supplement - Pre-Standardized/MS02G.000 Medicare Supplement - Pre-Standardized
Product Name: GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS
Project Name/Number: RATE/RERATE 2017 - PRE -STD

Filing at a Glance

Company: UnitedHealthcare Insurance Company
 Product Name: GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS
 State: Rhode Island
 TOI: MS02G Group Medicare Supplement - Pre-Standardized
 Sub-TOI: MS02G.000 Medicare Supplement - Pre-Standardized
 Filing Type: Rate
 Date Submitted: 07/08/2016
 SERFF Tr Num: UHLC-130561303
 SERFF Status: Assigned
 State Tr Num:
 State Status: Open-Pending Actuary Review
 Co Tr Num: RERATE 2017 - PRE -STD
 Implementation Date Requested: 01/01/2017
 Author(s): Michelle Ambach, Bobbie Walton, Gerry McCadden, Lisa Muhammad, Sarah Michener, Celina Sagin, Lauren Mulhern, Erin Eckhoff, Ron Beverly II, Joshua McDonald, Jessica Blood
 Reviewer(s): Linda Johnson (primary), Charles DeWeese, Maria Casale
 Disposition Date:
 Disposition Status:
 Implementation Date:
 State Filing Description:

State: Rhode Island **Filing Company:** UnitedHealthcare Insurance Company
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General Information

Project Name: RATE Status of Filing in Domicile: Not Filed
 Project Number: RERATE 2017 - PRE -STD Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments:
 Explanation for Combination/Other: Market Type: Group
 Submission Type: New Submission Group Market Size: Large
 Group Market Type: Association Overall Rate Impact:
 Filing Status Changed: 07/11/2016 Deemer Date:
 State Status Changed: 07/11/2016 Submitted By: Ron Beverly II
 Created By: Ron Beverly II
 Corresponding Filing Tracking Number: RERATE 2017 - PRE - STD - Form filing approved 6/13/1997. See supporting documentation for comment.

Filing Description:
 Rate Revision Filing
 Rates for Pre-Standardized Medicare Supplement Plans
 UnitedHealthcare Insurance Company
 NAIC #0707-79413

Company and Contact

Filing Contact Information

Sarah Michener, Director, Actuarial sarah_l_michener@uhc.com
 680 Blair Mill Rd 215-902-8419 [Phone]
 Horsham, PA 19044

Filing Company Information

UnitedHealthcare Insurance Company	CoCode: 79413	State of Domicile: Connecticut
185 Asylum Street	Group Code: 707	Company Type: Life and Health
Hartford, CT 06103	Group Name:	State ID Number: 79413
(860) 702-5000 ext. [Phone]	FEIN Number: 36-2739571	

Filing Fees

Fee Required? Yes
 Fee Amount: \$225.00
 Retaliatory? No
 Fee Explanation: \$25 x 9 = \$225.00
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
UnitedHealthcare Insurance Company	\$225.00	07/08/2016	111144893

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Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 01/01/2016
Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
UnitedHealthcare Insurance Company	0.000%	0.000%	\$0	111	\$279,090	0.000%	0.000%

SERFF Tracking #:

UHLC-130561303

State Tracking #:

Company Tracking #:

RERATE 2017 - PRE -STD

State:

Rhode Island

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

MS02G Group Medicare Supplement - Pre-Standardized/MS02G.000 Medicare Supplement - Pre-Standardized

Product Name:

GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS

Project Name/Number:

RATE/RERATE 2017 - PRE -STD

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		RATE SCHEDULE	G-36000-4	Revised	Previous State Filing Number: UHLC-130075627 Percent Rate Change Request:	RI - 2017 Rate Schedule (Pre).pdf,

UNITEDHEALTHCARE INSURANCE COMPANY

**RATE SCHEDULE
FOR
RHODE ISLAND**

AARP MEDICARE SUPPLEMENT PORTFOLIO
GROUP POLICY NUMBER G-36000-4

<u>Plan</u>	<u>Proposed 2017 Monthly Rate</u>	<u>2016 Monthly Rate</u>	<u>Diff. (%)</u>
M1/J1/P1	\$137.00	\$137.00	0.0%
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$165.25	\$165.25	0.0%
M3/J3/P3 (with drugs)	\$284.25	\$284.25	0.0%
M3/J3/P3 (without drugs)	\$249.50	\$249.50	0.0%
M4 (with drugs)	\$311.25	\$311.25	0.0%
M4 (without drugs)	\$276.50	\$276.50	0.0%
M5/J5/P5	\$161.50	\$161.50	0.0%
M6/J6/P6/DC/DE/DF	\$200.50	\$200.50	0.0%
M7/P7 (with drugs)	\$296.00	\$296.00	0.0%
M7/P7 (without drugs)	\$261.75	\$261.75	0.0%
MA/PA	\$135.75	\$135.75	0.0%
AD/DP	\$4.00	\$4.00	0.0%

** Discounts available for Multi-Insured, Electronic Funds Transfer, and Annual Pay.*

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Supporting Document Schedules

Satisfied - Item:	A&H Experience
Comments:	THE EXPERIENCE IS ATTACHED TO THE RATE/RULE SCHEDULE TAB.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Certification - Life & A&H
Comments:	THE ACTUARIAL CERTIFICATION IS INCLUDED IN THE ACTUARIAL MEMORANDUM.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum - A&H Rate Revision Filing
Comments:	SEE ATTACHED ACTUARIAL MEMORANDUM.
Attachment(s):	RI - 2017 Memorandum (Pre).pdf
Item Status:	
Status Date:	

Satisfied - Item:	*Medicare Supplement-Group
Comments:	The form filing was a paper filing, with no tracking number, of assumption of prior carrier's business approved 6/13/1997. UnitedHealthcare assumed this risk effective January 1, 1998 from The Prudential Insurance Company of America, through an assumption reinsurance agreement.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Premium Rate Sheets - Life & A&H
Comments:	THE RATES ARE ATTACHED TO THE RATE/RULE SCHEDULE TAB.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Cover Letter
Comments:	SEE ATTACHED COVER LETTER.
Attachment(s):	RI - 2017 Cover Letter (Pre).pdf

SERFF Tracking #:

UHLC-130561303

State Tracking #:

Company Tracking #:

RERATE 2017 - PRE -STD

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Product Name: GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS
Project Name/Number: RATE/RERATE 2017 - PRE -STD

Item Status:	
Status Date:	
Satisfied - Item:	Uniform Transmittal Document (PRE)
Comments:	SEE ATTACHED UNIFORM TRANSMITTAL DOCUMENT.
Attachment(s):	2017 Uniform Transmittal - RI PRE.pdf
Item Status:	
Status Date:	
Satisfied - Item:	ATTACHMENTS (Pre)
Comments:	SEE ATTACHED ATTACHMENTS
Attachment(s):	RI - 2017 Attachments (Pre).pdf
Item Status:	
Status Date:	

UnitedHealthcare Insurance Company

**Annual Medicare Supplement Filing
Actuarial Memorandum**

**AARP Medicare Supplement Portfolio
Group Policy Number G-36000-4**

Pre-Standardized Plans

Rhode Island

A. Purpose of Filing

The purpose of this filing is to request approval of 2017 rate revisions for Pre-Standardized Medicare Supplement plans offered to AARP members and to demonstrate compliance with loss ratio standards.

B. General Description

1. Issuer Name – The Prudential Insurance Company of America. UnitedHealthcare assumed this risk effective January 1, 1998, through an assumption reinsurance agreement with Prudential.
2. Form Number – Group Policy Number G-36000-4
Prescription Drug Elimination Rider: CRA 1664
3. Policy Type – Pre-Standardized Group Medicare Supplement.
4. Benefit Description – See Attachment 7 for plan specific benefit descriptions. These Medicare Supplement plans were sold prior to standardization and met Baucus requirements.

Prescription drug benefits will be discontinued for insureds covered by Plans M3, M4, and M7 who enroll in Medicare Part D. Prescription drug benefits will continue for insureds covered by Plans M3, M4, and M7 who do not enroll in Medicare Part D.

5. Renewal Provision – Guaranteed renewable. If the group policy is terminated by the group policyholder and not replaced by another group policy by the same policyholder, an individual policy will be offered.
6. Marketing Method – This is a closed block of business. Plans were marketed through the mail to members of AARP.

7. Underwriting Method – The Pre-Standardized Plans and Rider AD/DP were available on a guaranteed issue basis.
8. Pre-Existing Conditions Exclusion – This is a closed block of business; the maximum exclusion on any of these plans was 6 months/6 months.
9. Issue Age Limits – This is a closed block of business.
10. Premium Basis – Premium is earned on the first of the month for the entire month in which it is due. Premiums do not vary by age and contain no pre-funding components.

Discounts Available – The discounts currently available to AARP Medicare Supplement members will remain:

- a) Payment by Electronic Funds Transfer (\$2.00 per household per month).
- b) Annual Pay (\$24 per household for those that pay their entire calendar year premium in January).
- c) Multi-Insured - 5% when two or more insureds on one account each have at least one plan of insurance issued under a group master policy between the Trustees of AARP and UnitedHealthcare Insurance Company.

11. Actuary's Name: Timothy A. Koenig, ASA, MAAA
Director, Actuarial Services
UnitedHealthcare Insurance Company
680 Blair Mill Road
Horsham, PA 19044
(215) 902-8429

12. Domicile State Approval – UnitedHealthcare Insurance Company is domiciled in Connecticut. The Connecticut Department of Insurance does not require these rates to be filed for your state. We file Connecticut specific rates (i.e., rates charged to Connecticut residents) with the Connecticut Department of Insurance. Proposed 2017 Connecticut specific rates will be filed for approval with the Connecticut Department of Insurance in August 2016.

C. Rate Methodology/Assumptions

1. General Method – Projections used in developing the 2017 rates are shown in Attachment 1. Based on historical claim patterns, per member per month claim costs are developed by benefit and trended to the end of the 2017 rating period (also see Attachment 3).

The rate increase percentage for these certificates represents the average increase needed for the plans when grouped together. This approach should result in more moderate increases for all of the insureds.

The rates are based on state of residence. When notification of a change of residence is received, rates are adjusted accordingly.

2. Priced with Trend/Selection – Claim cost trends are projected for 2016 and 2017. The trend assumptions are based on historical AARP Medicare Supplement experience. These certificates have been in force since 1992 or prior; no explicit adjustment for selection is included in the pricing.
3. Priced with Rate Increases – We anticipate future annual rate increases similar to future medical trend levels.
4. Commission Rate – None.
5. Replacement Commissions – None.
6. Lapse Assumption – Lapse assumptions are based on historical AARP Medicare Supplement experience. For 2016 and 2017, the assumed annual lapse rates (including death) are 16.9% and 19.1%, respectively.
7. Morbidity Assumption – Morbidity assumptions are based on historical AARP Medicare Supplement experience and are incorporated into the trend projections and base claim costs.
8. Interest Assumptions – 5.0%.
9. Pre-Funding – These plans are community-rated. The rates are projected to be effective until December 31, 2017 and reflect no pre-funding.

D. Scope/Reason for Request

1. Overall Increase – The overall increase is 0.0%.
2. Variations by Cell – The requested rate increases represent the average increase needed for the plans when grouped together (see enclosed Rate Schedule).
3. Effective Date – January 1, 2017.
4. Timing – These plans are rated on a calendar year basis.

E. Rates and Rating Factors

1. Current – See Rate Schedule.
2. Proposed – See Rate Schedule.
3. Period Rates Apply – Effective January 1, 2017.

F. Average Annualized Premium - \$2,510. See Attachment 4 for 2017 annualized premiums by plan.

G. Rate History – See Attachment 5.

H. Average Lives – See Attachment 1.

I. Historical Incurred Claims – See Attachment 1.

J. Historical Earned Premium – See Attachment 1.

K. Loss Ratio Projection

1. Definition – Loss ratios are calculated as incurred claims divided by premium.
2. Base Period – Claim cost projections are based on claim data incurred through 2015.
3. Lapse Assumption – Lapse assumptions are based on historical AARP Medicare Supplement experience. For 2016 and 2017, the assumed annual lapse rates (including death) are 16.9% and 19.1%, respectively.
4. Claim Trend Assumption – Claim trend projections are based historical AARP Medicare Supplement experience and reflect changes made to the Medicare program. See Attachment 3 for projected claim trends.
5. Attained Age/Selection Adjustments – These plans are community rated. Demographic and selection differences are built into the historical claim costs.
6. Future Rate Increases – We anticipate future annual rate increases similar to future medical trend levels.
7. Interest Assumption – 5.0%.
8. With and Without Rate Change
 - Without a change to the 2016 rates, the anticipated lifetime loss ratio is 85.4%.

L. Loss Ratio Demonstration

All Pre-Standardized plans have been inforce at least three years. After proposed rate actions and considering the credibility of the business, anticipated lifetime loss ratios, projected

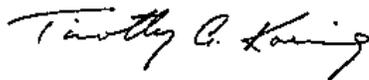
future loss ratios and expected third year loss ratios are greater than or equal to the applicable ratio.

M. Actuarial Certification

I am a member of the Society of Actuaries and a member of the American Academy of Actuaries. I meet the Qualification Standards of Actuarial Opinion as adopted by the American Academy of Actuaries and am qualified to render this prescribed statement of actuarial opinion.

I hereby certify that to the best of my knowledge and judgment, the following items are true with respect to this Medicare Supplement rate filing:

- This entire filing is in compliance with your state’s applicable laws, regulations and rules.
- This filing complies with all applicable Actuarial Standards of Practice as promulgated by the Actuarial Standards Board, including Actuarial Standard of Practice No. 8 “Regulatory Filings for Health Plan Entities” and Actuarial Standard of Practice No. 23 “Data Quality”.
- Data provided by others were reviewed and determined to be of high quality and reliable.
- The assumptions within this filing present my best judgment as to the expected value for each assumption and are consistent with UnitedHealthcare’s business plan at the time of the filing.
- The filed rates maintain the proper relationship between policies which were originally filed with differing rating methodologies.
- The rates determined in this filing are reasonable in relation to the benefits provided and are not excessive, inadequate or unfairly discriminatory.
- The anticipated lifetime loss ratio, future loss ratios, and third-year loss ratios all meet or exceed the applicable ratio.



Timothy A. Koenig, ASA, MAAA
Director, Actuarial Services
UnitedHealthcare Insurance Company

July 7, 2016

Date



UnitedHealthcare Insurance Company
680 Blair Mill Road
Horsham, PA 19044

July 7, 2016

Elizabeth K. Dwyer
Superintendent
State of Rhode Island
Department of Business Regulation
Division of Insurance
1511 Pontiac Avenue, Building 69-2
Cranston, Rhode Island 02920

RE: Rate Revision Filing
Rates for Pre-Standardized Medicare Supplement Plans
UnitedHealthcare Insurance Company
NAIC #0707-79413

Dear Superintendent:

The attached filing is made to obtain approval for rates effective January 1, 2017 for Pre-Standardized Medicare Supplement Plans issued to members of AARP and demonstrate compliance with loss ratio standards. The enclosed actuarial memorandum provides supporting information. Certification regarding compliance with loss ratio standards for your state is also provided.

The proposed rates are a continuation of 2016 rates. We project an anticipated lifetime loss ratio of 85.4%

We would appreciate your acting expeditiously on this request so that we can provide AARP members with adequate notice of their 2017 rates.

If you need any further information regarding this matter, please contact me at (215) 902-8429. If you prefer to e-mail me, my address is Timothy_A_Koenig@uhc.com.

Sincerely,

A handwritten signature in black ink that reads 'Timothy A. Koenig'.

Timothy A. Koenig, ASA, MAAA
Director, Actuarial Services

Life, Accident & Health, Annuity, Credit Transmittal Document

1.	Prepared for the State of	Rhode Island
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2.	Department Use Only
	State Tracking ID

3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
	UnitedHealthcare Insurance Company 680 Blair Mill Road Horsham, PA 19044	CT	HEALTH	0707	79413	36-2739571	

4.	Contact Name & Address	Telephone #	Fax #	E-mail Address
	TIMOTHY A. KOENIG 680 BLAIR MILL ROAD HORSHAM, PA 19044	215-902-8429	215-902-8801	TIMOTHY_A_KOENIG@UHC.COM

5.	Requested Filing Mode	<input checked="" type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____
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6.	Company Tracking Number	RERATE 2017 PRE-STD
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7.	<input checked="" type="checkbox"/> New Submission <input type="checkbox"/> Resubmission	Previous file # _____
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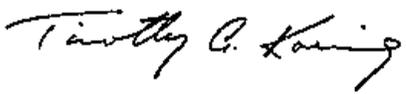
8.	Market	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise <input type="checkbox"/> Small <input checked="" type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input checked="" type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____
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9.	Type of Insurance (TOI)	MS02G
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10.	Sub-Type of Insurance (Sub-TOI)	<u>MS02G.000</u>
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11.	Submitted Documents	<input type="checkbox"/> FORMS <input type="checkbox"/> Policy <input type="checkbox"/> Outline of Coverage <input type="checkbox"/> Certificate <input type="checkbox"/> Application/Enrollment <input type="checkbox"/> Rider/Endorsement <input type="checkbox"/> Advertising <input type="checkbox"/> Schedule of Benefits <input type="checkbox"/> Other <u>Rates</u> <input type="checkbox"/> New Rate <input checked="" type="checkbox"/> Revised Rate <input type="checkbox"/> FILING OTHER THAN FORM OR RATE: Please explain: _____ <u>SUPPORTING DOCUMENTATION</u> <input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Third Party Authorization <input type="checkbox"/> Association Bylaws <input type="checkbox"/> Trust Agreements <input type="checkbox"/> Statement of Variability <input type="checkbox"/> Certifications <input checked="" type="checkbox"/> Actuarial Memorandum <input type="checkbox"/> Other: _____
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12.	Filing Submission Date	July 7, 2016	
13	Filing Fee (If required)	Amount <u>\$40.00</u>	Check Date <u>EFT</u>
		Retaliatory <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Check Number <u>EFT</u>
14.	Date of Domiciliary Approval	To be filed August 2016	
15.	Filing Description:		
	<p style="text-align: center;">RATES FOR PRE-STANDARDIZED MEDICARE SUPPLEMENT PLANS</p> <p style="text-align: center;">SEE ATTACHED COVER LETTER</p>		

16.	Certification (If required)		
<p>I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of <u>Rhode Island</u>.</p>			
Print Name <u>TIMOTHY A. KOENIG</u>		Title <u>DIRECTOR, ACTUARIAL SERVICES</u>	
Signature 		Date: <u>July 7, 2016</u>	

17.	Form Filing Attachment	
This filing transmittal is part of company tracking number		N/A
This filing corresponds to rate filing company tracking number		

	Document Name	Form Number		Replaced Form Number
	Description			Previous State Filing Number
01		N/A	<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

LH FFA-1

18.		Rate Filing Attachment		
This filing transmittal is part of company tracking number		RERATE 2017 PRE-STD		
This filing corresponds to form filing company tracking number				
Overall percentage rate indication (when applicable)				
Overall percentage rate impact for this filing		0.0%		
	Document Name	Affected Form Numbers		Previous State Filing Number
	Description			
01	Actuarial Memorandum and Rate Schedule Pre-Standardized coverage; rates not based on age	G-36000-4	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request + <u>0.0%</u> <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	

LH RFA-1

UNITEDHEALTHCARE INSURANCE COMPANY

PRE-STANDARDIZED MEDICARE SUPPLEMENT RATE FILING

GROUP POLICY NUMBER G-36000-4

Rhode Island

EFFECTIVE 1/1/2017

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1. Rate Schedule (1 page)
2. Actuarial Memorandum (5 pages)
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6. Attachment 4 – Average Annualized Premiums (1 page)
7. Attachment 5 – Rate History (1 page)
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9. Attachment 7 – Benefit Description Charts (5 pages)
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11. Attachment 9 – Pre-Standardized Historical and Projected Loss Ratios (1 page)
12. Attachment 10 – Pre-Standardized Plans Paid and Incurred Experience (1 page)
13. Attachment 11 – Rates for Non Issued Plans (1 page)

RHODE ISLAND - LOSS RATIO PROJECTIONS

Company: UnitedHealthcare Insurance Company
 Policy Form: G-36000-4 Pre-Standardized Plans*

TOTAL PRE-STANDARDIZED

	HISTORICAL EXPERIENCE			Average Lives
	Premium	Incurred Claims	Loss Ratio	
1994	\$2,308,925	\$2,107,905	91.3%	3,422
1995	\$2,054,340	\$2,106,267	102.5%	3,132
1996	\$2,446,505	\$2,252,767	92.1%	2,730
1997	\$2,370,295	\$2,121,440	89.5%	2,301
1998	\$2,278,499	\$1,890,680	83.0%	1,725
1999	\$2,102,867	\$1,592,176	75.7%	1,380
2000	\$2,008,482	\$1,518,250	75.6%	1,237
2001	\$1,826,897	\$1,436,259	78.6%	1,128
2002	\$1,669,249	\$1,299,063	77.8%	990
2003	\$1,540,747	\$1,242,577	80.6%	900
2004	\$1,376,857	\$1,193,056	86.7%	801
2005	\$1,241,378	\$1,021,521	82.3%	701
2006	\$1,158,491	\$1,036,774	89.5%	615
2007	\$1,075,500	\$857,201	79.7%	536
2008	\$970,840	\$837,954	86.3%	464
2009	\$868,092	\$702,157	80.9%	401
2010	\$759,786	\$637,370	83.9%	338
2011	\$698,369	\$582,380	83.4%	301
2012	\$623,317	\$468,046	75.1%	263
2013	\$563,103	\$483,581	85.9%	229
2014	\$493,742	\$350,399	71.0%	199
2015	\$407,864	\$295,989	72.6%	165
2016	\$342,609	\$280,059	81.7%	138
Total Historical	\$31,186,753	\$26,313,871	84.4%	n/a
With Interest**	\$66,703,256	\$56,998,073	85.5%	n/a

FUTURE EXPERIENCE - WITH 2017 RATE CHANGE

	FUTURE EXPERIENCE - WITH 2017 RATE CHANGE			Average Lives
	Premium	Incurred Claims	Loss Ratio	
2017	\$278,714	\$236,447	84.8%	111
2018	\$236,349	\$200,507	84.8%	89
2019	\$200,424	\$170,030	84.8%	71
2020	\$169,960	\$144,186	84.8%	57
2021	\$144,126	\$122,269	84.8%	46
2022	\$122,219	\$103,684	84.8%	36
2023	\$103,641	\$87,924	84.8%	29
2024	\$87,888	\$74,560	84.8%	23
2025	\$74,529	\$63,227	84.8%	19
2026	\$63,201	\$53,616	84.8%	15
Total Future	\$1,481,049	\$1,256,451	84.8%	n/a
Discounted with Interest**	\$1,246,939	\$1,057,844	84.8%	n/a

LIFETIME EXPERIENCE - WITHOUT 2017 RATE CHANGE**

	LIFETIME EXPERIENCE** - WITHOUT 2017 RATE CHANGE			Average Lives
	Premium	Incurred Claims	Loss Ratio	
Total Historical	\$66,703,256	\$56,998,073	85.5%	n/a
Total Future	\$1,246,939	\$1,057,844	84.8%	n/a
Total Lifetime	\$67,950,196	\$58,055,916	85.4%	n/a

LIFETIME EXPERIENCE - WITH 2017 RATE CHANGE**

	LIFETIME EXPERIENCE** - WITH 2017 RATE CHANGE			Average Lives
	Premium	Incurred Claims	Loss Ratio	
Total Historical	\$66,703,256	\$56,998,073	85.5%	n/a
Total Future	\$1,246,939	\$1,057,844	84.8%	n/a
Total Lifetime	\$67,950,196	\$58,055,916	85.4%	n/a

*Excludes AD/DP Experience.

**Accumulated at 5% interest rate

**Rhode Island
Pre-Standardized Medicare Supplement Exhibit**

Total

Calendar Year	Incurred Claims	Earned Premiums	Loss Ratio	Average Lives
1994	2,117,030	2,334,215	90.7%	3,422
1995	2,115,779	2,069,368	102.2%	3,132
1996	2,261,499	2,459,473	92.0%	2,730
1997	2,131,670	2,381,661	89.5%	2,301
1998	1,905,170	2,288,154	83.3%	1,725
1999	1,601,086	2,111,097	75.8%	1,380
2000	1,526,950	2,015,683	75.8%	1,237
2001	1,445,679	1,833,246	78.9%	1,128
2002	1,302,903	1,674,866	77.8%	990
2003	1,244,719	1,545,846	80.5%	900
2004	1,194,616	1,381,223	86.5%	801
2005	1,023,921	1,245,144	82.2%	701
2006	1,039,624	1,161,845	89.5%	615
2007	859,451	1,078,304	79.7%	536
2008	841,434	973,203	86.5%	464
2009	704,557	870,122	81.0%	401
2010	639,770	761,502	84.0%	338
2011	584,780	699,843	83.6%	301
2012	468,046	624,603	74.9%	263
2013	483,581	564,164	85.7%	229
2014	350,399	494,537	70.9%	199
2015	296,052	408,553	72.5%	165

**Pre-Standardized Plans in force on the SSAA-94 effective date are grouped together by type and treated as if they were issued on the SSAA-94 effective date.*

***Includes AD/DP experience.*

**PRE-STANDARDIZED PLANS
RHODE ISLAND BENEFIT COSTS**

	Per Member Per Month Costs*					
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Proj 2016</u>	<u>Proj 2017</u>
Part B Coinsurance	\$88.45	\$102.90	\$84.61	\$90.95	\$95.37	\$97.91
Part B Excess Charges	\$0.21	\$0.23	\$0.38	\$0.46	\$0.30	\$0.30
Part A Deductible	\$29.77	\$30.54	\$34.32	\$33.31	\$36.55	\$38.77
Long Hospital Stay	\$0.00	\$0.00	\$0.00	\$0.13	\$0.20	\$0.20
SNF Day 21-100	\$29.74	\$42.75	\$28.73	\$24.98	\$37.86	\$40.59
SNF Day 101-365	\$0.64	\$0.00	\$0.00	\$0.55	\$0.90	\$0.90
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.10	\$0.10
Prescription Drugs	\$25.37	\$30.30	\$21.15	\$26.44	\$24.54	\$24.93
Total PMPM Cost	\$148.30	\$176.10	\$147.04	\$149.14	\$169.89	\$177.33
<i>Trend</i>		<i>18.7%</i>	<i>-16.5%</i>	<i>1.4%</i>	<i>13.9%</i>	<i>4.4%</i>

"Other" includes foreign care and/or private duty nursing benefits.

** The per member per month cost is equal to the incurred claims divided by the number of lives with that specific benefit.*

Rhode Island Average Annualized Premiums*

<u>Plan</u>	Proposed <u>2017</u>	<u>2016</u>
M1/J1/P1	\$1,615	\$1,616
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$1,951	\$1,958
M3/J3/P3	\$3,018	\$3,018
M4	-	-
M5/J5/P5	-	-
M6/J6/P6/DC/DE/DF	\$2,371	\$2,371
M7/P7	\$3,141	\$3,141
MA/PA	\$1,600	\$1,602
AD/DP	\$48	\$48
 Total	 \$2,510	 \$2,495

**Average premiums are net of discounts.*

**Rhode Island
Pre-Standardized Plans Rate History**

	<u>1/2012*</u>	<u>1/2013*</u>	<u>1/2014</u>	<u>1/2015*</u>	<u>1/2016</u>	Proposed <u>1/2017</u>	<u>2013/2012*</u>	<u>2014/2013</u>	<u>2015/2014*</u>	<u>2016/2015</u>	Proposed <u>2017/2016</u>
M1/J1/P1	\$131.25	\$136.25	\$136.25	\$137.00	\$137.00	\$137.00	3.8%	0.0%	0.6%	0.0%	0.0%
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$158.25	\$164.25	\$164.25	\$165.25	\$165.25	\$165.25	3.8%	0.0%	0.6%	0.0%	0.0%
M3/J3/P3 (with drugs)	\$272.25	\$282.50	\$282.50	\$284.25	\$284.25	\$284.25	3.8%	0.0%	0.6%	0.0%	0.0%
M3/J3/P3 (without drugs)	\$239.00	\$248.00	\$248.00	\$249.50	\$249.50	\$249.50	3.8%	0.0%	0.6%	0.0%	0.0%
M4 (with drugs)	\$298.25	\$309.50	\$309.50	\$311.25	\$311.25	\$311.25	3.8%	0.0%	0.6%	0.0%	0.0%
M4 (without drugs)	\$264.75	\$274.75	\$274.75	\$276.50	\$276.50	\$276.50	3.8%	0.0%	0.6%	0.0%	0.0%
M5/J5/P5	\$154.50	\$160.50	\$160.50	\$161.50	\$161.50	\$161.50	3.9%	0.0%	0.6%	0.0%	0.0%
M6/J6/P6/DC/DE/DF	\$192.00	\$199.25	\$199.25	\$200.50	\$200.50	\$200.50	3.8%	0.0%	0.6%	0.0%	0.0%
M7/P7 (with drugs)	\$283.50	\$294.25	\$294.25	\$296.00	\$296.00	\$296.00	3.8%	0.0%	0.6%	0.0%	0.0%
M7/P7 (without drugs)	\$250.50	\$260.25	\$260.25	\$261.75	\$261.75	\$261.75	3.9%	0.0%	0.6%	0.0%	0.0%
MA/PA	\$130.00	\$135.00	\$135.00	\$135.75	\$135.75	\$135.75	3.8%	0.0%	0.6%	0.0%	0.0%
AD/DP (Recuperation Care Rider)	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	0.0%	0.0%	0.0%	0.0%	0.0%

*The rate changes were deferred until April 1st.

Rhode Island Average Lives

<u>Plan</u>	<u>2017</u>	<u>2016</u>
M1/J1/P1	1	2
M2/J2/P2/MC/MH/MM/MS/DA/DB	1	2
M3/J3/P3	22	25
M4	-	-
M5/J5/P5	-	-
M6/J6/P6/DC/DE/DF	73	91
M7/P7	8	10
MA/PA	6	7
AD/DP	8	11
Total	111	138

National Average Lives

<u>Plan</u>	<u>2017</u>	<u>2016</u>
M1/J1/P1	978	1,267
M2/J2/P2/MC/MH/MM/MS/DA/DB	1,984	2,677
M3/J3/P3	5,888	7,379
M4	28	33
M5/J5/P5	1,010	1,277
M6/J6/P6/DC/DE/DF	35,259	44,261
M7/P7	5,968	7,327
MA/PA	3,044	3,703
AD/DP	4,779	6,004
 Total	 54,160	 67,925

Service	Benefit	AARP's Medicare Supplement (M1, P1, J1)	AARP's Medicare Supplement Plus (M2,P2,J2)
<p>HOSPITAL EXPENSES (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$333	Actual charges up to \$1332
	Days 61 through 90	to \$333/day	to \$333/day
	Days 91 and after when using a Lifetime Reserve Day	\$666/day	\$666/day
	Days 91 and after when LTR's are available but not used	\$666/day for up to 60 days	\$666/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p>SKILLED NURSING FACILITY STAYS (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$166.50/day	\$166.50/day
	Days 101 through 365	\$333/day	\$333/day
<p>MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$200 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$200 medical deductible**
<p>IN-HOSPITAL PRIVATE DUTY NURSING CARE</p>	In-Hospital Care by an RN or LPN	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.
<p>BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
<p>PRESCRIPTION DRUGS</p>	Purchased Out-of-Hospital and outside of a SNF	No benefit	No benefit
<p>FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges after first \$50 up to \$25,000 per trip period	80% of reasonable charges after first \$50 up to \$25,000 per trip period

* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

** Medical deductible- first \$200 (Plans M1 & M2) or first \$178 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

Service	Benefit	AARP's Extended Medicare Supplement (M3,P3,J3)	AARP'S Comprehensive Medicare Supplement (M4)
<p>HOSPITAL EXPENSES (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$1332	Actual charges up to \$1332
	Days 61 through 90	to \$333/day	to \$333/day
	Days 91 and after when using a Lifetime Reserve Day	\$666/day	\$666/day
	Days 91 and after when LTR's are available but not used	\$666/day for up to 60 days	\$666/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p>SKILLED NURSING FACILITY STAYS (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$166.50/day	\$166.50/day
	Days 101 through 365	\$333/day	\$333/day
<p>MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$178 medical deductible**	100% of Medicare eligible expenses not paid in full by Medicare, up to the limiting charge set by Medicare, after a \$178 medical deductible**
<p>IN-HOSPITAL PRIVATE DUTY NURSING CARE</p>	In-Hospital Care by an RN or LPN	80% of usual and prevailing charges	80% of usual and prevailing charges
<p>BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
<p>PRESCRIPTION DRUGS</p>	Purchased Out-of-Hospital and outside of a SNF	50% of usual and prevailing charges after \$50 deductible; Max benefit of \$500/yr.	50% of usual and prevailing after \$50 deductible; Max benefit of \$500/yr.
<p>FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges after first \$50 up to \$25,000 per trip period	80% of reasonable charges after first \$50 up to \$25,000 per trip period

* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

** Medical deductible- first \$200 (Plans M1 & M2) or first \$178 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

Service	Benefit	AARP's Medicare Supplement (M5,P5,J5)	AARP'S Medicare Supplement Plus (M6,P6,J6)
<p>HOSPITAL EXPENSES (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$333	Actual charges up to \$1332
	Days 61 through 90	to \$333/day	to \$333/day
	Days 91 and after when using a Lifetime Reserve Day	\$666/day	\$666/day
	Days 91 and after when LTR's are available but not used	\$666/day for up to 60 days	\$666/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p>SKILLED NURSING FACILITY STAYS (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$166.50/day	\$166.50/day
	Days 101 through 365	\$333/day	\$333/day
<p>MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$178 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$178 medical deductible**
<p>IN-HOSPITAL PRIVATE DUTY NURSING CARE</p>	In-Hospital Care by an RN or LPN	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.
<p>BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
<p>PRESCRIPTION DRUGS</p>	Purchased Out-of-Hospital and outside of a SNF	No benefit	No benefit
<p>FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges after first \$50 up to \$25,000 per trip period	80% of reasonable charges after first \$50 up to \$25,000 per trip period

* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

** Medical deductible- first \$200 (Plans M1 & M2) or first \$178 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

Service	Benefit	AARP'S Comprehensive Medicare Supplement (M7,P7)	AARP's Medicare Supplement (MA, PA)
<p>HOSPITAL EXPENSES (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$1332	No benefit
	Days 61 through 90	to \$333/day	to \$333/day
	Days 91 and after when using a Lifetime Reserve Day	\$666/day	\$666/day
	Days 91 and after when LTR's are available but not used	\$666/day for up to 60 days	\$666/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p>SKILLED NURSING FACILITY STAYS (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$166.50/day	\$166.50/day
	Days 101 through 365	\$333/day	\$333/day
<p>MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	Medicare eligible expenses not paid in full by Medicare. Up to the usual & prevailing charge set by Medicare after a \$178 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$178 medical deductible**
<p>IN-HOSPITAL PRIVATE DUTY NURSING CARE</p>	In-Hospital Care by an RN or LPN	80% of the usual and prevailing charges	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/hospital stay
<p>BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	100% of the cost not paid by Medicare
<p>PRESCRIPTION DRUGS</p>	Purchased Out-of-Hospital and outside of a SNF	50% of usual and prevailing charges after \$50 deductible; Max benefit of \$500/yr.	No benefit
<p>FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges after first \$50 up to \$25,000 per trip period	80% of reasonable charges after first \$50 up to \$25,000 per trip period

* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

** Medical deductible- first \$200 (Plans M1 & M2) or first \$178 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

Service	Benefit	AD/DP
<i>Nursing Home Stays</i>	Days 1-20 per calendar year*	\$60/day
	Days 21 and after	No Benefit
<i>Home Health Care Visits</i>	Visits 1-40 per calendar year*	\$30/visit; 3 hr. minimum/visit
	Visits 41 and after	No Benefit

* Days and visits which are covered (wholly or partly) by Medicare are days and visits not eligible for benefits under this rider.

Rhode Island Medicare Supplement Pre-Standardized Plans Trend Development

The components of the composite trend are shown below.

Part B Coinsurance

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Medicare Fee Update	0.2%	0.4%	-0.2%	0.9%
Utilization Trend	-17.9%	7.1%	5.1%	1.7%
Composite Trend	-17.8%	7.5%	4.9%	2.7%

The net change in the cost for Part B services in 2016 was -0.2%. For 2017, we assume a net change of 0.9%.

Utilization trend considers changes in the number of services used as well as the intensity of services. Our assumed utilization trends for 2016 and 2017 are 5.1% and 1.7%, respectively.

Part B Excess -- Projected claim costs for 2016 and 2017 are \$0.30 and \$0.30 respectively.

Part A Deductible

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Medicare Part A Deductible	\$1,216	\$1,260	\$1,288	\$1,332
% Change in Part A Deductible	2.7%	3.6%	2.2%	3.4%
Utilization Trend	9.4%	-6.4%	7.4%	2.6%
Composite Trend	12.4%	-3.0%	9.8%	6.1%

Hospital Co-Payments -- Hospital Co-payments are paid for days 61 and after for long hospital stays. Projected claim costs for 2016 and 2017 are \$0.20 and \$0.20 respectively.

Skilled Nursing -- Medicare Supplement plans which have a skilled nursing facility stay benefit pay the Medicare cost sharing amount for days 21-100. These plans also cover an additional 265 days.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Medicare Daily Coinsurance	\$152	\$158	\$161	\$167
% Change in Daily Coinsurance	2.7%	3.6%	2.2%	3.4%
Utilization/Length of Stay, days 21-365	-34.6%	-14.2%	48.6%	3.5%
Composite Trend	-32.8%	-11.1%	51.9%	7.0%

Foreign Care / Private Duty Nursing / Prescription Drugs -- In aggregate, these benefits represent less than 1% of the total Rhode Island claim costs. Projected costs for these benefits were based on historical experience and actuarial judgment.

RHODE ISLAND - HISTORICAL AND PROJECTED LOSS RATIOS

	<u>Premium</u>	<u>Premium</u> <u>Accumulated</u>	<u>Incurred</u> <u>Claims</u>	<u>Incurred Claims</u> <u>Accumulated</u>	<u>Incurred</u> <u>Loss Ratio</u>
	a	b	c	d	d/b
TOTAL PRE-STANDARDIZED*					
1990	\$1,694,000	\$6,172,056	\$1,644,749	\$5,992,611	97.1%
1991	\$2,061,167	\$7,152,211	\$1,741,043	\$6,041,388	84.5%
1992	\$2,277,300	\$7,525,894	\$2,257,282	\$7,459,739	99.1%
1993	\$2,367,460	\$7,451,285	\$2,195,875	\$6,911,243	92.8%
1994	\$2,308,925	\$6,921,003	\$2,107,905	\$6,318,447	91.3%
1995	\$2,054,340	\$5,864,652	\$2,106,267	\$6,012,891	102.5%
1996	\$2,446,505	\$6,651,610	\$2,252,767	\$6,124,872	92.1%
1997	\$2,370,295	\$6,137,530	\$2,121,440	\$5,493,158	89.5%
1998	\$2,278,499	\$5,618,894	\$1,890,680	\$4,662,513	83.0%
1999	\$2,102,867	\$4,938,836	\$1,592,176	\$3,739,415	75.7%
2000	\$2,008,482	\$4,492,533	\$1,518,250	\$3,395,992	75.6%
2001	\$1,826,897	\$3,891,780	\$1,436,259	\$3,059,617	78.6%
2002	\$1,669,249	\$3,386,616	\$1,299,063	\$2,635,572	77.8%
2003	\$1,540,747	\$2,977,055	\$1,242,577	\$2,400,926	80.6%
2004	\$1,376,857	\$2,533,700	\$1,193,056	\$2,195,467	86.7%
2005	\$1,241,378	\$2,175,609	\$1,021,521	\$1,790,293	82.3%
2006	\$1,158,491	\$1,933,661	\$1,036,774	\$1,730,500	89.5%
2007	\$1,075,500	\$1,709,656	\$857,201	\$1,362,640	79.7%
2008	\$970,840	\$1,469,796	\$837,954	\$1,268,613	86.3%
2009	\$868,092	\$1,251,657	\$702,157	\$1,012,405	80.9%
2010	\$759,786	\$1,043,330	\$637,370	\$875,230	83.9%
2011	\$698,369	\$913,327	\$582,380	\$761,636	83.4%
2012	\$623,317	\$776,356	\$468,046	\$582,962	75.1%
2013	\$563,103	\$667,959	\$483,581	\$573,630	85.9%
2014	\$493,742	\$557,793	\$350,399	\$395,855	71.0%
2015	\$407,864	\$438,833	\$295,989	\$318,464	72.6%
2016	\$342,609	\$351,070	\$280,059	\$286,975	81.7%
Total Historical	\$39,244,072	\$94,653,632	\$33,872,761	\$83,116,079	87.8%
2017	\$278,714	\$271,997	\$236,447	\$230,749	84.8%
2018	\$236,349	\$219,670	\$200,507	\$186,357	84.8%
2019	\$200,424	\$177,409	\$170,030	\$150,506	84.8%
2020	\$169,960	\$143,279	\$144,186	\$121,551	84.8%
2021	\$144,126	\$115,715	\$122,269	\$98,167	84.8%
2022	\$122,219	\$93,454	\$103,684	\$79,282	84.8%
2023	\$103,641	\$75,475	\$87,924	\$64,029	84.8%
2024	\$87,888	\$60,955	\$74,560	\$51,711	84.8%
2025	\$74,529	\$49,228	\$63,227	\$41,763	84.8%
2026	\$63,201	\$39,758	\$53,616	\$33,729	84.8%
Total Future	\$1,481,049	\$1,246,939	\$1,256,451	\$1,057,844	84.8%
Aggregate (1990-2026)	\$40,725,121	\$95,900,571	\$35,129,212	\$84,173,922	87.8%

Assumption: Interest rate is 5%.

* Excludes AD/DP experience.

**Rhode Island Pre-Standardized
Paid and Incurred Experience**
(Most recent 5 years shown)

Pre-Standardized *	<u>Paid Premium</u>	<u>Earned Premium</u>	<u>Paid Claims</u>	<u>Incurred Claims</u>	<u>Incurred Expenses</u>	<u>Paid Loss Ratios</u>	<u>Incurred Loss Ratios</u>
2011	698,369	698,369	620,501	582,380	112,220	88.8%	83.4%
2012	623,317	623,317	479,199	468,046	100,101	76.9%	75.1%
2013	563,103	563,103	484,460	483,581	87,989	86.0%	85.9%
2014	493,742	493,742	379,682	350,399	76,407	76.9%	71.0%
2015	407,864	407,864	296,355	295,989	63,600	72.7%	72.6%

* Excludes AD/DP experience.

**2017 RATES FOR PLANS NOT ISSUED IN
RHODE ISLAND**

<u>Plan</u>	<u>Monthly Rate</u>
S1	\$137.00
S2	\$165.25
S3 (with drugs)	\$284.25
S3 (without drugs)	\$249.50
S4 (with drugs)	\$311.25
S4 (without drugs)	\$276.50
S6	\$200.50
S7 (with drugs)	\$296.00
S7 (without drugs)	\$261.75
SA	\$135.75
TA/XA/HA/YA	\$135.75
NA/QA	\$133.00
N6/Q6	\$193.25
N3/Q3 (with drugs)	\$91.00
N3/Q3 (without drugs)	\$56.50
N7/Q7 (with drugs)	\$103.25
N7/Q7 (without drugs)	\$68.75
M8/P8	\$158.50
M9/P9	\$198.25
D6/D7/D8/D9	\$14.75

2017 Rates for Pre-Baucus Coverages

AG	\$55.75
W (with drugs)	\$250.50
W (without drugs)	\$227.75
X	\$160.50
Y	\$105.25