

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 PLANS PRE-STANDARDIZED
Project Name/Number: RATE/C20-016-PRE-STANDARDIZED

Filing at a Glance

Company: UnitedHealthcare Insurance Company
Product Name: GROUP MEDICARE SUPPLEMENT PLANS PRE-STANDARDIZED
State: Rhode Island
TOI: MS02G Group Medicare Supplement - Pre-Standardized
Sub-TOI: MS02G.000 Medicare Supplement - Pre-Standardized
Filing Type: Rate
Date Submitted: 07/22/2020
SERFF Tr Num: UHLC-132409830
SERFF Status: Assigned
State Tr Num:
State Status: Open-Pending Actuary Review
Co Tr Num: C20-016-PRE-STANDARDIZED

Implementation Date Requested: 01/01/2021
Author(s): Michelle Ambach, Bobbie Walton, Gerry McCadden, Michelle Richart, Lisa Muhammad, Sarah Michener, Celina Sagin, Harry Schwarz, Gregory Moyer, Xiaoping Hu, James Bianco, Edward Dankanich, LeeAnna Parrott, Eric McKeeman, Michael Sliozberg
Reviewer(s): John Garrett (primary), Charles DeWeese, Bela Gorman, Alyssa Metivier, Victor Woods, Courtney Miner, Jennifer Smagula

Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

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General Information

Project Name: RATE Status of Filing in Domicile: Not Filed
 Project Number: C20-016-PRE-STANDARDIZED 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: 07/23/2020 Deemer Date:
 State Status Changed: 07/23/2020 Submitted By: Lisa Muhammad
 Created By: Lisa Muhammad
 Corresponding Filing Tracking Number: Form filing approved
 6/13/1997. See supporting documentation for comment.

Filing Description:

The purpose of this filing is to request approval of 2021 rate revisions for Pre-Standardized Medicare Supplement plans, file experience, and to demonstrate compliance with loss ratio standards.

The proposed rates include an average rate change of 2.3%. With these changes we project an anticipated lifetime loss ratio of 85.7%. The rates are proposed to be effective January 1, 2021 through December 31, 2021. We anticipate that the next rate revision will be effective January 1, 2022 through December 31, 2022.

We would like to take the opportunity to share with the Department how we have considered COVID-19 in the determination of our proposed rate actions. Our 2020 and 2021 claim projections are based on historical claim utilization and Medicare cost trends. We believe this approach for developing 2021 needed rate actions is optimal given the current volatile conditions. We have observed suppressed claim utilization for a period of time beginning mid-March 2020 from members delaying services due to COVID lockdowns and anticipate this to continue to some degree over upcoming months. We also anticipate that this will likely be followed by some higher than normal utilization later in 2020 or 2021 from pent up demand. Our current projections assume 2021 experience will return to more normal levels. We understand there is a higher level of uncertainty than normal during this time. Also, we are proposing to recognize recent suppressed claim costs through premium relief for members in the form of lower rate actions. We calculate a needed overall increase of 3.3%. We are proposing an average increase of 2.3%, which is 1.0% lower than the calculated needed increase.

This actuarial memorandum or filing is not intended for any use other than the stated purpose.

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

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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: REQUIRED FEE
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
UnitedHealthcare Insurance Company	\$225.00	07/22/2020	181192217

SERFF Tracking #:

UHLC-132409830

State Tracking #:

Company Tracking #:

C20-016-PRE-STANDARDIZED

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Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 1.300%
Effective Date of Last Rate Revision: 01/01/2020
Filing Method of Last Filing: SERFF
SERFF Tracking Number of Last Filing: UHLC-131905970

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	2.300%	2.300%	\$2,491	41	\$109,034	2.400%	0.000%

SERFF Tracking #:

UHLC-132409830

State Tracking #:**Company Tracking #:**

C20-016-PRE-STANDARDIZED

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 PLANS PRE-STANDARDIZED

Project Name/Number:

RATE/C20-016-PRE-STANDARDIZED

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, CRA 1664	Revised	Previous State Filing Number: UHLC-131905970 Percent Rate Change Request: 2.3	RI - 2021 Rate Schedules (Pre).pdf,

UNITEDHEALTHCARE INSURANCE COMPANY

**RATE SCHEDULE
FOR
RHODE ISLAND**

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

<u>Plan</u>	<u>Current 2020 Monthly Rate</u>	<u>Proposed 2021 Monthly Rate</u>	<u>Proposed 2021 Monthly Rate Changes</u>
M1/J1/P1	\$138.75	\$142.00	2.3%
M2/J2/P2/MH/MM/MS/DA	\$167.50	\$171.25	2.2%
M3/J3/P3 (with drugs)	\$288.00	\$294.75	2.3%
M3/J3/P3 (without drugs)	\$252.75	\$258.50	2.3%
M4 (with drugs)	\$315.25	\$322.50	2.3%
M4 (without drugs)	\$280.00	\$286.50	2.3%
M5/P5	\$163.50	\$167.25	2.3%
M6/J6/P6/DC/DE/DF	\$203.00	\$207.75	2.3%
M7/P7 (with drugs)	\$299.75	\$306.75	2.3%
M7/P7 (without drugs)	\$265.25	\$271.50	2.4%
MA/PA	\$137.50	\$140.75	2.4%
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:	
Attachment(s):	RI - 2021 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:	Attachments (PRE)
Comments:	
Attachment(s):	RI - 2021 Attachments (Pre).pdf

SERFF Tracking #:

UHLC-132409830

State Tracking #:

Company Tracking #:

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Product Name: GROUP MEDICARE SUPPLEMENT PLANS PRE-STANDARDIZED
Project Name/Number: RATE/C20-016-PRE-STANDARDIZED

Item Status:	
Status Date:	
Satisfied - Item:	2021 Rate Increase Narrative
Comments:	
Attachment(s):	2021 RI Rate Increase Narrative - 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 2021 rate revisions for Pre-Standardized Medicare Supplement plans, file experience, and to demonstrate compliance with loss ratio standards.

The proposed rates include an average rate change of 2.3%. With these changes we project an anticipated lifetime loss ratio of 85.7%. The rates are proposed to be effective January 1, 2021 through December 31, 2021. We anticipate that the next rate revision will be effective January 1, 2022 through December 31, 2022.

We would like to take the opportunity to share with the Department how we have considered COVID-19 in the determination of our proposed rate actions. Our 2020 and 2021 claim projections are based on historical claim utilization and Medicare cost trends. We believe this approach for developing 2021 needed rate actions is optimal given the current volatile conditions. We have observed suppressed claim utilization for a period of time beginning mid-March 2020 from members delaying services due to COVID lockdowns and anticipate this to continue to some degree over upcoming months. We also anticipate that this will likely be followed by some higher than normal utilization later in 2020 or 2021 from pent up demand. Our current projections assume 2021 experience will return to more normal levels. We understand there is a higher level of uncertainty than normal during this time. Also, we are proposing to recognize recent suppressed claim costs through premium relief for members in the form of lower rate actions. We calculate a needed overall increase of 3.3%. We are proposing an average increase of 2.3%, which is 1.0% lower than the calculated needed increase.

This actuarial memorandum or filing is not intended for any use other than the stated purpose.

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.
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, or members of a group account, each have at least one eligible plan of insurance issued under a group master policy between the Trustees of AARP and UnitedHealthcare Insurance Company.

11. Actuary's Name: Edward J. Dankanich, FSA, MAAA
Associate Director, Actuarial Services
UnitedHealthcare Insurance Company
680 Blair Mill Road
Horsham, PA 19044
(215) 902-8542

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 2021 Connecticut specific rates will be filed for approval with the Connecticut Department of Insurance in July 2020.

C. Rate Methodology/Assumptions

1. General Method – Projections used in developing the 2021 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 2021 rating period (also see Attachment 3).

Due to the small number of insureds, we calculated the rate revision based on the national average rate increase.

Rates are based on state of residence as approved by the 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 2020 and 2021. 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 2020 and 2021, the assumed annual lapse rates (including death) are 20.1% and 28.3%, 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, 2021 and reflect no pre-funding.

D. Scope/Reason for Request

1. Overall Increase – The overall increase is 2.3%.
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, 2021.
4. Timing – These plans are rated on a calendar year basis. Requested rate changes will be implemented on January 1, 2021.

E. Rates and Rating Factors

1. Current – See Rate Schedule.
2. Proposed – See Rate Schedule.
3. Period Rates Apply – Effective January 1, 2021.

F. Average Annualized Premium - \$2,632. See Attachment 4 for 2021 annualized premiums by plan.

G. Rate History – See Attachment 5.

H. Average Lives – See Attachment 6.

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 2019.
3. Lapse Assumption – Lapse assumptions are based on historical AARP Medicare Supplement experience. For 2020 and 2021, the assumed annual lapse rates (including death) are 20.1% and 28.3%, respectively.
4. Claim Trend Assumption – Claim trend projections are based on 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
 - The anticipated lifetime loss ratio with the rate change implemented on January 1, 2021 is 85.7%.

- Without a change to the 2020 rates, the anticipated lifetime loss ratio is 85.7%.

L. Loss Ratio Demonstration

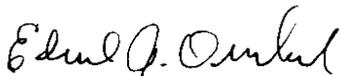
All Pre-Standardized plans have been in force at least three years. After proposed rate actions and considering the credibility of the business, anticipated lifetime loss ratios, projected future loss ratios and expected third year loss ratios are greater than or equal to the applicable ratio.

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 Benefits, Accident and Health Insurance, and Entities Providing Health Benefits” 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 ratios, future loss ratios, and third-year loss ratios all meet or exceed the applicable ratio.



7/21/2020

Edward J. Dankanich, FSA, MAAA
Associate Director, Actuarial Services
UnitedHealthcare Insurance Company

Date

UNITEDHEALTHCARE INSURANCE COMPANY

PRE-STANDARDIZED MEDICARE SUPPLEMENT RATE FILING

GROUP POLICY NUMBER G-36000-4

Rhode Island

EFFECTIVE 1/1/2021

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RHODE ISLAND - LOSS RATIO PROJECTIONS

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

TOTAL PRE-STANDARDIZED**HISTORICAL EXPERIENCE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
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	\$482,084	85.6%	229
2014	\$493,742	\$350,038	70.9%	199
2015	\$406,434	\$321,805	79.2%	164
2016	\$340,519	\$264,600	77.7%	137
2017	\$281,200	\$311,693	110.8%	112
2018	\$237,419	\$263,754	111.1%	95
2019	\$182,132	\$172,980	95.0%	72
2020	\$147,363	\$134,170	91.0%	58
Total Historical	\$32,031,347	\$27,204,967	84.9%	n/a
With Interest**	\$82,022,497	\$70,284,670	85.7%	n/a

FUTURE EXPERIENCE - WITH 2021 RATE CHANGE

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
2021	\$108,939	\$92,966	85.3%	41
2022	\$86,665	\$73,211	84.5%	31
2023	\$68,249	\$57,653	84.5%	23
2024	\$53,746	\$45,402	84.5%	17
2025	\$42,325	\$35,754	84.5%	13
2026	\$33,331	\$28,156	84.5%	10
2027	\$26,248	\$22,173	84.5%	7
2028	\$20,670	\$17,461	84.5%	6
2029	\$16,278	\$13,751	84.5%	4
2030	\$12,819	\$10,829	84.5%	3
Total Future	\$469,270	\$397,356	84.7%	n/a
Discounted with Interest**	\$404,318	\$342,465	84.7%	n/a

LIFETIME EXPERIENCE - WITHOUT 2021 RATE CHANGE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
Total Historical	\$82,022,497	\$70,284,670	85.7%	n/a
Total Future	\$395,072	\$342,465	86.7%	n/a
Total Lifetime	\$82,417,568	\$70,627,135	85.7%	n/a

LIFETIME EXPERIENCE - WITH 2021 RATE CHANGE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
Total Historical	\$82,022,497	\$70,284,670	85.7%	n/a
Total Future	\$404,318	\$342,465	84.7%	n/a
Total Lifetime	\$82,426,815	\$70,627,135	85.7%	n/a

*Excludes AD/DP Experience.

**Accumulated at 5% interest rate

NATIONAL - LOSS RATIO PROJECTIONS

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

TOTAL PRE-STANDARDIZED

	HISTORICAL EXPERIENCE		Loss Ratio	Average Lives
	Premium	Incurred Claims		
1994	\$1,863,982,828	\$1,840,623,476	98.7%	2,258,226
1995	\$1,795,387,427	\$1,863,938,832	103.8%	2,015,842
1996	\$1,929,460,074	\$1,732,582,026	89.8%	1,704,296
1997	\$1,840,845,821	\$1,573,652,867	85.5%	1,419,918
1998	\$1,756,557,238	\$1,393,278,524	79.3%	1,184,816
1999	\$1,616,953,523	\$1,239,999,716	76.7%	1,017,381
2000	\$1,471,930,046	\$1,155,235,255	78.5%	898,582
2001	\$1,333,154,296	\$1,073,897,907	80.6%	799,898
2002	\$1,186,243,222	\$988,504,301	83.3%	701,748
2003	\$1,073,692,917	\$929,699,009	86.6%	623,856
2004	\$1,009,794,082	\$892,222,654	88.4%	551,600
2005	\$944,321,139	\$833,161,930	88.2%	485,706
2006	\$857,799,058	\$732,064,397	85.3%	418,368
2007	\$794,723,061	\$660,100,232	83.1%	361,250
2008	\$711,267,397	\$597,855,379	84.1%	310,781
2009	\$631,443,790	\$536,826,075	85.0%	265,874
2010	\$565,013,881	\$474,842,202	84.0%	225,772
2011	\$496,902,196	\$409,562,680	82.4%	189,034
2012	\$423,345,446	\$340,881,151	80.5%	157,369
2013	\$357,147,904	\$280,867,154	78.6%	129,360
2014	\$295,190,304	\$235,482,436	79.8%	105,875
2015	\$236,255,386	\$195,414,350	82.7%	84,641
2016	\$189,279,128	\$153,621,191	81.2%	67,436
2017	\$149,425,023	\$121,123,970	81.1%	52,638
2018	\$115,702,350	\$91,766,590	79.3%	40,270
2019	\$88,577,656	\$72,016,641	81.3%	30,540
2020	\$67,034,268	\$56,267,466	83.9%	22,803
Total Historical	\$23,801,429,462	\$20,475,488,412	86.0%	n/a
With Interest**	\$62,246,457,951	\$54,201,451,441	87.1%	n/a

FUTURE EXPERIENCE - WITH 2021 RATE CHANGE

	Premium	Incurred Claims	Loss Ratio	Average Lives
2021	\$49,175,665	\$42,433,012	86.3%	16,399
2022	\$39,504,751	\$33,415,997	84.6%	12,300
2023	\$31,109,991	\$26,315,097	84.6%	9,225
2024	\$24,499,118	\$20,723,139	84.6%	6,919
2025	\$19,293,056	\$16,319,472	84.6%	5,189
2026	\$15,193,281	\$12,851,584	84.6%	3,892
2027	\$11,964,709	\$10,120,623	84.6%	2,919
2028	\$9,422,208	\$7,969,990	84.6%	2,189
2029	\$7,419,989	\$6,276,367	84.6%	1,642
2030	\$5,843,241	\$4,942,639	84.6%	1,231
Total Future	\$213,426,011	\$181,367,921	85.0%	n/a
Discounted with Interest**	\$183,830,432	\$156,313,661	85.0%	n/a

LIFETIME EXPERIENCE - WITHOUT 2021 RATE CHANGE**

	Premium	Incurred Claims	Loss Ratio	Average Lives
Total Historical	\$62,246,457,951	\$54,201,451,441	87.1%	n/a
Total Future	\$180,042,748	\$156,313,661	86.8%	n/a
Total Lifetime	\$62,426,500,699	\$54,357,765,102	87.1%	n/a

LIFETIME EXPERIENCE - WITH 2021 RATE CHANGE**

	Premium	Incurred Claims	Loss Ratio	Average Lives
Total Historical	\$62,246,457,951	\$54,201,451,441	87.1%	n/a
Total Future	\$183,830,432	\$156,313,661	85.0%	n/a
Total Lifetime	\$62,430,288,383	\$54,357,765,102	87.1%	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	482,084	564,164	85.5%	229
2014	350,038	494,537	70.8%	199
2015	321,805	407,142	79.0%	164
2016	264,600	341,074	77.6%	137
2017	311,693	281,605	110.7%	112
2018	263,754	237,721	111.0%	95
2019	172,984	182,349	94.9%	72

**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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Proj 2020</u>	<u>Proj 2021</u>
Part B Coinsurance	\$95.83	\$123.02	\$117.17	\$119.84	\$109.98	\$101.07
Part B Excess Charges	\$0.39	\$0.28	\$0.00	\$0.00	\$0.35	\$0.35
Part A Deductible	\$36.21	\$44.65	\$55.06	\$48.68	\$51.73	\$52.99
Long Hospital Stay	\$0.00	\$4.90	\$0.00	\$0.49	\$0.55	\$0.65
SNF Day 21-100	\$29.84	\$60.61	\$59.28	\$31.59	\$32.64	\$33.75
SNF Day 101-365	\$0.00	\$0.00	\$2.07	\$0.26	\$0.46	\$0.47
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.10	\$0.10
Prescription Drugs	\$32.71	\$17.40	\$21.84	\$24.61	\$21.08	\$21.19
Total PMPM Cost	\$161.24	\$232.09	\$231.97	\$199.52	\$193.65	\$187.05
<i>Trend</i>		<i>43.9%</i>	<i>0.0%</i>	<i>-14.0%</i>	<i>-2.9%</i>	<i>-3.4%</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.*

**PRE-STANDARDIZED PLANS
NATIONAL BENEFIT COSTS**

	Per Member Per Month Costs*					
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Proj 2020</u>	<u>Proj 2021</u>
Part B Coinsurance	\$103.28	\$105.26	\$107.69	\$112.29	\$118.06	\$123.83
Part B Excess Charges	\$0.62	\$0.35	\$0.99	\$0.34	\$0.56	\$0.56
Part A Deductible	\$39.09	\$40.64	\$41.14	\$41.76	\$43.79	\$45.83
Long Hospital Stay	\$0.91	\$0.69	\$0.39	\$0.91	\$0.89	\$1.03
SNF Day 21-100	\$45.20	\$44.43	\$41.39	\$41.82	\$43.25	\$45.45
SNF Day 101-365	\$2.70	\$2.41	\$1.01	\$1.64	\$1.82	\$1.89
Other	\$0.13	\$0.09	\$0.10	\$0.14	\$0.15	\$0.13
Prescription Drugs	\$18.45	\$17.82	\$17.74	\$17.90	\$17.99	\$18.11
Total PMPM Cost	\$189.95	\$191.88	\$189.98	\$196.59	\$205.74	\$215.73
<i>Trend</i>		<i>1.0%</i>	<i>-1.0%</i>	<i>3.5%</i>	<i>4.7%</i>	<i>4.9%</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>2021</u>	<u>2020</u>
M1/J1/P1	\$1,679	\$1,639
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$2,029	\$1,987
M3/J3/P3	\$3,121	\$3,051
M4	-	-
M5/J5/P5	-	-
M6/J6/P6/DC/DE/DF	\$2,464	\$2,405
M7/P7	\$3,226	\$3,151
MA/PA	\$1,664	\$1,626
AD/DP	\$48	\$48
 Total	 \$2,632	 \$2,563

**Average premiums are net of discounts.*

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

	<u>1/2016</u>	<u>1/2017*</u>	<u>1/2018</u>	<u>1/2019</u>	<u>1/2020*</u>	Proposed <u>1/2021</u>	<u>2017/2016*</u>	<u>2018/2017</u>	<u>2019/2018</u>	<u>2020/2019*</u>	Proposed <u>2021/2020</u>
M1/J1/P1	\$137.00	\$137.00	\$137.00	\$137.00	\$138.75	\$142.00	0.0%	0.0%	0.0%	1.3%	2.3%
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$165.25	\$165.25	\$165.25	\$165.25	\$167.50	\$171.25	0.0%	0.0%	0.0%	1.4%	2.2%
M3/J3/P3 (with drugs)	\$284.25	\$284.25	\$284.25	\$284.25	\$288.00	\$294.75	0.0%	0.0%	0.0%	1.3%	2.3%
M3/J3/P3 (without drugs)	\$249.50	\$249.50	\$249.50	\$249.50	\$252.75	\$258.50	0.0%	0.0%	0.0%	1.3%	2.3%
M4 (with drugs)	\$311.25	\$311.25	\$311.25	\$311.25	\$315.25	\$322.50	0.0%	0.0%	0.0%	1.3%	2.3%
M4 (without drugs)	\$276.50	\$276.50	\$276.50	\$276.50	\$280.00	\$286.50	0.0%	0.0%	0.0%	1.3%	2.3%
M5/J5/P5	\$161.50	\$161.50	\$161.50	\$161.50	\$163.50	\$167.25	0.0%	0.0%	0.0%	1.2%	2.3%
M6/J6/P6/DC/DE/DF	\$200.50	\$200.50	\$200.50	\$200.50	\$203.00	\$207.75	0.0%	0.0%	0.0%	1.2%	2.3%
M7/P7 (with drugs)	\$296.00	\$296.00	\$296.00	\$296.00	\$299.75	\$306.75	0.0%	0.0%	0.0%	1.3%	2.3%
M7/P7 (without drugs)	\$261.75	\$261.75	\$261.75	\$261.75	\$265.25	\$271.50	0.0%	0.0%	0.0%	1.3%	2.4%
MA/PA	\$135.75	\$135.75	\$135.75	\$135.75	\$137.50	\$140.75	0.0%	0.0%	0.0%	1.3%	2.4%
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>2021</u>	<u>2020</u>
M1/J1/P1	1	2
M2/J2/P2/MC/MH/MM/MS/DA/DB	1	1
M3/J3/P3	10	14
M4	-	-
M5/J5/P5	-	-
M6/J6/P6/DC/DE/DF	24	33
M7/P7	4	5
MA/PA	2	3
AD/DP	2	3
Total	41	58

National Average Lives

<u>Plan</u>	<u>2021</u>	<u>2020</u>
M1/J1/P1	223	339
M2/J2/P2/MC/MH/MM/MS/DA/DB	386	607
M3/J3/P3	1,692	2,327
M4	3	5
M5/J5/P5	255	378
M6/J6/P6/DC/DE/DF	10,655	14,862
M7/P7	2,056	2,750
MA/PA	1,128	1,534
AD/DP	1,460	2,005
Total	16,399	22,803

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 \$364	Actual charges up to \$1456
	Days 61 through 90	to \$364/day	to \$364/day
	Days 91 and after when using a Lifetime Reserve Day	\$728/day	\$728/day
	Days 91 and after when LTR's are available but not used	\$728/day for up to 60 days	\$728/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	\$182.00/day	\$182.00/day
	Days 101 through 365	\$364/day	\$364/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 (1)	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 (2)	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 \$210 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) 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.

(2) 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 \$1456	Actual charges up to \$1456
	Days 61 through 90	to \$364/day	to \$364/day
	Days 91 and after when using a Lifetime Reserve Day	\$728/day	\$728/day
	Days 91 and after when LTR's are available but not used	\$728/day for up to 60 days	\$728/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	\$182.00/day	\$182.00/day
	Days 101 through 365	\$364/day	\$364/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 \$210 medical deductible**	100% of Medicare eligible expenses not paid in full by Medicare, up to the limiting charge set by Medicare, after a \$210 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 (1)	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 (2)	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 \$210 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) 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.

(2) 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)
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.	Days 1 through 60	Actual charges up to \$364	Actual charges up to \$1456
	Days 61 through 90	to \$364/day	to \$364/day
	Days 91 and after when using a Lifetime Reserve Day	\$728/day	\$728/day
	Days 91 and after when LTR's are available but not used	\$728/day for up to 60 days	\$728/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)
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.	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$182.00/day	\$182.00/day
	Days 101 through 365	\$364/day	\$364/day
MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$210 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$210 medical deductible**
IN-HOSPITAL PRIVATE DUTY NURSING CARE	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.
BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells.		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
PRESCRIPTION DRUGS	Purchased Out-of-Hospital and outside of a SNF (1)	No benefit	No benefit
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.	Days 1 through 60 of each trip period (2)	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 \$210 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) 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.

(2) 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 \$1456	No benefit
	Days 61 through 90	to \$364/day	to \$364/day
	Days 91 and after when using a Lifetime Reserve Day	\$728/day	\$728/day
	Days 91 and after when LTR's are available but not used	\$728/day for up to 60 days	\$728/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	\$182.00/day	\$182.00/day
	Days 101 through 365	\$364/day	\$364/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 \$210 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$210 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 (1)	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 (2)	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 \$210 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) 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.

(2) 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 Trends

The components of the composite trend are shown below.

Part B Coinsurance

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Medicare Fee Update	1.0%	1.1%	0.7%	0.5%
Utilization Trend	-5.7%	1.2%	-8.8%	-8.6%
Composite Trend	-4.8%	2.3%	-8.2%	-8.1%

The net change in the cost for Part B services in 2020 was 0.7%. For 2021, we assume a net change of 0.5%.

Utilization trend considers changes in the number of services used as well as the intensity of services. Our assumed utilization trends for 2020 and 2021 are -8.8% and -8.6%, respectively.

Part B Excess -- Projected claim costs for 2020 and 2021 are \$0.35 and \$0.35 respectively.

Part A Deductible

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Medicare Part A Deductible	\$1,340	\$1,364	\$1,408	\$1,456
% Change in Part A Deductible	1.8%	1.8%	3.2%	3.4%
Utilization Trend	21.1%	-13.1%	2.9%	-0.9%
Composite Trend	23.3%	-11.6%	6.3%	2.5%

Hospital Co-Payments -- Hospital Co-payments are paid for days 61 and after for long hospital stays. Projected claim costs for 2020 and 2021 are \$0.55 and \$0.65 respectively.

Skilled Nursing (21-100) -- Medicare Supplement plans which have a skilled nursing facility stay benefit pay the Medicare cost sharing amount for days 21-100.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Medicare Daily Coinsurance	\$168	\$171	\$176	\$182
% Change in Daily Coinsurance	1.8%	1.8%	3.2%	3.4%
Utilization/Length of Stay, days 21-100	-3.9%	-47.6%	0.1%	0.0%
Trend/Length of Stay, days 21-100	-2.2%	-46.7%	3.3%	3.4%

Skilled Nursing (days 101-365) -- Medicare Supplement plans which have a skilled nursing facility stay benefit also cover an additional 265 days. Projected Claim costs for 2020 and 2021 are \$0.46 and \$0.47, respectively.

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	12/20 b	c	12/20 d	d/b
TOTAL PRE-STANDARDIZED*					
1990	\$1,694,000	\$7,502,172	\$1,644,749	\$7,284,056	97.1%
1991	\$2,061,167	\$8,693,557	\$1,741,043	\$7,343,345	84.5%
1992	\$2,277,300	\$9,147,771	\$2,257,282	\$9,067,360	99.1%
1993	\$2,367,460	\$9,057,084	\$2,195,875	\$8,400,659	92.8%
1994	\$2,308,925	\$8,412,523	\$2,107,905	\$7,680,112	91.3%
1995	\$2,054,340	\$7,128,521	\$2,106,267	\$7,308,707	102.5%
1996	\$2,446,505	\$8,085,074	\$2,252,767	\$7,444,820	92.1%
1997	\$2,370,295	\$7,460,206	\$2,121,440	\$6,676,968	89.5%
1998	\$2,278,499	\$6,829,801	\$1,890,680	\$5,667,313	83.0%
1999	\$2,102,867	\$6,003,186	\$1,592,176	\$4,545,283	75.7%
2000	\$2,008,482	\$5,460,702	\$1,518,250	\$4,127,850	75.6%
2001	\$1,826,897	\$4,730,483	\$1,436,259	\$3,718,983	78.6%
2002	\$1,669,249	\$4,116,452	\$1,299,063	\$3,203,555	77.8%
2003	\$1,540,747	\$3,618,629	\$1,242,577	\$2,918,341	80.6%
2004	\$1,376,857	\$3,079,728	\$1,193,056	\$2,668,604	86.7%
2005	\$1,241,378	\$2,644,466	\$1,021,521	\$2,176,112	82.3%
2006	\$1,158,491	\$2,350,378	\$1,036,774	\$2,103,434	89.5%
2007	\$1,075,500	\$2,078,097	\$857,201	\$1,656,297	79.7%
2008	\$970,840	\$1,786,546	\$837,954	\$1,542,007	86.3%
2009	\$868,092	\$1,521,397	\$702,157	\$1,230,585	80.9%
2010	\$759,786	\$1,268,174	\$637,370	\$1,063,847	83.9%
2011	\$698,369	\$1,110,154	\$582,380	\$925,774	83.4%
2012	\$623,317	\$943,665	\$468,046	\$708,594	75.1%
2013	\$563,103	\$811,909	\$482,084	\$695,093	85.6%
2014	\$493,742	\$678,001	\$350,038	\$480,668	70.9%
2015	\$406,434	\$531,534	\$321,805	\$420,857	79.2%
2016	\$340,519	\$424,124	\$264,600	\$329,565	77.7%
2017	\$281,200	\$333,563	\$311,693	\$369,734	110.8%
2018	\$237,419	\$268,219	\$263,754	\$297,970	111.1%
2019	\$182,132	\$195,961	\$172,980	\$186,114	95.0%
2020	\$147,363	\$151,002	\$134,170	\$137,483	91.0%
Total Historical	\$40,431,274	\$116,423,080	\$35,043,916	\$102,380,088	87.9%
2021	\$108,939	\$106,313	\$92,963	\$90,722	85.3%
2022	\$86,665	\$80,549	\$73,208	\$68,042	84.5%
2023	\$68,249	\$60,412	\$57,651	\$51,031	84.5%
2024	\$53,746	\$45,309	\$45,400	\$38,273	84.5%
2025	\$42,325	\$33,982	\$35,753	\$28,705	84.5%
2026	\$33,331	\$25,486	\$28,155	\$21,529	84.5%
2027	\$26,248	\$19,115	\$22,172	\$16,147	84.5%
2028	\$20,670	\$14,336	\$17,461	\$12,110	84.5%
2029	\$16,278	\$10,752	\$13,750	\$9,082	84.5%
2030	\$12,819	\$8,064	\$10,828	\$6,812	84.5%
Total Future	\$469,270	\$404,318	\$397,343	\$342,454	84.7%
Aggregate (1990-2030)	\$40,900,544	\$116,827,398	\$35,441,259	\$102,722,542	87.9%

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>
2015	406,434	406,434	296,342	321,805	63,305	72.9%	79.2%
2016	340,519	340,519	311,178	264,600	52,504	91.4%	77.7%
2017	281,200	281,200	295,585	311,693	42,648	105.1%	110.8%
2018	237,419	237,419	267,771	263,754	36,461	112.8%	111.1%
2019	182,132	182,132	187,497	172,980	28,003	102.9%	95.0%

* Excludes AD/DP experience.

**2021 RATES FOR PLANS NOT ISSUED IN
RHODE ISLAND**

<u>Plan</u>	<u>Monthly Rate</u>
S1	\$142.00
S2	\$171.25
S3 (with drugs)	\$294.75
S3 (without drugs)	\$258.50
S6	\$207.75
SA	\$140.75
TA/XA/HA/YA	\$140.75
NA/QA	\$137.75
N6/Q6	\$200.25
N3/Q3 (with drugs)	\$94.50
N3/Q3 (without drugs)	\$58.50
N7/Q7 (with drugs)	\$107.00
N7/Q7 (without drugs)	\$71.50
M8/P8	\$164.25
M9/P9	\$205.50
D6/D7/D8/D9	\$15.25

2021 Rates for Pre-Baucus Coverages

AG	\$57.75
X	\$166.25

Company Name: UnitedHealthcare Insurance Company

NAIC Company Code: 79413

Market Segment: Pre-Standardized Medicare Supplement Plans (plans issued prior to 1992)

SERFF Tracking Number: UHLC-132409830

Scope and Range of the Rate Increase

2021 rate increases have been proposed for the AARP Pre-Standardized Medicare Supplement Insurance Plans for members residing in Rhode Island. These rate actions are projected to apply to 41 members. The new monthly premium rates will apply to members beginning January 1, 2021.

The average rate increase for these plans is expected to be 2.3%. Rate increases vary by plan. The range of rate increases is: 0% to 2.4%. Additional premium changes may occur due to changes in policyholder discounts.

The proposed rate increase is needed to cover the projected medical and administrative costs for 2021. We will continue to work hard to keep premium rates as low as possible for all members.

Increases in Medical Costs

There are many different health care cost trends that contribute to increases in the Medicare health care spending each year. Some of the key health care cost trends that have affected this year's rate increases include:

- **Increasing Cost of Medical Services:** Annual increases in reimbursement rates to health care providers.
- **Increasing Utilization:** The number of office visits and other medical services continues to grow. In addition, total health care spending will vary by the intensity of care and use of different types of health services.
- **Increases in Medicare Deductibles:** Medicare deductibles that are covered under these plans are expected to increase.
- **Impact of New Technology:** Improvements to medical technology and clinical practice lead to more expensive services increasing health care spending.

Administrative Costs

Expected calendar year 2021 administrative costs for these plans are similar to current administrative costs and are not contributing to the proposed rate increase.