

**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/C19-010-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:** 06/21/2019  
**SERFF Tr Num:** UHLC-131905970  
**SERFF Status:** Assigned  
**State Tr Num:**  
**State Status:** Open-Pending Actuary Review  
**Co Tr Num:** C19-010-PRE-STANDARDIZED  
  
**Implementation** 01/01/2020  
**Date Requested:**  
**Author(s):** Michelle Ambach, Bobbie Walton, Gerry McCadden, Michelle Richart, Lisa Muhammad, Sarah Michener, Celina Sagin, Lauren Mulhern, Jennifer Dyer, Ron Beverly II, Harry Schwarz, Gregory Moyer, Xiaoping Hu, James Bianco, Edward Dankanich, LeeAnna Parrott, Eric McKeeman  
**Reviewer(s):** bela gorman (primary), Charles DeWeese, Linda Johnson, John Garrett, Victor Woods, Courtney Miner  
  
**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: C19-010-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: 06/21/2019	Deemer Date:
State Status Changed: 06/21/2019	Submitted By: Bobbie Walton
Created By: Ron Beverly II	
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 2020 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 1.3%. With these changes we project an anticipated lifetime loss ratio of 85.6%. The rates are proposed to be effective January 1, 2020 through December 31, 2020. For 2020, we propose to defer the implementation of the January 1, 2020 rate revision until April 1, 2020, and have the rates effective through December 31, 2020. We anticipate that the next rate revision will be effective January 1, 2021 through December 31, 2021.

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	

### 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

**State:** Rhode Island **Filing Company:** UnitedHealthcare Insurance Company  
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Company	Amount	Date Processed	Transaction #
UnitedHealthcare Insurance Company	\$225.00	06/21/2019	161616858

SERFF Tracking #:

UHLC-131905970

State Tracking #:

Company Tracking #:

C19-010-PRE-STANDARDIZED

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**Project Name/Number:** RATE/C19-010-PRE-STANDARDIZED

### Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 0.000%  
**Effective Date of Last Rate Revision:** 01/01/2019  
**Filing Method of Last Filing:** SERFF  
**SERFF Tracking Number of Last Filing:** UHLC-131487584

### 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	1.300%	1.300%	\$1,297	56	\$141,329	1.400%	0.000%

**SERFF Tracking #:**

UHLC-131905970

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

C19-010-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/C19-010-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-131487584 Percent Rate Change Request: 1.3	RI - 2020 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 2019 Monthly Rate</u>	<u>Proposed 2020 Monthly Rate</u>	<u>Proposed 2020 Monthly Rate Changes</u>
M1/J1/P1	\$137.00	\$138.75	1.3%
M2/J2/P2/MH/MM/MS/DA	\$165.25	\$167.50	1.4%
M3/J3/P3 (with drugs)	\$284.25	\$288.00	1.3%
M3/J3/P3 (without drugs)	\$249.50	\$252.75	1.3%
M4 (with drugs)	\$311.25	\$315.25	1.3%
M4 (without drugs)	\$276.50	\$280.00	1.3%
M5/P5	\$161.50	\$163.50	1.2%
M6/J6/P6/DC/DE/DF	\$200.50	\$203.00	1.2%
M7/P7 (with drugs)	\$296.00	\$299.75	1.3%
M7/P7 (without drugs)	\$261.75	\$265.25	1.3%
MA/PA	\$135.75	\$137.50	1.3%
AD/DP	\$4.00	\$4.00	0.0%

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

SERFF Tracking #:

UHLC-131905970

State Tracking #:

Company Tracking #:

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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Memorandum - A&H Rate Revision Filing
<b>Comments:</b>	
<b>Attachment(s):</b>	RI - 2020 Memorandum (Pre).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Attachments (PRE)
<b>Comments:</b>	
<b>Attachment(s):</b>	RI - 2020 Attachments (Pre).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	2020 Rate Increase Narrative
<b>Comments:</b>	
<b>Attachment(s):</b>	2020 RI Rate Increase Narrative - Pre.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

# **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 2020 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 1.3%. With these changes we project an anticipated lifetime loss ratio of 85.6%. The rates are proposed to be effective January 1, 2020 through December 31, 2020. For 2020, we propose to defer the implementation of the January 1, 2020 rate revision until April 1, 2020, and have the rates effective through December 31, 2020. We anticipate that the next rate revision will be effective January 1, 2021 through December 31, 2021.

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:       LeeAnna M. Parrott, FSA, MAAA  
 Actuarial Director, Actuarial Services  
 UnitedHealthcare Insurance Company  
 680 Blair Mill Road  
 Horsham, PA 19044  
 (763) 361-6883

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 2020 Connecticut specific rates will be filed for approval with the Connecticut Department of Insurance in August 2019.

**C. Rate Methodology/Assumptions**

1. General Method – Projections used in developing the 2020 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 2020 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 2019 and 2020. 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 2019 and 2020, the assumed annual lapse rates (including death) are 23.5% and 23.3%, 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, 2020 and reflect no pre-funding.

#### **D. Scope/Reason for Request**

1. Overall Increase – The overall increase is 1.3%.
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, 2020.
4. Timing – These plans are rated on a calendar year basis. For 2020, we propose to defer the rate revision until April 1, 2020, and have rates effective through December 31, 2020.

#### **E. Rates and Rating Factors**

1. Current – See Rate Schedule.
2. Proposed – See Rate Schedule.
3. Period Rates Apply – Effective January 1, 2020.

**F. Average Annualized Premium - \$2,551.** See Attachment 4 for 2020 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 2018.
3. Lapse Assumption – Lapse assumptions are based on historical AARP Medicare Supplement experience. For 2019 and 2020, the assumed annual lapse rates (including death) are 23.5% and 23.3%, 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 April 1, 2020 is 85.6%.
  - Without a change to the 2019 rates, the anticipated lifetime loss ratio is 85.7%.

**L. Loss Ratio Demonstration**

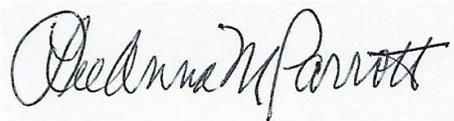
All Pre-Standardized plans have been in force at least three years. After proposed rate actions and considering the credibility of the business, anticipated lifetime loss ratios, projected future loss ratios and expected third year loss ratios are greater than or equal to the applicable ratio.

## 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 ratio, future loss ratios, and third-year loss ratios all meet or exceed the applicable ratio.



LeeAnna M. Parrott, FSA, MAAA  
Actuarial Director, Actuarial Services  
UnitedHealthcare Insurance Company

06/13/2019

Date

# **UNITEDHEALTHCARE INSURANCE COMPANY**

## **PRE-STANDARDIZED MEDICARE SUPPLEMENT RATE FILING**

### **GROUP POLICY NUMBER G-36000-4**

#### **Rhode Island**

#### **EFFECTIVE 1/1/2020**

### **CONTENTS**

1. Rate Schedule (1 page)
2. Actuarial Memorandum (5 pages)
3. Attachment 1 – Loss Ratio Projections (1 page)
4. Attachment 2 – Experience Exhibit (1 page)
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6. Attachment 4 – Average Annualized Premiums (1 page)
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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**

	<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	\$321,928	79.2%	164
2016	\$340,519	\$264,599	77.7%	137
2017	\$281,200	\$311,875	110.9%	112
2018	\$237,419	\$251,588	106.0%	95
2019	\$182,057	\$165,558	90.9%	73
<b>Total Historical</b>	<b>\$31,883,910</b>	<b>\$27,051,513</b>	<b>84.8%</b>	<b>n/a</b>
With Interest**	\$77,972,775	\$66,786,506	85.7%	n/a

**FUTURE EXPERIENCE - WITH 2020 RATE CHANGE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
2020	\$141,126	\$119,980	85.0%	56
2021	\$111,527	\$94,485	84.7%	42
2022	\$87,827	\$74,407	84.7%	31
2023	\$69,164	\$58,595	84.7%	23
2024	\$54,467	\$46,144	84.7%	18
2025	\$42,892	\$36,338	84.7%	13
2026	\$33,778	\$28,616	84.7%	10
2027	\$26,600	\$22,535	84.7%	7
2028	\$20,948	\$17,747	84.7%	6
2029	\$16,496	\$13,975	84.7%	4
<b>Total Future</b>	<b>\$604,824</b>	<b>\$512,822</b>	<b>84.8%</b>	<b>n/a</b>
Discounted with Interest**	\$521,217	\$441,981	84.8%	n/a

**LIFETIME EXPERIENCE\*\* - WITHOUT 2020 RATE CHANGE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
Total Historical	\$77,972,775	\$66,786,506	85.7%	n/a
Total Future	\$515,100	\$441,981	85.8%	n/a
Total Lifetime	\$78,487,875	\$67,228,487	85.7%	n/a

**LIFETIME EXPERIENCE\*\* - WITH 2020 RATE CHANGE**

	<u>Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Average Lives</u>
Total Historical	\$77,972,775	\$66,786,506	85.7%	n/a
Total Future	\$521,217	\$441,981	84.8%	n/a
Total Lifetime	\$78,493,993	\$67,228,487	85.6%	n/a

\*Excludes AD/DP Experience.

\*\*Accumulated at 5% interest rate

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

**Total**

<b>Calendar Year</b>	<b>Incurred Claims</b>	<b>Earned Premiums</b>	<b>Loss Ratio</b>	<b>Average Lives</b>
<b>1994</b>	2,117,030	2,334,215	90.7%	3,422
<b>1995</b>	2,115,779	2,069,368	102.2%	3,132
<b>1996</b>	2,261,499	2,459,473	92.0%	2,730
<b>1997</b>	2,131,670	2,381,661	89.5%	2,301
<b>1998</b>	1,905,170	2,288,154	83.3%	1,725
<b>1999</b>	1,601,086	2,111,097	75.8%	1,380
<b>2000</b>	1,526,950	2,015,683	75.8%	1,237
<b>2001</b>	1,445,679	1,833,246	78.9%	1,128
<b>2002</b>	1,302,903	1,674,866	77.8%	990
<b>2003</b>	1,244,719	1,545,846	80.5%	900
<b>2004</b>	1,194,616	1,381,223	86.5%	801
<b>2005</b>	1,023,921	1,245,144	82.2%	701
<b>2006</b>	1,039,624	1,161,845	89.5%	615
<b>2007</b>	859,451	1,078,304	79.7%	536
<b>2008</b>	841,434	973,203	86.5%	464
<b>2009</b>	704,557	870,122	81.0%	401
<b>2010</b>	639,770	761,502	84.0%	338
<b>2011</b>	584,780	699,843	83.6%	301
<b>2012</b>	468,046	624,603	74.9%	263
<b>2013</b>	482,084	564,164	85.5%	229
<b>2014</b>	350,038	494,537	70.8%	199
<b>2015</b>	321,928	407,142	79.1%	164
<b>2016</b>	264,599	341,074	77.6%	137
<b>2017</b>	311,875	281,605	110.7%	112
<b>2018</b>	251,597	237,721	105.8%	95

*\*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**

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	Per Member Per Month Costs*					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Proj 2019</u>	<u>Proj 2020</u>
Part B Coinsurance	\$90.23	\$95.86	\$123.03	\$118.72	\$102.29	\$88.92
Part B Excess Charges	\$0.45	\$0.39	\$0.28	\$0.00	\$0.30	\$0.30
Part A Deductible	\$34.23	\$36.21	\$44.65	\$56.43	\$45.34	\$47.15
Long Hospital Stay	\$0.00	\$0.00	\$4.96	\$0.16	\$0.35	\$0.40
SNF Day 21-100	\$39.55	\$29.84	\$60.68	\$44.96	\$42.88	\$44.05
SNF Day 101-365	\$0.00	\$0.00	\$0.00	\$2.68	\$0.50	\$0.55
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.10	\$0.10
Prescription Drugs	\$26.05	\$31.77	\$16.77	\$21.81	\$24.88	\$25.09
<b>Total PMPM Cost</b>	<b>\$163.17</b>	<b>\$161.24</b>	<b>\$232.22</b>	<b>\$221.28</b>	<b>\$190.37</b>	<b>\$179.96</b>
<i>Trend</i>		<i>-1.2%</i>	<i>44.0%</i>	<i>-4.7%</i>	<i>-14.0%</i>	<i>-5.5%</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>	<u>Proposed 2020</u>	<u>2019</u>
M1/J1/P1	\$1,639	\$1,617
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$1,982	\$1,958
M3/J3/P3	\$3,045	\$3,006
M4	-	-
M5/J5/P5	-	-
M6/J6/P6/DC/DE/DF	\$2,405	\$2,373
M7/P7	\$3,148	\$3,102
MA/PA	\$1,624	\$1,603
AD/DP	\$48	\$48
 Total	 \$2,551	 \$2,515

*\*Average premiums are net of discounts.*

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

	<u>1/2015*</u>	<u>1/2016</u>	<u>1/2017*</u>	<u>1/2018</u>	<u>1/2019</u>	<u>Proposed 1/2020**</u>	<u>2016/2015</u>	<u>2017/2016*</u>	<u>2018/2017</u>	<u>2019/2018</u>	<u>Proposed 2020/2019**</u>
<b>M1/J1/P1</b>	\$137.00	\$137.00	\$137.00	\$137.00	\$137.00	\$138.75	0.0%	0.0%	0.0%	0.0%	1.3%
<b>M2/J2/P2/MC/MH/MM/MS/DA/DB</b>	\$165.25	\$165.25	\$165.25	\$165.25	\$165.25	\$167.50	0.0%	0.0%	0.0%	0.0%	1.4%
<b>M3/J3/P3 (with drugs)</b>	\$284.25	\$284.25	\$284.25	\$284.25	\$284.25	\$288.00	0.0%	0.0%	0.0%	0.0%	1.3%
<b>M3/J3/P3 (without drugs)</b>	\$249.50	\$249.50	\$249.50	\$249.50	\$249.50	\$252.75	0.0%	0.0%	0.0%	0.0%	1.3%
<b>M4 (with drugs)</b>	\$311.25	\$311.25	\$311.25	\$311.25	\$311.25	\$315.25	0.0%	0.0%	0.0%	0.0%	1.3%
<b>M4 (without drugs)</b>	\$276.50	\$276.50	\$276.50	\$276.50	\$276.50	\$280.00	0.0%	0.0%	0.0%	0.0%	1.3%
<b>M5/J5/P5</b>	\$161.50	\$161.50	\$161.50	\$161.50	\$161.50	\$163.50	0.0%	0.0%	0.0%	0.0%	1.2%
<b>M6/J6/P6/DC/DE/DF</b>	\$200.50	\$200.50	\$200.50	\$200.50	\$200.50	\$203.00	0.0%	0.0%	0.0%	0.0%	1.2%
<b>M7/P7 (with drugs)</b>	\$296.00	\$296.00	\$296.00	\$296.00	\$296.00	\$299.75	0.0%	0.0%	0.0%	0.0%	1.3%
<b>M7/P7 (without drugs)</b>	\$261.75	\$261.75	\$261.75	\$261.75	\$261.75	\$265.25	0.0%	0.0%	0.0%	0.0%	1.3%
<b>MA/PA</b>	\$135.75	\$135.75	\$135.75	\$135.75	\$135.75	\$137.50	0.0%	0.0%	0.0%	0.0%	1.3%
<b>AD/DP</b> (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%

Note: These rate changes do not reflect any rating factor updates.

\*The rate changes were deferred until April 1st.

\*\*We are proposing to defer the implementation of the 2020 rate changes to April 1, 2020.

**Rhode Island Average Lives**

<u>Plan</u>	<u>2020</u>	<u>2019</u>
M1/J1/P1	1	2
M2/J2/P2/MC/MH/MM/MS/DA/DB	1	1
M3/J3/P3	12	16
M4	-	-
M5/J5/P5	-	-
M6/J6/P6/DC/DE/DF	35	46
M7/P7	4	5
MA/PA	2	3
AD/DP	4	6
Total	56	73

**National Average Lives**

<u>Plan</u>	<u>2020</u>	<u>2019</u>
M1/J1/P1	358	495
M2/J2/P2/MC/MH/MM/MS/DA/DB	663	930
M3/J3/P3	2,438	3,222
M4	5	7
M5/J5/P5	401	547
M6/J6/P6/DC/DE/DF	15,323	20,190
M7/P7	2,741	3,596
MA/PA	1,543	1,974
AD/DP	2,046	2,709
Total	23,472	30,962

Service	Benefit	AARP's Medicare Supplement (M1, P1, J1)	AARP's Medicare Supplement (M2,P2,J2)
<b>HOSPITAL EXPENSES</b> (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 \$350	Actual charges up to \$1400
	Days 61 through 90	to \$350/day	to \$350/day
	Days 91 and after when using a Lifetime Reserve Day	\$700/day	\$700/day
	Days 91 and after when LTR's are available but not used	\$700/day for up to 60 days	\$700/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)
<b>SKILLED NURSING FACILITY STAYS</b> (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	\$175.00/day	\$175.00/day
	Days 101 through 365	\$350/day	\$350/day
<b>MEDICAL CARE</b> (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 \$200 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$200 medical deductible**
<b>IN-HOSPITAL PRIVATE DUTY NURSING CARE</b>	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.
<b>BLOOD</b> - 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
<b>PRESCRIPTION DRUGS</b>	Purchased Out-of-Hospital and outside of a SNF (1)	No benefit	No benefit
<b>FOREIGN HOSPITAL &amp; MEDICAL CARE</b> 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 \$194 (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)
<b>HOSPITAL EXPENSES</b> (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 \$1400	Actual charges up to \$1400
	Days 61 through 90	to \$350/day	to \$350/day
	Days 91 and after when using a Lifetime Reserve Day	\$700/day	\$700/day
	Days 91 and after when LTR's are available but not used	\$700/day for up to 60 days	\$700/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)
<b>SKILLED NURSING FACILITY STAYS</b> (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	\$175.00/day	\$175.00/day
	Days 101 through 365	\$350/day	\$350/day
<b>MEDICAL CARE</b> (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 \$194 medical deductible**	100% of Medicare eligible expenses not paid in full by Medicare, up to the limiting charge set by Medicare, after a \$194 medical deductible**
<b>IN-HOSPITAL PRIVATE DUTY NURSING CARE</b>	In-Hospital Care by an RN or LPN	80% of usual and prevailing charges	80% of usual and prevailing charges
<b>BLOOD</b> - 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
<b>PRESCRIPTION DRUGS</b>	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.
<b>FOREIGN HOSPITAL &amp; MEDICAL CARE</b> 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 \$194 (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)
<b>HOSPITAL EXPENSES</b> (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 \$350	Actual charges up to \$1400
	Days 61 through 90	to \$350/day	to \$350/day
	Days 91 and after when using a Lifetime Reserve Day	\$700/day	\$700/day
	Days 91 and after when LTR's are available but not used	\$700/day for up to 60 days	\$700/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)
<b>SKILLED NURSING FACILITY STAYS</b> (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	\$175.00/day	\$175.00/day
	Days 101 through 365	\$350/day	\$350/day
<b>MEDICAL CARE</b> (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 \$194 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$194 medical deductible**
<b>IN-HOSPITAL PRIVATE DUTY NURSING CARE</b>	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.
<b>BLOOD</b> - 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
<b>PRESCRIPTION DRUGS</b>	Purchased Out-of-Hospital and outside of a SNF (1)	No benefit	No benefit
<b>FOREIGN HOSPITAL &amp; MEDICAL CARE</b> 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 \$194 (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)
<b>HOSPITAL EXPENSES</b> (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 \$1400	No benefit
	Days 61 through 90	to \$350/day	to \$350/day
	Days 91 and after when using a Lifetime Reserve Day	\$700/day	\$700/day
	Days 91 and after when LTR's are available but not used	\$700/day for up to 60 days	\$700/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)
<b>SKILLED NURSING FACILITY STAYS</b> (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	\$175.00/day	\$175.00/day
	Days 101 through 365	\$350/day	\$350/day
<b>MEDICAL CARE</b> (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.	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 \$194 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$194 medical deductible**
<b>IN-HOSPITAL PRIVATE DUTY NURSING CARE</b>	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
<b>BLOOD</b> - 1st 3 pints of blood or equivalent quantity of packed red blood cells.		The reasonable cost under Parts A and B	100% of the cost not paid by Medicare
<b>PRESCRIPTION DRUGS</b>	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
<b>FOREIGN HOSPITAL &amp; MEDICAL CARE</b> 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 \$194 (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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Medicare Fee Update	0.4%	1.0%	1.0%	0.4%
Utilization Trend	27.9%	-4.4%	-14.7%	-13.5%
Composite Trend	28.4%	-3.5%	-13.8%	-13.1%

The net change in the cost for Part B services in 2019 was 1.0%. For 2020, we assume a net change of 0.4%.

Utilization trend considers changes in the number of services used as well as the intensity of services. Our assumed utilization trends for 2019 and 2020 are -14.7% and -13.5%, respectively.

**Part B Excess** -- Projected claim costs for 2019 and 2020 are \$0.30 and \$0.30 respectively.

### Part A Deductible

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Medicare Part A Deductible	\$1,316	\$1,340	\$1,364	\$1,400
% Change in Part A Deductible	2.2%	1.8%	1.8%	2.6%
Utilization Trend	20.7%	24.1%	-21.1%	1.3%
Composite Trend	23.3%	26.4%	-19.6%	4.0%

**Hospital Co-Payments** -- Hospital Co-payments are paid for days 61 and after for long hospital stays. Projected claim costs for 2019 and 2020 are \$0.35 and \$0.40 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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Medicare Daily Coinsurance	\$165	\$168	\$171	\$175
% Change in Daily Coinsurance	2.2%	1.8%	1.8%	2.6%
Utilization/Length of Stay, days 21-100	99.0%	-27.2%	-6.3%	0.1%
Trend/Length of Stay, days 21-100	103.4%	-25.9%	-4.6%	2.7%

**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 2019 and 2020 are \$0.50 and \$0.55, 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	12/19 b	c	12/19 d	d/b
<b>TOTAL PRE-STANDARDIZED*</b>					
1990	\$1,694,000	\$7,144,926	\$1,644,749	\$6,937,196	97.1%
1991	\$2,061,167	\$8,279,578	\$1,741,043	\$6,993,662	84.5%
1992	\$2,277,300	\$8,712,163	\$2,257,282	\$8,635,581	99.1%
1993	\$2,367,460	\$8,625,794	\$2,195,875	\$8,000,627	92.8%
1994	\$2,308,925	\$8,011,926	\$2,107,905	\$7,314,392	91.3%
1995	\$2,054,340	\$6,789,068	\$2,106,267	\$6,960,673	102.5%
1996	\$2,446,505	\$7,700,070	\$2,252,767	\$7,090,304	92.1%
1997	\$2,370,295	\$7,104,958	\$2,121,440	\$6,359,017	89.5%
1998	\$2,278,499	\$6,504,572	\$1,890,680	\$5,397,441	83.0%
1999	\$2,102,867	\$5,717,320	\$1,592,176	\$4,328,841	75.7%
2000	\$2,008,482	\$5,200,669	\$1,518,250	\$3,931,286	75.6%
2001	\$1,826,897	\$4,505,221	\$1,436,259	\$3,541,889	78.6%
2002	\$1,669,249	\$3,920,431	\$1,299,063	\$3,051,005	77.8%
2003	\$1,540,747	\$3,446,314	\$1,242,577	\$2,779,372	80.6%
2004	\$1,376,857	\$2,933,075	\$1,193,056	\$2,541,528	86.7%
2005	\$1,241,378	\$2,518,539	\$1,021,521	\$2,072,488	82.3%
2006	\$1,158,491	\$2,238,455	\$1,036,774	\$2,003,270	89.5%
2007	\$1,075,500	\$1,979,140	\$857,201	\$1,577,426	79.7%
2008	\$970,840	\$1,701,472	\$837,954	\$1,468,578	86.3%
2009	\$868,092	\$1,448,950	\$702,157	\$1,171,985	80.9%
2010	\$759,786	\$1,207,785	\$637,370	\$1,013,188	83.9%
2011	\$698,369	\$1,057,290	\$582,380	\$881,689	83.4%
2012	\$623,317	\$898,729	\$468,046	\$674,851	75.1%
2013	\$563,103	\$773,246	\$482,084	\$661,993	85.6%
2014	\$493,742	\$645,716	\$350,038	\$457,779	70.9%
2015	\$406,434	\$506,223	\$321,928	\$400,968	79.2%
2016	\$340,519	\$403,927	\$264,599	\$313,871	77.7%
2017	\$281,200	\$317,679	\$311,875	\$352,333	110.9%
2018	\$237,419	\$255,446	\$251,588	\$270,691	106.0%
2019	\$182,057	\$186,553	\$165,558	\$169,646	90.9%
<b>Total Historical</b>	<b>\$40,283,837</b>	<b>\$110,735,236</b>	<b>\$34,890,462</b>	<b>\$97,353,572</b>	<b>87.9%</b>
2020	\$141,126	\$137,725	\$119,980	\$117,089	85.0%
2021	\$111,527	\$103,656	\$94,485	\$87,817	84.7%
2022	\$87,827	\$77,742	\$74,407	\$65,862	84.7%
2023	\$69,164	\$58,306	\$58,595	\$49,397	84.7%
2024	\$54,467	\$43,730	\$46,144	\$37,048	84.7%
2025	\$42,892	\$32,797	\$36,338	\$27,786	84.7%
2026	\$33,778	\$24,598	\$28,616	\$20,839	84.7%
2027	\$26,600	\$18,449	\$22,535	\$15,629	84.7%
2028	\$20,948	\$13,836	\$17,747	\$11,722	84.7%
2029	\$16,496	\$10,377	\$13,975	\$8,792	84.7%
<b>Total Future</b>	<b>\$604,824</b>	<b>\$521,217</b>	<b>\$512,822</b>	<b>\$441,981</b>	<b>84.8%</b>
<b>Aggregate (1990-2029)</b>	<b>\$40,888,661</b>	<b>\$111,256,453</b>	<b>\$35,403,284</b>	<b>\$97,795,553</b>	<b>87.9%</b>

Assumption: Interest rate is 5%.

\* Excludes AD/DP experience.

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

<b>Pre-Standardized *</b>	<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>
2014	493,742	493,742	379,682	350,038	76,407	76.9%	70.9%
2015	406,434	406,434	296,342	321,928	63,305	72.9%	79.2%
2016	340,519	340,519	312,419	264,599	52,504	91.7%	77.7%
2017	281,200	281,200	295,579	311,875	42,648	105.1%	110.9%
2018	237,419	237,419	267,770	251,588	36,461	112.8%	106.0%

\* Excludes AD/DP experience.

**2020 RATES FOR PLANS NOT ISSUED IN  
RHODE ISLAND**

<u>Plan</u>	<u>Monthly Rate</u>
S1	\$138.75
S2	\$167.50
S3 (with drugs)	\$288.00
S3 (without drugs)	\$252.75
S6	\$203.00
SA	\$137.50
TA/XA/HA/YA	\$137.50
NA/QA	\$134.75
N6/Q6	\$195.75
N3/Q3 (with drugs)	\$92.25
N3/Q3 (without drugs)	\$57.25
N7/Q7 (with drugs)	\$104.50
N7/Q7 (without drugs)	\$69.75
M8/P8	\$160.50
M9/P9	\$200.75
D6/D7/D8/D9	\$15.00

**2020 Rates for Pre-Baucus Coverages**

AG	\$56.50
X	\$162.50

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-131905970

### Scope and Range of the Rate Increase

2020 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 56 members. The new monthly premium rates will apply to members beginning April 1, 2020.

The average rate increase for these plans is expected to be 1.3%. Rate increases vary by plan. The range of rate increases is: 0% to 1.4%. 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 2020. 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 2020 administrative costs for these plans are similar to current administrative costs and are not contributing to the proposed rate increase.