

Blue Cross and Blue Shield of Vermont
Q3 2017 Large Group Rating Program Filing
Actuarial Memorandum

Minimum Required CTR Calculation

		2017 Forecast			Restated to Reflect LG Premium Increases to 2018	
		Premium	Share of Capital Requirement	Projected Premium Increase	Premium	Share of Capital Requirement
<u>BCBSVT Enterprise Totals</u>						
QHP	A	\$417,566,717	53.49%		\$417,566,717	52.86%
BCBSVT and TVHP Large Group Insured	B	\$74,631,421	14.73%	1.080	\$80,616,861	15.73%
All Other	C		31.78%			31.41%
Investment Income	D	\$3,824,611			\$3,824,611	
Tax Rate	E		20%			20%
Investment Income Net of Taxes	F = D x (1-E)	\$3,059,689			\$3,059,689	
Large Group Insured Share of Investment Income	G = F x B%	\$450,801			\$481,269	
Estimated YE 2017 Authorized Control Level (ACL)	H		\$23,495,304			
Estimated ACL Reflecting LG Premium Increases to 2018	J		\$23,713,572			
Increase in Capital Required to Maintain Target RBC Level	K = 700% x (J-H)		\$1,527,876			
Additional Required Grossed Up for FIT	L = K / (1-E)		\$1,909,845			
CTR Required from LG in 2018	M = L-G		\$1,428,576			
Required LG Insured CTR Factor to Maintain Target RBC	CTR = M/\$B			1.8%		