

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Existing Products 1Q/2Q 2015
Project Name/Number: /

Filing at a Glance

Company: MVP Health Insurance Company
Product Name: VT LG HIC Existing Products 1Q/2Q 2015
State: VermontGMCB
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.002A Large Group Only - PPO
Filing Type: GMCB Rate
Date Submitted: 08/12/2014
SERFF Tr Num: MVPH-129676042
SERFF Status: Pending State Action
State Tr Num:
State Status:
Co Tr Num:

Implementation: 01/01/2015
Date Requested:
Author(s): Kristen Marsh, Matt Lombardo, Evan Steinhart, Eric Bachner
Reviewer(s): Thomas Crompton (primary), Kelly Macnee, David Dillon, Judith Henkin, Jacqueline Lee
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Existing Products 1Q/2Q 2015
Project Name/Number: /

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	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: Employer	Overall Rate Impact: -2.5%
Filing Status Changed: 09/22/2014	
State Status Changed:	Deemer Date:
Created By: Matt Lombardo	Submitted By: Matt Lombardo
Corresponding Filing Tracking Number:	

PPACA: Non-Grandfathered Immed Mkt Reforms, Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

The proposed manual rates and addendum values included within this filing are for employer groups with 51+ employees in the state of Vermont with coverage dates beginning between January 1, 2015 and June 30, 2015.

Company and Contact

Filing Contact Information

Matt Lombardo,	mlombardo@mvphealthcare.com
625 State Street	518-388-2483 [Phone]
Schenectady, NY 12305	

Filing Company Information

MVP Health Insurance Company	CoCode: 11125	State of Domicile: New York
625 State Street	Group Code: 1198	Company Type: Health
Schenectady, NY 12305	Group Name:	Insurance
(518) 388-2469 ext. [Phone]	FEIN Number: 14-1827918	State ID Number:

Filing Fees

Fee Required?	Yes
Fee Amount:	\$150.00
Retaliatory?	No
Fee Explanation:	

SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State: VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number: /

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	09/17/2014	09/17/2014
Pending Response	Jacqueline Lee	08/19/2014	08/19/2014

Response Letters

Responded By	Created On	Date Submitted
Matt Lombardo	09/22/2014	09/22/2014
Matt Lombardo	08/25/2014	08/26/2014

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Actuarial Memorandum	Matt Lombardo	09/25/2014	09/25/2014
Supporting Document	Response to Objection Letter #2	Matt Lombardo	09/23/2014	09/23/2014
Supporting Document	Actuarial Memorandum	Matt Lombardo	08/15/2014	08/15/2014
Supporting Document	Actuarial Memorandum	Matt Lombardo	08/12/2014	08/12/2014

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Existing Products 1Q/2Q 2015
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Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	09/17/2014
Submitted Date	09/17/2014
Respond By Date	09/22/2014

Dear Matt Lombardo,

Introduction:

Please see attached inquiry.

Conclusion:

Sincerely,
Jacqueline Lee



Dallas

Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
Michael A. Mayberry, F.S.A.
David M. Dillon, F.S.A.
Gregory S. Wilson, F.C.A.S.
Steven D. Bryson, F.S.A.
Bonnie S. Albritton, F.S.A.
Brian D. Rankin, F.S.A.
Wesley R. Campbell, F.S.A.
Jacqueline B. Lee, F.S.A.
Robert E. Gove, A.S.A.
J. Finn Knox-Seith, A.S.A.
Brian C. Stentz, A.S.A.
Jay W. Fuller, A.S.A.
Sujaritha Tansen, A.S.A.
Josh A. Hammerquist, A.S.A.
Xiaoxiao (Lisa) Jiang, A.S.A.
Jennifer M. Allen, A.S.A.
Sergei Mordovin, A.S.A.
Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

Kansas City

Gary L. Rose, F.S.A.
Terry M. Long, F.S.A.
David L. Batchelder, A.S.A.
Leon L. Langlitz, F.S.A.
Gary R. McElwain, FLMI
Anthony G. Proulx, F.S.A.
Thomas L. Handley, F.S.A.
D. Patrick Glenn, A.S.A., A.C.A.S.
Christopher H. Davis, F.S.A.
Karen E. Elsom, F.S.A.
Jill J. Humes, F.S.A.

London / Kansas City

Roger K. Annin, F.S.A.
Timothy A. DeMars, F.S.A.
Scott E. Morrow, F.S.A.

Baltimore

David A. Palmer, C.F.E.

September 17, 2014

Matt Lombardo
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Insurance Company
1Q/2Q 2015 Large Group AR42 Filing
SERFF Tracking #: MVPH-129676042

Dear Mr. Lombardo:

Thank you for your response on August 25, 2014. The following additional information is required for this filing. In your itemized response, we request that you re-state each question.

1. Please supplement the 2013 traditional loss ratio provided in response to Question 5 of our earlier inquiry letter with a derivation of the adjusted federal loss ratio for the AR42 block impacted by this rate filing and for the entire large market segment in Vermont.
2. In prior filing of this product portfolio, a snapshot of the large group members was used to derive a blended rate increase for the HDHP and non-HDHP products. We are unable to match the proposed quarterly rate change of 0.2% in Exhibit 3 with the requested quarterly rate change in the actuarial memorandum. (8.0% for PPO/EPO Medical, -3.2% for Rx riders, and -7.0% for HDHP). Please reconcile the development of the requested quarterly rate increase in the actuarial memorandum. If a non-HDHP/HDHP blended rate increase is not being requested in this filing, provide reasoning for the change in methodology and elaborate on whether the material rate increase requested for some plans (such as 15.1% for VE054L) is driven by benefit relativity changes and the decision to isolate rate increase by product type. Please illustrate your response using coplan VE054L as an example.

3. We note that “Annual Manual Rate Change” and “Quarterly Rate Change” in Exhibit 4a.Q1 are equal. Why is that so? Also, reconcile the quarterly change implied in Exhibit 4 for various benefit plans with the proposed rate increase of 0.2% in Exhibit 3.
4. For medical trend, we could reconcile the requested rate increase for 2Q15 with one quarter of 2015 medical paid trend. Please reconcile the requested rate change for Rx from 1Q15 to 2Q15 with the projected Rx trends.
5. Please quantitatively derive the required annual rate change for 1Q15 and 2Q15, as listed in page 1 of the actuarial memorandum.

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than September 22, 2014.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Rita Tansen A.S.A., M.A.A.A.
Consulting Actuary
Lewis & Ellis, Inc.
rtansen@lewisellis.com
(972)850-0850

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Existing Products 1Q/2Q 2015
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	08/19/2014
Submitted Date	08/19/2014
Respond By Date	08/26/2014

Dear Matt Lombardo,

Introduction:

Please see attached inquiry letter.

Conclusion:

Sincerely,
Jacqueline Lee

**Dallas**

Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
Michael A. Mayberry, F.S.A.
David M. Dillon, F.S.A.
Gregory S. Wilson, F.C.A.S.
Steven D. Bryson, F.S.A.
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Wesley R. Campbell, F.S.A.
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Brian C. Stentz, A.S.A.
Jay W. Fuller, A.S.A.
Sujaritha Tansen, A.S.A.
Josh A. Hammerquist, A.S.A.
Xiaoxiao (Lisa) Jiang, A.S.A.
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Anthony G. Proulx, F.S.A.
Thomas L. Handley, F.S.A.
D. Patrick Glenn, A.S.A., A.C.A.S.
Christopher H. Davis, F.S.A.
Karen E. Elsom, F.S.A.
Jill J. Humes, F.S.A.

London / Kansas City

Roger K. Annin, F.S.A.
Timothy A. DeMars, F.S.A.
Scott E. Morrow, F.S.A.

Baltimore

David A. Palmer, C.F.E.

August 19, 2014

Matt Lombardo
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Insurance Company
1Q/2Q 2015 Large Group AR42 Filing
SERFF Tracking #: MVPH-129676042

Dear Mr. Lombardo:

We have been retained by the Green Mountain Care Board (“GMCB”) to review the above referenced group product filing submitted on 8/12/2014. The following additional information is required for this filing. In your itemized response, we request that you re-state each question.

1. We note that the experience of coplans that are now retired (such as VE001L, VE002L, etc as illustrated in page 6 of the actuarial memorandum) have been included in demonstrating revenue neutrality (Exhibit 3a) and in development of projected claims and resloped projected net revenue (Exhibit 3b). Additionally, experience period membership is used in revenue neutrality demonstration. We note that HDHP/non-HDHP membership in the experience period of 53%/47% is materially different from the corresponding current membership of 65%/35%.
 - i. Please submit an exhibit that demonstrates revenue neutrality with only non-retired coplans and current HDHP/non-HDHP membership.
 - ii. Please justify the appropriateness of using experience from retired coplans in Exhibit 3b. If non-retired coplans were used, how would the line items 1 and 2 change?

- iii. The calculation of the resloped projected net revenue collected at Q4 2014 rate level in line item 15 of Exhibit 3b includes retired coplans as well. Please justify the appropriateness of this approach or provide a revised Exhibit that uses only non-retired plan rate levels.
2. Please quantitatively reconcile the claims incurred in “Historical Med Claim Summ” worksheet with the Experience Period Medical Claims PMPM in Exhibit 3b (\$258.33 for non-HDHP and \$218.86 for HDHP plans).
3. Provide historic Rx rebates (as a percent of Rx claim experience) by product type for the experience period and preceding two years. Provide justification for the projected Rx rebates seen in Exhibit 3b.
4. In determining benefit relativity, the actuarial memorandum states: “Adjust for impact of family caps on the single benefit or aggregate nature of family benefit.” We are assuming this adjustment accounts for aggregate family deductible versus stacked deductible. Please demonstrate quantitatively this impact and illustrate where in the rate development this adjustment is being made.
5. Please provide MVP’s 2013 MLR results for the AR42 block impacted by this rate filing and for the entire large group market segment in Vermont.
6. Please provide the anticipated 2014 unadjusted traditional loss ratio and federal adjusted loss ratio for the AR42 block impacted by this rate filing and for the entire large group market segment in Vermont.
7. How many of your current groups are 100% experience rated versus those that use manual rates?
8. How many of your current groups are retrospectively rated? How has the change in surplus refund amount for group sizes of 251+ from 100% to 80% impacted rate development of these groups?
9. Please provide historic actual-to-expected experience for the AR42 product.
10. What was the actual expense ratio over the 2010-2013 time period if only large group business is considered?

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than August 26, 2014.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Rita Tansen A.S.A., M.A.A.A.
Consulting Actuary
Lewis & Ellis, Inc.
rtansen@lewisellis.com
(972)850-0850

SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Existing Products 1Q/2Q 2015
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 09/22/2014
 Submitted Date 09/22/2014

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the supporting documentation items below for MVP's response to L&E's 9/17/14 objection letter.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #2
Comments:	
Attachment(s):	Response to Objection #2.pdf Response to Objection #2 - LG HIC Existing Prods L&E.pdf Response to Objection #2 - LG HIC Existing Prods L&E.xlsx

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

*Sincerely,
Matt Lombardo*

SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Existing Products 1Q/2Q 2015
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/25/2014
Submitted Date 08/26/2014

Dear Thomas Crompton,

Introduction:

Response 1

Comments:

Please see the attached supporting documentation item which includes MVP's response to Objection Letter #1.

Regards,
Matt Lombardo

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	Response to Objection 1 - L&E.pdf Response to Objection 1 - L&E.xlsx Response to Objection #1.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Matt Lombardo

SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number:

/

Amendment Letter

Submitted Date:

09/25/2014

Comments:

Per Rita Tansen's 9/25/14 e-mail, the annual rate increase information for non-HDHP products has been updated in the actuarial memorandum.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State: VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number: /

Supporting Document Schedule Item Changes**Satisfied - Item:** Actuarial Memorandum**Comments:****Attachment(s):**

Rolling 12 Medical and Rx Data - LG HIC.pdf
 Rolling 12 Medical and Rx Data - LG HIC.xlsx
 VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.pdf
 VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.xlsx
 VT Experience Rated Addendum - 1Q 2015.pdf
 1Q 2015 ACT MEMO-HIC Large Group v2.pdf
 Appendices A-C.pdf
 Experience Rating Formula Filing Exhibits A-C.pdf

*Previous Version***Satisfied - Item:** *Actuarial Memorandum***Comments:****Attachment(s):**

*1Q 2015 ACT MEMO-HIC Large Group.pdf
 Rolling 12 Medical and Rx Data - LG HIC.pdf
 Rolling 12 Medical and Rx Data - LG HIC.xlsx
 VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.pdf
 VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.xlsx
 VT Experience Rated Addendum - 1Q 2015.pdf
 Experience Rating Formula Filing Exhibits A-C.pdf
 Appendices A-C.pdf*

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 VT Experience Rated Addendum - 1Q 2015.pdf*

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SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Existing Products 1Q/2Q 2015

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/

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MVPH-129676042

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

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number:

/

Amendment Letter

Submitted Date: 09/23/2014

Comments:

Please see the supporting documentation item below for MVP's revised response to Objection Letter #2.

Changed Items:

*No Form Schedule Items Changed.**No Rate Schedule Items Changed.*

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter #2
Comments:	
Attachment(s):	Response to Objection #2.pdf Response to Objection #2 - LG HIC Existing Prods v2 L&E.pdf Response to Objection #2 - LG HIC Existing Prods v2 L&E.xlsx
<i>Previous Version</i>	
Satisfied - Item:	<i>Response to Objection Letter #2</i>
Comments:	
Attachment(s):	<i>Response to Objection #2.pdf Response to Objection #2 - LG HIC Existing Prods L&E.pdf Response to Objection #2 - LG HIC Existing Prods L&E.xlsx</i>

SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

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H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number:

/

Amendment Letter

Submitted Date: 08/15/2014

Comments:

The LG Experience Rated Formula and Appendices A-C have been added to the Supporting Documentation Item below. There are not any changes being proposed to these documents, and they are being added to the SERFF filing for completeness.

Regards,

Matt Lombardo

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

SERFF Tracking #:

MVPH-129676042

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 Appendices A-C.pdf

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*Previous Version***Satisfied - Item:** *Actuarial Memorandum***Comments:****Attachment(s):**

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Filing Company: MVP Health Insurance Company
Project Name/Number: /

Amendment Letter

Submitted Date: 08/12/2014

Comments:

After initially submitting the filing, it was recognized that the LG Addendum was not included with the submission. The addendum has been added to the Supporting Documentation item below.

Regards,
Matt Lombardo

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	1Q 2015 ACT MEMO-HIC Large Group.pdf Rolling 12 Medical and Rx Data - LG HIC.pdf Rolling 12 Medical and Rx Data - LG HIC.xlsx VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.pdf VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.xlsx VT Experience Rated Addendum - 1Q 2015.pdf
<i>Previous Version</i>	
Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	1Q 2015 ACT MEMO-HIC Large Group.pdf Rolling 12 Medical and Rx Data - LG HIC.pdf Rolling 12 Medical and Rx Data - LG HIC.xlsx VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.pdf VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.xlsx

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Product Name: VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: Decrease

Overall Percentage of Last Rate Revision: 3.800%

Effective Date of Last Rate Revision: 01/01/2014

Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Company Rate Change:	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):
MVP Health Insurance Company	Decrease	-2.500%	-2.500%	\$-804,663	50	\$31,653,187	17.600%	-9.500%

State: VermontGMCB Filing Company: MVP Health Insurance Company
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 Product Name: VT LG HIC Existing Products 1Q/2Q 2015
 Project Name/Number: /

Rate Review Detail

COMPANY:

Company Name: MVP Health Insurance Company
 HHS Issuer Id: 92802

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Preferred Suite EPO	92802VT004	92802VT004000	1586
Preferred Suite HD EPO	92802VT006	92802VT006000	3962
Preferred Suite HD PPO	92802VT007	92802VT007000	376
Preferred Suite PPO	92802VT005	92802VT005000	245

Trend Factors:

FORMS:

New Policy Forms:
 Affected Forms:
 Other Affected Forms: VT EPO COC, VT HDEPO COC

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 95,023
 Benefit Change: Decrease
 Percent Change Requested: Min: -9.5 Max: 17.6 Avg: -2.5

PRIOR RATE:

Total Earned Premium: 31,653,187.00
 Total Incurred Claims: 28,771,153.00
 Annual \$: Min: 268.91 Max: 403.44 Avg: 367.04

REQUESTED RATE:

Projected Earned Premium: 30,861,857.00
 Projected Incurred Claims: 26,232,579.00
 Annual \$: Min: 284.65 Max: 474.45 Avg: 357.86

SERFF Tracking #:

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TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

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Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Rolling 12 Medical and Rx Data - LG HIC.pdf Rolling 12 Medical and Rx Data - LG HIC.xlsx VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.pdf VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.xlsx VT Experience Rated Addendum - 1Q 2015.pdf 1Q 2015 ACT MEMO-HIC Large Group v2.pdf Appendices A-C.pdf Experience Rating Formula Filing Exhibits A-C.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Civil Union Rating Requirements
Bypass Reason:	MVP's forms comply with 8 V.S.A. § 4724.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	N/A - proposed increase does not exceed threshold
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Certification of Compliance - VT.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State: VermontGMCB **Filing Company:** MVP Health Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO
Product Name: VT LG HIC Existing Products 1Q/2Q 2015
Project Name/Number: /

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Letter #1
Comments:	
Attachment(s):	Response to Objection 1 - L&E.pdf Response to Objection 1 - L&E.xlsx Response to Objection #1.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Letter #2
Comments:	
Attachment(s):	Response to Objection #2.pdf Response to Objection #2 - LG HIC Existing Prods v2 L&E.pdf Response to Objection #2 - LG HIC Existing Prods v2 L&E.xlsx
Item Status:	
Status Date:	

SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number:

/

Attachment Rolling 12 Medical and Rx Data - LG HIC.xlsx is not a PDF document and cannot be reproduced here.

Attachment VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.xlsx is not a PDF document and cannot be reproduced here.

Attachment Response to Objection 1 - L&E.xlsx is not a PDF document and cannot be reproduced here.

Attachment Response to Objection #2 - LG HIC Existing Prods v2 L&E.xlsx is not a PDF document and cannot be reproduced here.

Large Group Historical Medical Claims Summary - EPO/PP0

Rolling 12 End Date	Medical Claim Expense > \$100k PMPM	Medical Claim Expense PMPM	Medical Allowed - COB PMPM	Member Months	Claims > \$100k as		Rolling 12 Medical Paid			Paid To Allowed Ratio
					% of Claims < \$100k	Rolling 12 Medical Claim Expense Trend	Trend Removing High Cost Claims	Rolling 12 Allowed - COB Trend	Rolling 12 Membership Change	
201112	\$21.59	\$291.46	\$339.81	36,564	8.0%	N/A	N/A	N/A	N/A	85.8%
201201	\$23.00	\$288.92	\$339.04	35,731	8.7%	N/A	N/A	N/A	N/A	85.2%
201202	\$24.20	\$295.63	\$345.83	35,684	8.9%	N/A	N/A	N/A	N/A	85.5%
201203	\$22.91	\$300.80	\$351.31	35,622	8.2%	N/A	N/A	N/A	N/A	85.6%
201204	\$25.80	\$304.09	\$354.72	35,570	9.3%	N/A	N/A	N/A	N/A	85.7%
201205	\$23.83	\$302.91	\$354.24	35,552	8.5%	N/A	N/A	N/A	N/A	85.5%
201206	\$24.47	\$300.37	\$352.64	35,414	8.9%	N/A	N/A	N/A	N/A	85.2%
201207	\$24.39	\$305.62	\$359.17	35,077	8.7%	N/A	N/A	N/A	N/A	85.1%
201208	\$21.74	\$305.88	\$360.04	34,695	7.7%	N/A	N/A	N/A	N/A	85.0%
201209	\$30.16	\$322.90	\$378.22	34,313	10.3%	N/A	N/A	N/A	N/A	85.4%
201210	\$42.86	\$343.14	\$400.05	34,091	14.3%	N/A	N/A	N/A	N/A	85.8%
201211	\$53.38	\$350.39	\$407.09	33,825	18.0%	N/A	N/A	N/A	N/A	86.1%
201212	\$44.01	\$341.46	\$397.78	33,593	14.8%	17.2%	10.2%	17.1%	-8.1%	85.8%
201301	\$42.92	\$338.92	\$399.07	34,636	14.5%	17.3%	11.3%	17.7%	-3.1%	84.9%
201302	\$41.75	\$326.84	\$389.50	35,570	14.6%	10.6%	5.0%	12.6%	-0.3%	83.9%
201303	\$41.44	\$315.48	\$379.43	36,268	15.1%	4.9%	-1.4%	8.0%	1.8%	83.1%
201304	\$36.94	\$311.67	\$378.80	36,958	13.4%	2.5%	-1.3%	6.8%	3.9%	82.3%
201305	\$35.82	\$307.65	\$375.56	37,870	13.2%	1.6%	-2.6%	6.0%	6.5%	81.9%
201306	\$35.55	\$305.70	\$373.46	38,846	13.2%	1.8%	-2.1%	5.9%	9.7%	81.9%
201307	\$35.40	\$297.21	\$364.81	39,761	13.5%	-2.8%	-6.9%	1.6%	13.4%	81.5%
201308	\$37.36	\$295.97	\$364.89	40,658	14.4%	-3.2%	-9.0%	1.3%	17.2%	81.1%
201309	\$30.02	\$290.53	\$361.39	41,566	11.5%	-10.0%	-11.0%	-4.4%	21.1%	80.4%
201310	\$20.60	\$281.92	\$354.30	42,625	7.9%	-17.8%	-13.0%	-11.4%	25.0%	79.6%
201311	\$13.39	\$268.71	\$342.12	43,779	5.2%	-23.3%	-14.0%	-16.0%	29.4%	78.5%
201312	\$13.84	\$269.21	\$344.92	44,918	5.4%	-21.2%	-14.1%	-13.3%	33.7%	78.1%

Large Group Historical Medical Claims Summary - HDHP

Rolling 12 End Date	Medical Claim Expense > \$100k PMPM	Medical Claim Expense PMPM	Medical Allowed - COB PMPM	Member Months	Claims > \$100k as		Rolling 12 Medical Paid			Paid To Allowed Ratio
					% of Claims < \$100k	Rolling 12 Medical Claim Expense Trend	Trend Removing High Cost Claims	Rolling 12 Allowed - COB Trend	Rolling 12 Membership Change	
201112	\$24.05	\$244.63	\$330.25	99,382	10.9%	N/A	N/A	N/A	N/A	74.1%
201201	\$22.09	\$245.80	\$332.33	97,939	9.9%	N/A	N/A	N/A	N/A	74.0%
201202	\$21.44	\$249.47	\$337.49	96,286	9.4%	N/A	N/A	N/A	N/A	73.9%
201203	\$21.05	\$248.24	\$335.27	94,597	9.3%	N/A	N/A	N/A	N/A	74.0%
201204	\$19.23	\$243.35	\$330.90	92,932	8.6%	N/A	N/A	N/A	N/A	73.5%
201205	\$18.56	\$243.85	\$332.77	91,395	8.2%	N/A	N/A	N/A	N/A	73.3%
201206	\$16.35	\$240.95	\$329.93	89,693	7.3%	N/A	N/A	N/A	N/A	73.0%
201207	\$10.88	\$234.88	\$324.57	88,341	4.9%	N/A	N/A	N/A	N/A	72.4%
201208	\$11.97	\$237.87	\$328.14	86,974	5.3%	N/A	N/A	N/A	N/A	72.5%
201209	\$12.02	\$234.72	\$324.15	85,586	5.4%	N/A	N/A	N/A	N/A	72.4%
201210	\$11.81	\$234.99	\$325.17	84,188	5.3%	N/A	N/A	N/A	N/A	72.3%
201211	\$12.59	\$233.87	\$325.28	82,457	5.7%	N/A	N/A	N/A	N/A	71.9%
201212	\$11.28	\$227.91	\$319.73	80,734	5.2%	-6.8%	-1.8%	-3.2%	-18.8%	71.3%
201301	\$11.16	\$229.95	\$320.60	78,052	5.1%	-6.4%	-2.2%	-3.5%	-20.3%	71.7%
201302	\$10.71	\$228.28	\$317.34	75,579	4.9%	-8.5%	-4.6%	-6.0%	-21.5%	71.9%
201303	\$12.29	\$227.52	\$316.36	73,074	5.7%	-8.3%	-5.3%	-5.6%	-22.8%	71.9%
201304	\$14.08	\$230.09	\$318.08	70,600	6.5%	-5.4%	-3.6%	-3.9%	-24.0%	72.3%
201305	\$13.78	\$224.33	\$311.25	67,756	6.5%	-8.0%	-6.5%	-6.5%	-25.9%	72.1%
201306	\$12.30	\$220.31	\$307.88	64,978	5.9%	-8.6%	-7.4%	-6.7%	-27.6%	71.6%
201307	\$11.20	\$220.80	\$308.90	62,605	5.3%	-6.0%	-6.4%	-4.8%	-29.1%	71.5%
201308	\$10.08	\$218.23	\$306.73	60,398	4.8%	-8.3%	-7.9%	-6.5%	-30.6%	71.1%
201309	\$10.46	\$218.86	\$308.91	58,230	5.0%	-6.8%	-6.4%	-4.7%	-32.0%	70.9%
201310	\$11.77	\$217.37	\$307.81	55,495	5.7%	-7.5%	-7.9%	-5.3%	-34.1%	70.6%
201311	\$14.54	\$217.73	\$308.31	52,781	7.2%	-6.9%	-8.2%	-5.2%	-36.0%	70.6%
201312	\$16.00	\$224.14	\$316.70	50,105	7.7%	-1.7%	-3.9%	-0.9%	-37.9%	70.8%

Large Group Historical Medical Claims Summary - AR42 Total

Rolling 12 End Date	Medical Claim Expense > \$100k PMPM	Medical Claim Expense PMPM	Medical Allowed - COB PMPM	Member Months	Claims > \$100k as	Rolling 12 Medical Paid					
					% of Claims < \$100k	Rolling 12 Medical Claim Expense Trend	Trend Removing High Cost Claims	Rolling 12 Allowed - COB Trend	Rolling 12 Membership Change	Paid To Allowed Ratio	
201112	\$23.39	\$257.23	\$332.82	135,946	10.0%	N/A	N/A	N/A	N/A	N/A	77.3%
201201	\$22.33	\$257.32	\$334.12	133,670	9.5%	N/A	N/A	N/A	N/A	N/A	77.0%
201202	\$22.19	\$261.95	\$339.75	131,970	9.3%	N/A	N/A	N/A	N/A	N/A	77.1%
201203	\$21.56	\$262.62	\$339.66	130,219	8.9%	N/A	N/A	N/A	N/A	N/A	77.3%
201204	\$21.05	\$260.16	\$337.50	128,502	8.8%	N/A	N/A	N/A	N/A	N/A	77.1%
201205	\$20.04	\$260.39	\$338.78	126,947	8.3%	N/A	N/A	N/A	N/A	N/A	76.9%
201206	\$18.65	\$257.77	\$336.36	125,107	7.8%	N/A	N/A	N/A	N/A	N/A	76.6%
201207	\$14.72	\$254.99	\$334.40	123,418	6.1%	N/A	N/A	N/A	N/A	N/A	76.3%
201208	\$14.76	\$257.27	\$337.24	121,669	6.1%	N/A	N/A	N/A	N/A	N/A	76.3%
201209	\$17.21	\$259.95	\$339.62	119,899	7.1%	N/A	N/A	N/A	N/A	N/A	76.5%
201210	\$20.76	\$266.16	\$346.75	118,279	8.5%	N/A	N/A	N/A	N/A	N/A	76.8%
201211	\$24.46	\$267.77	\$349.08	116,282	10.1%	N/A	N/A	N/A	N/A	N/A	76.7%
201212	\$20.90	\$261.28	\$342.66	114,327	8.7%	1.6%	2.8%	3.0%	-15.9%	N/A	76.2%
201301	\$20.92	\$263.44	\$344.72	112,688	8.6%	2.4%	3.2%	3.2%	-15.7%	N/A	76.4%
201302	\$20.64	\$259.82	\$340.43	111,149	8.6%	-0.8%	-0.2%	0.2%	-15.8%	N/A	76.3%
201303	\$21.96	\$256.70	\$337.28	109,342	9.4%	-2.3%	-2.6%	-0.7%	-16.0%	N/A	76.1%
201304	\$21.93	\$258.12	\$338.94	107,558	9.3%	-0.8%	-1.2%	0.4%	-16.3%	N/A	76.2%
201305	\$21.68	\$254.21	\$334.31	105,626	9.3%	-2.4%	-3.3%	-1.3%	-16.8%	N/A	76.0%
201306	\$21.00	\$252.26	\$332.42	103,824	9.1%	-2.1%	-3.3%	-1.2%	-17.0%	N/A	75.9%
201307	\$20.60	\$250.48	\$330.62	102,366	9.0%	-1.8%	-4.3%	-1.1%	-17.1%	N/A	75.8%
201308	\$21.06	\$249.51	\$330.13	101,056	9.2%	-3.0%	-5.8%	-2.1%	-16.9%	N/A	75.6%
201309	\$18.61	\$248.71	\$330.77	99,796	8.1%	-4.3%	-5.2%	-2.6%	-16.8%	N/A	75.2%
201310	\$15.60	\$245.41	\$328.00	98,120	6.8%	-7.8%	-6.4%	-5.4%	-17.0%	N/A	74.8%
201311	\$14.02	\$240.85	\$323.64	96,560	6.2%	-10.1%	-6.8%	-7.3%	-17.0%	N/A	74.4%
201312	\$14.98	\$245.45	\$330.04	95,023	6.5%	-6.1%	-4.1%	-3.7%	-16.9%	N/A	74.4%

Large Group Historical Rx Claims Summary - EPO/PPO

Rolling 12 End Date	Rx Claim Expense PMPM	Rx Allowed PMPM	Member Months	Rolling 12 Rx Claim Expense Trend	Rolling 12 Rx Allowed Trend	Rolling 12 Membership Change	Paid To Allowed Ratio
201112	\$52.98	\$65.43	36,423	N/A	N/A	N/A	81.0%
201201	\$52.49	\$64.53	35,578	N/A	N/A	N/A	81.3%
201202	\$53.01	\$65.01	35,558	N/A	N/A	N/A	81.5%
201203	\$52.82	\$64.72	35,507	N/A	N/A	N/A	81.6%
201204	\$53.02	\$64.78	35,461	N/A	N/A	N/A	81.8%
201205	\$52.88	\$64.55	35,443	N/A	N/A	N/A	81.9%
201206	\$52.33	\$63.81	35,305	N/A	N/A	N/A	82.0%
201207	\$52.45	\$63.89	34,963	N/A	N/A	N/A	82.1%
201208	\$51.65	\$63.01	34,577	N/A	N/A	N/A	82.0%
201209	\$51.02	\$62.27	34,191	N/A	N/A	N/A	81.9%
201210	\$51.42	\$62.60	33,962	N/A	N/A	N/A	82.1%
201211	\$50.73	\$61.68	33,689	N/A	N/A	N/A	82.2%
201212	\$50.69	\$61.52	33,450	-4.3%	-6.0%	-8.2%	82.4%
201301	\$49.66	\$60.78	34,486	-5.4%	-5.8%	-3.1%	81.7%
201302	\$48.44	\$59.59	35,428	-8.6%	-8.3%	-0.4%	81.3%
201303	\$47.30	\$58.49	36,135	-10.5%	-9.6%	1.8%	80.9%
201304	\$46.40	\$57.58	36,835	-12.5%	-11.1%	3.9%	80.6%
201305	\$46.24	\$57.38	37,757	-12.6%	-11.1%	6.5%	80.6%
201306	\$45.68	\$56.70	38,743	-12.7%	-11.1%	9.7%	80.6%
201307	\$45.09	\$56.06	39,673	-14.0%	-12.3%	13.5%	80.4%
201308	\$44.86	\$55.80	40,584	-13.1%	-11.4%	17.4%	80.4%
201309	\$44.96	\$55.80	41,506	-11.9%	-10.4%	21.4%	80.6%
201310	\$44.79	\$55.44	42,580	-12.9%	-11.4%	25.4%	80.8%
201311	\$44.10	\$54.60	43,749	-13.1%	-11.5%	29.9%	80.8%
201312	\$43.65	\$54.10	44,903	-13.9%	-12.0%	34.2%	80.7%

Large Group Historical Rx Claims Summary - HDHP

Rolling 12 End Date	Rx Claim Expense PMPM	Rx Allowed PMPM	Member Months	Rolling 12 Rx Claim Expense Trend	Rolling 12 Rx Allowed Trend	Rolling 12 Membership Change	Paid To Allowed Ratio
201112	\$25.15	\$46.82	99,382	N/A	N/A	N/A	53.7%
201201	\$25.25	\$46.61	97,939	N/A	N/A	N/A	54.2%
201202	\$25.62	\$46.89	96,286	N/A	N/A	N/A	54.6%
201203	\$25.06	\$45.99	94,597	N/A	N/A	N/A	54.5%
201204	\$25.06	\$45.85	92,932	N/A	N/A	N/A	54.6%
201205	\$25.15	\$45.73	91,395	N/A	N/A	N/A	55.0%
201206	\$25.20	\$45.57	89,693	N/A	N/A	N/A	55.3%
201207	\$24.89	\$45.19	88,341	N/A	N/A	N/A	55.1%
201208	\$24.71	\$44.88	86,974	N/A	N/A	N/A	55.1%
201209	\$24.54	\$44.51	85,586	N/A	N/A	N/A	55.1%
201210	\$24.62	\$44.45	84,188	N/A	N/A	N/A	55.4%
201211	\$24.42	\$44.08	82,457	N/A	N/A	N/A	55.4%
201212	\$24.10	\$43.83	80,734	-4.2%	-6.4%	-18.8%	55.0%
201301	\$24.27	\$43.74	78,052	-3.9%	-6.2%	-20.3%	55.5%
201302	\$24.48	\$43.70	75,579	-4.5%	-6.8%	-21.5%	56.0%
201303	\$24.81	\$43.85	73,074	-1.0%	-4.7%	-22.8%	56.6%
201304	\$24.98	\$43.71	70,600	-0.3%	-4.7%	-24.0%	57.1%
201305	\$25.13	\$43.63	67,756	-0.1%	-4.6%	-25.9%	57.6%
201306	\$25.32	\$43.67	64,978	0.5%	-4.2%	-27.6%	58.0%
201307	\$25.80	\$44.06	62,605	3.7%	-2.5%	-29.1%	58.6%
201308	\$25.90	\$44.01	60,398	4.8%	-1.9%	-30.6%	58.9%
201309	\$25.97	\$44.26	58,230	5.9%	-0.6%	-32.0%	58.7%
201310	\$26.08	\$44.36	55,495	5.9%	-0.2%	-34.1%	58.8%
201311	\$25.85	\$44.28	52,781	5.9%	0.5%	-36.0%	58.4%
201312	\$26.14	\$44.34	50,105	8.5%	1.1%	-37.9%	59.0%

Large Group Historical Rx Claims Summary - AR42 Total

Rolling 12 End Date	Rx Claim Expense PMPM	Rx Allowed PMPM	Member Months	Rolling 12 Rx Claim Expense Trend	Rolling 12 Rx Allowed Trend	Rolling 12 Membership Change	Paid To Allowed Ratio
201112	\$32.61	\$51.81	135,805	N/A	N/A	N/A	62.9%
201201	\$32.51	\$51.39	133,517	N/A	N/A	N/A	63.3%
201202	\$33.01	\$51.78	131,844	N/A	N/A	N/A	63.8%
201203	\$32.64	\$51.10	130,104	N/A	N/A	N/A	63.9%
201204	\$32.78	\$51.08	128,393	N/A	N/A	N/A	64.2%
201205	\$32.90	\$50.99	126,838	N/A	N/A	N/A	64.5%
201206	\$32.86	\$50.72	124,998	N/A	N/A	N/A	64.8%
201207	\$32.71	\$50.49	123,304	N/A	N/A	N/A	64.8%
201208	\$32.37	\$50.03	121,551	N/A	N/A	N/A	64.7%
201209	\$32.10	\$49.58	119,777	N/A	N/A	N/A	64.7%
201210	\$32.32	\$49.67	118,150	N/A	N/A	N/A	65.1%
201211	\$32.05	\$49.19	116,146	N/A	N/A	N/A	65.2%
201212	\$31.89	\$49.01	114,184	-2.2%	-5.4%	-15.9%	65.1%
201301	\$32.05	\$48.96	112,538	-1.4%	-4.7%	-15.7%	65.5%
201302	\$32.12	\$48.77	111,007	-2.7%	-5.8%	-15.8%	65.9%
201303	\$32.25	\$48.69	109,209	-1.2%	-4.7%	-16.1%	66.2%
201304	\$32.32	\$48.47	107,435	-1.4%	-5.1%	-16.3%	66.7%
201305	\$32.68	\$48.55	105,513	-0.7%	-4.8%	-16.8%	67.3%
201306	\$32.93	\$48.54	103,721	0.2%	-4.3%	-17.0%	67.8%
201307	\$33.29	\$48.72	102,278	1.8%	-3.5%	-17.1%	68.3%
201308	\$33.52	\$48.75	100,982	3.6%	-2.6%	-16.9%	68.8%
201309	\$33.88	\$49.06	99,736	5.5%	-1.0%	-16.7%	69.0%
201310	\$34.20	\$49.17	98,075	5.8%	-1.0%	-17.0%	69.6%
201311	\$34.13	\$48.96	96,530	6.5%	-0.5%	-16.9%	69.7%
201312	\$34.41	\$48.95	95,008	7.9%	-0.1%	-16.8%	70.3%



MVP Health Care -- Q1 & Q2 2015 LG HIC Rate Filing

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

- Exhibit 1 -- Summary of Medical Coplans Offered
- Exhibit 2a -- Pricing Trend Assumptions
- Exhibit 2b -- Rx Trend Non-HDHP
- Exhibit 2c -- Rx Trend HDHP
- Exhibit 3a -- Impact of Benefit Re-sloping and Exhibit of Revenue Neutrality
- Exhibit 3b -- Claim Projection and Proposed Rate Change
- Exhibit 4a -- Medical Manual Rates
- Exhibit 4b -- Medical Riders
- Exhibit 4c -- Rx Riders

Exhibit 1 -- Summary of Medical Coplans Offered
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - June 30, 2016

Coplan	Product Type	In-Network Benefits										Out-of-Network Benefits			Pharmacy
		PCP	SCP	IP (Med/Surg)	ER	OP Surg	DME	Amb	Ded	Coins.	OOP Max	Coins	Ded	OOP Max	
VE021L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE054L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$3,000	20%	\$6,000	N/A	N/A	N/A	Riders Available
VE060L	HYEPO	\$25	\$25	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE085L	EPO	\$20	\$20	\$500	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE087L	EPO	\$25	\$40	\$500	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE088L	EPO	\$25	\$40	\$1,000	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE089L	EPO	\$30	\$50	\$1,000	\$100	\$150	50%	\$100	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE090L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE091L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE092L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$2,000	N/A	N/A	N/A	Riders Available
VE093L	HyEPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE095L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE096L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE100L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE101L	HyEPO	\$25	\$40	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE102L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$500	20%	\$1,500	N/A	N/A	N/A	Riders Available
VE103L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE105L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$1,000	20%	\$2,000	N/A	N/A	N/A	Riders Available
VE106L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	Riders Available
VE107L	HyEPO	\$30	\$50	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE108L	EPO	\$75	\$75	\$1,000	\$200	\$200	50%	\$200	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE109L	HYEPO	\$25	\$25	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	N/A	N/A	N/A	Riders Available
VE110L	HYEPO	\$30	\$30	20%	\$200	20%	50%	20%	\$2,000	20%	\$5,300	N/A	N/A	N/A	Riders Available
VE111L	HYEPO	\$30	\$30	\$0	\$200	\$0	0%	\$0	\$3,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE114L	HyEPO	\$30	\$60	\$150	\$400	\$75	50%	\$400	\$1,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VE115L	HyEPO	\$30	\$60	\$200	\$400	\$100	50%	\$400	\$3,000	0%	\$5,300	N/A	N/A	N/A	Riders Available
VP015L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,500	40%	\$1,000	\$3,000	Riders Available
VP017L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$6,000	40%	\$4,000	\$12,000	Riders Available
VP019L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,000	40%	\$1,000	\$3,000	Riders Available
VP020L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$2,000	40%	\$2,000	\$6,000	Riders Available
VP060L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,500	40%	\$1,000	\$3,000	Riders Available
VP061L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	40%	\$2,000	\$6,000	Riders Available
VP062L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	40%	\$4,000	\$12,000	Riders Available
VP063L	HyPPO	\$20	\$20	20%	\$100	20%	50%	20%	\$500	20%	\$1,000	40%	\$1,000	\$3,000	Riders Available
VP065L	HyPPO	\$25	\$40	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	40%	\$2,000	\$6,000	Riders Available
VP066L	HyPPO	\$25	\$40	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	40%	\$4,000	\$12,000	Riders Available
VP067L	HyPPO	\$25	\$40	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	40%	\$6,000	\$18,000	Riders Available
VP071L	HyPPO	\$30	\$50	20%	\$100	20%	50%	20%	\$1,000	20%	\$3,000	40%	\$2,000	\$6,000	Riders Available
VP072L	HyPPO	\$30	\$50	20%	\$100	20%	50%	20%	\$2,000	20%	\$5,300	40%	\$4,000	\$12,000	Riders Available
VP073L	HyPPO	\$30	\$50	20%	\$100	20%	50%	20%	\$3,000	20%	\$5,300	40%	\$6,000	\$18,000	Riders Available
VT08LA	EPO	\$15	\$40	\$300	\$75	\$100	50%	\$40	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VT08LB	EPO	\$20	\$40	\$0	\$100	\$100	50%	\$40	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VT08LC	EPO	\$25	\$40	\$300	\$100	\$100	50%	\$40	\$0	0%	\$5,300	N/A	N/A	N/A	Riders Available
VEHD-01L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$1,500	0%	\$2,500	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-02L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$2,500	0%	\$3,500	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-03L	HDEPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$5,000	0%	\$5,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-06L	HDEPOagg	10%	10%	10%	10%	10%	10%	10%	\$2,500	10%	\$5,000	N/A	N/A	N/A	10%/10%/30%
VEHD-07L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$1,500	20%	\$3,000	N/A	N/A	N/A	20%/20%/40%
VEHD-08L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,000	20%	\$4,000	N/A	N/A	N/A	20%/20%/40%
VEHD-09L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	20%/20%/40%
VEHD-15L	HDEPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	50%
VEHD-17L	HDEPOagg	\$30	\$50	\$500	\$150	\$200	50%	\$150	\$2,500	0%	\$5,000	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-18L	HDEPO	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$2,500	0%	\$3,500	N/A	N/A	N/A	\$10/\$30/\$50
VEHD-19L	HDEPO	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$5,000	0%	\$5,000	N/A	N/A	N/A	\$0 after Deductible
VEHD-20L	HDEPO	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	N/A	N/A	N/A	20%/20%/40%
VEHD-31L	HDEPOagg	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	Ded/Coins	\$4,000	20%	\$5,950	N/A	N/A	N/A	20%/20%/40%
VPHD-03L	HDPPPOagg	\$0	\$0	\$0	\$0	\$0	0%	\$0	\$5,000	0%	\$5,000	20%	\$10,000	\$20,000	\$0 after Deductible
VPHD-05L	HDPPPOagg	10%	10%	10%	10%	10%	10%	10%	\$2,000	10%	\$4,000	30%	\$4,000	\$8,000	10%/10%/30%
VPHD-07L	HDPPPOagg	20%	20%	20%	20%	20%	20%	20%	\$1,500	20%	\$3,000	40%	\$3,000	\$6,000	20%/20%/40%
VPHD-09L	HDPPPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	40%	\$5,000	\$10,000	20%/20%/40%
VPHD-15L	HDPPPOagg	20%	20%	20%	20%	20%	20%	20%	\$2,500	20%	\$5,000	40%	\$5,000	\$10,000	50%

Exhibit 2a -- Pricing Trend Assumptions
--

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

	Midpoint
Experience Period:	July 1, 2013
Rating Period [^] :	July 1, 2015

[^] Reflects Q1 2015 rating period

Medical Trend Summary

2014 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.6%	6.0%	0.0%	6.0%
OP and Other Med	47.1%	5.4%	0.0%	5.4%
PHY	33.3%	15.3%	0.0%	15.3%
Medical Total		8.8%	0.0%	8.8%

2015 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.6%	6.0%	0.0%	6.0%
OP and Other Med	47.1%	5.4%	0.0%	5.4%
PHY	33.3%	3.5%	0.0%	3.5%
Medical Total		4.9%	0.0%	4.9%

Leveraging Impact - Large Group Non-HDHP Fee-For-Service Medical Claims
--

	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$344.92	\$5.09	\$9.51	\$61.11	\$269.21
24 Months of Trend:	1.141	1.141	1.000	1.036	1.170
Projection Period:	\$393.46	\$5.81	\$9.51	\$63.30	\$314.85
Allowed Trend (Annual)	6.8%				
Paid Trend (Annual)	8.1%				
Leveraging (Annual)	1.3%				

Leveraging Impact - Large Group HDHP Fee-For-Service Medical Claims
--

	Allowed	Coinsurance	Copay	Deductible	Paid*
Experience Period:	\$316.68	\$3.80	\$0.02	\$88.73	\$224.13
24 Months of Trend:	1.141	1.141	1.000	1.066	1.171
Projection Period:	\$361.45	\$4.34	\$0.02	\$94.61	\$262.48
Allowed Trend (Annual)	6.8%				
Paid Trend (Annual)	8.2%				
Leveraging (Annual)	1.3%				

**Ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 3a unless these adjustments are taken into account.*

Rx Trend Summary

	<u>2014 Trend</u>		<u>2015 Trend</u>	
	Unit Cost	Utilization	Unit Cost	Utilization
Generic	-1.4%	3.8%	-1.8%	3.6%
Brand	12.5%	-7.0%	10.1%	-4.6%
Specialty	11.0%	4.0%	13.1%	3.0%

Exhibit 2b -- Rx Trend Development - Non-HDHP
--

MVP Health Insurance Company 2015 Vermont Large Group Rate Filing
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

Experience Period: Jan 2013 - Dec 2013

Paid Through: May-14

Member Months with Rx Benefit: 44,903

Rx Claim Information

	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	9,988	1,360	46	11,394
Experience Period Allowed PMPM	\$18.98	\$22.67	\$12.45	\$54.10
Experience Period Deductible PMPM	\$0.17	\$1.57	\$0.03	\$1.78
Experience Period Copay PMPM	\$4.84	\$3.05	\$0.13	\$8.02
Experience Period Coinsurance PMPM	\$0.01	\$0.57	\$0.08	\$0.66
Experience Period Cost Sharing PMPM	\$5.02	\$5.19	\$0.25	\$10.46
Experience Period Paid PMPM	\$13.96	\$17.48	\$12.21	\$43.65
Annual Util Trend	1.037	0.942	1.035	1.026
Annual Unit Cost Trend	0.984	1.113	1.120	1.039
Annual Deductible Trend	1.020	1.049	1.160	1.048
Annual Paid Trend	1.015	1.066	1.161	1.078
Months of Trend to Q1 2015**	24	24	24	24
Projected Scripts / 1000 as of Q1 2015	10,737	1,207	49	11,993
Projected Allowed PMPM as of Q1 2015	\$19.76	\$24.92	\$16.74	\$61.42
Projected Deductible PMPM	\$0.18	\$1.73	\$0.04	\$1.95
Projected Copay PMPM	\$5.20	\$2.71	\$0.14	\$8.05
Projected Coinsurance PMPM	\$0.01	\$0.62	\$0.11	\$0.74
Projected Cost Sharing PMPM as of Q1 2015	\$5.39	\$5.06	\$0.30	\$10.75
Projected Paid PMPM as of Q1 2015	\$14.37	\$19.86	\$16.45	\$50.68

**Midpoint of Experience Period -- 07/01/2013, Midpoint of Q1 2015 Rating Period -- 07/01/2015

Exhibit 2c -- Rx Trend Development - HDHP
--

MVP Health Insurance Company 2015 Vermont Large Group Rate Filing
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

Experience Period: Jan 2013 - Dec 2013

Paid Through: May-14

Member Months: 50,105

Rx Claim Information	Generic	Brand	Specialty	Total
Experience Period Scripts / 1000	8,826	1,296	45	10,167
Experience Period Allowed PMPM	\$14.19	\$18.99	\$11.16	\$44.34
Experience Period Deductible PMPM	\$7.58	\$6.59	\$1.55	\$15.71
Experience Period Copay PMPM	\$1.03	\$0.76	\$0.02	\$1.82
Experience Period Coinsurance PMPM	\$0.17	\$0.49	\$0.02	\$0.67
Experience Period Cost Sharing PMPM	\$8.78	\$7.83	\$1.59	\$18.20
Experience Period Paid PMPM	\$5.41	\$11.15	\$9.58	\$26.14
Annual Util Trend	1.037	0.942	1.035	1.025
Annual Unit Cost Trend	0.984	1.113	1.120	1.043
Annual Deductible Trend	1.021	1.021	1.021	1.021
Annual Paid Trend	1.016	1.071	1.181	1.102
Months of Trend to Q1 2015**	24	24	24	24
Projected Scripts / 1000 as of Q1 2015	9,488	1,150	48	10,686
Projected Allowed PMPM as of Q1 2015	\$14.77	\$20.87	\$15.01	\$50.65
Projected Deductible PMPM	\$7.90	\$6.86	\$1.61	\$16.37
Projected Copay PMPM	\$1.11	\$0.68	\$0.03	\$1.81
Projected Coinsurance PMPM	\$0.17	\$0.53	\$0.02	\$0.73
Projected Cost Sharing PMPM as of Q1 2015	\$9.18	\$8.07	\$1.66	\$18.91
Projected Paid PMPM as of Q1 2015	\$5.59	\$12.80	\$13.35	\$31.74

**Midpoint of Experience Period -- 07/01/2013, Midpoint of Q1 2015 Rating Period -- 07/01/2015

Exhibit 3a -- Display of Revenue Neutrality

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - June 30, 2015

Medical Coplan	Rx Coplan	Prev. Rx Rider	CY 2013 MMs	Q4 2014 Manual Rates			Re-sloped Q4 Manual Rates		
				Medical + Prev Rx Coverage	Rx	Total	Medical + Prev Rx Coverage	Rx	Total
VE001	MANDATE	NO	15	\$394.19	\$0.00	\$394.19	\$401.19	\$0.00	\$401.19
VE001	V500L	NO	3,202	\$394.19	\$45.87	\$440.06	\$401.19	\$42.89	\$444.08
VE001	V501L	NO	1,652	\$394.19	\$38.05	\$432.24	\$401.19	\$37.59	\$438.78
VE002	V500L	NO	71	\$388.71	\$45.87	\$434.58	\$397.47	\$42.89	\$440.36
VE003	V500L	NO	2,966	\$379.87	\$45.87	\$425.74	\$392.63	\$42.89	\$435.52
VE016	V500L	NO	1,559	\$324.73	\$45.87	\$370.60	\$345.42	\$42.89	\$388.31
VE020	V500L	NO	2,808	\$334.92	\$45.87	\$380.79	\$355.10	\$42.89	\$397.99
VE020	V501L	NO	716	\$334.92	\$38.05	\$372.97	\$355.10	\$37.59	\$392.70
VE021	V500L	NO	243	\$296.37	\$45.87	\$342.24	\$324.84	\$42.89	\$367.73
VE031	V500L	NO	313	\$341.14	\$45.87	\$387.01	\$364.79	\$42.89	\$407.68
VE033	V500L	NO	264	\$277.78	\$45.87	\$323.65	\$310.32	\$42.89	\$353.20
VE036	V500L	NO	272	\$322.48	\$45.87	\$368.35	\$351.47	\$42.89	\$394.36
VE037	V501L	NO	809	\$286.05	\$38.05	\$324.10	\$320.00	\$37.59	\$357.59
VE038	V500L	NO	1,316	\$265.83	\$45.87	\$311.70	\$302.88	\$42.89	\$345.77
VE052	V500L	NO	712	\$313.94	\$45.87	\$359.81	\$346.63	\$42.89	\$389.52
VE054	V500L	NO	1,237	\$260.00	\$45.87	\$305.87	\$298.73	\$42.89	\$341.62
VE060	V500L	NO	653	\$318.03	\$45.87	\$363.90	\$341.79	\$42.89	\$384.68
VE063	V500L	NO	1,773	\$276.03	\$45.87	\$321.90	\$308.07	\$42.89	\$350.96
VE064	V500L	NO	4,329	\$171.85	\$45.87	\$217.72	\$191.17	\$42.89	\$234.06
VE065	V500L	NO	818	\$291.23	\$45.87	\$337.10	\$322.42	\$42.89	\$365.31
VE069	V606	NO	10,369	\$183.47	\$38.11	\$221.58	\$204.72	\$35.55	\$240.27
VE072	V502L	NO	522	\$174.02	\$29.15	\$203.17	\$204.74	\$33.55	\$238.29
VE072	V606	NO	156	\$174.02	\$38.11	\$212.13	\$204.74	\$35.55	\$240.29
VEHD-01F	IN BASE	RX-VHD510-A	605	\$389.79	\$0.00	\$389.79	\$329.68	\$28.59	\$358.28
VEHD-01S	IN BASE	RX-VHD510-A	104	\$389.79	\$0.00	\$389.79	\$329.68	\$28.59	\$358.28
VEHD-02F	IN BASE	NO	216	\$332.58	\$0.00	\$332.58	\$287.32	\$21.61	\$308.93
VEHD-02F	IN BASE	RX-VHD510-B	15,714	\$335.44	\$0.00	\$335.44	\$287.32	\$25.56	\$312.87
VEHD-02S	IN BASE	NO	92	\$332.58	\$0.00	\$332.58	\$287.32	\$21.61	\$308.93
VEHD-02S	IN BASE	RX-VHD510-B	5,586	\$335.44	\$0.00	\$335.44	\$287.32	\$25.56	\$312.87
VEHD-03F	IN BASE	RX-VHD510-C	6,754	\$265.78	\$0.00	\$265.78	\$224.37	\$32.20	\$256.57
VEHD-03S	IN BASE	RX-VHD510-C	2,866	\$265.78	\$0.00	\$265.78	\$224.37	\$32.20	\$256.57
VEHD-09F	IN BASE	NO	3,401	\$290.63	\$0.00	\$290.63	\$247.72	\$25.56	\$273.27
VEHD-09S	IN BASE	NO	1,094	\$290.63	\$0.00	\$290.63	\$247.72	\$25.56	\$273.27
VEHD-15F	IN BASE	RX-VHD510-O	541	\$289.23	\$0.00	\$289.23	\$249.45	\$29.16	\$278.60
VEHD-15S	IN BASE	RX-VHD510-O	429	\$289.23	\$0.00	\$289.23	\$249.45	\$29.16	\$278.60
VEHD-17S	IN BASE	RX-VHD510-Q	12	\$305.81	\$0.00	\$305.81	\$263.45	\$27.81	\$291.26
VEHD-18	IN BASE	RX-VHD510-R	1,518	\$355.54	\$0.00	\$355.54	\$295.62	\$26.68	\$322.30
VEHD-19	IN BASE	RX-VHD510-S	2,526	\$280.46	\$0.00	\$280.46	\$239.07	\$35.14	\$274.21
VFPO-1	VT First Rx	NO	251	\$224.80	\$36.86	\$261.66	\$272.10	\$35.44	\$307.53
VFPO-2	VT First Rx	NO	1,321	\$284.10	\$36.86	\$320.96	\$323.39	\$35.44	\$358.82
VFHDHP-2	IN BASE	NO	2,717	\$229.09	\$0.00	\$229.09	\$203.82	\$26.37	\$230.19
VFHDHP-3F	IN BASE	NO	24	\$244.89	\$0.00	\$244.89	\$223.31	\$22.91	\$246.22
VFHDHP-4F	IN BASE	NO	1,346	\$219.12	\$0.00	\$219.12	\$190.34	\$23.02	\$213.36
VFHDHP-4S	IN BASE	NO	413	\$219.12	\$0.00	\$219.12	\$190.34	\$23.02	\$213.36
VP015	V500L	NO	3,674	\$370.59	\$45.87	\$416.46	\$386.84	\$42.89	\$429.73
VP019	V500L	NO	2,396	\$379.74	\$45.87	\$425.61	\$397.01	\$42.89	\$439.90
VP049	V500L	NO	99	\$277.31	\$45.87	\$323.18	\$319.31	\$42.89	\$362.20
VP050	V500L	NO	261	\$254.56	\$45.87	\$300.43	\$300.21	\$42.89	\$343.10
VP054	V500L	NO	63	\$262.50	\$45.87	\$308.37	\$307.69	\$42.89	\$350.58
VPHD-05F	IN BASE	RX-VHD510-E	3,363	\$343.52	\$0.00	\$343.52	\$291.27	\$31.63	\$322.90
VPHD-05S	IN BASE	RX-VHD510-E	784	\$343.52	\$0.00	\$343.52	\$291.27	\$31.63	\$322.90
VT03LA	V601	NO	70	\$387.64	\$47.79	\$435.43	\$399.38	\$44.53	\$443.91
VT03LB	V601	NO	8	\$387.64	\$47.79	\$435.43	\$399.38	\$44.53	\$443.91
Total Revenue PMPM Based on 2013 Member Months						\$316.32			\$316.32

Exhibit 3 -- Claim Projection & Proposed Rate Change

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

LG HIC Non-HDHP Claim Projection and Proposed Rate Change
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Experience Period: Jan 2013 - Dec 2013
Paid Through: May 31, 2014

Experience Period Member Months	44,918
1) Experience Period Medical Claims PMPM	\$258.33
1a) Claims in Excess of \$100k over Experience Period	\$13.27
1b) Pooling Charge	1.074
2) IBNR Factor	1.042
3) Experience Period Incurred Medical Claims = [1) - 1a)] * 1b) * 2)	\$274.29
4) Annual Medical Trend <i>Includes Paid Leveraging</i>	1.081
5) Months of Trend to Q1 2015*	24
6a) Capitations and Non-FFS Claim Expenses	\$8.15
6b) Mental Health/Substance Abuse Mandate	\$0.08
7) Trended Incurred Medical Claims PMPM as of Q1 2015 = [3) * 4) ^ [5) / 12] + 6a) + 6b)]	\$329.02
8) Experience Period Rx Claims PMPM	\$43.65
8a) % of Non-HDHP Members Purchasing Rx	99.97%
8b) Experience Period Rx Claims PMPM to Rate Entire Block = 8) * 8a)	\$43.63
9) Annual Rx Trend <i>Includes Paid Leveraging</i>	1.078
10) Months of Trend to Q1 2015*	24
11) Trended Gross Rx Claims PMPM as of Q1 2015 = 8b) * 9) ^ [10) / 12]	\$50.66
11a) Impact of Bill H559	\$0.35
11b) Rx Rebates	(\$4.75)
12) Trended Net Rx Claims PMPM as of Q1 2015 = 11) + 11a) + 11b)	\$46.26
13) Age/Gender Normalization Factor	0.946
13a) Industry Normalization Factor	0.946
13b) NY State HCRA Surcharge	0.25%
14) Total Claim Cost as of Q1 2015 = [7) + 12)] * 13) * 13a) * [1+ 13b)]	\$336.50
15) Resloped Projected Net Revenue Collected at Q4 2014 Rate Level <i>Based on distribution of experience period members</i>	\$346.11
16) Proposed Quarterly Rate Change = 14) / 15) -1	-2.8%

**Midpoint of Experience Period -- 07/01/2013, Midpoint of Q1 2015 Rating Period -- 07/01/2015

Exhibit 3 -- Claim Projection & Proposed Rate Change

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

LG HIC HDHP Claim Projection and Proposed Rate Change
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Experience Period: Jan 2013 - Dec 2013

Paid Through: May 31, 2014

Experience Period Member Months	50,105
1) Experience Period Medical Claims PMPM	\$218.86
1a) Claims in Excess of \$100k over Experience Period	\$15.61
1b) Pooling Charge	1.074
2) IBNR Factor	1.024
3) Experience Period Incurred Medical Claims = [1) - 1a)] * 1b) * 2)	\$223.55
4) Annual Medical Trend <i>Includes Paid Leveraging</i>	1.082
5) Months of Trend to Q1 2015*	24
6a) Capitations and Non-FFS Claim Expenses	\$8.15
6b) Mental Health/Substance Abuse Mandate	\$0.00
7) Trended Incurred Medical Claims PMPM as of Q1 2015 = [3) * 4) ^ [5) / 12] + 6a) + 6b)]	\$269.95
8) Experience Period Rx Claims PMPM	\$26.14
9) Annual Rx Trend <i>Includes Paid Leveraging</i>	1.102
10) Months of Trend to Q1 2015*	24
11) Trended Gross Rx Claims PMPM as of Q1 2015 = 8) * 9) ^ [10) / 12]	\$31.74
11a) Impact of Bill H559	\$3.64
11b) Rx Rebates	(\$8.03)
12) Trended Net Rx Claims PMPM as of Q1 2015 = 11) + 11a) + 11b)	\$27.35
13) Age/Gender Normalization Factor	0.970
13a) Industry Normalization Factor	1.023
13b) NY State HCRA Surcharge	0.25%
14) Total Claim Cost as of Q1 2015 = [7) + 12)] * 13) * 13a) * [1 + 13b)]	\$295.73
15) Resloped Projected Net Revenue Collected at Q4 2014 Rate Level <i>Based on distribution of experience period members</i>	\$289.62
16) Proposed Quarterly Rate Change = 14) / 15) - 1	2.1%

**Midpoint of Experience Period -- 07/01/2013, Midpoint of Q1 2015 Rating Period -- 07/01/2015

Exhibit 3 -- Claim Projection & Proposed Rate Change

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

LG HIC Claim Projection and Proposed Rate Change

	Projected Net Revenue			Proposed Change to Pure Premium
	Current Membership	Collected at Q4 2014 Resloped Rate Level	Total Normalized Claim Cost for Q1 2015	
Non-HDHP	2,370	\$346.11	\$336.50	-2.8%
HDHP	4,338	\$289.62	\$295.73	2.1%
Total	6,708	\$309.58	\$310.13	0.2%

Exhibit 4a -- Medical Manual Rates (Q1 2015)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Coplan	Product Type	Net Required Revenue	Quarterly	Annual Manual	Impact of Benefit
		PMPM	Change	Rate Change	Changes Due to Mandates
VE021L	HyEPO	\$325.42	9.8%	9.8%	0.0%
VE054L	HyEPO	\$299.26	15.1%	15.1%	0.0%
VE060L	HYEPO	\$342.40	7.7%	7.7%	0.0%
VE085L	EPO	\$403.20	2.3%	2.3%	0.3%
VE087L	EPO	\$394.54	3.9%	3.9%	0.3%
VE088L	EPO	\$389.69	4.1%	4.1%	0.3%
VE089L	EPO	\$382.41	6.4%	6.4%	0.3%
VE090L	HyEPO	\$346.03	6.6%	6.6%	0.0%
VE091L	HyEPO	\$310.87	15.8%	15.0%	1.1%
VE092L	HyEPO	\$355.73	6.2%	5.9%	0.0%
VE093L	HyEPO	\$325.42	9.8%	9.8%	0.0%
VE095L	HyEPO	\$341.18	9.3%	8.5%	0.0%
VE096L	HyEPO	\$313.29	12.8%	12.5%	1.2%
VE100L	HyEPO	\$320.57	12.1%	11.3%	0.0%
VE101L	HyEPO	\$305.50	14.9%	14.3%	0.7%
VE102L	HyEPO	\$363.01	9.7%	7.3%	0.0%
VE103L	HyEPO	\$336.33	10.7%	9.1%	0.0%
VE105L	HyEPO	\$347.25	10.6%	8.2%	0.0%
VE106L	HyEPO	\$316.93	13.1%	11.4%	0.0%
VE107L	HyEPO	\$302.38	16.3%	14.9%	1.0%
VE108L	EPO	\$359.37	8.5%	8.5%	0.7%
VE109L	HYEPO	\$342.40	7.7%	7.3%	0.0%
VE110L	HYEPO	\$310.87	12.6%	12.4%	1.1%
VE111L	HYEPO	\$325.42	11.7%	11.3%	0.4%
VE114L	HyEPO	\$344.82	8.6%	7.2%	0.4%
VE115L	HyEPO	\$309.65	17.0%	14.7%	1.0%
VP015L	HyPPO	\$387.53	4.6%	4.6%	0.0%
VP017L	HyPPO	\$323.27	10.1%	10.1%	0.0%
VP019L	HyPPO	\$397.71	4.7%	4.7%	0.0%
VP020L	HyPPO	\$369.96	6.3%	6.3%	0.0%
VP060L	HyPPO	\$387.53	4.6%	4.1%	0.0%
VP061L	HyPPO	\$359.87	6.7%	6.7%	0.0%
VP062L	HyPPO	\$325.74	10.9%	10.9%	0.8%
VP063L	HyPPO	\$397.71	4.7%	3.9%	0.0%
VP065L	HyPPO	\$354.83	9.4%	8.6%	0.0%
VP066L	HyPPO	\$319.56	12.9%	12.6%	1.2%
VP067L	HyPPO	\$308.55	18.5%	16.9%	1.0%
VP071L	HyPPO	\$349.79	10.9%	9.2%	0.0%
VP072L	HyPPO	\$315.85	13.9%	13.0%	0.7%
VP073L	HyPPO	\$305.40	20.0%	17.6%	1.4%
VT08LA	EPO	\$401.31	3.5%	3.5%	0.0%
VT08LB	EPO	\$401.31	3.5%	3.5%	0.0%
VT08LC	EPO	\$401.31	3.5%	3.5%	0.0%
VEHD-01L	HDEPOagg	\$357.42	-8.0%	-7.8%	0.0%
VEHD-02L	HDEPOagg	\$309.48	-6.9%	-6.8%	0.0%
VEHD-03L	HDEPOagg	\$244.12	-7.1%	-6.9%	0.0%
VEHD-06L	HDEPOagg	\$288.03	-6.6%	-6.4%	0.0%
VEHD-07L	HDEPOagg	\$319.07	-9.1%	-9.0%	0.0%
VEHD-08L	HDEPOagg	\$292.59	-7.8%	-7.6%	0.0%
VEHD-09L	HDEPOagg	\$273.76	-5.8%	-5.6%	0.0%
VEHD-15L	HDEPOagg	\$275.94	-4.0%	-3.8%	0.0%
VEHD-17L	HDEPOagg	\$287.83	-5.1%	-4.9%	0.0%
VEHD-18L	HDEPO	\$319.26	-9.6%	-9.4%	0.0%
VEHD-19L	HDEPO	\$262.12	-5.1%	-5.0%	0.0%
VEHD-20L	HDEPO	\$281.93	-9.6%	-9.5%	0.0%
VEHD-31L	HDEPOagg	\$241.91	-6.2%	-6.0%	0.0%
VPHD-03L	HDPPOagg	\$245.22	-7.1%	-6.9%	0.0%

Exhibit 4a -- Medical Manual Rates (Q1 2015)

Large Group VT HIC AR42 Rate Filing
 For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Impact of Benefit Changes Due to Mandates
VPHD-05L	HDPPPOagg	\$314.30	-8.0%	-7.8%	0.0%
VPHD-07L	HDPPPOagg	\$327.70	-9.3%	-9.2%	0.0%
VPHD-09L	HDPPPOagg	\$276.24	-5.9%	-5.7%	0.0%
VPHD-15L	HDPPPOagg	\$278.44	-4.1%	-3.9%	0.0%

Exhibit 4a -- Medical Manual Rates (Q2 2015)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
VE021L	HyEPO	\$330.30	1.5%	10.0%
VE054L	HyEPO	\$303.75	1.5%	15.3%
VE060L	HYEPO	\$347.53	1.5%	7.9%
VE085L	EPO	\$409.25	1.5%	2.5%
VE087L	EPO	\$400.46	1.5%	4.1%
VE088L	EPO	\$395.53	1.5%	4.3%
VE089L	EPO	\$388.15	1.5%	6.6%
VE090L	HyEPO	\$351.22	1.5%	6.8%
VE091L	HyEPO	\$315.53	1.5%	15.2%
VE092L	HyEPO	\$361.07	1.5%	6.1%
VE093L	HyEPO	\$330.30	1.5%	10.0%
VE095L	HyEPO	\$346.30	1.5%	8.7%
VE096L	HyEPO	\$317.99	1.5%	12.8%
VE100L	HyEPO	\$325.38	1.5%	11.5%
VE101L	HyEPO	\$310.08	1.5%	14.6%
VE102L	HyEPO	\$368.46	1.5%	7.6%
VE103L	HyEPO	\$341.38	1.5%	9.3%
VE105L	HyEPO	\$352.45	1.5%	8.4%
VE106L	HyEPO	\$321.68	1.5%	11.6%
VE107L	HyEPO	\$306.91	1.5%	15.1%
VE108L	EPO	\$364.76	1.5%	8.7%
VE109L	HYEPO	\$347.53	1.5%	7.5%
VE110L	HYEPO	\$315.53	1.5%	12.6%
VE111L	HYEPO	\$330.30	1.5%	11.5%
VE114L	HyEPO	\$349.99	1.5%	7.4%
VE115L	HyEPO	\$314.30	1.5%	15.0%
VP015L	HyPPO	\$393.34	1.5%	4.8%
VP017L	HyPPO	\$328.12	1.5%	10.3%
VP019L	HyPPO	\$403.68	1.5%	4.9%
VP020L	HyPPO	\$375.51	1.5%	6.5%
VP060L	HyPPO	\$393.34	1.5%	4.4%
VP061L	HyPPO	\$365.27	1.5%	6.9%
VP062L	HyPPO	\$330.63	1.5%	11.1%
VP063L	HyPPO	\$403.68	1.5%	4.1%
VP065L	HyPPO	\$360.15	1.5%	8.8%
VP066L	HyPPO	\$324.35	1.5%	12.8%
VP067L	HyPPO	\$313.18	1.5%	17.2%
VP071L	HyPPO	\$355.03	1.5%	9.4%
VP072L	HyPPO	\$320.58	1.5%	13.2%
VP073L	HyPPO	\$309.98	1.5%	17.8%
VT08LA	EPO	\$407.33	1.5%	3.7%
VT08LB	EPO	\$407.33	1.5%	3.7%
VT08LC	EPO	\$407.33	1.5%	3.7%
VEHD-01L	HDEPOagg	\$362.78	1.5%	-7.7%
VEHD-02L	HDEPOagg	\$314.12	1.5%	-6.7%
VEHD-03L	HDEPOagg	\$247.78	1.5%	-6.8%
VEHD-06L	HDEPOagg	\$292.35	1.5%	-6.3%
VEHD-07L	HDEPOagg	\$323.85	1.5%	-8.9%
VEHD-08L	HDEPOagg	\$296.98	1.5%	-7.5%
VEHD-09L	HDEPOagg	\$277.86	1.5%	-5.5%
VEHD-15L	HDEPOagg	\$280.08	1.5%	-3.7%
VEHD-17L	HDEPOagg	\$292.15	1.5%	-4.8%
VEHD-18L	HDEPO	\$324.05	1.5%	-9.4%
VEHD-19L	HDEPO	\$266.05	1.5%	-4.9%
VEHD-20L	HDEPO	\$286.16	1.5%	-9.4%
VEHD-31L	HDEPOagg	\$245.54	1.5%	-5.9%
VPHD-03L	HDPPPOagg	\$248.90	1.5%	-6.8%

Exhibit 4a -- Medical Manual Rates (Q2 2015)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
VPHD-05L	HDPPOagg	\$319.02	1.5%	-7.7%
VPHD-07L	HDPPOagg	\$332.62	1.5%	-9.1%
VPHD-09L	HDPPOagg	\$280.38	1.5%	-5.6%
VPHD-15L	HDPPOagg	\$282.62	1.5%	-3.8%

Exhibit 4b -- Medical Riders (Q1 2015)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Rider	Description	Product Type	Net Required Revenue	Quarterly	Annual Manual
			PMPM	Change	Rate Change
V301	Vision Exam 1 Every 2 Calendar Yr	EPO/PPO	\$3.19	0.2%	0.2%
V305L	Advanced Infertility Services - (Large Only)	EPO/PPO	\$4.27	0.2%	0.2%
V306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network Combined)	EPO/PPO	\$4.03	0.2%	0.2%
V307	Exclusion For Elective Abortions	EPO/PPO	(\$0.17)	0.2%	0.2%
V308	Preventive Dental For Kids - \$25 Office Copayment	EPO/PPO	\$2.38	0.2%	0.2%
V309L-a	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 2x OOP Max plans	EPO/PPO	\$1.91	0.2%	-0.3%
V309L-b	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 3x OOP Max plans	EPO/PPO	\$2.21	0.2%	0.2%
V309L-c	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 2x OOP Max plans	EPO/PPO	\$3.46	0.2%	-0.1%
V309L-d	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 3x OOP Max plans	EPO/PPO	\$3.97	0.2%	0.2%
V309L-e	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 2x OOP Max plans	EPO/PPO	\$8.00	0.2%	0.2%
V309L-f	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 3x OOP Max plans	EPO/PPO	\$8.43	0.2%	0.2%
V309L-g	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000+ Ded; 2x OOP Max plans	EPO/PPO	\$11.38	0.2%	0.2%
V309L-h	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000+ Ded; 3x OOP Max plans	EPO/PPO	\$11.71	0.2%	0.2%
V310	Annual Vision Exam - Per Calendar Yr	EPO/PPO	\$5.89	0.2%	0.2%
V312	Dme, External Pros/Ostomy Buy - Up To 80% In-Network Only	EPO/PPO	\$0.77	0.2%	0.2%
VE313	Rider To Change Outpt Hosp Surg Copay In Copay EPO Plans From \$250 to \$150	EPO/PPO	\$1.72	0.2%	0.2%
V314	Adult Preventative Dental	EPO/PPO	\$13.53	0.2%	0.2%
V315	Adult Prev Dental w/ Family Restorative	EPO/PPO	\$18.42	0.2%	0.2%
V316	Disposable Medical Supplies	EPO/PPO	\$0.88	0.2%	0.2%
V317	Changes Contract Yr To Calendar Year	EPO/PPO	\$0.00	n/a	n/a
V356	Deductible Carryover Rider	EPO/PPO	\$3.73	0.2%	0.2%
V361	Gym Membership Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$2.55	-0.2%	-5.2%
V362	Youth Sports Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$0.65	-0.1%	-5.1%
V363	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	EPO/PPO	\$0.21	-1.4%	-6.3%
V700	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
V702	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
VT314	80% reimbursement for glasses/contacts up to \$160 once every 2 calendar years	EPO/PPO	\$1.58	0.2%	0.2%
V341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	EPO/PPO	\$0.00	n/a	n/a
V342L	Eligibility definition for dependent to 26 for Large Grandfathered Groups	EPO/PPO	\$0.00	n/a	n/a
VEHD 312a	Exam & Hardware, attaches to \$1250 INN Ded	HDEPO	\$2.71	0.2%	0.6%
VEHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$2.47	0.2%	0.2%
VEHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDEPO	\$2.05	0.2%	0.7%
VEHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDEPO	\$1.74	0.2%	0.2%
VEHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDEPO	\$1.50	0.2%	0.2%
VEHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDEPO	\$1.14	0.2%	1.1%
VEHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$0.93	0.2%	0.2%
VEHD 312h	Exam & Hardware, attaches to \$10000 INN Ded	HDEPO	\$0.39	0.2%	2.8%
VPHD 312a	Exam & Hardware, attaches to \$1250 INN Ded	HDPPPO	\$2.71	0.2%	0.6%
VPHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$2.47	0.2%	0.2%
VPHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDPPPO	\$2.05	0.2%	0.7%
VPHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.74	0.2%	0.2%
VPHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDPPPO	\$1.50	0.2%	0.2%
VPHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDPPPO	\$1.14	0.2%	1.1%
VPHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$0.93	0.2%	0.2%
VPHD 312h	Exam & Hardware, attaches to \$10000 INN Ded	HDPPPO	\$0.39	0.2%	2.8%
VHD305L	Advanced Infertility Services - (Large Only)	HDHP	\$4.21	0.2%	0.4%
VHD306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network Combined)	HDHP	\$4.28	0.2%	0.4%
VHD307	Exclusion For Elective Abortions	HDHP	(\$0.15)	0.2%	0.2%
VHD316	Disposable Medical Supplies	HDHP	\$0.57	0.2%	0.2%
VHDC317	Changes Contract Yr To Calendar Year	HDHP	\$0.00	n/a	n/a
VHD341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	HDHP	\$0.00	n/a	n/a
VHD342L	Eligibility definition for dependent to 26 for Large Grandfathered Groups	HDHP	\$0.00	n/a	n/a
VHDC343	Gym Membership Reimbursement - \$300 Maximum per Subscriber	HDHP	\$2.55	-0.2%	-5.2%
VHDC344	Youth Sports Reimbursement - \$300 Maximum per Subscriber	HDHP	\$0.65	-0.1%	-5.1%

Exhibit 4b -- Medical Riders (Q1 2015)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Rider	Description	Product Type	Net Required Revenue	Quarterly	Annual Manual
			PMPM	Change	Rate Change
VHDC345	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	HDHP	\$0.21	-1.4%	-6.3%
VHD356L	Deductible Carryover Rider	HDHP	\$7.47	0.2%	0.3%
VHD700	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD702	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD510-a	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01)	HDHP	\$1.49	1.6%	1.6%
VHD510-b	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02)	HDHP	\$3.95	38.0%	38.5%
VHD510-c	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-03 & VPHD-03)	HDHP	\$12.90	323.0%	323.0%
VHD510-e	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-05 & VPHD-05)	HDHP	\$9.17	347.6%	349.8%
VHD510-f	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06 & VPHD-06)	HDHP	\$4.37	64.4%	65.1%
VHD510-g	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07 & VPHD-07)	HDHP	\$2.37	87.0%	87.0%
VHD510-h	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08 & VPHD-08)	HDHP	\$3.13	69.4%	70.3%
VHD510-i	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09, VPHD-09)	HDHP	\$4.74	163.1%	164.6%
VHD510-o	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-015 & VPHD-015)	HDHP	\$3.16	82.5%	82.5%
VHD510-q	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17)	HDHP	\$3.95	50.1%	50.7%
VHD510-r	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-18)	HDHP	\$3.61	56.9%	56.9%
VHD510-s	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19)	HDHP	\$12.58	201.6%	202.3%
VHD510-t	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-20)	HDHP	\$3.64	84.1%	85.0%
VHD510-v	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-31)	HDHP	\$8.05	286.9%	286.9%

Exhibit 4b -- Medical Riders (Q2 2015)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
V301	Vision Exam 1 Every 2 Calendar Yr	EPO/PPO	\$3.23	1.4%	0.3%
V305L	Advanced Infertility Services - (Large Only)	EPO/PPO	\$4.33	1.4%	0.2%
V306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network Combined)	EPO/PPO	\$4.09	1.5%	0.5%
V307	Exclusion For Elective Abortions	EPO/PPO	(\$0.17)	-0.2%	0.0%
V308	Preventive Dental For Kids - \$25 Office Copayment	EPO/PPO	\$2.42	1.5%	0.4%
V309L-a	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 2x OOP Max plans	EPO/PPO	\$1.94	1.4%	0.0%
V309L-b	Outpatient X-Ray Covered At 100% (Not High Tech) - \$500 Ded; 3x OOP Max plans	EPO/PPO	\$2.25	1.6%	0.4%
V309L-c	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 2x OOP Max plans	EPO/PPO	\$3.51	1.5%	0.3%
V309L-d	Outpatient X-Ray Covered At 100% (Not High Tech) - \$1000 Ded; 3x OOP Max plans	EPO/PPO	\$4.03	1.6%	0.5%
V309L-e	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 2x OOP Max plans	EPO/PPO	\$8.12	1.6%	0.5%
V309L-f	Outpatient X-Ray Covered At 100% (Not High Tech) - \$2000 Ded; 3x OOP Max plans	EPO/PPO	\$8.55	1.5%	0.4%
V309L-g	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000 Ded; 2x OOP Max plans	EPO/PPO	\$11.55	1.5%	0.3%
V309L-h	Outpatient X-Ray Covered At 100% (Not High Tech) - \$3000 Ded; 3x OOP Max plans	EPO/PPO	\$11.89	1.5%	0.4%
V310	Annual Vision Exam - Per Calendar Yr	EPO/PPO	\$5.98	1.5%	0.3%
V312	Dme, External Pros/Ostomy Buy - Up To 80% In-Network Only	EPO/PPO	\$0.78	1.1%	0.0%
VE313	Rider To Change Outpt Hosp Surg Copay In Copay EPO Plans From \$250 to \$150	EPO/PPO	\$1.75	1.5%	0.6%
V314	Adult Preventative Dental	EPO/PPO	\$13.73	1.5%	0.4%
V315	Adult Prev Dental w/ Family Restorative	EPO/PPO	\$18.69	1.5%	0.4%
V316	Disposable Medical Supplies	EPO/PPO	\$0.89	0.9%	0.0%
V317	Changes Contract Yr To Calendar Year	EPO/PPO	\$0.00	n/a	n/a
V356	Deductible Carryover Rider	EPO/PPO	\$3.78	1.4%	0.3%
V361	Gym Membership Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$2.55	0.0%	-5.2%
V362	Youth Sports Reimbursement - \$300 Maximum per Subscriber	EPO/PPO	\$0.65	0.0%	-5.1%
V363	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	EPO/PPO	\$0.21	0.0%	-6.3%
V700	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
V702	Domestic Partners (Same And Opp Sex)	EPO/PPO	\$0.00	n/a	n/a
VT314	80% reimbursment for glasses/contacts up to \$160 once every 2 calendar years	EPO/PPO	\$1.61	1.7%	0.6%
V341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	EPO/PPO	\$0.00	n/a	n/a
V342L	Eligibility definition for dependent to 26 for Large Grandfathered Groups	EPO/PPO	\$0.00	n/a	n/a
VEHD 312a	Exam & Hardware, attaches to \$1250 INN Ded	HDEPO	\$2.75	1.6%	0.7%
VEHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDEPO	\$2.51	1.4%	0.4%
VEHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDEPO	\$2.08	1.3%	0.5%
VEHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDEPO	\$1.77	1.5%	0.6%
VEHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDEPO	\$1.53	1.8%	0.7%
VEHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDEPO	\$1.16	1.6%	0.9%
VEHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDEPO	\$0.95	1.9%	1.1%
VEHD 312h	Exam & Hardware, attaches to \$10000 INN Ded	HDEPO	\$0.40	2.4%	2.6%
VPHD 312a	Exam & Hardware, attaches to \$1250 INN Ded	HDPPPO	\$2.75	1.6%	0.7%
VPHD 312b	Exam & Hardware, attaches to \$1500 INN Ded	HDPPPO	\$2.51	1.4%	0.4%
VPHD 312c	Exam & Hardware, attaches to \$2000 INN Ded	HDPPPO	\$2.08	1.3%	0.5%
VPHD 312d	Exam & Hardware, attaches to \$2500 INN Ded	HDPPPO	\$1.77	1.5%	0.6%
VPHD 312e	Exam & Hardware, attaches to \$3000 INN Ded	HDPPPO	\$1.53	1.8%	0.7%
VPHD 312f	Exam & Hardware, attaches to \$4000 INN Ded	HDPPPO	\$1.16	1.6%	0.9%
VPHD 312g	Exam & Hardware, attaches to \$5000 INN Ded	HDPPPO	\$0.95	1.9%	1.1%
VPHD 312h	Exam & Hardware, attaches to \$10000 INN Ded	HDPPPO	\$0.40	2.4%	2.6%
VHD305L	Advanced Infertility Services - (Large Only)	HDHP	\$4.27	1.5%	0.5%
VHD306	60 Visits Outpatient Physical/Speech/Occupational Therapy (In/Out Of Network Combined)	HDHP	\$4.34	1.4%	0.5%
VHD307	Exclusion For Elective Abortions	HDHP	(\$0.15)	-0.2%	0.0%
VHD316	Disposable Medical Supplies	HDHP	\$0.58	1.6%	0.0%
VHDC317	Changes Contract Yr To Calendar Year	HDHP	\$0.00	n/a	n/a
VHD341L	Removes PPACA ER Svces & Prev Svces -- Grandfathered Groups Only	HDHP	\$0.00	n/a	n/a
VHD342L	Eligibility definition for dependent to 26 for Large Grandfathered Groups	HDHP	\$0.00	n/a	n/a
VHDC343	Gym Membership Reimbursement - \$300 Maximum per Subscriber	HDHP	\$2.55	0.0%	-5.2%
VHDC344	Youth Sports Reimbursement - \$300 Maximum per Subscriber	HDHP	\$0.65	0.0%	-5.1%

Exhibit 4b -- Medical Riders (Q2 2015)

Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
VHDC345	Weight Loss Program Reimbursement - \$100 Maximum per Subscriber	HDHP	\$0.21	0.0%	-6.3%
VHD356L	Deductible Carryover Rider	HDHP	\$7.59	1.5%	0.5%
VHD700	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD702	Domestic Partners (Same And Opp Sex)	HDHP	\$0.00	n/a	n/a
VHD510-a	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-01)	HDHP	\$1.52	1.7%	2.0%
VHD510-b	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-02)	HDHP	\$4.01	1.6%	38.8%
VHD510-c	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-03 & VPHD-03)	HDHP	\$13.10	1.5%	323.9%
VHD510-e	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-05 & VPHD-05)	HDHP	\$9.31	1.5%	349.8%
VHD510-f	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-06 & VPHD-06)	HDHP	\$4.44	1.5%	65.1%
VHD510-g	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-07 & VPHD-07)	HDHP	\$2.41	1.5%	86.8%
VHD510-h	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-08 & VPHD-08)	HDHP	\$3.18	1.5%	70.1%
VHD510-i	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-09, VPHD-09)	HDHP	\$4.81	1.5%	164.3%
VHD510-o	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-015 & VPHD-015)	HDHP	\$3.21	1.7%	83.4%
VHD510-q	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-17)	HDHP	\$4.01	1.6%	50.8%
VHD510-r	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-18)	HDHP	\$3.66	1.4%	57.1%
VHD510-s	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-19)	HDHP	\$12.77	1.5%	202.6%
VHD510-t	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-20)	HDHP	\$3.70	1.5%	85.0%
VHD510-v	Safe Harbor preventative Rx list for qualified HDHP's (VEHD-31)	HDHP	\$8.17	1.5%	287.2%

Exhibit 4c -- Rx Riders (Q1 2015)
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between January 1, 2015 - March 31, 2015

Rider	Description	Product Type	Net Required Revenue	Quarterly	Annual	Total Annual
			PMPM	Change	Manual Rate	Revenue
					Change	Change
V500	\$10/\$30/\$50	EPO/PPO	\$42.97	-6.3%	-7.6%	-7.6%
V501	\$10/30%/50%	EPO/PPO	\$37.67	-1.0%	-2.4%	-2.4%
V502	50%	EPO/PPO	\$33.62	15.3%	13.8%	13.8%
V504	\$0/\$30/\$50	EPO/PPO	\$50.03	-4.7%	-6.0%	-6.0%
V601	\$5/\$35/\$70	EPO/PPO	\$44.62	-6.6%	-7.9%	-7.9%
V602	\$5/\$35/\$70 - \$250 Brand Ded	EPO/PPO	\$39.17	-8.6%	-9.8%	-9.8%
V604	\$5/\$45/\$90	EPO/PPO	\$43.30	-5.4%	-6.7%	-6.7%
V605	\$5/\$45/\$90 - \$250 Brand Ded	EPO/PPO	\$38.35	-6.9%	-8.1%	-8.1%
V606	\$5/\$45/\$90 - \$500 Brand Ded	EPO/PPO	\$35.62	-6.5%	-7.8%	-7.8%
V550L	Removes MAC Pricing	EPO/PPO	\$0.71	-1.0%	-2.4%	-2.4%
V551L	Change mail copay from 2.5 to 2.0	EPO/PPO	\$0.30	-2.4%	-2.4%	-2.4%
V611	First \$300 Covered in Full, then \$750 Ded/30% Coins	Bridgewell EPO	\$24.93	-31.0%	-32.0%	-32.0%

Exhibit 4c -- Rx Riders (Q2 2015)
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Large Group VT HIC AR42 Rate Filing
For Effective Dates Beginning Between April 1, 2015 - June 30, 2015

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Total Annual Revenue Change
V500	\$10/\$30/\$50	EPO/PPO	\$43.78	1.9%	-5.8%	-5.8%
V501	\$10/30%/50%	EPO/PPO	\$38.38	1.9%	-0.5%	-0.5%
V502	50%	EPO/PPO	\$34.25	1.9%	15.9%	15.9%
V504	\$0/\$30/\$50	EPO/PPO	\$50.97	1.9%	-4.2%	-4.2%
V601	\$5/\$35/\$70	EPO/PPO	\$45.46	1.9%	-6.2%	-6.2%
V602	\$5/\$35/\$70 - \$250 Brand Ded	EPO/PPO	\$39.91	1.9%	-8.1%	-8.1%
V604	\$5/\$45/\$90	EPO/PPO	\$44.12	1.9%	-4.9%	-4.9%
V605	\$5/\$45/\$90 - \$250 Brand Ded	EPO/PPO	\$39.08	1.9%	-6.4%	-6.4%
V606	\$5/\$45/\$90 - \$500 Brand Ded	EPO/PPO	\$36.29	1.9%	-6.1%	-6.1%
V550L	Removes MAC Pricing	EPO/PPO	\$0.73	2.4%	0.0%	0.0%
V551L	Change mail copay from 2.5 to 2.0	EPO/PPO	\$0.31	2.4%	0.0%	0.0%
V611	First \$300 Covered in Full, then \$750 Ded/30% Coins	Bridgewell EPO	\$25.40	1.9%	-30.7%	-30.7%

MVP Health Insurance Co. (“MVP”) Experience Rated Addendum – 1Q/2Q 2015 Effective Dates

This document is an Addendum to MVP’s 1Q/2Q 2015 Manual Rate Filing and Experience Rating Formula for products sold to employer groups with 51 or more eligible employees in the State of Vermont. This addendum and its appendices outline the rating factors discussed in the Experience Rating Formula. These factors are being filed as an addendum to the Manual Rate and Formula filings so they can be updated as deemed necessary by MVP without having to re-file the rating methodology.

Whenever possible, the rating factors contained herein will be based on actual MVP experience or they will be normalized to MVP’s population.

BASE MANUAL RATES

Please see Exhibits 4a (base manual rates), 4b (medical riders), and 4c (Rx riders) of the accompanying manual rate filing for the net PMPMs of plans and riders being offered by MVP for 1Q/2Q 2015 effective dates.

SIC FACTORS

The industry factors in Appendix A will be applied to the manual rates based on the employer’s industry.

DEMOGRAPHIC FACTORS

To more closely resemble the health risk of the employer’s insured population, the manual pure premium will be adjusted to reflect differences in the demographic characteristics of a specific employer group compared to MVP’s community pool for the chosen product. This demographic factor will be applied to both the base rate and riders.

With respect to the employer specific experience rate, there may be a situation where MVP will be the sole health plan offering and be required to adjust the experience to reflect anticipated health characteristics of the entire group versus just MVP’s members who were enrolled in the previous year under a slice product offering. In this situation, MVP will develop a demographic factor relative of the entire group and compare that to the demographics of their existing employer membership.

The demographic factors are in Appendix B. A per member demographic factor is calculated as the weighted average subscriber age/sex factor / weighted average subscriber average contract size.

HRA/HSA DEDUCTIBLE FUNDING FACTORS

The additional risk charge applies when a group funds a plan deductible. The charge is intended to account for the anticipated increase in utilization of services due to the resulting ‘first dollar’ coverage provided. The manual rate adjustment factors are in Appendix C.

POOLING CHARGES

Each group is charged a pooling charge and all claims above the applicable attachment point are removed from their claim data. The charge is based on the following table:

Pooling Point	Pooling Charge
\$75,000	10.6%
\$80,000	9.8%
\$85,000	9.1%
\$90,000	8.5%
\$100,000	7.4%
\$125,000	5.5%
\$150,000	4.2%
\$175,000	3.3%
\$200,000	2.7%
\$250,000	1.9%
\$300,000	1.3%
\$350,000	1.0%
\$400,000	0.7%
\$450,000	0.6%
\$500,000	0.5%

Group size will be considered when selecting the appropriate pooling charge. The Max pool level is the maximum amount MVP will allow for a given group size:

Avg. Subscribers	Max Pool Level
Up to 100	\$100,000
100-299	\$150,000
300-499	\$200,000
500-999	\$250,000
1,000-1,499	\$300,000
1,500-2,499	\$400,000
2,500 and up	\$500,000

TREND FACTORS

The following trends are used to project historical experience of the group to the proposed rating period. Exhibit 1 and Exhibit 2 are developed by applying the appropriate pro-rated calendar year trend factors from the midpoint of the experience period to the midpoint of the rating period. Paid trends are calculated by multiplying the applicable allowed trend times the leveraging factor for a given product type.

Year	Allowed Medical Trend	Pharmacy Trend
2013	4.8%	3.0%
2014	8.8%	6.5%
2015 & Beyond	4.9%	6.7%

	HDHP	Non-HDHP
Annual Leveraging Factor	1.3%	1.3%

NETWORK ADJUSTMENT FACTOR

This adjustment reflects changes with respect to the differences in network providers, contractual provider reimbursement rates, the degree of medical management for MVP versus other carriers, gatekeeper versus no gatekeeper, and referral versus open access. For those accounts enrolled in MVP, this factor will primarily represent differences in provider contractual arrangements. If the experience is coming from another carrier, the adjustment may reflect all of the items above. MVP will make every effort to develop actuarial adjustments that properly determine the appropriate factor to reflect the expected experience of the group.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

BENEFIT ADJUSTMENT FACTOR

The purpose of the benefit adjustment is to reflect any difference between the benefits inherent in the group's historical claims experience period and the groups expected benefit plan for the prospective benefit period. This includes medical benefits and pharmacy benefits.

Based on filed manual rates, the underwriter will determine the value of the benefit adjustment factor by analyzing the actuarial equivalent difference in benefits. As it relates to a new group having experience from another carrier, the underwriter will use their best efforts to match up prior benefits to a currently filed benefit to determine the actuarial equivalent difference in benefits. In some cases, this may require interpolating between two manual rates, extrapolating from the filed manual rates, using other sources such as the Milliman USA guidelines, or other internal pricing models.

Other adjustments in this category may include benefit mandates. That is, mandated benefits that will be included in the future benefits, but not reflected in the group's experience.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

PHARMACY REBATE FACTOR

Pharmacy rebates are received periodically. The pharmacy rebate factor of 0.91 is used to account for this reduction in pharmacy costs. This reduction will only apply if the paid pharmacy claims do not already reflect pharmacy rebates. In the case where the employer group is not a MVP group, the underwriter will determine if the claims data provided includes or excludes rebates from the other carrier.

PERIOD WEIGHT

Period Weight is determined by the underwriter. The underwriters follow a general protocol for deriving the weights to apply for the Period Weight portion of the experience rating formula. Most groups are rated using 12 months of historical data and therefore, the period weights are not applicable. For the smaller of the large groups, the underwriter will consider extending the historical look back to 24 months, if the data is available, in order to provide a more stable block of data from which to do the rating. In these cases, the underwriter will generally give an 80% weight to the most recent 12 months of data and a 20% weight to the prior period of data. These weights may vary, however, and could be 50% / 50% if the underwriter feels more weight should be given to the older data. This may be the case if the current 12 months are exceptionally higher or lower than the prior period.

CREDIBILITY WEIGHT

Based on MVP's product guidelines for offering a prospective experience rate, an employer must have (or project) a minimum of 51 eligible employees for the proposed rating period. However, consistent with industry rating practices, a smaller sized experience rated groups should not be considered as producing 100% credible claims information. To protect the employer from significant rate fluctuation from year to year, MVP will be applying a credibility weight to the group's claim experience.

In determining a group's quoted rate, a weight will be given to the group's claims experience based on the number of member months in the experience period. The complement of the weight will be applied to the manual rate. The blended rate is one that will be quoted to the employer group. Below are the base credibility weightings:

Member Month Range	Credibility Factor
0 to 599	0%
600 to 2,400	20%
2,401 to 3,700	30%
3,701 to 4,900	40%
4,901 to 6,100	50%
6,101 to 7,300	60%
7,301 to 8,500	70%
8,501 to 9,700	80%
9,701 to 12,200	90%
12,201 and over	100%

These experience credibility weightings can be adjusted downward based on underwriter's judgment in the following circumstances:

The employer group has provided less than 12 months of incurred claims data or data is not provided for all services or employees – Generally, a minimum of one full calendar year of incurred claims data for all populations and covered services included in the quote is desired to underwrite a case. In the event less than 12 months of data is available, the underwriter can adjust the credibility table downward, not to be less than 0%.

The employer group has had membership change by 50% or more since the experience period – With a significant membership change, the historical claims experience may no longer represent the group's current population. If the membership has changed by more than 50% from the experience period to the rating period, the underwriter may override the table above to reduce credibility downward, not to be less than 0%.

The most recent experience data provided is too old – Generally, from the mid-point of the experience period to the mid-point of the rating period should not be older than 24 months. If the more recent period of data is older than 24 months, the underwriter may adjust the credibility table downward, not to be less than 0%.

MVP may also make an upward adjustment to the table if the group has a favorable group risk assessment. The credibility percentage will never exceed 100%.

UNDERWRITING JUDGMENT/GROUP RISK ASSESSMENT

Underwriting judgment will be used by the underwriter in determining inputs to the rating formula or to modify the result depending on the circumstances of the case, the data available, or the quality of the available data.

Adjustments may be made due to items such as poor claim and enrollment experience data being presented for new groups, the group's claim trend being historically different than the averages, variability in claims experience, participation levels/group size changes, plan sponsor contribution levels, number of plan offerings, plan sponsor and covered population stability, and plan sponsor persistency. Adjustments may be both positive and negative, but will not be larger than 10% in either direction.

NETWORK ACCESS FEES AND OTHER FEES

MVP has a contracted network access fee with a rental network in the event a group has members that live outside of MVP's service area. The net access fee is \$0 PEPM for just those subscribers who live outside of the service area.

COVERED LIVES ASSESSMENT

This is a New York State assessment passed on to groups in premium rates. The 2015 CLA rates are not yet published on the DOH website so a trend rate of 5% was added to the published 2014 CLA rates. These estimated 2015 rates will be replaced with actual 2015 rates once they are publically available.

Region	2014 Actual		2015 Estimate (2014+5%)	
	Individual	Family	Individual	Family
New York City	\$16.47	\$54.37	\$17.29	\$57.09
Long Island	\$5.16	\$17.04	\$5.42	\$17.89
Northern Metro	\$3.01	\$9.93	\$3.16	\$10.43
Northeastern	\$3.33	\$10.98	\$3.50	\$11.53
Utica/Watertown	\$0.71	\$2.35	\$0.75	\$2.47
Central	\$4.63	\$15.29	\$4.86	\$16.05
Rochester	\$8.81	\$29.07	\$9.25	\$30.52
Western	\$3.28	\$10.84	\$3.44	\$11.38

MVP will calculate the CLA with the group information that is available. For example, on a new business case, the number of single contracts by location may not be available. In that case, the CLA may have to be estimated based on the group's overall number single and family contracts and assume the same ratio exists in each region.

HCRA ASSESSMENT

This is another New York State assessment based on Hospital claims. A charge of 0.25% will be applied to the experience of new business quotes; this is consistent with the amount reflected in the manual portion of the rate.

RETENTION EXPENSES

Non-claim cost expenses must be added to the premium rates and can be per member per month (PMPM) charges, percent of paid claim charges, or percent of premium charges. The following table reflects the loads:

Percent of Premium Retention:

General Administration = 9.5%

Bad Debt = 0.25%

Premium Tax = 2.0%

Contribution to Surplus = 2.0%

VT Vaccine Assessment = 0.6%

Broker Loads = group specific

Percent of Paid Claim Surcharges:

VT Paid Claims Surcharge = 0.999%

Fixed Dollar Retention

PMPM = \$0

Percent of Premium ACA Assessments:

Insurer Tax – 2.0%

PMPM ACA Assessments:

Federal ACA Reinsurance/Treasury Assessment: 2015 coverage dates = \$3.67, Estimated 2016 coverage dates = \$2.00(will be replaced with the actual 2016 fee once it is published)

Comparative Effectiveness Research Tax - \$0.17

EMPLOYER SPECIFIC PREMIUM RATES

The experience rating formula filing details the calculation of employer specific premium rates by using employer specific information. In the event the employer group cannot supply sufficient information to calculate employer specific conversion factors, the following community load ratios will be used:

Single=1.0
Double=2.0
Family 2 tier=2.5
Family 3 tier=2.6
Family 4 tier= 2.8
Parent Child 4 tier= 1.9

RETROSPECTIVE RATING

The risk charges for a group choosing to be rated retrospectively are outlined below:

(NO DEFICIT CARRY FORWARD/80% SURPLUS REFUND FOR GROUPS 251+, 50% REFUND FOR GROUPS LESS THAN 251)

Groups with 1,000+ enrolled subscribers = 1.01
Groups with 251-999 enrolled subscribers = 1.01
Groups with 51-250 enrolled subscribers = 1.01

MINIMUM PREMIUM FUNDING ARRANGMENTS

The following table shows the Claims Fluctuation Margin (CFM) available for groups of different sizes. The appropriate level of CFM will depend on the group's size and risk assessment. Groups that are smaller with a higher risk assessment will have a higher CFM. Because of the risk involved with minimum premium funding, at the smaller group size, the underwriter will use judgment to determine if minimum premium funding is allowed.

Group Size	CFM
100-249	120%, 125%, or 130%
249-499	115%, 120%, or 125%
500-999	110%, 115%, or 120%
1,000+	105%, 110%, or 115%

ACTUARIAL CERTIFICATION

I believe the rating factors described herein are consistent with industry norms, follows sound actuarial and underwriting principals, and the rating factors used and documented in the Experience Rating Addendum are reasonable relative to MVP's book of business and industry norms.

I have reviewed the provisions of Vermont Insurance Law. It is my opinion that this rating formula complies with the requirements of those provisions.



Matthew Lombardo, FSA, MAAA
Actuarial Manager, Commercial Pricing
MVP Health Insurance Co, Inc.



ACTUARIAL MEMORANDUM

1st Quarter and 2nd Quarter 2015 Large Group AR42 Filing

Purpose

The purpose of this filing is to demonstrate the development of and seek approval of the manual pure premium rates for MVP Health Insurance Company's Large Group EPO/PPO and High Deductible EPO/PPO experience rated product portfolio. Manual pure premium rates are included for both 1st Quarter and 2nd Quarter 2015 effective dates. The rates are effective for 12 months. The Experience Rating Addendum is also included as part of this rate filing and changes effective for 1/1/2015 are noted below. Collectively the manual rates, the Addendum, and the filed and approved experience rating formula are used to derive group specific premium rates. This rate filing has been prepared to satisfy the requirements of 8 V.S.A § 5104 and is not intended to be used for other purposes.

Summary of Requested Rate Changes

The requested quarterly manual rate changes from the 4th Quarter approved manual rates vary by product and on average reflect the following change:

EPO/PPO Medical: 8.0%
 Rx riders: -3.2%
 HDHP: -7.0%

The average requested quarterly rate changes result in average annual rate changes for 1st Quarter group renewals as follows:

Q1 Renewal Impact			
	Medical Only	Rx Only	Medical + Rx
HD	-6.8%	N/A	-6.8%
Non-HD	7.5%	-3.4%	6.3%
		Total	-2.5%

The requested quarterly manual rate changes from the proposed 1st Quarter manual rates are:

EPO/PPO Medical: 1.5%
 Rx riders: 1.5%
 HDHP: 1.5%

The requested quarterly rate changes result in average annual rate changes for 2nd Quarter group renewals as follows:

Q2 Renewal Impact			
	Medical Only	Rx Only	Medical + Rx
HD	-6.7%	N/A	-6.7%
Non-HD	7.7%	-2.7%	6.5%
		Total	-2.4%

Large Group HIC Enrollment distribution by Renewal Quarter (as of June 2014)

1st Q: 70%
2nd Q: 11%
3rd Q: 5%
4th Q: 14%

Rate Slope Adjustment to Benefit Relativities

The manual rate changes vary due to a realignment of premium relativities by product to reflect more current expectations of benefit cost differences between benefit plans and between medical benefits versus pharmacy benefits. MVP recently revamped its benefit pricing tool with updated claim utilization data, claim distribution tables and factor tables. All benefit plans are valued based on a single risk pool of data with utilization adjustments only based on plan richness.

The basic steps of MVP's benefit relativity model are as follows:

1. Derive the plan pay and the member pay for a plan ignoring plan deductibles and OOPs.
2. Compute the cost of claims under the deductible and over the OOP using member based claim distribution tables and the member based single deductible/OOP for the plan
3. Adjust for impact of family caps on the single benefit or aggregate nature of family benefit. The effect of this adjustment is to reduce the deductible credits that are computed. The adjustment is based on a pricing study done to compare plan costs for member based benefits vs. member based benefits with a family cap vs. aggregate family benefits.
4. Adjust for impact of secondary Rx OOP max on qualified HDHPs.
5. Add back member cost share amounts assumed step #1 for the portions of the cost that are under the deductible and over the OOP.
6. The result of steps #1-5 is a final plan net paid amount.

Please see the table below for the range of annual manual rate changes proposed for 1Q 2015 base plans:

Q1 Range of Annual Manual Rate Changes			
	Min	Max	Average
HD	-9.5%	-3.8%	-6.8%
Non-HD	2.3%	17.6%*	7.5%

*Note: 1.4% of increase is due to mandated Federal OOP max regulation

Exhibit 3a demonstrates that the re-sloped manual rates are revenue neutral to the 4Q 2014 manual rates weighted on the experience period membership, calendar year 2013.

Development of Manual Pure Premium Rate Changes

Large group EPO/PPO and HDHP incurred claim data for the period 1/1/2013 – 12/31/2013 completed through 5/31/2014 was the basis for this rate development.

Exhibit 3b demonstrates the development of the proposed 3rd quarter rate action. Historical fee for service claims are adjusted to remove claims in excess of \$100,000 which are replaced with a pooling charge. The pooling charge being used can be found in the Experience Rating Addendum included with this rate filing. The adjusted claims are then projected to the rating period, and the impact of new benefit mandates, New York's paid claim surcharge expense (HCRA), and non-fee for service medical expenses not reflected in the experience period data are added to the claim projection. Experience period Rx claims are then projected to the rating period. Gross Rx claims are adjusted for the impact of mandates not yet reflected in the experience period data and rebates are removed from the projected claim

cost. The projected net claims are then normalized for the block's age/gender factor and industry factor over the experience period.

Note, the Vermont paid claim surcharge is not included in the manual rate for large groups because it is included in the Retention Section of the Experience Rating Addendum and added to the final blended group rate (as a percentage of the blended pure premium) along with the other Retention items. New York HCRA expense for the experience portion of a group's rate development is based on the group's actual facility claims subject to the tax.

The projected rating period required manual pure premium is compared to the re-sloped 4Q 2014 manual pure premium from Exhibit 3a to indicate the suggested quarterly manual rate change. This analysis is done separately for the HDHP experience block and the EPO/PPO experience block and blended together to determine the proposed book of business quarterly manual rate change. Because the current distribution of membership between HDHP and EPO/PPO products is different than the distribution over the experience period membership, MVP is using a current snapshot of large group members to derive a blended rate increase.

The expected non fee for service medical expenses added to the projection reflect costs associated with net reinsurance expense, Wellstyle Rewards program administrative expense, PCP incentive payments and Medical Home, Healthways capitation expense, and other miscellaneous MVP claim expenses not included in the historical experience period data such as manual checks, FFS write offs and Massachusetts surcharges.

Benefit mandates impacting the projection include the mental health/substance abuse PCP copay mandate and the Rx OOP maximum mandate (Bill H559). The impacts of each are outlined below:

Copay Adjustment for Mental Health/Substance Abuse

New legislation has been passed by the State of VT requiring carriers to charge a plan's PCP copay for mental health and substance abuse (MH/SA) claims taking place in the outpatient or office setting. MVP re-priced its experience period MH/SA claims to reflect this modification which resulted in \$0.08 PMPM being added to the starting claim cost for non-HDHPs in 2015. MVP's experience period HDHP claims were not impacted by this mandate.

Bill H559 Impact

Bill H559 was effective beginning with October 2012 renewals. Included in this regulation is a new out of pocket maximum for prescription drug expenses. This mandate is applicable to drug rider coverage, as well as drug coverage that is part of an integrated benefit plan.

MVP has learned that claim adjustments attributable to Bill H559 were not being processed within MVP's claim system during the experience period driving this rate filing. Therefore, an adjustment to the experience period claims was needed. To quantify the impact of this mandate, MVP analyzed member level drug claims over the experience period. MVP captured amounts paid by members in excess of the Rx OOP maximum. The sum of these amounts was trended to the projection period to quantify the impact of this mandate on drug claims in 2015.

Trend Factors

The development of annual medical paid claim trend factors is illustrated in Exhibit 2a. Consistent with recently submitted filings, MVP is applying 0% utilization trend to its medical data. Regression analysis has been performed on MVP's utilization data in the past, and it was concluded that the predictive ability of the historical utilization trends was weak and not reliable. The assumed unit cost trends reflect known and assumed price increases from MVP's provider network. The 2014 unit cost trend factors are consistent with the unit cost trend factors used in MVP's recently submitted 2015 Exchange filing.

In addition to the medical cost inflation rate assumed from the historical experience period to the rating period, an adjustment is needed to reflect the impact of cost share leveraging on the carrier's share of the medical cost. Leveraging is a result of the fixed nature of deductibles and copays in health benefit plans. When there are fixed member deductibles and copays, the carrier bears a greater portion of the cost of medical inflation. Therefore, an additional factor adjustment is made to the trend assumption to capture this cost.

The trend applied to the deductible portion of the experience period was derived using the distribution of claims for MVP's VT book of business. Claims below the average deductible amount over the experience period were trended at the applicable allowed trend rate while claims greater than the deductible were held flat. The average HDHP deductible over the experience period is \$3,426 and the average non-HDHP deductible over the experience period is \$2,686.

Annual Rx trend factors split by generic, brand and specialty drugs are also illustrated in Exhibit 2a. These trend factors were supplied by MVP's pharmacy vendor and reflect their best estimate of MVP's expected changes to pharmacy costs and drug utilization. Supporting documentation illustrating how the Rx trends shown on Exhibit 2a were converted to paid trends can be found in Exhibits 2b and 2c.

The 2015 specialty unit cost trend has increased since MVP submitted its 2015 Exchange filing. MVP had conversations with its pharmacy vendor regarding the assumed impact of Sovaldi on its specialty trend. The pharmacy vendor's trend did not adequately capture the impact of Sovaldi based on an analysis performed on MVP's commercial book of business over the first four months of 2014 and an adjustment was made to account for this change. MVP increased its specialty trend by 4.1% to account for the shortfall of the vendor's trend.

Experience Rating Addendum and Experience Rating Formula

Included with the Manual Rate filing is the Experience Addendum and Experience Rating Formula which includes all of the applicable rating factors and the formula used to generate group specific premium rates. The following items have been updated in the Addendum to be effective 1/1/2015:

- Trend – 2014 and 2015 medical and Rx trend rates were restated to align with the most recent trend projections used in the manual rate development.
- Covered Lives Assessment – The 2015 covered lives assessment represents a 5% increase over the 2014 assessment. When New York State finalizes the 2015 covered lives assessment, MVP will update the addendum accordingly.
- Retention Expenses – The Federal Reinsurance Fee for 2016 is an estimate and equals \$2.00 PMPM. When HHS issues guidance on the fee for 2016, MVP will update the addendum accordingly.
- Retrospective Rating – MVP has modified the surplus refund amount for group sizes of 251+ from 100% to 80% and modified the risk charge to 1.0% for all group sizes.

Retention Expenses

Retention expenses are illustrated in the Addendum. See above for changes to this section.

2Q 2015 Rate Tables

The trend factor used to derive the 2Q 2015 manual rate table reflects 3 months of the annualized 2015 paid claim trend. Essentially this is the same result as projecting the experience period data an extra 3 months to the midpoint of the 2Q rating period.

Supplemental Exhibits

Also included with this filing is a historical claim and membership summary for the past 36 months grouped into rolling 12 month periods. The data is shown by product type (HDHP vs non-HDHP) and also aggregated for the entire Large Group AR42 block. Incurred claims from January 2011 – December 2013 completed through May 31, 2014 are reflected in the data.

Mandated Benefit Changes – Coplan Level Modifications

The out-of-pocket maximum for the following coplans have been modified to comply with federal regulations:

Coplan	2015 OOP Max	2014 OOP Max
VE085L	\$5,300	\$6,350
VE087L	\$5,300	\$6,350
VE088L	\$5,300	\$6,350
VE089L	\$5,300	\$6,350
VE091L	\$5,300	\$6,350
VE096L	\$5,300	\$6,350
VE101L	\$5,300	\$6,000
VE107L	\$5,300	\$6,000
VE108L	\$5,300	\$6,350
VE110L	\$5,300	\$6,350
VE111L	\$5,300	\$6,350
VE114L	\$5,300	\$6,350
VE115L	\$5,300	\$6,350
VP062L	\$5,300	\$6,350
VP066L	\$5,300	\$6,350
VP067L	\$5,300	\$6,350
VP072L	\$5,300	\$6,350
VP073L	\$5,300	\$6,350
VT08LA	\$5,300	\$6,350
VT08LB	\$5,300	\$6,350
VT08LC	\$5,300	\$6,350

Retirements

The following coplans are being removed from this filing as they will no longer be offered to large groups in Vermont: VE001L, VE002L, VE003L, VE004L, VE006L, VE016L, VE018L, VE020L, VE031L, VE032L, VE033L, VE034L, VE035L, VE036L, VE037L, VE038L, VE047L, VE048L, VE050L, VE052L, VE053L, VE058L, VE063L, VE065L, VE075L, VE076L, VE079L, VE080L, VE086L, VE094L, VE097L, VE098L, VE099L, VE104L, VE112L, VE113L, VP016L, VP032L, VP033L, VP034L, VP036L, VP037L, VP038L, VP048L, VP049L, VP050L, VP051L, VP053L, VP054L, VP064L, VP068L, VP069L, VP070L, VP074L, VP076L, VP077L, VT03LA, VT03LB, VT03LC, VT04LA, VT04LB, VT04LC, VT07LA, VT07LB, VT07LC, VT09LA, VT09LB, VT09LC, VT10LA, VT10LB, VT10LC, VEHD-04L, VEHD-05L, VEHD-12L, VEHD-13L, VEHD-14L, VEHD-24L, VEHD-39L, VEHD-40L, VPHD-04L, VPHD-06L, VPHD-08L, VPHD-12L, VPHD-14L.

Actuarial Certification

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, inadequate, nor unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.



Matthew Lombardo, FSA, MAAA
Actuarial Manager, Commercial Pricing
MVP Health Insurance Co, Inc.

08/11/2014

Date

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
111	Wheat	0.90
112	Rice	0.90
115	Corn	0.90
116	Soybeans	0.90
119	Cash Grains, NEC	0.90
131	Cotton	0.90
132	Tobacco	0.90
133	Sugarcane and Sugar Beets	0.90
134	Irish Potatoes	0.90
139	Field Crops, Except Cash Grains, NEC	0.90
161	Vegetables and Melons	0.90
171	Berry Crops	0.90
172	Grapes	0.90
173	Tree Nuts	0.90
174	Citrus Fruits	0.90
175	Deciduous Tree Fruits	0.90
179	Fruits and Tree Nuts, NEC	0.90
181	Ornamental Floriculture and Nursery Products	0.90
182	Food Crops Grown Under Cover	0.90
191	General Farms, Primarily Crop	0.90
211	Beef Cattle Feedlots	0.95
212	Beef Cattle, Except Feedlots	0.95
213	Hogs	0.95
214	Sheep and Goats	0.95
219	General Livestock, Except Dairy and Poultry	1.00
241	Dairy Farms	1.00
251	Broiler, Fryers, and Roaster Chickens	0.95
252	Chicken Eggs	0.95
253	Turkey and Turkey Eggs	0.95
254	Poultry Hatcheries	0.95
259	Poultry and Eggs, NEC	0.95
271	Fur-Bearing Animals and Rabbits	0.95
272	Horses and Other Equines	0.95
273	Animal Aquaculture	0.95
279	Animal Specialities, NEC	0.95
291	General Farms, Primarily Livestock and Animal Specialities	1.00
711	Soil Preparation Services	0.95
721	Crop Planting, Cultivating, and Protecting	0.95
722	Crop Harvesting, Primarily by Machine	0.95
723	Crop Preparation Services For Market, except Cotton Ginning	0.95
724	Cotton Ginning	0.95
741	Veterinary Services For Livestock	0.95
742	Veterinary Services for Animal Specialities	0.95
751	Livestock Services, Except Veterinary	1.00
752	Animal Specialty Services, Except Veterinary	0.95
761	Farm Labor Contractors and Crew Leaders	0.95
762	Farm Management Services	0.95
781	Landscape Counseling and Planning	0.90
782	Lawn and Garden Services	1.10
783	Ornamental Shrub and Tree Services	1.10
811	Timber Tracts	0.90
831	Forest Nurseries and Gathering of Forest Products	0.90
851	Forestry Services	0.95
912	Finfish	1.05
913	Shellfish	1.05

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
919	Miscellaneous Marine Products	0.95
921	Fish Hatcheries and Preserves	0.95
971	Hunting and Trapping, and Game Propagation	0.95
1011	Iron Ores	1.15
1021	Copper Ores	1.15
1031	Lead and Zinc Ores	1.15
1041	Gold Ores	1.15
1044	Silver Ores	1.15
1061	Ferroalloy Ores, Except Vanadium	1.15
1081	Metal Mining Services	1.05
1094	Uranium-Radium-Vanadium Ores	1.15
1099	Miscellaneous Metal Ores, NEC	1.15
1221	Bituminous Coal and Lignite Surface Mining	1.15
1222	Bituminous Coal Underground Mining	1.15
1231	Anthracite Mining	1.15
1241	Coal Mining Services	1.15
1311	Crude Petroleum and Natural Gas	1.05
1321	Natural Gas Liquids	1.05
1381	Drilling Oil and Gas Wells	1.05
1382	Oil and Gas Field Exploration Services	0.95
1389	Oil and Gas Field Services, NEC	1.05
1411	Dimension Stone	1.15
1422	Crushed and Broken Limestone	1.15
1423	Crushed and Broken Granite	1.15
1429	Crushed and Broken Stone, NEC	1.15
1442	Construction Sand and Gravel	1.15
1446	Industrial Sand	1.15
1455	Kaolin and Ball Clay	1.15
1459	Clay, Ceramic, and Refractory Minerals, NEC	1.15
1474	Potash, Soda, and Borate Minerals	1.15
1475	Phosphate Rock	1.15
1479	Chemical and Fertilizer Mineral Mining, NEC	1.15
1481	Nonmetallic Minerals Services Except Fuels	1.05
1499	Miscellaneous Nonmetallic Minerals, Except Fuels	1.15
1521	General Contractors-Single-Family Houses	0.95
1522	General Contractors-Residential Buildings, Other Than Single-Family	1.00
1531	Operative Builders	1.00
1541	General Contractors-Industrial Buildings and Warehouses	1.00
1542	General Contractors-Nonresidential Buildings, Other than Industrial Buildings and Warehouses	1.00
1611	Highway and Street Construction, Except Elevated Highways	1.00
1622	Bridge, Tunnel, and Elevated Highway Construction	1.00
1623	Water, Sewer, Pipeline, and Communications and Power Line Construction	1.00
1629	Heavy Construction, NEC	1.00
1711	Plumbing, Heating, and Air-Conditioning	1.00
1721	Painting and Paper Hanging	1.00
1731	Electrical Work	1.00
1741	Masonry, Stone Setting, and Other Stone Work	1.00
1742	Plastering, Drywall, Acoustical, and Insulation Work	1.00
1743	Terrazzo, Tile, Marble, and Mosaic Work	1.00
1751	Carpentry Work	1.00
1752	Floor Laying and Other Floor Work, NEC	1.00
1761	Roofing, Siding, and Sheet Metal Work	1.00
1771	Concrete Work	1.00
1781	Water Well Drilling	1.00
1791	Structural Steel Erection	1.00

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
1793	Glass and Glazing Work	1.00
1794	Excavation Work	1.00
1795	Wrecking and Demolition Work	1.00
1796	Installation or Erection of Building Equipment, NEC	1.00
1799	Special Trade Contractors, NEC	1.00
2011	Meat Packing Plants	1.05
2013	Sausages and Other Prepared Meats	1.05
2015	Poultry Slaughtering and Processing	1.00
2021	Creamery Butter	0.95
2022	Natural, Processed, and Imitation Cheese	0.95
2023	Dry, Condensed, and Evaporated Dairy Products	0.95
2024	Ice Cream and Frozen Desserts	0.95
2026	Fluid Milk	0.95
2032	Canned Specialties	0.95
2033	Canned Fruits, Vegetables, Preserves, Jams, and Jellies	0.95
2034	Dried and Dehydrated Fruits, Vegetables, and Soup Mixes	0.95
2035	Pickled Fruits and Vegetables, Vegetable Sauces and Seasonings, and Salad Dressings	0.95
2037	Frozen Fruits, Fruit Juices, and Vegetables	0.95
2038	Frozen Specialties, NEC	0.95
2041	Flour and Other Grain Mill Products	0.95
2043	Cereal Breakfast Foods	0.95
2044	Rice Milling	0.95
2045	Prepared Flour Mixes and Doughs	0.95
2046	Wet Corn Milling	0.95
2047	Dog and Cat Food	0.95
2048	Prepared Feed and Feed Ingredients for Animals and Fowls, Except Dogs and Cats	0.95
2051	Bread and Other Bakery Products, Except Cookies and Crackers	0.95
2052	Cookies and Crackers	0.95
2053	Frozen Bakery Products, Except Bread	0.95
2061	Cane Sugar, Except Refining	0.95
2062	Cane Sugar Refining	0.95
2063	Beet Sugar	0.95
2064	Candy and Other Confectionery Products	0.95
2066	Chocolate and Cocoa Products	0.95
2067	Chewing Gum	0.95
2068	Salted and Roasted Nuts and Seeds	0.95
2074	Cottonseed Oil Mills	0.95
2075	Soybean Oil Mills	0.95
2076	Vegetable Oil Mills, Except Corn, Cottonseed, and Soybeans	0.95
2077	Animal and Marine Fats and Oils	1.00
2079	Shortening, Table Oils, Margarine, and Other Edible Fats and Oils, NEC	0.95
2082	Malt Beverages	0.95
2083	Malt	0.95
2084	Wines, Brandy, and Brandy Spirits	0.95
2085	Distilled and Blended Liquors	0.95
2086	Bottled and Canned Soft Drinks and Carbonated Waters	0.95
2087	Flavoring Extracts and Flavoring Syrups NEC	0.95
2091	Canned and Cured Fish and Seafood	0.95
2092	Prepared Fresh or Frozen Fish and Seafoods	0.95
2095	Roasted Coffee	0.95
2096	Potato Chips, Corn Chips, and Similar Snacks	0.95
2097	Manufactured Ice	0.95
2098	Macaroni, Spaghetti, Vermicelli, and Noodles	0.95
2099	Food Preparations, NEC	0.95
2111	Cigarettes	1.05

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
2121	Cigars	1.05
2131	Chewing and Smoking Tobacco and Snuff	1.05
2141	Tobacco Stemming and Redrying	1.05
2211	Broadwoven Fabric Mills, Cotton	0.95
2221	Broadwoven Fabric Mills, Manmade Fiber and Silk	0.95
2231	Broadwoven Fabric Mills, Wool (Including Dyeing and Finishing)	0.95
2241	Narrow Fabric and Other Smallware Mills: Cotton, Wool, Silk, and Manmade Fiber	0.95
2251	Women's Full-Length and Knee-Length Hosiery, Except Socks	1.00
2252	Hosiery, NEC	1.00
2253	Knit Outerwear Mills	1.00
2254	Knit Underwear and Nightwear Mills	1.00
2257	Weft Knit Fabric Mills	0.95
2258	Lace and Warp Knit Fabric Mills	0.95
2259	Knitting Mills, NEC	0.95
2261	Finishers of Broadwoven Fabrics of Cotton	0.95
2262	Finishers of Broadwoven Fabrics of Manmade Fiber and Silk	0.95
2269	Finishers of Textiles, NEC	0.95
2273	Carpets and Rugs	0.95
2281	Yarn Spinning Mills	0.95
2282	Yarn Texturizing, Throwing, Twisting, and Winding Mills	0.95
2284	Thread Mills	0.95
2295	Coated Fabrics, Not Rubberized	0.95
2296	Tire Cord and Fabrics	0.95
2297	Nonwoven Fabrics	0.95
2298	Cordage and Twine	0.95
2299	Textile Goods, NEC	0.95
2311	Men's and Boys' Suits, Coats, and Overcoats	1.00
2321	Men's and Boys' Shirts, Except Work Shirts	1.00
2322	Men's and Boys' Underwear and Nightwear	1.00
2323	Men's and Boys' Neckwear	1.00
2325	Men's and Boys' Trousers and Slacks	1.00
2326	Men's and Boys' Work Clothing	1.00
2329	Men's and Boys' Clothing, NEC	1.00
2331	Women's, Misses', and Juniors' Blouses and Shirts	1.00
2335	Women's, Misses', and Juniors' Dresses	1.00
2337	Women's, Misses' and Juniors' Suits, Skirts, and Coats	1.00
2339	Women's, Misses', and Juniors' Outerwear, NEC	1.00
2341	Women's, Misses', Children's, and Infants' Underwear and Nightwear	1.00
2342	Brassieres, Girdles, and Allied Garments	1.00
2353	Hats, Caps, and Millinery	1.00
2361	Girls', Children's, and Infants' Dresses, Blouses, and Shirts	1.00
2369	Girls', Children's, and Infants' Outerwear, NEC	1.00
2371	Fur Goods	1.00
2381	Dress and Work Gloves, Except Knit and All-Leather	1.00
2384	Robes and Dressing Gowns	1.00
2385	Waterproof Outerwear	1.00
2386	Leather and Sheep-Lined Clothing	1.00
2387	Apparel Belts	1.00
2389	Apparel and Accessories, NEC	1.00
2391	Curtains and Draperies	1.00
2392	Housefurnishings, Except Curtains and Draperies	0.95
2393	Textile Bags	0.95
2394	Canvas and Related Products	0.95
2395	Pleating, Decorative and Novelty Stitching, and Tucking for the Trade	1.00
2396	Automotive Trimmings, Apparel Findings, and Related Products	0.95

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
2397	Schiffli Machine Embroideries	0.95
2399	Fabricated Textile Products, NEC	1.00
2411	Logging	1.15
2421	Sawmills and Planing Mills, General	1.15
2426	Hardwood Dimension and Flooring Mills	1.15
2429	Special Product Sawmills, NEC	1.15
2431	Millwork	1.10
2434	Wood Kitchen Cabinets	0.95
2435	Hardwood Veneer and Plywood	1.00
2436	Softwood Veneer and Plywood	1.00
2439	Structural Wood Members, NEC	1.00
2441	Nailed and Lock Corner Wood Boxes and Shook	1.00
2448	Wood Pallets and Skids	1.00
2449	Wood Containers, NEC	1.00
2451	Mobile Homes	1.00
2452	Prefabricated Wood Buildings and Components	1.00
2491	Wood Preserving	1.00
2493	Reconstituted Wood Products	1.00
2499	Wood Products, NEC	1.00
2511	Wood Household Furniture, Except Upholstered	0.95
2512	Wood Household Furniture, Upholstered	0.95
2514	Metal Household Furniture	0.95
2515	Mattresses, Foundations, and Convertible Beds	0.95
2517	Wood Television, Radio, Phonograph and Sewing Machine Cabinets	0.95
2519	Household Furniture, NEC	0.95
2521	Wood Office Furniture	0.95
2522	Office Furniture, Except Wood	0.95
2531	Public Building and Related Furniture	0.95
2541	Wood Office and Store Fixtures, Partitions, Shelving, and Lockers	0.95
2542	Office and Store Fixtures, Partitions, Shelving, and Lockers, Except Wood	0.95
2591	Drapery Hardware and Window Blinds and Shades	0.95
2599	Furniture and Fixtures, NEC	0.95
2611	Pulp Mills	0.95
2621	Paper Mills	0.95
2631	Paperboard Mills	0.95
2652	Setup Paperboard Boxes	0.95
2653	Corrugated and Solid Fiber Boxes	0.95
2655	Fiber Cans, Tubes, Drums, and Similar Products	0.95
2656	Sanitary Food Containers, Except Folding	0.95
2657	Folding Paperboard Boxes, Including Sanitary	0.95
2671	Packaging Paper and Plastics Film, Coated and Laminated	0.95
2672	Coated and Laminated Paper, NEC	0.95
2673	Plastics, Foil, and Coated Paper Bags	0.95
2674	Uncoated Paper and Multiwall Bags	0.95
2675	Die-Cut Paper and Paperboard and Cardboard	0.95
2676	Sanitary Paper Products	0.95
2677	Envelopes	0.95
2678	Stationery, Tablets, and Related Products	0.95
2679	Converted Paper and Paperboard Products, NEC	0.95
2711	Newspapers: Publishing, or Publishing and Printing	0.90
2721	Periodicals: Publishing, or Publishing and Printing	0.90
2731	Books: Publishing, or Publishing and Printing	0.95
2732	Book Printing	0.90
2741	Miscellaneous Publishing	0.90
2752	Commercial Printing, Lithographic	0.90

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
2754	Commercial Printing, Gravure	0.90
2759	Commercial Printing, NEC	0.90
2761	Manifold Business Forms	0.90
2771	Greeting Cards	0.90
2782	Blankbooks, Loose-leaf Binders and Devices	0.90
2789	Bookbinding and Related Work	0.90
2791	Typesetting	0.90
2796	Platemaking and Related Services	0.90
2812	Alkalies and Chlorine	1.00
2813	Industrial Gases	1.00
2816	Inorganic Pigments	1.00
2819	Industrial Inorganic Chemicals, NEC	1.00
2821	Plastics Material and Synthetic Resins, and Nonvulcanizable Elastomers	1.00
2822	Synthetic Rubber	1.00
2823	Cellulosic Manmade Fibers	1.00
2824	Manmade Organic Fibers, Except Cellulosic	1.00
2833	Medicinal Chemicals and Botanical Products	0.90
2834	Pharmaceutical Preparations	0.90
2835	In Vitro and In Vivo Diagnostic Substances	0.90
2836	Biological Products, Except Diagnostic Substances	0.90
2841	Soaps and Other Detergents, Except Speciality Cleaners	0.90
2842	Speciality Cleaning, Polishing, and Sanitary Preparations	0.90
2843	Surface Active Agents, Finishing Agents, Sulfonated Oils, and Assistants	0.90
2844	Perfumes, Cosmetics, and Other Toilet Preparations	0.90
2851	Paints, Varnishes, Lacquers, Enamels, and Allied Products	0.95
2861	Gum and Wood Chemicals	1.00
2865	Cyclic Organic Crudes and Intermediates, and Organic Dyes and Pigments	1.00
2869	Industrial Organic Chemicals, NEC	1.00
2873	Nitrogenous Fertilizers	1.00
2874	Phosphatic Fertilizers	1.00
2875	Fertilizers, Mixing Only	1.00
2879	Pesticides and Agricultural Chemicals, NEC	1.00
2891	Adhesives and Sealants	0.95
2892	Explosives	1.15
2893	Printing Ink	0.95
2895	Carbon Black	1.00
2899	Chemicals and Chemical Preparations, NEC	0.95
2911	Petroleum Refining	1.05
2951	Asphalt Paving Mixtures and Blocks	1.05
2952	Asphalt Felts and Coatings	1.05
2992	Lubricating Oils and Greases	1.05
2999	Products of Petroleum and Coal, NEC	1.05
3011	Tires and Inner Tubes	0.95
3021	Rubber and Plastics Footwear	0.95
3052	Rubber and Plastics Hose and Belting	0.95
3053	Gaskets, Packing, and Sealing Devices	0.90
3061	Molded, Extruded, and Lathe-Cut Mechanical Rubber Goods	0.95
3069	Fabricated Rubber Products, NEC	0.95
3081	Unsupported Plastics Film and Sheet	0.95
3082	Unsupported Plastics Profile Shapes	0.95
3083	Laminated Plastics Plate, Sheet, and Profile Shapes	0.95
3084	Plastics Pipe	0.95
3085	Plastics Bottles	0.95
3086	Plastics Foam Products	0.95
3087	Custom Compounding of Purchased Plastics Resins	0.95

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3088	Plastics Plumbing Fixtures	0.95
3089	Plastics Products, NEC	0.95
3111	Leather Tanning and Finishing	1.15
3131	Boot and Shoe Cut Stock and Findings	1.00
3142	House Slippers	0.95
3143	Men's Footwear, Except Athletic	0.95
3144	Women's Footwear, Except Athletic	0.95
3149	Footwear, Except Rubber, NEC	0.95
3151	Leather Gloves and Mittens	1.00
3161	Luggage	0.95
3171	Women's Handbags and Purses	0.95
3172	Personal Leather Goods, Except Women's Handbags and Purses	0.95
3199	Leather Goods, NEC	0.95
3211	Flat Glass	0.95
3221	Glass Containers	0.95
3229	Pressed and Blown Glass and Glassware, NEC	0.95
3231	Glass Products, Made of Purchased Glass	0.95
3241	Cement, Hydraulic	0.95
3251	Brick and Structural Clay Tile	0.95
3253	Ceramic Wall and Floor Tile	0.95
3255	Clay Refractories	0.95
3259	Structural Clay Products, NEC	0.95
3261	Vitreous China Plumbing Fixtures and China and Earthenware Fittings and Bathroom Accessories	0.95
3262	Vitreous China Table and Kitchen Articles	0.95
3263	Fine Earthenware (Whiteware) Table and Kitchen Articles	0.95
3264	Porcelain Electrical Supplies	0.95
3269	Pottery Products, NEC	0.95
3271	Concrete Block and Brick	0.95
3272	Concrete Products, Except Block and Brick	1.05
3273	Ready-Mixed Concrete	0.95
3274	Lime	0.95
3275	Gypsum Products	0.95
3281	Cut Stone and Stone Products	0.95
3291	Abrasive Products	1.05
3292	Asbestos Products	1.05
3295	Minerals and Earths, Ground or Otherwise Treated	1.10
3296	Mineral Wool	0.95
3297	Nonclay Refractories	0.95
3299	Nonmetallic Mineral Products, NEC	1.05
3312	Steel Works, Blast Furnaces (Including Coke Ovens), and Rolling Mills	1.10
3313	Electrometallurgical Products, Except Steel	1.10
3315	Steel Wiredrawing and Steel Nails and Spikes	1.05
3316	Cold-Rolled Steel Sheet, Strip, and Bars	1.10
3317	Steel Pipe and Tubes	1.10
3321	Gray and Ductile Iron Foundries	1.10
3322	Malleable Iron Foundries	1.10
3324	Steel Investment Foundries	1.10
3325	Steel Foundries, NEC	1.10
3331	Primary Smelting and Refining of Copper	1.10
3334	Primary Production of Aluminum	1.10
3339	Primary Smelting and Refining of Nonferrous Metals, Except Copper and Aluminum	1.10
3341	Secondary Smelting and Refining of Nonferrous Metals	1.10
3351	Rolling, Drawing, and Extruding of Copper	1.10
3353	Aluminum Sheet, Plate, and Foil	1.10
3354	Aluminum Extruded Products	1.10

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3355	Aluminum Rolling and Drawing, NEC	1.10
3356	Rolling, Drawing, and Extruding of Nonferrous Metals, Except Copper and Aluminum	1.10
3357	Drawing and Insulating of Nonferrous Wire	1.00
3363	Aluminum Die-Castings	1.10
3364	Nonferrous Die-Castings, Except Aluminum	1.10
3365	Aluminum Foundries	1.10
3366	Copper Foundries	1.10
3369	Nonferrous Foundries, Except Aluminum and Copper	1.10
3398	Metal Heat Treating	0.95
3399	Primary Metal Products, NEC	1.05
3411	Metal Cans	0.95
3412	Metal Shipping Barrels, Drums, Kegs, and Pails	0.95
3421	Cutlery	0.95
3423	Hand and Edge Tools, Except Machine Tools and Handsaws	0.95
3425	Saw Blades and Handsaws	0.95
3429	Hardware, NEC	0.95
3431	Enameled Iron and Metal Sanitary Ware	0.95
3432	Plumbing Fixture Fittings and Trim	0.95
3433	Heating Equipment, Except Electric and Warm Air Furnaces	0.95
3441	Fabricated Structural Metal	0.95
3442	Metal Doors, Sash, Frames, Molding, and Trim Manufacturing	0.95
3443	Fabricated Plate Work (Boiler Shops)	0.95
3444	Sheet Metal Work	0.95
3446	Architectural and Ornamental Metal Work	0.95
3448	Prefabricated Metal Buildings and Components	0.95
3449	Miscellaneous Structural Metal Work	0.95
3451	Screw Machine Products	0.95
3452	Bolts, Nuts, Screws, Rivets, and Washers	0.95
3462	Iron and Steel Forgings	0.95
3463	Nonferrous Forgings	0.95
3465	Automotive Stamping	0.95
3466	Crowns and Closures	0.95
3469	Metal Stamping, NEC	0.95
3471	Electroplating, Plating, Polishing, Anodizing, and Coloring	0.95
3479	Coating, Engraving, and Allied Services, NEC	0.90
3482	Small Arms Ammunition	0.95
3483	Ammunition, Except for Small Arms	0.95
3484	Small Arms	0.95
3489	Ordnance and Accessories, NEC	0.95
3491	Industrial Valves	0.95
3492	Fluid Power Valves and Hose Fittings	0.95
3493	Steel Springs, Except Wire	0.95
3494	Valves and Pipe Fittings, NEC	0.95
3495	Wire Springs	0.95
3496	Miscellaneous Fabricated Wire Products	0.95
3497	Metal Foil and Leaf	0.95
3498	Fabricated Pipe and Pipe Fittings	0.95
3499	Fabricated Metal Products, NEC	0.95
3511	Steam, Gas, and Hydraulic Turbines, and Turbine Generator Set Units	0.95
3519	Internal Combustion Engines, NEC	0.95
3523	Farm Machinery and Equipment	0.95
3524	Lawn and Garden Tractors and Home Lawn and Garden Equipment	0.95
3531	Construction Machinery and Equipment	0.95
3532	Mining Machinery and Equipment, Except Oil and Gas Field Machinery and Equipment	0.95
3533	Oil and Gas Field Machinery and Equipment	0.95

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3534	Elevators and Moving Stairways	0.95
3535	Conveyors and Conveying Equipment	0.95
3536	Overhead Traveling Cranes, Hoists, and Monorail Systems	0.95
3537	Industrial Trucks, Tractors, Trailers, and Stackers	0.95
3541	Machine Tools, Metal Cutting Type	0.95
3542	Machine Tools, Metal Forming Type	0.95
3543	Industrial Patterns	0.95
3544	Special Dies and Tools, Die Sets, Jigs and Fixtures, and Industrial Molds	0.95
3545	Cutting Tools, Machine Tool Accessories, and Machinists' Precision Measuring Devices	0.95
3546	Power-Driven Handtools	0.95
3547	Rolling Mill Machinery and Equipment	0.95
3548	Electric and Gas Welding and Soldering Equipment	0.95
3549	Metalworking Machinery, NEC	0.95
3552	Textile Machinery	0.95
3553	Woodworking Machinery	0.95
3554	Paper Industries Machinery	0.95
3555	Printing Trades Machinery and Equipment	0.95
3556	Food Products Machinery	0.95
3559	Special Industry Machinery, NEC	0.95
3561	Pumps and Pumping Equipment	0.95
3562	Ball and Roller Bearings	0.95
3563	Air and Gas Compressors	0.95
3564	Industrial and Commercial Fans and Blowers and Air Purification Equipment	0.95
3565	Packaging Machinery	0.95
3566	Speed Changers, Industrial High-Speed Drives, and Gears	0.95
3567	Industrial Process Furnaces and Ovens	0.95
3568	Mechanical Power Transmission Equipment, NEC	0.95
3569	General Industrial Machinery and Equipment, NEC	0.95
3571	Electronic Computers	0.90
3572	Computer Storage Devices	0.90
3575	Computer Terminals	0.90
3577	Computer Peripheral Equipment, NEC	0.90
3578	Calculating and Accounting Machines, Except Electronic Computers	0.95
3579	Office Machines, NEC	0.90
3581	Automatic Vending Machines	0.95
3582	Commercial Laundry, Drycleaning, and Pressing Machines	0.95
3585	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment	0.95
3586	Measuring and Dispensing Pumps	0.95
3589	Service Industry Machinery, NEC	0.95
3592	Carburetors, Pistons, Piston Rings, and Valves	0.95
3593	Fluid Power Cylinders and Actuators	0.95
3594	Fluid Power Pumps and Motors	0.95
3596	Scales and Balances, Except Laboratory	0.95
3599	Industrial and Commercial Machinery and Equipment, NEC	0.95
3612	Power, Distribution, and Specialty Transformers	0.90
3613	Switchgear and Switchboard Apparatus	0.90
3621	Motors and Generators	0.90
3624	Carbon and Graphite Products	0.90
3625	Relays and Industrial Controls	0.90
3629	Electrical Industrial Apparatus, NEC	0.90
3631	Household Cooking Equipment	0.90
3632	Household Refrigerators and Home and Farm Freezers	0.90
3633	Household Laundry Equipment	0.90
3634	Electric Housewares and Fans	0.90
3635	Household Vacuum Cleaners	0.90

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3639	Household Appliances, NEC	0.90
3641	Electric Lamp Bulbs and Tubes	0.90
3643	Current-Carrying Wiring Devices	0.90
3644	Noncurrent-Carrying Wiring Devices	0.95
3645	Residential Electric Lighting Fixtures	0.90
3646	Commercial, Industrial, and Institutional Electric Lighting Fixtures	0.90
3647	Vehicular Lighting Equipment	0.95
3648	Lighting Equipment, NEC	0.90
3651	Household Audio and Video Equipment	0.90
3652	Phonograph Records and Prerecorded Audio Tapes and Disks	0.95
3661	Telephone and Telegraph Apparatus	0.90
3663	Radio and Television Broadcasting and Communications Equipment	0.90
3669	Communications Equipment, NEC	0.90
3671	Electron Tubes	0.90
3672	Printed Circuit Boards	0.90
3674	Semiconductors and Related Devices	0.90
3675	Electronic Capacitors	0.90
3676	Electronic Resistors	0.90
3677	Electronic Coils, Transformers, and Other Inductors	0.90
3678	Electronic Connectors	0.90
3679	Electronic Components, NEC	0.90
3691	Storage Batteries	0.90
3692	Primary Batteries, Dry and Wet	0.90
3694	Electrical Equipment for Internal Combustion Engines	0.95
3695	Magnetic and Optical Recording Media	0.90
3699	Electrical Machinery, Equipment, and Supplies, NEC	0.95
3711	Motor Vehicles and Passenger Car Bodies	0.95
3713	Truck and Bus Bodies	0.95
3714	Motor Vehicle Parts and Accessories	0.95
3715	Truck Trailers	0.95
3716	Motor Homes	0.95
3721	Aircraft	0.95
3724	Aircraft Engines and Engine Parts	0.95
3728	Aircraft Parts and Auxiliary Equipment, NEC	0.95
3731	Ship Building and Repairing	1.00
3732	Boat Building and Repairing	1.00
3743	Railroad Equipment	0.95
3751	Motorcycles, Bicycles, and Parts	0.95
3761	Guided Missiles and Space Vehicles	0.95
3764	Guided Missile and Space Vehicle Propulsion Units and Propulsion Unit Parts	0.95
3769	Guided Missile Space Vehicle Parts and Auxiliary Equipment, NEC	0.95
3792	Travel Trailers and Campers	0.95
3795	Tanks and Tank Components	0.95
3799	Transportation Equipment, NEC	0.95
3812	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical Systems and Instruments	0.90
3821	Laboratory Apparatus and Furniture	0.90
3822	Automatic Controls for Regulating Residential and Commercial Environments and Appliances	0.90
3823	Industrial Instruments for Measurement, Display, and Control of Process Variables; and Related Products	0.90
3824	Totalizing Fluid Meters and Counting Devices	0.90
3825	Instruments for Measuring and Testing of Electricity and Electrical Signals	0.90
3826	Laboratory Analytical Instruments	0.90
3827	Optical Instruments and Lenses	0.95
3829	Measuring and Controlling Devices, NEC	0.90
3841	Surgical and Medical Instruments and Apparatus	0.90
3842	Orthopedic, Prosthetic, and Surgical Appliances and Supplies	0.90

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
3843	Dental Equipment and Supplies	0.90
3844	X-Ray Apparatus and Tubes and Related Irradiation Apparatus	0.90
3845	Electromedical and Electrotherapeutic Apparatus	0.90
3851	Ophthalmic Goods	0.90
3861	Photographic Equipment and Supplies	0.95
3873	Watches, Clocks, Clockwork Operated Devices and Parts	0.90
3911	Jewelry, Precious Metal	0.90
3914	Silverware, Plated Ware, and Stainless Steel Ware	0.95
3915	Jewelers' Findings and Materials, and Lapidary Work	0.90
3931	Musical Instruments	0.90
3942	Dolls and Stuffed Toys	0.90
3944	Games, Toys, and Children's Vehicles, Except Dolls and Bicycles	0.95
3949	Sporting and Athletic Goods, NEC	0.90
3951	Pens, Mechanical Pencils, and Parts	0.90
3952	Lead Pencils, Crayons, and Artist's Materials	0.95
3953	Marking Devices	0.90
3955	Carbon Paper and Inked Ribbons	0.90
3961	Costume Jewelry and Costume Novelties, Except Precious Metals	0.90
3965	Fasteners, Buttons, Needles, and Pins	0.90
3991	Brooms and Brushes	0.90
3993	Signs and Advertising Specialties	0.90
3995	Burial Caskets	0.90
3996	Linoleum, Asphalted-Felt-Base, and Other Hard Surface Floor Coverings, NEC	0.95
3999	Manufacturing Industries, NEC	0.95
4011	Railroads, Line-haul Operating	1.05
4013	Railroad Switching and Terminal Establishments	1.05
4111	Local and Suburban Transit	1.10
4119	Local Passenger Transportation, NEC	1.10
4121	Taxicabs	1.15
4131	Intercity and Rural Bus Transportation	1.10
4141	Local Bus Charter Service	1.10
4142	Bus Charter Service, Except Local	1.10
4151	School Buses	1.10
4173	Terminal and Service Facilities for Motor Vehicle Passenger Transportation	1.05
4212	Local Trucking Without Storage	1.00
4213	Trucking, Except Local	1.05
4214	Local Trucking with Storage	1.05
4215	Courier Services Except by Air	1.05
4221	Farm Product Warehousing and Storage	1.05
4222	Refrigerated Warehousing and Storage	1.05
4225	General Warehousing and Storage	1.10
4226	Special Warehousing and Storage, NEC	1.05
4231	Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation	1.05
4311	United States Postal Service	0.95
4412	Deep Sea Foreign Transportation of Freight	0.95
4424	Deep Sea Domestic Transportation of Freight	0.95
4432	Freight Transportation on the Great Lakes - St. Lawrence Seaway	0.95
4449	Water Transportation of Freight, NEC	0.95
4481	Deep Sea Transportation of Passengers, Except by Ferry	0.95
4482	Ferries	0.95
4489	Water Transportation of Passengers, NEC	1.00
4491	Marine Cargo Handling	1.05
4492	Towing and Tugboat Services	1.05
4493	Marinas	1.15
4499	Water Transportation Services, NEC	1.05

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SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
4512	Air Transportation, Scheduled	0.95
4513	Air Courier Services	1.05
4522	Air Transportation, Nonscheduled	1.00
4581	Airports, Flying Fields, and Airport Terminal Services	1.05
4612	Crude Petroleum Pipelines	0.95
4613	Refined Petroleum Pipelines	0.95
4619	Pipelines, NEC	0.95
4724	Travel Agencies	0.95
4725	Tour Operators	0.95
4729	Arrangement of Passenger Transportation, NEC	1.00
4731	Arrangement of Transportation of Freight and Cargo	1.00
4741	Rental of Railroad Cars	1.00
4783	Packing and Crating	1.05
4785	Fixed Facilities and Inspection and Weighing Services for Motor Vehicle Transportation	1.05
4789	Transportation Services, NEC	1.10
4812	Radiotelephone Communications	0.90
4813	Telephone Communications, Except Radiotelephone	0.90
4822	Telegraph and Other Message Communications	0.90
4832	Radio Broadcasting Stations	0.90
4833	Television Broadcasting Stations	0.90
4841	Cable and Other Pay Television Services	0.90
4899	Communications Services, NEC	1.00
4911	Electric Services	0.95
4922	Natural Gas Transmission	0.95
4923	Natural Gas Transmission and Distribution	0.95
4924	Natural Gas Distribution	0.95
4925	Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution	0.95
4931	Electric and Other Services Combined	0.95
4932	Gas and Other Services Combined	0.95
4939	Combination Utilities, NEC	0.95
4941	Water Supply	0.95
4952	Sewerage Systems	0.95
4953	Refuse Systems	1.05
4959	Sanitary Services, NEC	1.10
4961	Steam and Air-Conditioning Supply	0.95
4971	Irrigation Systems	0.95
5012	Automobiles and Other Motor Vehicles	0.95
5013	Motor Vehicle Supplies and New Parts	1.05
5014	Tires and Tubes	1.05
5015	Motor Vehicle Parts, Used	1.05
5021	Furniture	0.95
5023	Home Furnishings	0.95
5031	Lumber, Plywood, Millwork, and Wood Panels	0.95
5032	Brick, Stone and Related Construction Materials	0.95
5033	Roofing, Siding, and Insulation Materials	0.95
5039	Construction Materials, NEC	0.95
5043	Photographic Equipment and Supplies	0.95
5044	Office Equipment	0.95
5045	Computers and Computer Peripheral Equipment and Software	0.95
5046	Commercial Equipment, NEC	0.95
5047	Medical, Dental, and Hospital Equipment and Supplies	0.95
5048	Ophthalmic Goods	0.95
5049	Professional Equipment and Supplies, NEC	0.95
5051	Metals Service Centers and Offices	0.95
5052	Coal and Other Minerals and Ores	0.95

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
5063	Electrical Apparatus and Equipment Wiring Supplies, and Construction Materials	0.95
5064	Electrical Appliances, Television and Radio Sets	0.95
5065	Electronic Parts and Equipment, NEC	0.95
5072	Hardware	0.95
5074	Plumbing and Heating Equipment and Supplies (Hydronics)	0.95
5075	Warm Air Heating and Air-Conditioning Equipment and Supplies	0.95
5078	Refrigeration Equipment and Supplies	0.95
5082	Construction and Mining (Except Petroleum) Machinery and Equipment	0.95
5083	Farm and Garden Machinery and Equipment	0.95
5084	Industrial Machinery and Equipment	0.95
5085	Industrial Supplies	0.95
5087	Service Establishment Equipment and Supplies	0.95
5088	Transportation Equipment and Supplies, Except Motor Vehicles	0.95
5091	Sporting and Recreational Goods and Supplies	0.95
5092	Toys and Hobby Goods and Supplies	0.95
5093	Scrap and Waste Materials	1.10
5094	Jewelry, Watches, Precious Stones, and Precious Metals	0.95
5099	Durable Goods, NEC	0.95
5111	Printing and Writing Paper	0.95
5112	Stationery and Office Supplies	0.95
5113	Industrial and Personal Service Paper	0.95
5122	Drugs, Drug Proprietaries, and Druggists' Sundries	0.95
5131	Piece Goods, Notions, and Other Dry Goods	0.95
5136	Men's and Boys' Clothing and Furnishings	0.95
5137	Women's, Children's, and Infants' Clothing and Accessories	0.95
5139	Footwear	0.95
5141	Groceries, General Line	0.95
5142	Packaged Frozen Foods	0.95
5143	Dairy Products, Except Dried or Canned	0.95
5144	Poultry and Poultry Products	0.95
5145	Confectionery	0.95
5146	Fish and Seafoods	0.95
5147	Meats and Meat Products	1.00
5148	Fresh Fruits and Vegetables	0.95
5149	Groceries and Related Products, NEC	0.95
5153	Grain and Field Beans	0.95
5154	Livestock	0.95
5159	Farm-Product Raw Materials, NEC	0.95
5162	Plastics Materials and Basic Forms and Shapes	0.95
5169	Chemicals and Allied Products, NEC	0.95
5171	Petroleum Bulk Stations and Terminals	1.00
5172	Petroleum and Petroleum Products Wholesalers, Except Bulk Stations and Terminals	0.95
5181	Beer and Ale	1.05
5182	Wine and Distilled Alcoholic Beverages	1.05
5191	Farm Supplies	0.95
5192	Books, Periodicals, and Newspapers	0.95
5193	Flowers, Nursery Stock, and Florists' Supplies	0.95
5194	Tobacco and Tobacco Products	0.95
5198	Paint, Varnishes, and Supplies	0.95
5199	Nondurable Goods, NEC	1.00
5211	Lumber and Other Building Materials Dealers	0.95
5231	Paint, Glass, and Wallpaper Stores	0.95
5251	Hardware Stores	0.95
5261	Retail Nurseries, Lawn and Garden Supply Stores	0.95
5271	Mobile Home Dealers	1.10

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
5311	Department Stores	0.90
5331	Variety Stores	0.90
5399	Miscellaneous General Merchandise Stores	0.90
5411	Grocery Stores	1.00
5421	Meat and Fish (Seafood) Markets, Including Freezer Provisioners	0.95
5431	Fruit and Vegetable Markets	0.95
5441	Candy, Nut, and Confectionery Stores	0.95
5451	Dairy Products Stores	0.95
5461	Retail Bakeries	1.05
5499	Miscellaneous Food Stores	0.95
5511	Motor Vehicle Dealers (New and Used)	1.10
5521	Motor Vehicle Dealers (Used Only)	1.10
5531	Auto and Home Supply Stores	1.05
5541	Gasoline Service Stations	1.10
5551	Boat Dealers	1.10
5561	Recreational Vehicle Dealers	1.10
5571	Motorcycle Dealers	1.10
5599	Automotive Dealers, NEC	1.10
5611	Men's and Boys' Clothing and Accessory Stores	0.95
5621	Women's Clothing Stores	0.95
5632	Women's Accessory and Specialty Stores	0.95
5641	Children's and Infants' Wear Stores	0.95
5651	Family Clothing Stores	0.95
5661	Shoe Stores	0.95
5699	Miscellaneous Apparel and Accessory Stores	0.95
5712	Furniture Stores	0.95
5713	Floor Covering Stores	0.95
5714	Drapery, Curtain, and Upholstery Stores	0.95
5719	Miscellaneous Homefurnishings Stores	0.95
5722	Household Appliance Stores	0.95
5731	Radio, Television, and Consumer Electronics Stores	1.05
5734	Computer and Computer Software Stores	0.95
5735	Record and Prerecorded Tape Stores	0.95
5736	Musical Instrument Stores	0.95
5812	Eating and Drinking Places	1.15
5813	Drinking Places (Alcoholic Beverages)	1.15
5912	Drug Stores and Proprietary Stores	0.95
5921	Liquor Stores	1.15
5932	Used Merchandise Stores	0.90
5941	Sporting Goods Stores and Bicycle Shops	0.95
5942	Book Stores	0.95
5943	Stationery Stores	0.95
5944	Jewelry Stores	0.95
5945	Hobby, Toy, and Game Shops	0.95
5946	Camera and Photographic Supply Stores	0.95
5947	Gift, Novelty, and Souvenir Shops	0.95
5948	Luggage and Leather Goods Stores	0.95
5949	Sewing, Needlework, and Piece Goods Stores	0.95
5961	Catalog and Mail-Order Houses	0.95
5962	Automatic Merchandising Machine Operator	0.95
5963	Direct Selling Establishments	1.05
5983	Fuel Oil Dealers	1.05
5984	Liquefied Petroleum Gas (Bottled Gas) Dealers	1.05
5989	Fuel Dealers, NEC	1.05
5992	Florists	0.95

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
5993	Tobacco Stores and Stands	0.95
5994	News Dealers and Newsstands	0.95
5995	Optical Goods Stores	0.95
5999	Miscellaneous Retail Stores, NEC	0.95
6011	Federal Reserve Banks	0.90
6019	Central Reserve Depository Institutions, NEC	0.90
6021	National Commercial Banks	0.90
6022	State Commercial Banks	0.90
6029	Commercial Banks, NEC	0.90
6035	Savings Institutions, Federally Chartered	0.90
6036	Savings institutions, Not Federally Chartered	0.90
6061	Credit Unions, Federally Chartered	0.90
6062	Credit Unions, Not Federally Chartered	0.90
6081	Branches and Agencies of Foreign Banks	0.90
6082	Foreign Trade and International Banking Institutions	0.90
6091	Nondeposit Trust Facilities	0.95
6099	Functions Related to Deposit Banking, NEC	0.90
6111	Federal and Federally-Sponsored Credit Agencies	0.90
6141	Personal Credit Institutions	0.90
6153	Short-Term Business Credit Institutions, Except Agricultural	0.90
6159	Miscellaneous Business Credit Institutions	0.90
6162	Mortgage Bankers and Loan Correspondents	0.90
6163	Loan Brokers	0.90
6211	Security Brokers, Dealers, and Flotation Companies	0.95
6221	Commodity Contracts Brokers and Dealers	0.95
6231	Security and Commodity Exchanges	0.95
6282	Investment Advice	0.95
6289	Services Allied With the Exchange of Securities or Commodities, NEC	0.95
6311	Life Insurance	0.90
6321	Accident and Health Insurance	0.90
6324	Hospital and Medical Service Plans	0.90
6331	Fire, Marine, and Casualty Insurance	0.90
6351	Surety Insurance	0.90
6361	Title Insurance	0.90
6371	Pension, Health, and Welfare Funds	0.95
6399	Insurance Carriers, NEC	0.90
6411	Insurance Agents, Brokers, and Service	1.00
6512	Operators of Nonresidential Buildings	1.15
6513	Operators of Apartment Buildings	1.10
6514	Operators of Dwellings Other Than Apartment Buildings	1.10
6515	Operators of Residential Mobile Home Sites	1.10
6517	Lessors of Railroad Property	1.10
6519	Lessors of Real Property, NEC	1.10
6531	Real Estate Agents and Managers	1.10
6541	Title Abstract Offices	1.00
6552	Land Subdividers and Developers, Except Cemeteries	1.00
6553	Cemetery Subdividers and Developers	0.95
6712	Offices of Bank Holding Companies	0.90
6719	Offices of Holding Companies, NEC	0.90
6722	Management Investment Offices, Open-End	0.90
6726	Unit Investment Trusts, Face-Amount Certificate Offices, and Closed-End Management Investment Offices	0.90
6732	Education, Religious, and Charitable Trusts	0.90
6733	Trusts, Except Educational, Religious, and Charitable	0.95
6792	Oil Royalty Traders	0.95
6794	Patent Owners and Lessors	0.90

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
6798	Real Estate Investment Trusts	0.90
6799	Investors, NEC	0.95
7011	Hotels and Motels	1.15
7021	Rooming and Boarding Houses	1.15
7032	Sporting and Recreational Camps	1.15
7033	Recreational Vehicle Parks and Campsites	1.15
7041	Organization Hotels and Lodging Houses, on Membership Basis	1.15
7211	Power Laundries, Family and Commercial	1.15
7212	Garment Pressing, and Agents for Laundries and Drycleaners	1.15
7213	Linen Supply	1.15
7215	Coin-Operated Laundries and Drycleaning	1.15
7216	Drycleaning Plants, Except Rug Cleaning	1.15
7217	Carpet and Upholstery Cleaning	1.10
7218	Industrial Launderers	1.15
7219	Laundry and Garment Services, NEC	1.15
7221	Photographic Studios, Portrait	0.95
7231	Beauty Shops	1.10
7241	Barber Shops	1.05
7251	Shoe Repair Shops and Shoeshine Parlors	1.00
7261	Funeral Services and Crematories	0.95
7291	Tax Return Preparation Services	0.90
7299	Miscellaneous Personal Services, NEC	1.05
7311	Advertising Agencies	1.05
7312	Outdoor Advertising Services	1.05
7313	Radio, Television, and Publishers' Advertising Representatives	1.05
7319	Advertising, NEC	1.05
7322	Adjustment and Collection Services	0.95
7323	Credit Reporting Services	0.95
7331	Direct Mail Advertising Services	1.00
7334	Photocopying and Duplicating Services	0.95
7335	Commercial Photography	0.95
7336	Commercial Art and Graphic Design	0.95
7338	Secretarial and Court Reporting Services	0.95
7342	Disinfecting and Pest Control Services	1.15
7349	Building Cleaning and Maintenance Services, NEC	1.10
7352	Medical Equipment Rental and Leasing	0.95
7353	Heavy Construction Equipment Rental and Leasing	1.00
7359	Equipment Rental and Leasing, NEC	0.95
7361	Employment Agencies	0.95
7363	Help Supply Services	0.95
7371	Computer Programming Services	0.90
7372	Prepackaged Software	0.90
7373	Computer Integrated Systems Design	0.90
7374	Computer Processing and Data Preparation and Processing Services	0.95
7375	Information Retrieval Services	0.95
7376	Computer Facilities Management Services	0.90
7377	Computer Rental and Leasing	0.95
7378	Computer Maintenance and Repair	1.00
7379	Computer Related Services, NEC	0.90
7381	Detective, Guard, and Armored Car Services	1.00
7382	Security Systems Services	1.00
7383	News Syndicates	1.05
7384	Photofinishing Laboratories	0.95
7389	Business Services, NEC	0.95
7513	Truck Rental and Leasing, Without Drivers	1.10

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
7514	Passenger Car Rental	1.10
7515	Passenger Car Leasing	1.10
7519	Utility Trailer and Recreational Vehicle Rental	1.10
7521	Automobile Parking	1.10
7532	Top, Body, and Upholstery Repair Shops and Paint Shops	1.10
7533	Automotive Exhaust System Repair Shops	1.10
7534	Tire Retreading and Repair Shops	1.05
7536	Automotive Glass Replacement Shops	1.10
7537	Automotive Transmission Repair Shops	1.10
7538	General Automotive Repair Shops	1.10
7539	Automotive Repair Shops, NEC	1.10
7542	Carwashes	1.10
7549	Automotive Services, Except Repair and Carwashes	1.10
7622	Radio and Television Repair Shops	1.00
7623	Refrigeration and Air-Conditioning Services and Repair Shops	1.00
7629	Electrical and Electronic Repair Shops, NEC	1.00
7631	Watch, Clock, and Jewelry Repair	1.00
7641	Reupholstery and Furniture Repair	1.00
7692	Welding Repair	1.00
7694	Armature Rewinding Shops	0.95
7699	Repair Shops and Related Services, NEC	1.00
7812	Motion Picture and Video Tape Production	0.95
7819	Services Allied to Motion Picture Production	0.95
7822	Motion Picture and Video Tape Distribution	0.95
7829	Services Allied to Motion Picture Distribution	0.95
7832	Motion Picture Theaters, Except Drive-In	0.95
7833	Drive-In Motion Picture Theaters	0.95
7841	Video Tape Rental	0.95
7911	Dance Studios, Schools, and Halls	1.05
7922	Theatrical Producers (Except Motion Picture) and Miscellaneous Theatrical Services	1.10
7929	Bands, Orchestras, Actors, and Other Entertainers and Entertainment Groups	1.15
7933	Bowling Centers	1.15
7941	Professional Sports Clubs and Promoters	1.15
7948	Racing, Including Track Operations	1.15
7991	Physical Fitness Facilities	1.15
7992	Public Golf Courses	1.15
7993	Coin-Operated Amusement Devices	1.15
7996	Amusement Parks	1.15
7997	Membership Sports and Recreation Clubs	1.15
7999	Amusement and Recreation Services, NEC	1.10
8011	Offices and Clinics of Doctors of Medicine	1.15
8021	Offices and Clinics of Dentists	1.15
8031	Offices and Clinics of Doctors of Osteopathy	1.15
8041	Offices and Clinics of Chiropractors	1.15
8042	Offices and Clinics of Optometrists	1.15
8043	Offices and Clinics of Podiatrists	1.15
8049	Offices and Clinics of Health Practitioners, NEC	1.15
8051	Skilled Nursing Care Facilities	1.15
8052	Intermediate Care Facilities	1.15
8059	Nursing and Personal Care Facilities, NEC	1.15
8062	General Medical and Surgical Hospitals	1.15
8063	Psychiatric Hospitals	1.15
8069	Specialty Hospitals, Except Psychiatric	1.15
8071	Medical Laboratories	1.05
8072	Dental Laboratories	1.00

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
8082	Home Health Care Services	1.15
8092	Kidney Dialysis Centers	1.15
8093	Specialty Outpatient Facilities, NEC	1.15
8099	Health and Allied Services, NEC	1.05
8111	Legal Services	0.95
8211	Elementary and Secondary Schools	1.05
8221	Colleges, Universities, and Professional Schools	1.05
8222	Junior Colleges and Technical Institutes	1.05
8231	Libraries	0.90
8243	Data Processing Schools	0.95
8244	Business and Secretarial Schools	0.95
8249	Vocational Schools, NEC	0.95
8299	Schools and Educational Services, NEC	0.95
8322	Individual and Family Social Services	1.00
8331	Job Training and Vocational Rehabilitation Services	1.00
8351	Child Day Care Services	1.00
8361	Residential Care	1.15
8399	Social Services, NEC	1.00
8412	Museums and Art Galleries	1.05
8422	Arboreta and Botanical or Zoological Gardens	1.05
8611	Business Associations	1.15
8621	Professional Membership Organizations	1.15
8631	Labor Unions and Similar Labor Organizations	1.15
8641	Civic, Social, and Fraternal Associations	1.15
8651	Political Organizations	1.15
8661	Religious Organizations	1.15
8699	Membership Organizations, NEC	1.10
8711	Engineering Services	0.90
8712	Architectural Services	0.90
8713	Surveying Services	0.90
8721	Accounting, Auditing, and Bookkeeping Services	0.90
8731	Commercial Physical and Biological Research	0.95
8732	Commercial Economic, Sociological, and Educational Research	0.95
8733	Noncommercial Research Organizations	0.95
8734	Testing Laboratories	0.90
8741	Management Services	0.95
8742	Management Consulting Services	0.90
8743	Public Relations Services	1.05
8744	Facilities Support Management Services	0.95
8748	Business Consulting Services, NEC	0.90
8811	Private Households	1.15
8999	Services, NEC	0.95
9111	Executive Offices	1.15
9121	Legislative Bodies	1.15
9131	Executive and Legislative Offices, Combined	1.15
9199	General Government, NEC	1.15
9211	Courts	1.15
9221	Police Protection	1.15
9222	Legal Counsel and Prosecution	1.15
9223	Correctional Institutions	1.15
9224	Fire Protection	1.15
9229	Public Order and Safety, NEC	1.15
9311	Public Finance, Taxation, and Monetary Policy	1.15
9411	Administration of Educational Programs	1.15
9431	Administration of Public Health Programs	1.15

Appendix A

SIC Codes and Industry Factors		
SIC	SIC Description	SIC Fx
9441	Administration of Social, Human Resource and Income Maintenance Programs	1.15
9451	Administration of Veterans' Affairs, Except Health Insurance	1.15
9511	Air and Water Resource and Solid Waste Management	1.15
9512	Land, Mineral, Wildlife, and Forest Conservation	1.15
9531	Administration of Housing Programs	1.15
9532	Administration of Urban Planning and Community and Rural Development	1.15
9611	Administration of General Economic Programs	1.15
9621	Regulation and Administration of Transportation Programs	1.10
9631	Regulation and Administration of Communications, Electric, Gas, and Other Utilities	1.15
9641	Regulation of Agricultural Marketing and Commodities	1.15
9651	Regulation, Licensing, and Inspection of Miscellaneous Commercial Sectors	1.15
9661	Space Research and Technology	1.15
9711	National Security	1.15
9721	International Affairs	1.15

Appendix B

Demographic Adjustment Factors										
		Male								
TIER	Age	2T S	3T S	4T S	3T D	4T D	4T PC	2T F	3T F	4T F
0 - 24		0.3395	0.3395	0.3395	1.2591	1.3470	1.1866	1.7344	2.5299	2.6538
25 - 29		0.4068	0.4068	0.4068	1.3562	1.4945	1.2398	2.0644	2.6348	2.7746
30 - 34		0.4978	0.4978	0.4978	1.4225	1.6405	1.3087	2.3544	2.6995	2.8419
35 - 39		0.6108	0.6108	0.6108	1.4834	1.7633	1.4269	2.4629	2.6882	2.8284
40 - 44		0.7567	0.7567	0.7567	1.6802	1.9887	1.5347	2.5672	2.7667	2.8966
45 - 49		0.9659	0.9659	0.9659	2.0775	2.3412	1.7290	2.8084	3.0605	3.1845
50 - 54		1.3238	1.3238	1.3238	2.7038	2.8719	2.0546	3.1881	3.5356	3.6443
55 - 59		1.6963	1.6963	1.6963	3.3593	3.4471	2.3802	3.5925	4.0303	4.1194
60 - 64		2.2284	2.2284	2.2284	4.1862	4.2312	2.9050	4.2571	4.6220	4.6850
65 - 199		3.0976	3.0976	3.0976	5.4747	5.4928	3.8257	5.4856	5.6214	5.8211

		Female								
TIER	Age	2T S	3T S	4T S	3T D	4T D	4T PC	2T F	3T F	4T F
0 - 24		0.6814	0.6814	0.6814	1.4047	1.0665	1.7429	1.6468	2.2494	2.2447
25 - 29		0.9275	0.9275	0.9275	1.5599	1.3805	1.8797	1.9704	2.4575	2.5646
30 - 34		1.0772	1.0772	1.0772	1.6990	1.6348	1.9834	2.2917	2.6103	2.7539
35 - 39		1.0984	1.0984	1.0984	1.7268	1.8380	1.9518	2.3761	2.6164	2.7916
40 - 44		1.1528	1.1528	1.1528	1.8389	2.1320	1.9242	2.4839	2.7437	2.9431
45 - 49		1.3235	1.3235	1.3235	2.2498	2.6149	2.0506	2.7930	3.1288	3.3473
50 - 54		1.5560	1.5560	1.5560	2.8582	3.1632	2.2432	3.1900	3.6044	3.8262
55 - 59		1.8065	1.8065	1.8065	3.5479	3.7601	2.4398	3.6957	4.1750	4.3776
60 - 64		2.1569	2.1569	2.1569	4.3871	4.5268	2.7642	4.4182	4.7749	5.0278
65 - 199		2.6198	2.6198	2.6198	5.4825	5.5676	3.3491	5.4819	5.4797	6.4472

Average Contract Size										
		Male								
TIER	Age	2T S	3T S	4T S	3T D	4T D	4T PC	2T F	3T F	4T F
0 - 24		1.000	1.000	1.000	2.000	2.000	2.143	2.521	3.389	3.438
25 - 29		1.000	1.000	1.000	2.000	2.000	2.415	2.944	3.704	3.758
30 - 34		1.000	1.000	1.000	2.000	2.000	2.656	3.456	3.996	4.071
35 - 39		1.000	1.000	1.000	2.000	2.000	2.851	3.779	4.183	4.280
40 - 44		1.000	1.000	1.000	2.000	2.000	2.840	3.793	4.200	4.297
45 - 49		1.000	1.000	1.000	2.000	2.000	2.743	3.544	4.072	4.151
50 - 54		1.000	1.000	1.000	2.000	2.000	2.580	3.060	3.825	3.873
55 - 59		1.000	1.000	1.000	2.000	2.000	2.417	2.548	3.583	3.607
60 - 64		1.000	1.000	1.000	2.000	2.000	2.375	2.233	3.462	3.460
65 - 199		1.000	1.000	1.000	2.000	2.000	2.500	2.114	3.444	3.500

		Female								
TIER	Age	2T S	3T S	4T S	3T D	4T D	4T PC	2T F	3T F	4T F
0 - 24		1.000	1.000	1.000	2.000	2.000	2.227	2.405	3.417	3.500
25 - 29		1.000	1.000	1.000	2.000	2.000	2.415	2.726	3.583	3.706
30 - 34		1.000	1.000	1.000	2.000	2.000	2.674	3.178	3.819	3.972
35 - 39		1.000	1.000	1.000	2.000	2.000	2.816	3.425	3.948	4.147
40 - 44		1.000	1.000	1.000	2.000	2.000	2.750	3.355	3.907	4.084
45 - 49		1.000	1.000	1.000	2.000	2.000	2.602	3.091	3.773	3.904
50 - 54		1.000	1.000	1.000	2.000	2.000	2.433	2.698	3.565	3.638
55 - 59		1.000	1.000	1.000	2.000	2.000	2.259	2.316	3.341	3.368
60 - 64		1.000	1.000	1.000	2.000	2.000	2.143	2.093	3.143	3.167
65 - 199		1.000	1.000	1.000	2.000	2.000	2.500	2.129	3.333	3.500

The demographic factor input into Exhibit A of the Experience Rating Formula is determined by dividing the average subscriber demographic factor by the weighted average number of members per contract (using the demographic factors and average contract size from the tables above).

Appendix C

HRA/HSA Deductible Funding Adjustment Factors				
Single Deductible	51%-75% Funding		76%-100% Funding	
	HRA	HSA	HRA	HSA
\$1,000	1.20%	0.60%	2.40%	1.20%
\$1,250	1.30%	0.70%	2.60%	1.40%
\$1,500	1.30%	0.80%	2.70%	1.60%
\$1,750	1.40%	0.90%	2.80%	1.80%
\$2,000	1.50%	1.00%	2.90%	2.00%
\$2,250	1.90%	1.10%	3.70%	2.20%
\$2,500	2.30%	1.20%	4.50%	2.40%
\$2,750	2.70%	1.30%	5.30%	2.70%
\$3,000	3.10%	1.50%	6.10%	2.90%
\$3,250	3.10%	1.40%	6.10%	2.80%
\$3,500	3.10%	1.30%	6.10%	2.70%
\$3,750	3.10%	1.30%	6.10%	2.60%
\$4,000	3.10%	1.20%	6.10%	2.40%
\$4,250	2.90%	1.20%	5.90%	2.30%
\$4,500	2.80%	1.10%	5.70%	2.20%
\$4,750	2.70%	1.00%	5.40%	2.10%
\$5,000	2.60%	1.00%	5.20%	2.00%

MVP Health Care - Large Group Experience Rating Formula

I. Case Information		Date:	
Group Name:	<u>Input</u>	Effective Date:	<u>Input</u>
Group #:	<u>Input</u>		<u>Input</u>
Marketing Rep:	<u>Input</u>		
Underwriter:	<u>Input</u>		
II. Manual Pure Premium Calculation		Medical w/ Non-Pharmacy Riders	Pharmacy
1 - Manual Pure Premium	Addendum Value	Addendum Value	Addendum Value
2 - Industry Factor	Addendum Value	Addendum Value	Addendum Value
3 - Demographic Factor	Addendum Value	Addendum Value	Addendum Value
4 - Area Factor	Addendum Value	Addendum Value	n/a
5 - Manual Group Risk Assessment	Addendum Value	Addendum Value	Addendum Value
6 - HRA/HSA Funding Load Factor	Addendum Value	Addendum Value	Addendum Value
7 - Adjusted Manual Pure Premium	1.x2.x3.x4.x5.x6.		1.x2.x3.x5.x6.
			Total PMPM
III. Experience Pure Premium Calculation			
Experience Period Start Date	Input	Input	Input
Experience Period End Date	Input	Input	Input
Paid Through Date	Input	Input	Input
Midpoint of Experience Period	Input	Input	Input
Product Reflected in Experience	Input	Input	Input
Product in the Rate Quote	Input	Input	Input
Member Months	Input	Input	Input
Out-of-Area Subscribers	Input	Input	n/a
Claims Information			
1 - Date of Service Paid Claims	Input	Input	Input
2 - Composite Completion Factor Adjustment	Input	Input	Input
3 - Incurred Claims	1x2	1x2	1x2
4 - Other non fee for service medical expenses	Input	Input	n/a
5 - Pooling Level (PL)	Addendum Value	Addendum Value	n/a
6 - Actual Large Claims (Excess Over PL)	Input	Input	n/a
7 - Pharmacy Rebate Factor	n/a	Addendum Value	Addendum Value
8 - Incurred Claims Less Large Claims	3+4-6	3 x 7	3 x 7
9 - Trend Factor to MP of Projection Period	Addendum Value	Addendum Value	Addendum Value
10 - Trended Net Claims	8x9	8x9	8x9
11 - Trended pmpm Net Claims	10 / membermonths	10 / membermonths	10 / membermonths
Experience Adjustments			
12 - Demographic Adjustment (Carrier Replacement Only)	Addendum Value	Addendum Value	Addendum Value
13 - Prior Period Adjustment, if applicable	Value from Exhibit B	Value from Exhibit B	Value from Exhibit B
14 - Network Efficiency Factor	Addendum Value	Addendum Value	Addendum Value
15 - Benefit Adjustment	Addendum Value	Addendum Value	Addendum Value
16 - Pooling Charge %	Addendum Value	Addendum Value	n/a
17 - Adjusted pmpm Net Claims	product((11 thru 15) x (1+16))	product((11 thru 15) x (1+16))	product((11 thru 15) x (1+16))
18 - Covered Lives Assessment	Addendum Value	Addendum Value	n/a
19 - Indigent Care	Addendum Value	Addendum Value	n/a
20 - Experience Pure Premium	17 + 18 +19	17	17
			Total pmpm
IV. Employer Specific Premium Rates		Total	
Blending the Manual Pure Premium and Experience			
1 - Adjusted Manual Pure Premium	6 From Section II		
2 - Experience Pure Premium	20 From Section III		
3 - Experience Credibility Weight	Addendum Value		
4 - Blended Pure Premium	2x3 + 1x(1-3)		
5 - Group Risk Assessment Factor	Addendum Value		
6 - Retrospective Financial Underwriting Factor	Addendum Value		
7 - Network Access Fee	Addendum Value		
8 - Retention Charges excluding Premium Tax	Addendum Value		
9 - Premium Taxes	Addendum Value		
10 - Group Required Pure Premium	4x5+6+7+8+9		
Premium Rate Development			
	<u>Single</u>	<u>EE/SP</u>	<u>EE/Ch(ren)</u>
11 - Employer Specific Loading Factors	Computed as illustrated in Exhibit C based on the Group's desired rate ratios/census		
12 - Final Premium Rates	10x11	10x11	10x11
			10x11
V. Minimum Premium Funding			
	<u>Single</u>	<u>EE/SP</u>	<u>EE/Ch(ren)</u>
1 - Final Premium Rates	From Section IV., line 12		
2 - Retention Rate	From Section IV., lines 8+9 x Employer Specific Loading Factors		
3 - Claims Liability Rate	1-2		
4 - Claims Fluctuation Margin	Addendum Value		
6 - Maximum Monthly Premium Liability	3X4		

MVP Health Care - Large Group Experience Rating Formula - Two Periods of Experience calculation

Group Name:	<input type="text" value="Input"/>	Date:	<input type="text" value="Input"/>
Group #:	<input type="text" value="Input"/>	Effective Date:	<input type="text" value="Input"/>
Marketing Rep:	<input type="text" value="Input"/>		
Underwriter:	<input type="text" value="Input"/>		

	Medical Claims		Pharmacy Claims	
	Period 1	Period 2	Period 1	Period 2
Experience Pure Premium Calculation				
Experience Period Start Date	Input	Input	Input	Input
Experience Period End Date	Input	Input	Input	Input
Paid Through Date	Input	Input	Input	Input
Midpoint of Experience Period	Input	Input	Input	Input
Product Reflected in Experience	Input	Input	Input	Input
Product in the Rate Quote	Input	Input	Input	Input
Member Months	Input	Input	Input	Input
Claims Information				
1 - Date of Service Paid Claims	Input	Input	Input	Input
2 - Composite Completion Factor Adjustment	Input	Input	Input	Input
3 - Incurred Claims	1x2	1x2	1x2	1x2
4 - Other non fee for service medical expenses	Input	Input	n/a	n/a
5 - Pooling Level (PL)	Addendum Value	Addendum Value	n/a	n/a
6 - Actual Large Claims (Excess Over PL)	Input	Input	n/a	n/a
7 - Incurred Claims Less Large Claims	3+4-6	3+4-6	n/a	n/a
8 - Trend Factor to MP of Projection Period	Addendum Value	Addendum Value	Addendum Value	Addendum Value
9 - Trended Net Claims	7x8	7x8	3x8	3x8
10 - Trended pmpm Net Claims	9 / membermonths	9 / membermonths	9 / membermonths	9 / membermonths
Experience Adjustments				
11 - Demographic Adjustment (Carrier Replacement Only)	Addendum Value	Addendum Value	Addendum Value	Addendum Value
12 - Network Efficiency Factor	Addendum Value	Addendum Value	Addendum Value	Addendum Value
13 - Benefit Adjustment	Addendum Value	Addendum Value	Addendum Value	Addendum Value
14 - Pharmacy Rebate Factor	n/a	n/a	Addendum Value	Addendum Value
15 - Pooling Charge %	Addendum Value	Addendum Value	n/a	n/a
16 - Adjusted pmpm Net Claims	product(11 thru 13) x (1+15)	product(11 thru 13) x (1+15)	product(11 thru 14) x (1+15)	product(11 thru 14) x (1+15)
Period Weight	Addendum Value	Addendum Value	Addendum Value	Addendum Value
Prior Period Adjustment Factor	P1 and P2 Weighted Average line 16 / P1 line 16		P1 and P2 Weighted Average line 16 / P1 line 16	

**MVP Health Care - Large Group
Loading Ratio Development**

2 Tier

	% of Contracts	Tier Ratio
Single	a	1.000
Family	b	w
Total	100%	y

	Single	Family
Sub Mem	c	d
Mem	e	f

Avg. Contract Size

g

2 Tier - Loading Factors

Single	A
Family	B

3 Tier

	% of Contracts	Tier Ratio
Single		
Double		
Family		
Total		

	Single	Double	Family
Sub Mem			
Mem			

Avg. Contract Size

--

3 Tier - Loading Factors

S
D
F

4 Tier

	% of Contracts	Tier Ratio
Single		
Double		
Parent		
Family		

	Single	Double	Parent	Family
Sub Mem				
Mem				

Avg. Contract Size

--

4 Tier - Loading Factors

S
D
P
F

2 Tier Loading Factor Example:

Percentage of single contracts
 Percentage of family contracts
 Average Contract Size
 Desired Family Tier Ratio
 Avg Unit of Revenue per Contract

$$a = c/(c+d)$$

$$b = d/(c+d)$$

$$g = (e+f)/(c+d)$$

$$w = \text{Desired relationship between Single and Family rate}$$

$$y = a \times 1 + b \times w$$

Single Loading Factor
 Family Loading Factor


$$A = g/y$$

$$B = w \times A$$

Certification of Compliance

I hereby certify that I have reviewed the applicable filing requirements for this filing and the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.

Print Name: Karla Austen Title: Executive Vice President & Interim CFO

Signature: 

Date: 08/12/14

Retired Claim Experience Analysis - Non-HDHP

	All Experience	Excluding Retired Plans
1) Experience Period Medical Claims PMPM	\$258.33	\$264.72
1a) Claims in Excess of \$100k over Experience Period	\$13.27	\$2.18
1b) Pooling Charge	1.074	1.074
2) IBNR Factor	1.042	1.042
3) Experience Period Incurred Medical Claims = [1) - 1a)] * 1b) * 2)	\$274.29	\$293.86

Retired Claim Experience Analysis - HDHP

	All Experience	Excluding Retired Plans
1) Experience Period Medical Claims PMPM	\$218.86	\$225.63
1a) Claims in Excess of \$100k over Experience Period	\$15.61	\$16.76
1b) Pooling Charge	1.074	1.074
2) IBNR Factor	1.024	1.024
3) Experience Period Incurred Medical Claims = [1) - 1a)] * 1b) * 2)	\$223.55	\$229.74

**Historical Rx Rebates as % of Rx Claims,
Vermont Large Group**

Product Type	Year	Rx Rebate %
EPO/PPO	2011	-8.6%
HDHP	2011	-13.5%
HMO/POS	2011	-12.0%
EPO/PPO	2012	-10.1%
HDHP	2012	-17.6%
HMO/POS	2012	-7.3%
EPO/PPO	2013	-9.3%
HDHP	2013	-25.3%
HMO/POS	2013	-10.5%

Large Group Experience Period MLR - AR42 vs. Total			
Market Segment	Incurred Claims*	Earned Premium	MLR
AR42 Only	\$302.15	\$367.04	82.3%
All Large Group	\$308.87	\$378.00	81.7%

*Note: payments associated with risk-share arrangements and other one-time expenses are included in this figure. These payments are not reflected in the rate development as they are not expected to occur again in 2015.

2014 Anticipated Loss Ratios		
	Large Group AR42	Large Group Total
A) Claims Expense	\$357.85	\$363.53
B) Taxes/Assessments	\$21.85	\$21.75
C) Quality Improvement	\$4.93	\$5.04
D) Premium	\$410.84	\$420.01
E) Traditional Loss Ratio = A / D	87.1%	86.6%
F) Federal Loss Ratio = $[A + C] / [D - B]$	93.3%	92.5%

Historical Actual-to-Expected Loss Ratios, VT LG AR42, 2011 - 2013

	2011	2012	2013
Projected Loss Ratio	80.8%	80.8%	80.7%
Actual Loss Ratio	96.0%	89.6%	82.3%

Administrative Expense Summary - Data Taken from Supplemental Health Care Exhibit
--

	VT Large Group - AR42 & AR44			
	Member Months	Premium PMPM	Admin PMPM	Expense Ratio
2010	222,832	\$343.13	\$38.74	11.3%
2011	182,773	\$326.54	\$36.06	11.0%
2012	136,049	\$335.21	\$33.62	10.0%
2013	118,563	\$363.04	\$39.18	10.8%

Admin PMPM reflects the following lines from Part I of the SHCE: 6.6, 8.3, 10.1, and 10.4



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August 25, 2014

Ms. Rita Tansen A.S.A., M.A.A.A
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: 1Q/2Q 2015 Large Group HIC rate filing
SERFF Tracking #: MVPH-129676042

Dear Ms. Tansen:

This letter is in response to your correspondence received 08/19/14 regarding the above mentioned rate filing. The verbal responses to your questions are provided below, and any numerical examples are included in the attached excel workbook with tabs corresponding to each numbered question.

1. We note that the experience of coplans that are now retired (such as VE001L, VE002L, etc as illustrated in page 6 of the actuarial memorandum) have been included in demonstrating revenue neutrality (Exhibit 3a) and in development of projected claims and re-sloped projected net revenue (Exhibit 3b). Additionally, experience period membership is used in revenue neutrality demonstration. We note that HDHP/non-HDHP membership in the experience period of 53%/47% is materially different from the corresponding current membership of 65%/35%.

i. Please submit an exhibit that demonstrates revenue neutrality with only non-retired coplans and current HDHP/non-HDHP membership.

ii. Please justify the appropriateness of using experience from retired coplans in Exhibit 3b. If non-retired coplans were used, how would the line items 1 and 2 change?

iii. The calculation of the re-sloped projected net revenue collected at Q4 2014 rate level in line item 15 of Exhibit 3b includes retired coplans as well. Please justify the appropriateness of this approach or provide a revised Exhibit that uses only non-retired plan rate levels.

Response: Please see the attached excel file for the impact of retired plans on the experience period claims shown in Exhibit 3b.

Calendar year 2013 claims and membership are the basis of MVP's claim projection. Therefore the product mix that drove the 2013 claim costs is the basis for determining the revenue requirement. Benefits are being re-sloped to better align the manual rates with the expected cost differences by plan based on the average allowed costs for the entire portfolio. Because the membership distribution has changed by product from the experience period to June 2014 and the proposed rate increases vary by product, the re-sloped manual rates based on current membership in active plans will not generate the same revenue as the 4Q 2014 manual rates would have produced.

Portfolios are actively managed as a regular course of business with plans retiring and new plans added from time to time. MVP does not think it is appropriate to ignore the claim experience of a portion of the community pool just because the benefits of these members are being retired. There is no greater likelihood that this membership will terminate coverage over membership in plans that aren't being retired.

MVP is addressing the fact that its membership mix by product has changed from the experience period to the current time period by re-weighting the suggested rate changes by the two categories of benefit plans (i.e. HDHP vs. non HDHP) using current membership. Given the shift in membership mix between the two product types, if the current



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member mix is not reflected, the calculated increase using the experience period weighting would be inadequate.

2. Please quantitatively reconcile the claims incurred in “Historical Med Claim Summ” worksheet with the Experience Period Medical Claims PMPM in Exhibit 3b (\$258.33 for non-HDHP and \$218.86 for HDHP plans).

Response: The raw historical medical claims shown on Exhibit 3b, line 1) do not include IBNR, while the supplemental Rolling 12 exhibits do include IBNR. Please see below:

	Non-HDHP	HDHP
Experience Pd Medical Claims PMPM (Exhibit 3b, line 1)	\$258.33	\$218.86
IBNR Factor	1.042	1.024
Incurred Medical Claims (Validates to Rolling 12 Exhibit)	\$269.21	\$224.14

3. Provide historic Rx rebates (as a percent of Rx claim experience) by product type for the experience period and preceding two years. Provide justification for the projected Rx rebates seen in Exhibit 3b.

Response: Please see the attached excel file. The 2013 Rx rebate percentage by product type (HDHP vs. Non-HDHP where Non-HDHP includes EPO/PPO/HMO) was multiplied by the projected Rx claims PMPM to obtain a projection of Rx rebates PMPM. Please see below:

	Non-HDHP	HDHP
Projected Rx claims PMPM	\$50.66	\$31.74
Rx rebate percentage, 2013	-9.4%	-25.3%
Rx rebates PMPM	\$4.75	\$8.03

4. In determining benefit relativity, the actuarial memorandum states: “Adjust for impact of family caps on the single benefit or aggregate nature of family benefit.” We are assuming this adjustment accounts for aggregate family deductible versus stacked deductible. Please demonstrate quantitatively this impact and illustrate where in the rate development this adjustment is being made.

Response: MVP’s benefit pricing model accounts for the impact of the aggregate family deductibles through factor adjustments to the deductible credits computed using member based claims distribution tables. The factor adjustments were computed from a pricing study using MVP’s historical claims. Using member based allowed claim detail for a 12 month period, net paid expenses were computed under various deductible and coinsurance scenarios assuming both member-based embedded deductibles and family-based (per contract based) aggregate deductibles. The relative cost difference between the two projected costs was the source of the factor adjustments for each deductible/coinsurance combination. The impact of this adjustment is included in the re-sloped manuals included in Exhibit 3a.

5. Please provide MVP’s 2013 MLR results for the AR42 block impacted by this rate filing and for the entire large group market segment in Vermont.

Response: Please see the attached excel file.

6. Please provide the anticipated 2014 unadjusted traditional loss ratio and federal adjusted loss ratio for the AR42 block impacted by this rate filing and for the entire large group market segment in Vermont.

Response: Please see the attached excel file.



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7. How many of your current groups are 100% experience rated versus those that use manual rates?

Response: MVP's only 100% experience rated group is Agriservices, and their experience is not utilized in this rate filing.

8. How many of your current groups are retrospectively rated? How has the change in surplus refund amount for group sizes of 251+ from 100% to 80% impacted rate development of these groups?

Response: There are no groups that are retrospectively rated.

9. Please provide historic actual-to-expected experience for the AR42 product.

Response: Please see the attached excel file.

10. What was the actual expense ratio over the 2010-2013 time periods if only large group business is considered?

Response: Please see the attached excel file.

If you have any questions or require any additional information, please contact me at 518-388-2483.

Sincerely,

A handwritten signature in black ink that reads "Matthew Lombardo".

Matthew Lombardo, FSA, MAAA
Actuarial Manager, Commercial Pricing
MVP Health Insurance Co., Inc.



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September 22, 2014

Ms. Rita Tansen A.S.A., M.A.A.A
Lewis & Ellis, Inc.
P.O. Box 851857
Richardson, TX 75085

Re: 1Q/2Q 2015 Large Group HIC rate filing
SERFF Tracking #: MVPH-129676042

Dear Ms. Tansen:

This letter is in response to your correspondence received 09/17/14 regarding the above mentioned rate filing. The verbal responses to your questions are provided below, and any numerical examples are included in the attached excel workbook with tabs corresponding to each numbered question.

1. Please supplement the 2013 traditional loss ratio provided in response to Question 5 of our earlier inquiry letter with a derivation of the adjusted federal loss ratio for the AR42 block impacted by this rate filing and for the entire large market segment in Vermont.

Response: Please see the attached excel file.

2. In prior filing of this product portfolio, a snapshot of the large group members was used to derive a blended rate increase for the HDHP and non-HDHP products. We are unable to match the proposed quarterly rate change of 0.2% in Exhibit 3 with the requested quarterly rate change in the actuarial memorandum (8.0% for PPO/EPO Medical, -3.2% for Rx riders, and -7.0% for HDHP). Please reconcile the development of the requested quarterly rate increase in the actuarial memorandum. If a non-HDHP/HDHP blended rate increase is not being requested in this filing, provide reasoning for the change in methodology and elaborate on whether the material rate increase requested for some plans (such as 15.1% for VE054L) is driven by benefit relativity changes and the decision to isolate rate increase by product type. Please illustrate your response using coplan VE054L as an example.

Response: The required revenue change by product shown on Exhibit 3b was determined using 2013 experience period data after re-sloping the 2013 benefits to be revenue neutral with the 4Q 2014 approved manual rates. The aggregate required revenue change was determined by re-weighting the required revenue change by product based on current enrollment which is consistent with previous rate filings.

Please see the attached excel file for a summary of the quarterly rate change calculations. The quarterly change shown on Exhibit 3b is derived from the re-sloped 4Q 2014 manual rates while the figures quoted in the actuarial memorandum are derived from the approved 4Q 2014 manual rates.

3. We note that "Annual Manual Rate Change" and "Quarterly Rate Change" in Exhibit 4a. Q1 are equal. Why is that so? Also, reconcile the quarterly change implied in Exhibit 4 for various benefit plans with the proposed rate increase of 0.2% in Exhibit 3.

Response: Please see the attached excel file for the derivation of annual rate changes as a function of quarterly rate changes for four coplans being offered.

4. For medical trend, we could reconcile the requested rate increase for 2Q15 with one quarter of 2015 medical paid trend. Please reconcile the requested rate change for Rx from 1Q15 to 2Q15 with the projected Rx trends.

Response: MVP applied one more quarter of 2015 trend to its Rx claim projection. Please see the attached excel file which contains the data displayed on Exhibit 2b trended to 2Q 2015.



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5. Please quantitatively derive the required annual rate change for 1Q15 and 2Q15, as listed in page 1 of the actuarial memorandum.

Response: Please see the attached excel file. There was a typographical error shown in the actuarial memorandum for the 1Q 2015 annual rate change for Rx riders. The memorandum shows a (4.5%) annual rate change, but it should have shown (3.4%). This typographical error has no impact on the development of rates.

If you have any questions or require any additional information, please contact me at 518-388-2483.

Sincerely,

A handwritten signature in black ink that reads "Matthew Lombardo".

Matthew Lombardo, FSA, MAAA
Actuarial Manager, Commercial Pricing
MVP Health Insurance Co., Inc.

Large Group Experience Period MLR - AR42 vs. Total						
Market Segment	Incurred Claims*	Earned Premium	Quality Improvement	Taxes/Assessments	Federal MLR	Traditional MLR
AR42 Only	\$302.15	\$367.04	\$4.40	\$7.34	85.2%	82.3%
All Large Group	\$308.87	\$378.00	\$4.54	\$6.98	84.5%	81.7%

*Note: payments associated with risk-share arrangements and other one-time expenses are included in this figure. These payments are not reflected in the rate development as they are not expected to occur again in 2015.

1Q 2015 Quarterly Rate Increase Summary

Coplan	Product Type	June 2014 Members	4Q 2014 Manual Rate Prior to Re-Sloping	Re-Sloped 4Q 2014 Manual Rate	1Q 2015 Manual Rate
VE021L	Non-HDHP	26	\$296.37	\$324.84	\$325.42
VE054L	Non-HDHP	68	\$260.00	\$298.73	\$299.26
VE060L	Non-HDHP	49	\$318.03	\$341.79	\$342.40
VP015L	Non-HDHP	10	\$370.59	\$386.84	\$387.53
VE085L	Non-HDHP	91	\$394.19	\$402.48	\$403.20
VE087L	Non-HDHP	217	\$379.87	\$393.84	\$394.54
VE089L	Non-HDHP	98	\$359.42	\$381.73	\$382.41
VE090L	Non-HDHP	187	\$324.73	\$345.42	\$346.03
VE092L	Non-HDHP	204	\$334.92	\$355.10	\$355.73
VE093L	Non-HDHP	17	\$296.37	\$324.84	\$325.42
VE096L	Non-HDHP	50	\$277.78	\$312.74	\$313.29
VE100L	Non-HDHP	68	\$286.05	\$320.00	\$320.57
VE103L	Non-HDHP	107	\$303.78	\$335.74	\$336.33
VE105L	Non-HDHP	71	\$313.94	\$346.63	\$347.25
VE107L	Non-HDHP	183	\$260.00	\$301.84	\$302.38
VE110L	Non-HDHP	144	\$276.03	\$310.32	\$310.87
VP063L	Non-HDHP	206	\$379.74	\$397.01	\$397.71
VP073L	Non-HDHP	29	\$254.56	\$304.86	\$305.40
VT08LA	Non-HDHP	6	\$387.64	\$400.60	\$401.31
VEHD-02L	HDHP	1,687	\$332.58	\$308.93	\$309.48
VEHD-03L	HDHP	912	\$262.73	\$243.69	\$244.12
VEHD-09L	HDHP	433	\$290.63	\$273.27	\$273.76
VEHD-15L	HDHP	74	\$287.50	\$275.45	\$275.94
VEHD-17L	HDHP	54	\$303.18	\$287.32	\$287.83
VEHD-18L	HDHP	24	\$353.24	\$318.70	\$319.26
VEHD-19L	HDHP	311	\$276.29	\$261.65	\$262.12
VPHD-05L	HDHP	376	\$341.47	\$313.74	\$314.30
VEHD-06L	Rx Rider	67	\$308.43	\$287.52	\$288.03
VEHD-07L	Rx Rider	332	\$351.15	\$318.50	\$319.07
VEHD-08L	Rx Rider	68	\$317.24	\$292.07	\$292.59

	Quarterly Increase Approved 4Q '14 Manuals	Quarterly Increase From Re-Sloped 4Q '14 Manuals
Non-HDHP Average Quarterly Change	8.0%	0.2%
HDHP Average Quarterly Change	-7.0%	0.2%

Annual Rate Increase Derivation from Quarterly Rate Changes					
	2Q 2014 / 1Q 2014	3Q 2014 / 2Q 2014	4Q 2014 / 3Q 2014	1Q 2015 / 4Q 2014	Annual Increase
VE060L	1.3%	-2.6%	1.3%	7.7%	7.7%
VP020L	1.3%	-2.6%	1.3%	6.3%	6.3%
VEHD-02L	1.4%	-2.6%	1.4%	-6.9%	-6.8%
VEHD-17L	1.4%	-2.6%	1.4%	-5.1%	-4.9%

2Q 2015 Rx Quarterly Trend Derivation				
<u>Rx Claim Information</u>	<u>Generic</u>	<u>Brand</u>	<u>Specialty</u>	<u>Total</u>
Experience Period Scripts / 1000	9,988	1,360	46	11,394
Experience Period Allowed PMPM	\$18.98	\$22.67	\$12.45	\$54.10
Experience Period Deductible PMPM	\$0.17	\$1.57	\$0.03	\$1.78
Experience Period Copay PMPM	\$4.84	\$3.05	\$0.13	\$8.02
Experience Period Coinsurance PMPM	\$0.01	\$0.57	\$0.08	\$0.66
Experience Period Cost Sharing PMPM	\$5.02	\$5.19	\$0.25	\$10.46
Experience Period Paid PMPM	\$13.96	\$17.48	\$12.21	\$43.65
Annual Util Trend	1.037	0.942	1.035	1.026
Annual Unit Cost Trend	0.984	1.113	1.120	1.039
Annual Deductible Trend	1.020	1.049	1.160	1.048
Annual Paid Trend	1.015	1.066	1.161	1.078
Months of Trend to Q1 2015	24	24	24	24
Projected Scripts / 1000 as of Q1 2015	10,737	1,207	49	11,993
Projected Allowed PMPM as of Q1 2015	\$19.76	\$24.92	\$16.74	\$61.42
Projected Deductible PMPM	\$0.18	\$1.73	\$0.04	\$1.95
Projected Copay PMPM	\$5.20	\$2.71	\$0.14	\$8.05
Projected Coinsurance PMPM	\$0.01	\$0.62	\$0.11	\$0.74
Projected Cost Sharing PMPM as of Q1 2015	\$5.39	\$5.06	\$0.30	\$10.75
Projected Paid PMPM as of Q1 2015	\$14.37	\$19.86	\$16.45	\$50.68
2015 Annual Util Trend	1.036	0.954	1.030	
2015 Annual Unit Cost Trend	0.982	1.101	1.131	
2015 Annual Deductible Trend	1.020	1.049	1.160	
Months of Trend to Q2 2015	3	3	3	
Projected Scripts / 1000 as of Q2 2015	10,832	1,193	49	12,074
Projected Allowed PMPM as of Q2 2015	\$19.84	\$25.23	\$17.40	\$62.47
Projected Deductible PMPM	\$0.18	\$1.75	\$0.05	\$1.97
Projected Copay PMPM	\$5.25	\$2.68	\$0.14	\$8.07
Projected Coinsurance PMPM	\$0.01	\$0.63	\$0.11	\$0.75
Projected Cost Sharing PMPM as of Q2 2015	\$5.44	\$5.06	\$0.30	\$10.80
Projected Paid PMPM as of Q2 2015	\$14.41	\$20.18	\$17.09	\$51.68

Q2/Q1 2015 Rx Quarterly Manual Rate Change 1.96%

1Q/2Q 2015 Annual Rate Increase Summary						
Coplan	Product Type	June 2014 Members	1Q 2014 Manual Rate	1Q 2015 Manual Rate	2Q 2014 Manual Rate	2Q 2015 Manual Rate
VE021L	HyEPO	26	\$296.40	\$325.42	\$300.25	\$330.30
VE054L	HyEPO	68	\$260.02	\$299.26	\$263.40	\$303.75
VE060L	HYEPO	49	\$318.06	\$342.40	\$322.19	\$347.53
VE085L	EPO	91	\$394.23	\$403.20	\$399.35	\$409.25
VE087L	EPO	217	\$379.90	\$394.54	\$384.84	\$400.46
VE089L	EPO	98	\$359.45	\$382.41	\$364.12	\$388.15
VE090L	HyEPO	187	\$324.76	\$346.03	\$328.98	\$351.22
VE092L	HyEPO	204	\$335.95	\$355.73	\$340.32	\$361.07
VE093L	HyEPO	17	\$296.40	\$325.42	\$300.25	\$330.30
VE096L	HyEPO	50	\$278.37	\$313.29	\$281.98	\$317.99
VE100L	HyEPO	68	\$288.07	\$320.57	\$291.82	\$325.38
VE103L	HyEPO	107	\$308.37	\$336.33	\$312.38	\$341.38
VE105L	HyEPO	71	\$320.88	\$347.25	\$325.05	\$352.45
VE107L	HyEPO	183	\$263.14	\$302.38	\$266.56	\$306.91
VE110L	HYEPO	144	\$276.60	\$310.87	\$280.20	\$315.53
VP015L	HyPPO	10	\$370.62	\$387.53	\$375.44	\$393.34
VP063L	HyPPO	206	\$382.81	\$397.71	\$387.79	\$403.68
VP073L	HyPPO	29	\$259.67	\$305.40	\$263.05	\$309.98
VT08LA	EPO	6	\$387.67	\$401.31	\$392.71	\$407.33
VEHD-02L	HDEPOagg	1,687	\$331.95	\$309.48	\$336.60	\$314.12
VEHD-03L	HDEPOagg	912	\$262.24	\$244.12	\$265.91	\$247.78
VEHD-06L	HDEPOagg	67	\$307.85	\$288.03	\$312.16	\$292.35
VEHD-07L	HDEPOagg	332	\$350.49	\$319.07	\$355.40	\$323.85
VEHD-08L	HDEPOagg	68	\$316.65	\$292.59	\$321.08	\$296.98
VEHD-09L	HDEPOagg	433	\$290.08	\$273.76	\$294.14	\$277.86
VEHD-15L	HDEPOagg	74	\$286.96	\$275.94	\$290.98	\$280.08
VEHD-17L	HDEPOagg	54	\$302.61	\$287.83	\$306.85	\$292.15
VEHD-18L	HDEPO	24	\$352.57	\$319.26	\$357.51	\$324.05
VEHD-19L	HDEPO	311	\$275.77	\$262.12	\$279.63	\$266.05
VPHD-05L	HDPPoagg	376	\$340.83	\$314.30	\$345.60	\$319.02
V500	Rx Rider	1,695	\$45.98	\$42.96	\$46.50	\$43.77
V501	Rx Rider	254	\$38.15	\$37.66	\$38.58	\$38.37
V502	Rx Rider	415	\$29.22	\$33.61	\$29.55	\$34.24
V601	Rx Rider	6	\$47.91	\$44.61	\$48.45	\$45.45
Non-HDHP Average Medical Manual			\$326.87	\$351.42	\$331.12	\$356.69
				7.5%		7.7%
Non-HDHP Average Rx Manual			\$42.21	\$40.76	\$42.69	\$41.53
				-3.4%		-2.7%
HDHP Average Manual			\$309.65	\$288.55	\$313.98	\$292.87
				-6.8%		-6.7%

State: VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name: VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number: /

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/22/2014		Supporting Document	Response to Objection Letter #2	09/23/2014	Response to Objection #2.pdf Response to Objection #2 - LG HIC Existing Prods L&E.pdf (Superseded) Response to Objection #2 - LG HIC Existing Prods L&E.xlsx (Superseded)
08/15/2014		Supporting Document	Actuarial Memorandum	09/25/2014	1Q 2015 ACT MEMO-HIC Large Group.pdf (Superseded) Rolling 12 Medical and Rx Data - LG HIC.pdf Rolling 12 Medical and Rx Data - LG HIC.xlsx VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.pdf VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.xlsx VT Experience Rated Addendum - 1Q 2015.pdf Experience Rating Formula Filing Exhibits A-C.pdf Appendices A-C.pdf
08/12/2014		Supporting Document	Actuarial Memorandum	08/15/2014	1Q 2015 ACT MEMO-HIC Large Group.pdf Rolling 12 Medical and Rx Data - LG HIC.pdf Rolling 12 Medical and Rx Data - LG HIC.xlsx VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.pdf VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.xlsx VT Experience Rated Addendum - 1Q 2015.pdf

SERFF Tracking #:

MVPH-129676042

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

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number:

/

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/12/2014		Supporting Document	Actuarial Memorandum	08/12/2014	1Q 2015 ACT MEMO-HIC Large Group.pdf Rolling 12 Medical and Rx Data - LG HIC.pdf Rolling 12 Medical and Rx Data - LG HIC.xlsx VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.pdf VT LG HIC Q1 & Q2 2015 Rate Filing - L&E.xlsx

SERFF Tracking #:

MVPH-129676042

State Tracking #:

Company Tracking #:

State:

VermontGMCB

Filing Company:

MVP Health Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002A Large Group Only - PPO

Product Name:

VT LG HIC Existing Products 1Q/2Q 2015

Project Name/Number:

/

Attachment Response to Objection #2 - LG HIC Existing Prods L&E.xlsx is not a PDF document and cannot be reproduced here.

Large Group Experience Period MLR - AR42 vs. Total						
Market Segment	Incurred Claims*	Earned Premium	Quality Improvement	Taxes/Assessments	Federal MLR	Traditional MLR
AR42 Only	\$302.15	\$367.04	\$4.40	\$7.34	85.2%	82.3%
All Large Group	\$308.87	\$378.00	\$4.54	\$6.98	84.5%	81.7%

*Note: payments associated with risk-share arrangements and other one-time expenses are included in this figure. These payments are not reflected in the rate development as they are not expected to occur again in 2015.

1Q 2015 Quarterly Rate Increase Summary

Coplan	Product Type	June 2014 Members	4Q 2014 Manual Rate Prior to Re-Sloping	Re-Sloped 4Q 2014 Manual Rate	1Q 2015 Manual Rate
VE001L	Non-HDHP	0	\$394.19	\$400.89	\$401.68
VE002L	Non-HDHP	0	\$388.71	\$397.17	\$397.95
VE003L	Non-HDHP	0	\$379.87	\$392.33	\$393.11
VE016L	Non-HDHP	0	\$324.73	\$345.16	\$345.84
VE020L	Non-HDHP	0	\$334.92	\$354.84	\$355.54
VE021L	Non-HDHP	26	\$296.37	\$324.60	\$325.24
VE031L	Non-HDHP	0	\$341.14	\$364.51	\$365.23
VE033L	Non-HDHP	0	\$277.78	\$310.08	\$310.69
VE036L	Non-HDHP	0	\$322.48	\$351.21	\$351.90
VE037L	Non-HDHP	0	\$286.05	\$319.76	\$320.39
VE038L	Non-HDHP	0	\$265.83	\$302.65	\$303.25
VE052L	Non-HDHP	0	\$313.94	\$346.37	\$347.05
VE054L	Non-HDHP	68	\$260.00	\$298.51	\$299.09
VE060L	Non-HDHP	49	\$318.03	\$341.53	\$342.20
VE063L	Non-HDHP	0	\$276.03	\$307.84	\$308.44
VE064L	Non-HDHP	0	\$171.85	\$191.03	\$191.40
VE065L	Non-HDHP	0	\$291.23	\$322.18	\$322.81
VE069EL	Non-HDHP	0	\$183.47	\$204.57	\$204.97
VE072AL	Non-HDHP	0	\$174.02	\$204.59	\$204.99
VF EPO-1L	Non-HDHP	0	\$224.80	\$271.89	\$272.43
VF EPO-2L	Non-HDHP	0	\$284.10	\$323.14	\$323.78
VP015L	Non-HDHP	10	\$370.59	\$390.23	\$391.00
VP019L	Non-HDHP	0	\$379.74	\$400.49	\$401.28
VP049L	Non-HDHP	0	\$277.31	\$319.07	\$319.70
VP050L	Non-HDHP	0	\$254.56	\$299.99	\$300.58
VP054L	Non-HDHP	0	\$262.50	\$307.46	\$308.07
VT03LA	Non-HDHP	0	\$387.64	\$399.08	\$399.87
VT03LB	Non-HDHP	0	\$387.64	\$399.08	\$399.87
VE085L	Non-HDHP	91	\$394.19	\$402.48	\$403.28
VE087L	Non-HDHP	217	\$379.87	\$393.84	\$394.61
VE089L	Non-HDHP	98	\$359.42	\$381.73	\$382.49
VE090L	Non-HDHP	187	\$324.73	\$345.42	\$346.10
VE092L	Non-HDHP	204	\$334.92	\$355.10	\$355.80
VE093L	Non-HDHP	17	\$296.37	\$324.84	\$325.48
VE096L	Non-HDHP	50	\$277.78	\$312.74	\$313.35
VE100L	Non-HDHP	68	\$286.05	\$320.00	\$320.63
VE103L	Non-HDHP	107	\$303.78	\$335.74	\$336.40
VE105L	Non-HDHP	71	\$313.94	\$346.63	\$347.31
VE107L	Non-HDHP	183	\$260.00	\$301.84	\$302.44
VE110L	Non-HDHP	144	\$276.03	\$310.32	\$310.93
VP063L	Non-HDHP	206	\$379.74	\$397.01	\$397.79
VP073L	Non-HDHP	29	\$254.56	\$304.86	\$305.46
VT08LA	Non-HDHP	6	\$387.64	\$400.60	\$401.38
VEHD-01L	HDHP	0	\$388.32	\$356.79	\$357.49
VEHD-02L	HDHP	1,687	\$332.58	\$308.70	\$309.54
VEHD-03L	HDHP	912	\$262.73	\$243.69	\$244.17
VEHD-09L	HDHP	433	\$290.63	\$273.07	\$273.81
VEHD-15L	HDHP	74	\$287.50	\$275.45	\$275.99
VEHD-17L	HDHP	54	\$303.18	\$287.32	\$287.89
VEHD-18L	HDHP	24	\$353.24	\$318.70	\$319.32
VEHD-19L	HDHP	311	\$276.29	\$261.65	\$262.17
VF HDHP-2L	HDHP	0	\$229.09	\$230.02	\$230.47
VF HDHP-3L	HDHP	0	\$244.89	\$246.03	\$246.52
VF HDHP-4L	HDHP	0	\$219.12	\$213.20	\$213.62
VPHD-05L	HDHP	376	\$341.47	\$313.74	\$314.36
VEHD-06L	Rx Rider	67	\$308.43	\$287.52	\$288.09
VEHD-07L	Rx Rider	332	\$351.15	\$318.50	\$319.13
VEHD-08L	Rx Rider	68	\$317.24	\$292.07	\$292.65

	Quarterly Increase Approved 4Q '14 Manuals	Quarterly Increase From Re-Sloped 4Q '14 Manuals
Non-HDHP Average Quarterly Change	8.0%	0.2%
HDHP Average Quarterly Change	-7.0%	0.2%

Annual Rate Increase Derivation from Quarterly Rate Changes					
	2Q 2014 / 1Q 2014	3Q 2014 / 2Q 2014	4Q 2014 / 3Q 2014	1Q 2015 / 4Q 2014	Annual Increase
VE060L	1.3%	-2.6%	1.3%	7.6%	7.6%
VP020L	1.3%	-2.6%	1.3%	6.4%	6.4%
VEHD-02L	1.4%	-2.6%	1.4%	-6.9%	-6.8%
VEHD-17L	1.4%	-2.6%	1.4%	-5.0%	-4.9%

2Q 2015 Rx Quarterly Trend Derivation				
<u>Rx Claim Information</u>	<u>Generic</u>	<u>Brand</u>	<u>Specialty</u>	<u>Total</u>
Experience Period Scripts / 1000	9,988	1,360	46	11,394
Experience Period Allowed PMPM	\$18.98	\$22.67	\$12.45	\$54.10
Experience Period Deductible PMPM	\$0.17	\$1.57	\$0.03	\$1.78
Experience Period Copay PMPM	\$4.84	\$3.05	\$0.13	\$8.02
Experience Period Coinsurance PMPM	\$0.01	\$0.57	\$0.08	\$0.66
Experience Period Cost Sharing PMPM	\$5.02	\$5.19	\$0.25	\$10.46
Experience Period Paid PMPM	\$13.96	\$17.48	\$12.21	\$43.65
Annual Util Trend	1.037	0.942	1.035	1.026
Annual Unit Cost Trend	0.984	1.113	1.120	1.039
Annual Deductible Trend	1.020	1.049	1.160	1.048
Annual Paid Trend	1.015	1.066	1.161	1.078
Months of Trend to Q1 2015	24	24	24	24
Projected Scripts / 1000 as of Q1 2015	10,737	1,207	49	11,993
Projected Allowed PMPM as of Q1 2015	\$19.76	\$24.92	\$16.74	\$61.42
Projected Deductible PMPM	\$0.18	\$1.73	\$0.04	\$1.95
Projected Copay PMPM	\$5.20	\$2.71	\$0.14	\$8.05
Projected Coinsurance PMPM	\$0.01	\$0.62	\$0.11	\$0.74
Projected Cost Sharing PMPM as of Q1 2015	\$5.39	\$5.06	\$0.30	\$10.75
Projected Paid PMPM as of Q1 2015	\$14.37	\$19.86	\$16.45	\$50.68
2015 Annual Util Trend	1.036	0.954	1.030	
2015 Annual Unit Cost Trend	0.982	1.101	1.131	
2015 Annual Deductible Trend	1.020	1.049	1.160	
Months of Trend to Q2 2015	3	3	3	
Projected Scripts / 1000 as of Q2 2015	10,832	1,193	49	12,074
Projected Allowed PMPM as of Q2 2015	\$19.84	\$25.23	\$17.40	\$62.47
Projected Deductible PMPM	\$0.18	\$1.75	\$0.05	\$1.97
Projected Copay PMPM	\$5.25	\$2.68	\$0.14	\$8.07
Projected Coinsurance PMPM	\$0.01	\$0.63	\$0.11	\$0.75
Projected Cost Sharing PMPM as of Q2 2015	\$5.44	\$5.06	\$0.30	\$10.80
Projected Paid PMPM as of Q2 2015	\$14.41	\$20.18	\$17.09	\$51.68

Q2/Q1 2015 Rx Quarterly Manual Rate Change 1.96%

1Q/2Q 2015 Annual Rate Increase Summary						
Coplan	Product Type	June 2014 Members	1Q 2014 Manual Rate	1Q 2015 Manual Rate	2Q 2014 Manual Rate	2Q 2015 Manual Rate
VE021L	HyEPO	26	\$296.40	\$325.24	\$300.25	\$330.12
VE054L	HyEPO	68	\$260.02	\$299.09	\$263.40	\$303.58
VE060L	HYEPO	49	\$318.06	\$342.20	\$322.19	\$347.34
VE085L	EPO	91	\$394.23	\$403.28	\$399.35	\$409.33
VE087L	EPO	217	\$379.90	\$394.61	\$384.84	\$400.53
VE089L	EPO	98	\$359.45	\$382.49	\$364.12	\$388.22
VE090L	HyEPO	187	\$324.76	\$346.10	\$328.98	\$351.29
VE092L	HyEPO	204	\$335.95	\$355.80	\$340.32	\$361.14
VE093L	HyEPO	17	\$296.40	\$325.48	\$300.25	\$330.36
VE096L	HyEPO	50	\$278.37	\$313.35	\$281.98	\$318.05
VE100L	HyEPO	68	\$288.07	\$320.63	\$291.82	\$325.44
VE103L	HyEPO	107	\$308.37	\$336.40	\$312.38	\$341.44
VE105L	HyEPO	71	\$320.88	\$347.31	\$325.05	\$352.52
VE107L	HyEPO	183	\$263.14	\$302.44	\$266.56	\$306.97
VE110L	HYEPO	144	\$276.60	\$310.93	\$280.20	\$315.59
VP015L	HyPPO	10	\$370.62	\$391.00	\$375.44	\$396.86
VP063L	HyPPO	206	\$382.81	\$397.79	\$387.79	\$403.76
VP073L	HyPPO	29	\$259.67	\$305.46	\$263.05	\$310.04
VT08LA	EPO	6	\$387.67	\$401.38	\$392.71	\$407.41
VEHD-02L	HDEPOagg	1,687	\$331.95	\$309.54	\$336.60	\$314.18
VEHD-03L	HDEPOagg	912	\$262.24	\$244.17	\$265.91	\$247.83
VEHD-06L	HDEPOagg	67	\$307.85	\$288.09	\$312.16	\$292.41
VEHD-07L	HDEPOagg	332	\$350.49	\$319.13	\$355.40	\$323.92
VEHD-08L	HDEPOagg	68	\$316.65	\$292.65	\$321.08	\$297.04
VEHD-09L	HDEPOagg	433	\$290.08	\$273.81	\$294.14	\$277.92
VEHD-15L	HDEPOagg	74	\$286.96	\$275.99	\$290.98	\$280.13
VEHD-17L	HDEPOagg	54	\$302.61	\$287.89	\$306.85	\$292.20
VEHD-18L	HDEPO	24	\$352.57	\$319.32	\$357.51	\$324.11
VEHD-19L	HDEPO	311	\$275.77	\$262.17	\$279.63	\$266.10
VPHD-05L	HDPPoagg	376	\$340.83	\$314.36	\$345.60	\$319.08
V500	Rx Rider	1,695	\$45.98	\$42.97	\$46.50	\$43.78
V501	Rx Rider	254	\$38.15	\$37.67	\$38.58	\$38.38
V502	Rx Rider	415	\$29.22	\$33.61	\$29.55	\$34.25
V601	Rx Rider	6	\$47.91	\$44.61	\$48.45	\$45.45
Non-HDHP Average Medical Manual			\$326.87	\$351.49	\$331.12	\$356.76
				7.5%		7.7%
Non-HDHP Average Rx Manual			\$42.21	\$40.77	\$42.69	\$41.54
				-3.4%		-2.7%
HDHP Average Manual			\$309.65	\$288.60	\$313.98	\$292.93
				-6.8%		-6.7%



ACTUARIAL MEMORANDUM

1st Quarter and 2nd Quarter 2015 Large Group AR42 Filing

Purpose

The purpose of this filing is to demonstrate the development of and seek approval of the manual pure premium rates for MVP Health Insurance Company's Large Group EPO/PPO and High Deductible EPO/PPO experience rated product portfolio. Manual pure premium rates are included for both 1st Quarter and 2nd Quarter 2015 effective dates. The rates are effective for 12 months. The Experience Rating Addendum is also included as part of this rate filing and changes effective for 1/1/2015 are noted below. Collectively the manual rates, the Addendum, and the filed and approved experience rating formula are used to derive group specific premium rates. This rate filing has been prepared to satisfy the requirements of 8 V.S.A § 5104 and is not intended to be used for other purposes.

Summary of Requested Rate Changes

The requested quarterly manual rate changes from the 4th Quarter approved manual rates vary by product and on average reflect the following change:

EPO/PPO Medical: 8.0%
 Rx riders: -3.2%
 HDHP: -7.0%

The average requested quarterly rate changes result in average annual rate changes for 1st Quarter group renewals as follows:

Q1 Renewal Impact			
	Medical Only	Rx Only	Medical + Rx
HD	-6.8%	N/A	-6.8%
Non-HD	7.5%	-4.5%	5.8%
		Total	-2.5%

The requested quarterly manual rate changes from the proposed 1st Quarter manual rates are:

EPO/PPO Medical: 1.5%
 Rx riders: 1.5%
 HDHP: 1.5%

The requested quarterly rate changes result in average annual rate changes for 2nd Quarter group renewals as follows:

Q2 Renewal Impact			
	Medical Only	Rx Only	Medical + Rx
HD	-6.7%	N/A	-6.7%
Non-HD	7.7%	-2.7%	6.2%
		Total	-2.4%

Large Group HIC Enrollment distribution by Renewal Quarter (as of June 2014)

1st Q: 70%
2nd Q: 11%
3rd Q: 5%
4th Q: 14%

Rate Slope Adjustment to Benefit Relativities

The manual rate changes vary due to a realignment of premium relativities by product to reflect more current expectations of benefit cost differences between benefit plans and between medical benefits versus pharmacy benefits. MVP recently revamped its benefit pricing tool with updated claim utilization data, claim distribution tables and factor tables. All benefit plans are valued based on a single risk pool of data with utilization adjustments only based on plan richness.

The basic steps of MVP's benefit relativity model are as follows:

1. Derive the plan pay and the member pay for a plan ignoring plan deductibles and OOPs.
2. Compute the cost of claims under the deductible and over the OOP using member based claim distribution tables and the member based single deductible/OOP for the plan
3. Adjust for impact of family caps on the single benefit or aggregate nature of family benefit. The effect of this adjustment is to reduce the deductible credits that are computed. The adjustment is based on a pricing study done to compare plan costs for member based benefits vs. member based benefits with a family cap vs. aggregate family benefits.
4. Adjust for impact of secondary Rx OOP max on qualified HDHPs.
5. Add back member cost share amounts assumed step #1 for the portions of the cost that are under the deductible and over the OOP.
6. The result of steps #1-5 is a final plan net paid amount.

Please see the table below for the range of annual manual rate changes proposed for 1Q 2015 base plans:

Q1 Range of Annual Manual Rate Changes			
	Min	Max	Average
HD	-9.5%	-3.8%	-6.8%
Non-HD	2.3%	17.6%*	7.5%

*Note: 1.4% of increase is due to mandated Federal OOP max regulation

Exhibit 3a demonstrates that the re-sloped manual rates are revenue neutral to the 4Q 2014 manual rates weighted on the experience period membership, calendar year 2013.

Development of Manual Pure Premium Rate Changes

Large group EPO/PPO and HDHP incurred claim data for the period 1/1/2013 – 12/31/2013 completed through 5/31/2014 was the basis for this rate development.

Exhibit 3b demonstrates the development of the proposed 3rd quarter rate action. Historical fee for service claims are adjusted to remove claims in excess of \$100,000 which are replaced with a pooling charge. The pooling charge being used can be found in the Experience Rating Addendum included with this rate filing. The adjusted claims are then projected to the rating period, and the impact of new benefit mandates, New York's paid claim surcharge expense (HCRA), and non-fee for service medical expenses not reflected in the experience period data are added to the claim projection. Experience period Rx claims are then projected to the rating period. Gross Rx claims are adjusted for the impact of mandates not yet reflected in the experience period data and rebates are removed from the projected claim

cost. The projected net claims are then normalized for the block's age/gender factor and industry factor over the experience period.

Note, the Vermont paid claim surcharge is not included in the manual rate for large groups because it is included in the Retention Section of the Experience Rating Addendum and added to the final blended group rate (as a percentage of the blended pure premium) along with the other Retention items. New York HCRA expense for the experience portion of a group's rate development is based on the group's actual facility claims subject to the tax.

The projected rating period required manual pure premium is compared to the re-sloped 4Q 2014 manual pure premium from Exhibit 3a to indicate the suggested quarterly manual rate change. This analysis is done separately for the HDHP experience block and the EPO/PPO experience block and blended together to determine the proposed book of business quarterly manual rate change. Because the current distribution of membership between HDHP and EPO/PPO products is different than the distribution over the experience period membership, MVP is using a current snapshot of large group members to derive a blended rate increase.

The expected non fee for service medical expenses added to the projection reflect costs associated with net reinsurance expense, Wellstyle Rewards program administrative expense, PCP incentive payments and Medical Home, Healthways capitation expense, and other miscellaneous MVP claim expenses not included in the historical experience period data such as manual checks, FFS write offs and Massachusetts surcharges.

Benefit mandates impacting the projection include the mental health/substance abuse PCP copay mandate and the Rx OOP maximum mandate (Bill H559). The impacts of each are outlined below:

Copay Adjustment for Mental Health/Substance Abuse

New legislation has been passed by the State of VT requiring carriers to charge a plan's PCP copay for mental health and substance abuse (MH/SA) claims taking place in the outpatient or office setting. MVP re-priced its experience period MH/SA claims to reflect this modification which resulted in \$0.08 PMPM being added to the starting claim cost for non-HDHPs in 2015. MVP's experience period HDHP claims were not impacted by this mandate.

Bill H559 Impact

Bill H559 was effective beginning with October 2012 renewals. Included in this regulation is a new out of pocket maximum for prescription drug expenses. This mandate is applicable to drug rider coverage, as well as drug coverage that is part of an integrated benefit plan.

MVP has learned that claim adjustments attributable to Bill H559 were not being processed within MVP's claim system during the experience period driving this rate filing. Therefore, an adjustment to the experience period claims was needed. To quantify the impact of this mandate, MVP analyzed member level drug claims over the experience period. MVP captured amounts paid by members in excess of the Rx OOP maximum. The sum of these amounts was trended to the projection period to quantify the impact of this mandate on drug claims in 2015.

Trend Factors

The development of annual medical paid claim trend factors is illustrated in Exhibit 2a. Consistent with recently submitted filings, MVP is applying 0% utilization trend to its medical data. Regression analysis has been performed on MVP's utilization data in the past, and it was concluded that the predictive ability of the historical utilization trends was weak and not reliable. The assumed unit cost trends reflect known and assumed price increases from MVP's provider network. The 2014 unit cost trend factors are consistent with the unit cost trend factors used in MVP's recently submitted 2015 Exchange filing.

In addition to the medical cost inflation rate assumed from the historical experience period to the rating period, an adjustment is needed to reflect the impact of cost share leveraging on the carrier's share of the medical cost. Leveraging is a result of the fixed nature of deductibles and copays in health benefit plans. When there are fixed member deductibles and copays, the carrier bears a greater portion of the cost of medical inflation. Therefore, an additional factor adjustment is made to the trend assumption to capture this cost.

The trend applied to the deductible portion of the experience period was derived using the distribution of claims for MVP's VT book of business. Claims below the average deductible amount over the experience period were trended at the applicable allowed trend rate while claims greater than the deductible were held flat. The average HDHP deductible over the experience period is \$3,426 and the average non-HDHP deductible over the experience period is \$2,686.

Annual Rx trend factors split by generic, brand and specialty drugs are also illustrated in Exhibit 2a. These trend factors were supplied by MVP's pharmacy vendor and reflect their best estimate of MVP's expected changes to pharmacy costs and drug utilization. Supporting documentation illustrating how the Rx trends shown on Exhibit 2a were converted to paid trends can be found in Exhibits 2b and 2c.

The 2015 specialty unit cost trend has increased since MVP submitted its 2015 Exchange filing. MVP had conversations with its pharmacy vendor regarding the assumed impact of Sovaldi on its specialty trend. The pharmacy vendor's trend did not adequately capture the impact of Sovaldi based on an analysis performed on MVP's commercial book of business over the first four months of 2014 and an adjustment was made to account for this change. MVP increased its specialty trend by 4.1% to account for the shortfall of the vendor's trend.

Experience Rating Addendum and Experience Rating Formula

Included with the Manual Rate filing is the Experience Addendum and Experience Rating Formula which includes all of the applicable rating factors and the formula used to generate group specific premium rates. The following items have been updated in the Addendum to be effective 1/1/2015:

- Trend – 2014 and 2015 medical and Rx trend rates were restated to align with the most recent trend projections used in the manual rate development.
- Covered Lives Assessment – The 2015 covered lives assessment represents a 5% increase over the 2014 assessment. When New York State finalizes the 2015 covered lives assessment, MVP will update the addendum accordingly.
- Retention Expenses – The Federal Reinsurance Fee for 2016 is an estimate and equals \$2.00 PMPM. When HHS issues guidance on the fee for 2016, MVP will update the addendum accordingly.
- Retrospective Rating – MVP has modified the surplus refund amount for group sizes of 251+ from 100% to 80% and modified the risk charge to 1.0% for all group sizes.

Retention Expenses

Retention expenses are illustrated in the Addendum. See above for changes to this section.

2Q 2015 Rate Tables

The trend factor used to derive the 2Q 2015 manual rate table reflects 3 months of the annualized 2015 paid claim trend. Essentially this is the same result as projecting the experience period data an extra 3 months to the midpoint of the 2Q rating period.

Supplemental Exhibits

Also included with this filing is a historical claim and membership summary for the past 36 months grouped into rolling 12 month periods. The data is shown by product type (HDHP vs non-HDHP) and also aggregated for the entire Large Group AR42 block. Incurred claims from January 2011 – December 2013 completed through May 31, 2014 are reflected in the data.

Mandated Benefit Changes – Coplan Level Modifications

The out-of-pocket maximum for the following coplans have been modified to comply with federal regulations:

Coplan	2015 OOP Max	2014 OOP Max
VE085L	\$5,300	\$6,350
VE087L	\$5,300	\$6,350
VE088L	\$5,300	\$6,350
VE089L	\$5,300	\$6,350
VE091L	\$5,300	\$6,350
VE096L	\$5,300	\$6,350
VE101L	\$5,300	\$6,000
VE107L	\$5,300	\$6,000
VE108L	\$5,300	\$6,350
VE110L	\$5,300	\$6,350
VE111L	\$5,300	\$6,350
VE114L	\$5,300	\$6,350
VE115L	\$5,300	\$6,350
VP062L	\$5,300	\$6,350
VP066L	\$5,300	\$6,350
VP067L	\$5,300	\$6,350
VP072L	\$5,300	\$6,350
VP073L	\$5,300	\$6,350
VT08LA	\$5,300	\$6,350
VT08LB	\$5,300	\$6,350
VT08LC	\$5,300	\$6,350

Retirements

The following coplans are being removed from this filing as they will no longer be offered to large groups in Vermont: VE001L, VE002L, VE003L, VE004L, VE006L, VE016L, VE018L, VE020L, VE031L, VE032L, VE033L, VE034L, VE035L, VE036L, VE037L, VE038L, VE047L, VE048L, VE050L, VE052L, VE053L, VE058L, VE063L, VE065L, VE075L, VE076L, VE079L, VE080L, VE086L, VE094L, VE097L, VE098L, VE099L, VE104L, VE112L, VE113L, VP016L, VP032L, VP033L, VP034L, VP036L, VP037L, VP038L, VP048L, VP049L, VP050L, VP051L, VP053L, VP054L, VP064L, VP068L, VP069L, VP070L, VP074L, VP076L, VP077L, VT03LA, VT03LB, VT03LC, VT04LA, VT04LB, VT04LC, VT07LA, VT07LB, VT07LC, VT09LA, VT09LB, VT09LC, VT10LA, VT10LB, VT10LC, VEHD-04L, VEHD-05L, VEHD-12L, VEHD-13L, VEHD-14L, VEHD-24L, VEHD-39L, VEHD-40L, VPHD-04L, VPHD-06L, VPHD-08L, VPHD-12L, VPHD-14L.

Actuarial Certification

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, inadequate, nor unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.



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Actuarial Manager, Commercial Pricing
MVP Health Insurance Co, Inc.

08/11/2014

Date