

First Priority Life Insurance Company – Individual Plans

Rate request filing ID 1A-DP-16-FPLIC, # HGHM-130536965 - This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at <http://www.insurance.pa.gov/Consumers/ACARelatedFilings/>

Overview

Requested average rate change:	38.8%
Range of requested rate change:	38.8%
Effective date:	1/1/17
People impacted:	833
Available in:	Rating Area 3

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$157,787,475*
Claims	\$175,061,001*
Administrative expenses	\$23,552,518
Company made (before taxes)	(\$40,826,044)**

*Does not include reinsurance ceded.

**Includes transitional ACA reinsurance receivable.

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2017:

Claims:	84%
Administrative:	11%
Taxes & fees:	2%
Profit:	3%

The company expects its annual medical costs to increase **11.5%**.

Explanation of requested rate change

These premium rates are being set at a level that is required to adequately cover rising costs, primarily due to increasing use of medical and pharmacy services in the Individual market, the phase-out of the federal reinsurance program, and higher utilization of out-of-area providers.