

Freedom Life Insurance Company of America – Individual Plans

Rate request filing ID # USHG-130529943 - 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:	9.95%
Range of requested rate change:	9.95%
Effective date:	1/1/2017
People impacted:	0 lives
Available in:	Rating Areas 1, 3, 4, 5, 6, 7, 8 and 9

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$0
Claims	\$0
Administrative expenses	\$0
Company made (before taxes)	\$0

How it plans to spend your premium

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

Claims:	83.3%
Administrative:	18.4%
Taxes & fees:	2.04%
Profit:	-3.74%

The company expects its annual medical costs to increase **2.9%**.

Explanation of requested rate change

The rate increase applied to all plans is equal to 9.95% and is due to an increase in medical cost and utilization of 4.4% and the elimination of the Federal Transitional Reinsurance Program in 2017 resulting in a 6.27% increase. This rate increase is not based on financial experience but reflects the rate we feel that will adequately meet projected profit and financial goals of the company while maintaining the reasonableness of benefits provided to customers in relation to the premiums charged. There are no changes in administrative costs that affect the rates.