

First Priority Life Insurance Company – Small Group Plans

Rate request filing ID # HGHM-130536975 - 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:	11.1%
Range of requested rate change:	-7.6% to 17.5%
Effective date:	January 1, 2017
People impacted:	4,448
Available in:	Rating Area 3

Key information

Jan. 2015-Dec. 2015 financial experience

Premiums	\$185,881,054
Claims	\$163,344,816
Administrative expenses	\$12,683,507
Company made (before taxes)	\$9,852,731

The company expects its annual medical costs to increase **8.9%**.

How it plans to spend your premium

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

Claims:	83.1%
Administrative:	7.4%
Taxes & fees:	4.5%
Profit:	5.0%

Explanation of requested rate change

The primary drivers of the rate increase were an increase in projected claims from 2016 to 2017 and added benefits, offset by cost sharing changes from 2016 to 2017.