

State:	Pennsylvania	Filing Company:	Freedom Life Insurance Company of America
TOI/Sub-TOI:	H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)		
Product Name:	EHB Plan		
Project Name/Number:	2016 EHB Rates/		

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Cherri Sanders-Jones	07/31/2015	07/31/2015
Additional Information Needed	Cherri Sanders-Jones	06/02/2015	06/02/2015

Response Letters

Responded By	Created On	Date Submitted
Daniel Cruz	08/06/2015	08/06/2015
Daniel Cruz	06/04/2015	06/10/2015

State: Pennsylvania **Filing Company:** Freedom Life Insurance Company of America
TOI/Sub-TOI: H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)
Product Name: EHB Plan
Project Name/Number: 2016 EHB Rates/

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/31/2015
Submitted Date	07/31/2015
Respond By Date	08/07/2015

Dear Diana Ivie,

Introduction:

July 31, 2015

Tom Kennedy, ASA, MAAA
Vice President and Actuary
3100 Burnett Plaza
801 Cherry Street, Unit 33
Fort Worth, TX 76102

RE: Freedom Life Insurance Company of America
Individual - Preferred Provider (PPO) - EHB-2016-IP-PA-FLIC & EHBC-2016-IP-PA-FLIC
Received: May 6, 2015 SERFF ID# USHG-130034201

Dear Mr. Kennedy:

The Pennsylvania Insurance Department has received and conducted a review of the above captioned filing. In order to complete the review, we are requesting the following information. To facilitate a timely review, we request this information be provided within 7 days of the date of this letter. If you have any questions or difficulties in providing the information within this time frame, please call me.

- 1.Regarding your response to question 1, you did not respond to the following: Will only one policy be offered per household? If multiple policies are offered per household, how will the 3 child maximum be administered?
 - 2.Please provide the rates template in the Rate/Rule Schedule tab.
 - 3.In response to question #9, you indicated that the trend for Pennsylvania was calculated as a blend of an internal trend study and the 2015 Segal Health Care Cost Trend Study. While you provided the 2015 Segal Health Care Cost Trend Study, I could not locate the internal study. Please provide the internal study and support for the internal trend assumption of 15%.
 - 4.Please discuss why you believe the rate development methodology described in response to several of the questions in my June 2, 2015 letter, meets the guidance provided by CMS in the 2016 Unified Rate Review Instructions.
 - 5.Please provide the 2014 nationwide experience, with runout through the most recent date available, and show the adjustments you believe are necessary to develop the 2016 Index Rate. Please provide support for all adjustments, including the adjustments made to reflect the Pennsylvania specific market. Please ensure that the 2016 rate development is consistent with the guidance provided in the 2016 Unified Rate Review Instructions. Additionally, provide the total number of member months in the 2014 nationwide experience period?
 - 6.Please be advised that each time the URRT is changed in SERFF, the URRT in HIOS must also be updated. Please acknowledge your understanding and certify that you are in compliance.
- Response to this request should be provided via SERFF in Microsoft Excel spreadsheets (version 2010 or less) where data or rate development is required. Please retain all formulas.

Should you have any questions regarding this correspondence, please contact me at csandersjo@pa.gov or by telephone at (717) 787-5172.

Sincerely,

State: Pennsylvania **Filing Company:** Freedom Life Insurance Company of America
TOI/Sub-TOI: H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)
Product Name: EHB Plan
Project Name/Number: 2016 EHB Rates/

Cherri Sanders-Jones
Actuarial Review Division
Bureau of Accident & Health Insurance

Conclusion:

Sincerely,
Cherri Sanders-Jones

State: Pennsylvania Filing Company: Freedom Life Insurance Company of America
 TOI/Sub-TOI: H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)
 Product Name: EHB Plan
 Project Name/Number: 2016 EHB Rates/

Objection Letter

Objection Letter Status	Additional Information Needed
Objection Letter Date	06/02/2015
Submitted Date	06/02/2015
Respond By Date	06/16/2015

Dear Diana Ivie,

Introduction:

June 2, 2015

Tom Kennedy, ASA, MAAA
 Vice President and Actuary
 3100 Burnett Plaza
 801 Cherry Street, Unit 33
 Fort Worth, TX 76102

RE: Freedom Life Insurance Company of America
 Individual - Preferred Provider (PPO) - EHB-2016-IP-PA-FLIC & EHBC-2016-IP-PA-FLIC
 Received: May 6, 2015 SERFF ID# USHG-130034201

Dear Mr. Kennedy:

The Pennsylvania Insurance Department has received and conducted a review of the above captioned filing. In order to complete the review, we are requesting the following information. To facilitate a timely review, we request this information be provided within 14 days of the date of this letter. If you have any questions or difficulties in providing the information within this time frame, please call me.

1. Freedom has requested approval of a child only policy and a family policy with the same benefits. Will only one policy be offered per household? If multiple policies are offered per household, how will the 3 child maximum be administered? Please discuss the reasons for this proposal and what pricing differences would result if only one policy were offered to provide coverage for both children and adults. To what age is a child only policy offered?

2. Please provide the rates template in the Rate/Rule Schedule tab. Also, complete the Company Rate Information required in this tab.

3. The Actuarial Memorandum indicates that, "We believe we are in compliance with the Uniform Modification of Coverage exceptions under sections 2702 and 2703 of the Public Health Service Act as defined by 45 CFR 146.152, 147.106 and 148.122." Please discuss why you believe you are in compliance with the Uniform Modification of Coverage exceptions. Is the cumulative impact of the benefit change 2% or greater?

4. Please discuss the plan design changes (benefit and cost sharing) and why these changes have been proposed? What is the net cost change to benefits? Please provide the mapping illustration that shows the development of the 9.9% rate increase.

5. Please explain why there was no run-out for the experience period data. Please provide an exhibit showing the completion factors by month.

6. The actuarial memorandum indicates there are no changes in the benefit factor assumption from the 2015 URRT – Section II projection period; however the 2016 URRT shows a factor of 25.9%, while the 2015 URRT shows a factor of 27.7%. Please review and revise as necessary.

7. Please provide a numeric illustration, in Excel, of the Changes in Demographics as discussed on page 5 of the actuarial memorandum.

8. Please provide an Excel exhibit that shows the development of the age calibration of 1.444 and the tobacco adjustment of .991.

9. What is the basis for the trend selection of 9.6% (6.3% cost and 3.1% utilization)? Please provide support.

10. What is the basis for the monthly base rate in Exhibit A.1? Please provide a discussion and show the development.

11. In the Credibility Manual Rate Development section VI you indicate that nationwide experience of the non-grandfathered major

State: Pennsylvania **Filing Company:** Freedom Life Insurance Company of America
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medical plans for affiliate companies is used. How was this data adjusted to be Pennsylvania specific?

12.Regarding the Credibility Manual Rate Development section VI, please provide an Excel exhibit that shows the nationwide experience and all adjustments used in the development of the Index Rate of \$558.82. What was the total number of member months for the experience period?

13.Please be advised that each time the URRT is changed in SERFF, the URRT in HIOS must also be updated. Please acknowledge your understanding and certify that you are in compliance.

14.Does your company offer transitional policies in Pennsylvania? If so, what markets (individual and/or small group). Please provide the SERFF # for the approved transitional rate filing(s) and the number of transitional members enrolled in each market as of April 1, 2015.

15.Under what pricing assumptions regarding the King v. Burwell Supreme Court Case has your filing been made? Please provide an actuarial narrative and justification regarding the rate impact for the alternate decision.

Response to this request should be provided via SERFF in Microsoft Excel spreadsheets (version 2010 or less). Please retain all formulas.

Please be advised that there may be additional questions based on the responses to the above.

Should you have any questions regarding this correspondence, please contact me at csandersjo@pa.gov or by telephone at (717) 787-5172.

Sincerely,

Cherri Sanders-Jones
Actuarial Review Division
Bureau of Accident & Health Insurance

Conclusion:

Sincerely,
Cherri Sanders-Jones

SERFF Tracking #:	USHG-130034201	State Tracking #:	USHG-130034201	Company Tracking #:	2016 PA EHB & EHBC FLIC RATES OFF EXCHG
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State:	Pennsylvania	Filing Company:	Freedom Life Insurance Company of America
TOI/Sub-TOI:	H16I Individual Health - Major Medical/H16I.005A Individual - Preferred Provider (PPO)		
Product Name:	EHB Plan		
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Supporting Document Schedules

Satisfied - Item:	Public Viewing Documents
Comments:	
Attachment(s):	20160101_PA_EHB_Act_Memo_Part_III_FLIC_Rev_20150818_REDACTED.pdf PA_FLIC_2016_Monthly_Rate_Tables_Rev_20150818.pdf
Item Status:	
Status Date:	
Satisfied - Item:	20150731 Public Viewing Objection Response
Comments:	
Attachment(s):	20150731 PA EHB Objection Response FLIC_Redacted.pdf 2016 Trend Exhibit_Redacted.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Cover letter for Amendment 0% increase
Comments:	
Attachment(s):	PA FLIC EHB 2016 cover letter for revisions no increase.pdf
Item Status:	
Status Date:	

Freedom Life Insurance Company of America
Actuarial Memorandum for Policy Form
EHB-2016-IP-PA-FLIC & EHBC-2016-IP-PA-FLIC

I. GENERAL INFORMATION

Insurance Company Name	Freedom Life Insurance Company of America
State	Pennsylvania
HIOS Issuer ID	89958
Market	Individual Major Medical
Effective Date	January 1, 2016
Primary Contact Name	Tom Kennedy
Primary Contact Phone #	[REDACTED]
Primary Contact E-mail Address	[REDACTED]

The rates included in this filing are for non-grandfathered individual major medical plans and child only non-grandfathered individual major medical plans which cover the Essential Health Benefits (EHB) as required under the Affordable Care Act (ACA). These plans are guaranteed issue and guaranteed renewable as defined under the ACA and HIPAA. These plans are marketed through licensed agents operating through a variety of distribution channels. In 2016, our insurance company will only sell plans outside of the public health exchanges in this state. Coverage beyond age 65 will be secondary to Medicare. Premiums are on an attained age basis and will increase with age. Premiums also vary by plan design, tobacco status and geographic area. In 2016, only the oldest three dependents under age 21 will be charged a premium rate for a given policy. This actuarial memorandum has been prepared for the purpose of demonstrating compliance with the applicable requirements in your state, assuring that premium rates are reasonable in relation to benefits provided. This rate filing is not intended to be used for other purposes.

Freedom Life Insurance Company of America has a previous product approved for plan year 2015 under the product name EHB-2015-IP-PA-FLIC. Changes in the product necessitated the filing of a new form EHB-2016-IP-PA-FLIC. This filing proposes new rates for the new form EHB-2016-IP-PA-FLIC. The new rates are the same as the previously approved 2015 rates. We believe we are in compliance with the Uniform Modification of Coverage exceptions under sections 2702 and 2703 of the Public Health Service Act as defined by 45 CFR 146.152, 147.106 and 148.122.

II. PROPOSED RATE INCREASE

The net total premium increase proposed for these policy forms is 0%.

III. EXPERIENCE PERIOD PREMIUM AND CLAIMS

The Unified Rate Review Template was completed using state and legal entity specific non-grandfathered experience in order to comply with the Department of Health and Human Services (HHS) requirements. For the purpose of estimating the average risk of the 2016 market, experience of our non-grandfathered major medical plans for all of our affiliate companies Freedom Life Insurance Company of America, National Foundation Life Insurance Company, and Enterprise Life Insurance Company was reviewed together. This combined experience was used in order to develop an actuarially appropriate prediction of the market wide per member per month risk and standardized claim cost in 2016.

Experience Period: The experience period is from January 1, 2014 through December 31, 2014.

Paid Through Date: The paid through date for which payments have been made on claims incurred during the experience period is December 31, 2014

Premiums (Net of MLR Rebate) in Experience Period: In the Unified Rate Review Template, the Earned Premium net of Medical Loss Ratio (MLR) rebates for the Calendar Year 2014 experience period was [REDACTED] for your state. Earned Premium was not adjusted for any reductions prescribed when calculating the MLR, such as taxes and assessments. There were no estimated MLR rebates for the experience period in your State. Our accounting department estimates accrued premium refunds required under Federal Minimum Loss Ratio regulations for our Individual Medical insurance business by projecting Incurred Claims, Earned Premiums, and other elements and applying adjustments as outlined in Federal laws and regulations. These projections are performed on a state and market level basis and recent claims experience is adjusted for estimated claims reserves on a state level basis.

Allowed and Incurred Claims During the Experience Period: For the Unified Rate Review Template (URRT), the amount of Incurred Claims processed through our claim system for the experience period 2014 was [REDACTED] for your state. The best estimate of experience period claims incurred but not reported was [REDACTED] for your state. The amount of allowed claims processed through our claim system for the experience period 2014 was [REDACTED] 6 for your state. The best estimate of experience period allowed claims incurred but not paid as of the paid through date shown above was [REDACTED] for your state. Allowed claims are developed by subtracting ineligible charges and discounts from the total provider billed amount. We have no capitation agreements. All state experience provided in the URRT is based on our entity specific non-grandfathered block of business. See the Credibility Manual Rate Development section below for details on how the Credibility Manual section of Worksheet 1 of the URRT was determined.

Our accounting department develops lag triangles for our nationwide individual medical experience. Historical averages are used in order to calculate our monthly completion factors. Specific large claims are also analyzed and additional reserves may be set up based on anticipated PPO savings and run-out for those claims.

IV. BENEFIT CATEGORIES

Inpatient services are those received during a patient's hospital stay and are included in the Inpatient Hospital Category. Outpatient services (e.g. lab tests, X-rays, and some surgical services) are those rendered by a facility within an outpatient setting. Professional services include primary care, specialist, therapy and other professional charges that are not included in facility fees. Other Medical services include charges for items that do not fall into the categories above, such as ambulance and durable medical equipment. The Other category is measured based upon distinct services or items provided. Retail and mail order pharmacy claims are included in the Prescription Drug category.

V. PROJECTION FACTORS

Changes in the Morbidity of the Insured Population: There are no changes in the morbidity assumption used in the approved 2015 rates. However, the application of the assumption has changed as the 2014 experience includes ACA compliant products. The morbidity assumption is applied to the transitional non-grandfathered portion of the 2014 experience and the factor shown in the URRT reflects this change. The ACA will cause significant changes in average risk of the population insured in the Individual Market (IM). Some drivers of the population change will be guaranteed issue, the individual mandate, underwriting and rating changes and the availability of premium subsidies for lower income consumers. In addition, average morbidity will increase because issuers are no longer allowed to exclude coverage for pre-existing conditions. The insured population will also be changing due to uninsured individuals moving into the market because of subsidies, currently insured individuals in the group market whose employers are directing them to the individual exchange, individuals forgoing coverage until mandate becomes more punitive, and individuals moving over from high risk pools and conversion markets. We estimated the impact of these changes on the morbidity of the insured population in your state to be [REDACTED]. We utilized the data within the "Cost of the Future Newly Insured under the Affordable Care Act (ACA)" study prepared by Optum Health and commissioned by the Society of Actuaries and internal risk studies in order to assess possible scenarios and develop our assumption. In addition, we compared our estimates against various industry studies in order to validate the reasonableness of our results. Data is still unavailable to analyze this assumption, this morbidity load reflects our best estimate at this time.

Changes in Benefits: There are no changes in the benefits factor assumption used in the approved 2015 rates. However, the application of the assumption has changed as the 2014 experience includes ACA compliant products. The change in benefits factor assumption is applied to the transitional non-grandfathered portion of the 2014 experience and the factor shown in the URRT reflects this change. The adjustment in the URRT of [REDACTED] within our pricing and claim projection is used to include new and expanded benefits in accordance with the EHB requirements of the ACA. These are differences in benefits between the new EHB plan and our non-grandfathered major medical plans that were utilized for our allowed claims estimates. The table below lists the estimated additional cost associated with each new benefit. These estimates are based upon purchased data and experience of a standard population. The estimated additional benefit costs below represent the percentage increase applied to the transitional non-grandfathered policies only:

Benefit Estimated Additional Cost

Benefit	Percentage
Maternity	[REDACTED]
Prescription Drug	[REDACTED]
Mental Health & Substance Abuse	[REDACTED]
Dental	[REDACTED]
Doctor's Office Visits	[REDACTED]
Vision	[REDACTED]
All Other	[REDACTED]
Total	[REDACTED]

Changes in Demographics: No changes in demographics were made from the assumption used in the approved 2015 rates. Differences in expected average area of the population are also applied to the base period claims experience to project 2016 experience. An average area factor was derived by applying 2012 annualized premium to the existing area factors. The experience period allowed claims were adjusted by the relativity of the state average area factor to the nationwide average area factor to reflect differences in overall average expected claim costs for your state.

Trend Factors (cost/utilization): Our trend assumption utilized in our projections is 9.6% and was estimated based on current trend analysis studies. The estimated portion of this assumption due to increases in medical cost is [REDACTED], and the estimated portion due to increased utilization is [REDACTED] (These portions are multiplicative).

VI. CREDIBILITY MANUAL RATE DEVELOPMENT

The Credibility Manual Rate reflects the nationwide experience of our non-grandfathered major medical plans for our affiliate companies. Allowed claims per member per month (PMPM) were calculated from this experience and adjusted to reflect the 2016 projected allowed claims. The Changes in Demographics factor described in Section V is applied to the Credibility Manual in order to reflect your states expected morbidity. All pricing components, including the base experience period data, are applied consistently across the single risk pool in the state and market for 2016.

VII. CREDIBILITY OF EXPERIENCE

Our standard for fully credible data is 2,000 life years, with less than 500 life years having no credibility. For life years between 500 and 2,000 life years, credibility is linearly interpolated from 0% at 500 life years to 100% at 2,000 life years. Credibility in your state is equal to [REDACTED].

VIII. PAID TO ALLOWED RATIO

Our paid to allowed ratio was estimated using our internal continuance tables for the plan benefits for each metal tier. The estimated paid to allowed ratio was [REDACTED] for Bronze. We projected 2016 enrollment given only one plan option, and assumed a [REDACTED] shock lapse on existing business for 2016 based upon the higher rates due to new essential health benefits and guaranteed issue requirements.

IX. RISK ADJUSTMENT AND REINSURANCE

Risk Adjustment: We have developed manual rates for a 1.0 average statewide risk and assumed that our company would enroll average risk individuals. Therefore, no risk adjustment PMPM payment is assumed in 2016. The Risk Adjustment Admin fee is \$1 per member per year and we assumed this amount to be negligible and therefore did not account for it in our pricing but still included a [REDACTED] PMPM charge in the URRT.

Reinsurance Recoveries: In 2016, the ACA has a Reinsurance Program that will reimburse carriers 50% of claim costs between \$90,000 and \$250,000 per member. We have made a negative [REDACTED] adjustment to our expected claim costs within our pricing in order to account for expected reinsurance recoveries. This adjustment is consistently applied across all plans within the state. Our reinsurance recovery assumption was developed using analysis on our internal claims. The exposure and claim data was limited to members that had complete data and were on a non-capitated basis. In addition, the claim data for each member was trended to 2016. The reinsurance formula was applied by member, and the result was divided by total paid claims on the same adjusted basis. This process was done to estimate a reinsurance recovery factor for each plan metal level. The final composite factor was developed based upon our

expected mix of metal level business.

Reinsurance Contributions: The Reinsurance Program is funded by a fee of \$2.25 per member per month. We have increased our expected claim costs within our pricing development by [REDACTED] in order to cover this fee. In order to maintain compliance with the required relativity of prices by age, we have applied the adjustment on a multiplicative basis. Our adjustment factor was developed by dividing \$2.25 by the expected total per member per month claim costs in the state. The reinsurance factor of [REDACTED] is multiplied by the [REDACTED] load for the \$2.25 reinsurance fee resulting in a net reinsurance factor of [REDACTED].

Tobacco Normalization Factor: In order to use a tobacco load for smokers we have adjusted the projected index by [REDACTED]. Based on current Non-Grandfathered Major Medical experience, we estimated only [REDACTED] of projected members would be smokers. The calibration would be [REDACTED]. The normalization factor is equal to [REDACTED].

X. NON-BENEFIT EXPENSES AND PROFIT & RISK

Expenses are estimated based off of current costs, adjusted for any anticipated changes in 2016. The pricing load to cover these expenses is applied consistently across all plans.

Category	Percent of Premium
Customer Service, Claims Administration, & Information Systems	[REDACTED]
Marketing Expenses	[REDACTED]
General Overhead	[REDACTED]
Cost Containment	[REDACTED]
Commissions and Sales Bonus	[REDACTED]
Quality Improvement	[REDACTED]
Taxes, Fees, and State Assessments	[REDACTED]
Profit and Contingency Margin	[REDACTED]
Total	[REDACTED]

XI. PROJECTED LOSS RATIO

The projected loss ratio on a traditional Incurred Claims to Earned Premium basis is [REDACTED]. We project the loss ratio for these products based on the new MLR formula will meet or exceed 80%, after the allowed adjustments for quality improvement expenses, premium taxes & fees, credibility, and average deductible in your state.

XII. SINGLE RISK POOL

The Single Risk Pool for the individual major medical market in your state reflects experience for all covered lives for every non-grandfathered product/plan combination for all of our affiliate companies Freedom Life Insurance Company of America, National Foundation Life Insurance Company, and Enterprise Life Insurance Company.

XIII. INDEX RATE

The Index Rate of [REDACTED] is shown in cell V44 of worksheet 1 of the Unified Rate Review Template (URRT) and in the attachment “Index Rate Example PA”. This index rate reflects our expected allowed claims from our pricing assumptions.

XIV. MARKET ADJUSTED INDEX RATE

Our Market Adjusted Index Rate used in pricing is shown in the attachment “Index Rate Example PA”. Using the Risk Adjustment and Reinsurance Factor described in Section IX, the pricing Market Adjusted Index Rate as shown in “Index Rate Example PA” is calculated as follows:

[REDACTED]

XV. PLAN ADJUSTED INDEX RATE

The Plan Adjusted Index Rates are developed by adjusting the Market Adjusted Index Rate to account for the Actuarial Value and Cost Sharing adjustments for each plan and adjustments for distribution and administrative costs. Using the Actuarial Value and Cost Sharing Factors and the expenses described in Section X, the Plan Adjusted Index Rates are the following:

Bronze = [REDACTED]

XVI. CALIBRATION

An age curve calibration factor of [REDACTED] is used to adjust the Plan Adjusted Index Rates in order to calculate the Consumer Adjusted Premium Rates. There is no calibration needed to adjust for geography.

XVII. CONSUMER ADJUSTED PREMIUM RATE DEVELOPMENT

The Consumer Adjusted Premium Rate is the final premium rate for each plan that is charged to an individual after applying the calibration factors and the rating adjustments of age, area, and tobacco status. Please see the attached document “2016 Index Rate Example PA”.

XVIII. AV METAL VALUES

The HHS Actuarial Value Calculator (AVC) was used to generate the AV metal values for the plans in our portfolio. These plans represent the standardized plans promulgated by your state. We have attached the HHS AV calculator pages showing the calculated values for each metal plan.

XIX. AV PRICING VALUES

The AV pricing values were determined by studying our own internal continuance tables, in addition to an adjustment for utilization differences we expect due to plan cost sharing design. In the Actuarial Value Calculator Methodology document released by HHS, HHS states that spending is affected by plan design through induced demand, and they in turn have explicitly differentiated and estimated the impact of induced utilization by metal level. The HHS defined induced utilization factor for the Bronze metal level is 1.00. Since we don't have enough credible experience to determine separate induced utilization factors for each metal level, we are applying the prescribed HHS induced utilization factors used in the HHS risk score to our plans. These values are then divided by the projected loss ratio in order to account for the administrative expenses.

XX. MEMBERSHIP PROJECTIONS

We projected 2016 enrollment from the existing business by assuming a [REDACTED] shock lapse because of the higher rates due to new essential health benefits and guaranteed issue requirements. For new business, we analyzed current sales levels and projected anticipated sales of the new metal tier plans in 2016.

XXI. TERMINATED PRODUCTS

We have not made a final decision as to whether Non-Compliant Non-Grandfathered forms will be allowed to renew for 2016. For filing purposes we have grouped the transitional policies in the URRT and labeled them "Terminated Products". Non-grandfathered products HDHP-2009-C-PA-FLIC, USHG-2009-C-PA-FLIC, HDHP-06-C-PA-FLIC-H, USHG-2007-C-PA-FLIC, GMS-06-C-PA-FLIC-H, GMS-06-C-PA-FLIC-H-MEDSAV and HDHP-06-C-PA-FLIC-L may be discontinued as of 12/31/2015. These products are included in the experience period data.

The following Single Risk Pool ACA compliant products will be terminated:

EHB-2015-IP-PA-FLIC, 89958PA016

EHBC-2015-IP-PA-FLIC, 89958PA017

XXII. PLAN TYPE

All 2016 individual medical plans will be PPO plans.

XXIII. WARNING ALERTS

Warning alerts from the unified rate review template are explained below:

1. Worksheet 1 Cell H30 has a warning because of rounding of values.
2. Worksheet 2 Cells A54 and A56 have warnings because the premiums on Worksheet 1 include terminated plans while the premiums in Worksheet 2 do not. The URRT instructions for Worksheet 2 Plan Adjusted Index Rates say the following, "For terminated non-single risk pool compliant plans, enter zero in the template."

XXIV. EFFECTIVE RATE REVIEW INFORMATION

See the attachments for additional rating information.

XXV. RELIANCE

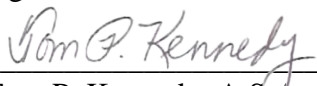
In developing this rate filing I relied upon information provided by others within my department, as well as on information provided by other departments within the organization, and public information available including but not limited to the "Cost of the Future Newly Insured under the Affordable Care Act (ACA)" study prepared by Optum Health, external trend studies, various HHS publications, and other sources. I have reviewed this information for reasonableness, and I consider it to be reliable.

XXVI. ACTUARIAL CERTIFICATION

I am a member of the American Academy of Actuaries. To the best of my knowledge and judgment,

1. This rate filing is in compliance with the applicable laws and regulations concerning premium rate development in this state and the benefits are reasonable in relation to premiums.
2. The projected index rate is:
 - a. In compliance with all applicable State and Federal Statutes and Regulations.
 - b. Developed in compliance with Actuarial Standards of Practice.
 - c. Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - d. Neither excessive nor deficient.
3. The index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.
4. The percent of total premium that represents essential health benefits included in Worksheet 2, Sections 3 and 4 were calculated in accordance with actuarial standards of practice.
5. The HHS AV Calculator was used to determine the AV Metal Values for all plans shown in Worksheet 2 of the Part I Unified Rate Review Template.
6. The geographic rating factors reflect only differences in the costs of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area.

This opinion is qualified, in that the Part I Unified Rate Review Template does not demonstrate the process used by the issuer to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.



Tom P. Kennedy, A.S.A., M.A.A.A.
Vice President and Actuary

August 18, 2015

Date

Freedom Life Insurance Company of America
Exhibit A.1
Rate Formula and Example

Rating Variables:

Bronze

Age 45

Non-Tobacco User

Rating Area 1

1/1/2016 Effective Date

Monthly Mode

<u>Formula</u>	<u>Value</u>
Monthly Base Rate	██████████
x Age Factor	██████████
x Tobacco Factor	██████████
x Actuarial Value Pricing Factor	██████████
x Area Factor	██████████
x Trend Factor	██████████
x Reinsurance Factor	██████████
x Modal Factor	██████████
Final Rate	<u>██████████</u>

A rate is calculated for each individual on the policy. However, only the oldest three child dependents under age 21 will be charged a premium rate.

Actual final rate may vary due to rounding.

Freedom Life Insurance Company of America
Exhibit A.2
Rate Formula and Example

Rating Variables:

Bronze

Age 17

Non-Tobacco User

Rating Area 1

1/1/2016 Effective Date

Monthly Mode

<u>Formula</u>	<u>Value</u>
Monthly Base Rate	
x Age Factor	
x Tobacco Factor	
x Actuarial Value Pricing Factor	
x Area Factor	
x Trend Factor	
x Reinsurance Factor	
x Modal Factor	
Final Rate	

A rate is calculated for each individual on the policy. However, only the oldest three child dependents under age 21 will be charged a premium rate.

Actual final rate may vary due to rounding.

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible? ☒
Apply Inpatient Copay per Day? ☐
Apply Skilled Nursing Facility Copay per Day? ☐
Use Separate OOP Maximum for Medical and Drug Spending? ☐
Indicate if Plan Meets CSR Standard? ☐
Desired Metal Tier

Bronze

HSA/HRA Options	Narrow Network Options
HSA/HRA Employer Contribution? <input type="checkbox"/>	Blended Network/POS Plan? <input type="checkbox"/>
Annual Contribution Amount:	1st Tier Utilization: 2nd Tier Utilization:

	Tier 1 Plan Benefit Design		
	Medical	Drug	Combined
Deductible (\$)			\$6,850.00
Coinurance (% , Insurer's Cost Share)			100.00%
OOP Maximum (\$)			\$6,850.00
OOP Maximum if Separate (\$)			

	Tier 2 Plan Benefit Design		
	Medical	Drug	Combined

[Click Here for Important Instructions](#)

Type of Benefit	Tier 1				Tier 2				Tier 1	Tier 2
	Subject to Deductible?	Subject to Coinsurance?	Coinurance, if different	Copay, if separate	Subject to Deductible?	Subject to Coinsurance?	Coinurance, if different	Copay, if separate	Copay applies only after deductible?	
Medical	<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Emergency Room Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
All Inpatient Hospital Services (inc. MHSA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialist Visit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Imaging (CT/PET Scans, MRIs)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Speech Therapy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rehabilitative Occupational and Rehabilitative Physical Therapy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preventive Care/Screening/Immunization	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>
Laboratory Outpatient and Professional Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
X-rays and Diagnostic Imaging	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Skilled Nursing Facility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Outpatient Surgery Physician/Surgical Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Drugs	<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All			<input type="checkbox"/> All	<input type="checkbox"/> All
Generics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Non-Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Specialty Drugs (i.e. high-cost)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments? <input type="checkbox"/>
Specialty Rx Coinsurance Maximum:
Set a Maximum Number of Days for Charging an IP Copay? <input type="checkbox"/>
Days (1-10):
Begin Primary Care Cost-Sharing After a Set Number of Visits? <input type="checkbox"/>
Visits (1-10):
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays? <input type="checkbox"/>
Copays (1-10):

Output

Calculate

Status/Error Messages:

Actuarial Value:

Metal Tier:

Calculation Successful.

59.02%

Bronze

Company Name: Freedom Life Insurance Company of America
 Product: 89958PA018
 Effective Date of Rates: January 1, 2016

Plan ID (On Exchange)=>	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Plan ID (Off Exchange)=>	89958PA0180001		89958PA0180001		89958PA0180001		89958PA0180001		89958PA0180001		89958PA0180001		89958PA0180001		89958PA0180001	
Form # =>	EHB-2016-IP-PA-FLIC		EHB-2016-IP-PA-FLIC		EHB-2016-IP-PA-FLIC		EHB-2016-IP-PA-FLIC		EHB-2016-IP-PA-FLIC		EHB-2016-IP-PA-FLIC		EHB-2016-IP-PA-FLIC		EHB-2016-IP-PA-FLIC	
Rating Area =>	1		3		4		5		6		7		8		9	
Network =>	GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO	
Metal =>	BRONZE		BRONZE		BRONZE		BRONZE		BRONZE		BRONZE		BRONZE		BRONZE	
Plan Name =>	Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze	
Deductible =>	\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850	
Coinsurance =>	100%		100%		100%		100%		100%		100%		100%		100%	
Copays =>	None		None		None		None		None		None		None		None	
In-Network OOP Maximum =>	\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850	
Pediatric Dental (Yes/No)	Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 20	\$171.16	\$171.16	\$175.91	\$175.91	\$163.12	\$163.12	\$164.22	\$164.22	\$197.83	\$197.83	\$187.60	\$187.60	\$190.34	\$190.34	\$172.26	\$172.26
21	\$269.68	\$323.62	\$277.16	\$332.60	\$257.02	\$308.42	\$258.74	\$310.49	\$311.70	\$374.04	\$295.58	\$354.70	\$299.90	\$359.88	\$271.41	\$325.69
22	\$269.68	\$323.62	\$277.16	\$332.60	\$257.02	\$308.42	\$258.74	\$310.49	\$311.70	\$374.04	\$295.58	\$354.70	\$299.90	\$359.88	\$271.41	\$325.69
23	\$269.68	\$323.62	\$277.16	\$332.60	\$257.02	\$308.42	\$258.74	\$310.49	\$311.70	\$374.04	\$295.58	\$354.70	\$299.90	\$359.88	\$271.41	\$325.69
24	\$269.68	\$323.62	\$277.16	\$332.60	\$257.02	\$308.42	\$258.74	\$310.49	\$311.70	\$374.04	\$295.58	\$354.70	\$299.90	\$359.88	\$271.41	\$325.69
25	\$270.63	\$324.75	\$278.13	\$333.76	\$257.92	\$309.50	\$259.65	\$311.58	\$312.79	\$375.35	\$296.62	\$355.94	\$300.95	\$361.14	\$272.36	\$326.83
26	\$276.02	\$331.22	\$283.67	\$340.41	\$263.05	\$315.67	\$264.82	\$317.79	\$319.02	\$382.83	\$302.53	\$363.03	\$306.95	\$368.34	\$277.78	\$333.34
27	\$282.49	\$338.98	\$290.32	\$348.39	\$269.22	\$323.06	\$271.03	\$325.23	\$326.50	\$391.80	\$309.62	\$371.54	\$314.14	\$376.97	\$284.29	\$341.15
28	\$293.00	\$351.60	\$301.13	\$361.35	\$279.24	\$335.09	\$281.11	\$337.34	\$338.65	\$406.38	\$321.14	\$385.37	\$325.83	\$391.00	\$294.87	\$353.85
29	\$301.62	\$361.95	\$309.99	\$371.99	\$287.46	\$344.95	\$289.39	\$347.27	\$348.62	\$418.34	\$330.59	\$396.71	\$335.42	\$402.51	\$303.55	\$364.27
30	\$305.94	\$367.12	\$314.42	\$377.31	\$291.57	\$349.88	\$293.53	\$352.23	\$353.61	\$424.33	\$335.32	\$402.39	\$340.22	\$408.26	\$307.89	\$369.47
31	\$312.40	\$374.89	\$321.07	\$385.29	\$297.73	\$357.28	\$299.74	\$359.68	\$361.08	\$433.30	\$342.41	\$410.89	\$347.41	\$416.90	\$314.41	\$377.29
32	\$318.87	\$382.65	\$327.72	\$393.27	\$303.90	\$364.68	\$305.94	\$367.13	\$368.56	\$442.27	\$349.50	\$419.40	\$354.61	\$425.53	\$320.92	\$385.10
33	\$322.92	\$387.50	\$331.88	\$398.25	\$307.75	\$369.30	\$309.82	\$371.79	\$373.23	\$447.88	\$353.93	\$424.72	\$359.10	\$430.92	\$324.98	\$389.98
34	\$327.23	\$392.68	\$336.31	\$403.57	\$311.86	\$374.24	\$313.96	\$376.75	\$378.22	\$453.86	\$358.66	\$430.39	\$363.90	\$436.68	\$329.33	\$395.19
35	\$329.39	\$395.26	\$338.53	\$406.23	\$313.92	\$376.70	\$316.03	\$379.23	\$380.71	\$456.85	\$361.02	\$433.23	\$366.30	\$439.56	\$331.50	\$397.79
36	\$331.54	\$397.85	\$340.74	\$408.89	\$315.97	\$379.17	\$318.10	\$381.72	\$383.20	\$459.84	\$363.39	\$436.07	\$368.70	\$442.43	\$333.67	\$400.40
37	\$333.70	\$400.44	\$342.96	\$411.55	\$318.03	\$381.63	\$320.17	\$384.20	\$385.69	\$462.83	\$365.75	\$438.90	\$371.09	\$445.31	\$335.84	\$403.00
38	\$335.86	\$403.03	\$345.17	\$414.21	\$320.08	\$384.10	\$322.23	\$386.68	\$388.19	\$465.82	\$368.11	\$441.74	\$373.49	\$448.19	\$338.01	\$405.61
39	\$340.17	\$408.20	\$349.61	\$419.53	\$324.19	\$389.03	\$326.37	\$391.65	\$393.17	\$471.81	\$372.84	\$447.41	\$378.29	\$453.94	\$342.35	\$410.82
40	\$344.48	\$413.38	\$354.04	\$424.85	\$328.30	\$393.97	\$330.51	\$396.61	\$398.16	\$477.79	\$377.57	\$453.08	\$383.08	\$459.70	\$346.69	\$416.02
41	\$350.95	\$421.14	\$360.69	\$432.83	\$334.47	\$401.36	\$336.72	\$404.06	\$405.63	\$486.76	\$384.66	\$461.59	\$390.28	\$468.33	\$353.20	\$423.84
42	\$357.15	\$428.58	\$367.06	\$440.47	\$340.38	\$408.45	\$342.67	\$411.20	\$412.80	\$495.36	\$391.45	\$469.75	\$397.17	\$476.61	\$359.44	\$431.32
43	\$365.78	\$438.93	\$375.92	\$451.11	\$348.60	\$418.32	\$350.94	\$421.13	\$422.77	\$507.32	\$400.91	\$481.09	\$406.76	\$488.12	\$368.12	\$441.74
44	\$376.56	\$451.87	\$387.01	\$464.41	\$358.87	\$430.65	\$361.29	\$433.54	\$435.23	\$522.28	\$412.73	\$495.27	\$418.75	\$502.50	\$378.97	\$454.76
45	\$389.23	\$467.07	\$400.03	\$480.03	\$370.95	\$445.14	\$373.44	\$448.13	\$449.87	\$539.85	\$426.61	\$511.93	\$432.84	\$519.41	\$391.72	\$470.06
46	\$404.32	\$485.18	\$415.54	\$498.65	\$385.33	\$462.40	\$387.92	\$465.51	\$467.32	\$560.78	\$443.16	\$531.79	\$449.63	\$539.55	\$406.91	\$488.29
47	\$421.30	\$505.56	\$432.99	\$519.59	\$401.52	\$481.82	\$404.22	\$485.06	\$486.95	\$584.34	\$461.77	\$554.12	\$468.51	\$562.22	\$424.00	\$508.80
48	\$440.71	\$528.85	\$452.94	\$543.53	\$420.01	\$504.02	\$422.84	\$507.40	\$509.38	\$611.25	\$483.04	\$579.65	\$490.09	\$588.11	\$443.53	\$532.24
49	\$459.85	\$551.82	\$472.61	\$567.13	\$438.25	\$525.90	\$441.20	\$529.44	\$531.50	\$637.80	\$504.02	\$604.82	\$511.38	\$613.65	\$462.79	\$555.35
50	\$481.41	\$577.69	\$494.77	\$593.72	\$458.80	\$550.57	\$461.89	\$554.26	\$556.42	\$667.71	\$527.65	\$633.18	\$535.36	\$642.43	\$484.49	\$581.39
51	\$502.70	\$603.25	\$516.65	\$619.98	\$479.10	\$574.92	\$482.32	\$578.78	\$581.03	\$697.24	\$550.99	\$661.19	\$559.04	\$670.85	\$505.92	\$607.11
52	\$526.16	\$631.39	\$540.76	\$648.91	\$501.45	\$601.74	\$504.82	\$605.78	\$608.14	\$729.77	\$576.69	\$692.03	\$585.12	\$702.14	\$529.52	\$635.43
53	\$549.88	\$659.85	\$565.13	\$678.16	\$524.05	\$628.87	\$527.58	\$633.09	\$635.56	\$762.67	\$602.69	\$723.23	\$611.49	\$733.79	\$553.40	\$664.08
54	\$575.48	\$690.58	\$591.45	\$709.74	\$548.46	\$658.15	\$552.14	\$662.57	\$665.15	\$798.18	\$630.76	\$756.91	\$639.97	\$767.97	\$579.17	\$695.00
55	\$601.09	\$721.31	\$617.77	\$741.32	\$572.86	\$687.44	\$576.71	\$692.05	\$694.75	\$833.70	\$658.82	\$790.59	\$668.45	\$802.14	\$604.94	\$725.93
56	\$628.85	\$754.62	\$646.30	\$775.56	\$599.32	\$719.19	\$603.35	\$724.02	\$726.84	\$872.21	\$689.25	\$827.11	\$699.32	\$839.19	\$632.88	\$759.46
57	\$656.89	\$788.26	\$675.11	\$810.14	\$626.04	\$751.25	\$630.25	\$756.29	\$759.24	\$911.09	\$719.98	\$863.98	\$730.50	\$876.60	\$661.09	\$793.31
58	\$686.81	\$824.17	\$705.86	\$847.04	\$654.55	\$785.47	\$658.95	\$790.74	\$793.82	\$952.59	\$752.77	\$903.33	\$763.77	\$916.52	\$691.20	\$829.44
59	\$701.63	\$841.96	\$721.10	\$865.32	\$668.68	\$802.42	\$673.18	\$807.81	\$810.96	\$973.15	\$769.02	\$922.83	\$780.26	\$936.31	\$706.12	\$847.35
60	\$731.55	\$877.86	\$751.85	\$902.22	\$697.20	\$836.64	\$701.88	\$842.26	\$845.54	\$1,014.65	\$801.82	\$962.18	\$813.53	\$976.23	\$736.23	\$883.48
61	\$757.43	\$908.91	\$778.44	\$934.13	\$721.86	\$866.23	\$726.71	\$872.05	\$875.45	\$1,050.54	\$830.18	\$982.21	\$842.30	\$1,010.76	\$762.28	\$914.73
62	\$774.41	\$929.29	\$795.90	\$955.08	\$738.04	\$885.65	\$743.00	\$891.60	\$895.07	\$1,074.09	\$848.79	\$1,018.55	\$861.19	\$1,033.43	\$779.37	\$935.24
63	\$795.70	\$954.84	\$817.78	\$981.34	\$758.34	\$910.01	\$763.43	\$916.12	\$919.69	\$1,103.62	\$872.13	\$1,046.56	\$884.87	\$1,061.84	\$800.80	\$960.96
64	\$808.51	\$970.21	\$830.94	\$997.13	\$770.54	\$924.65	\$775.72	\$930.86	\$934.48	\$1,121.38	\$886.16	\$1,063.40	\$899.11	\$1,078.93	\$813.68	\$976.42
65+	\$808.51	\$970.21	\$830.94	\$997.13	\$770.54	\$924.65	\$775.72	\$930.86	\$934.48	\$1,121.38	\$886.16	\$1,063.40	\$899.11	\$1,078.93	\$813.68	\$976.42

Company Name: Freedom Life Insurance Company of America
 Product: 89958PA019
 Effective Date of Rates: January 1, 2016

Plan ID (On Exchange)=>	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Plan ID (Off Exchange)=>	89958PA0190001		89958PA0190001		89958PA0190001		89958PA0190001		89958PA0190001		89958PA0190001		89958PA0190001		89958PA0190001	
Form # =>	EHBC-2016-IP-PA-FLIC		EHBC-2016-IP-PA-FLIC		EHBC-2016-IP-PA-FLIC		EHBC-2016-IP-PA-FLIC		EHBC-2016-IP-PA-FLIC		EHBC-2016-IP-PA-FLIC		EHBC-2016-IP-PA-FLIC		EHBC-2016-IP-PA-FLIC	
Rating Area =>	1		3		4		5		6		7		8		9	
Network =>	GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO		GWH-CIGNA PPO	
Metal =>	BRONZE		BRONZE		BRONZE		BRONZE		BRONZE		BRONZE		BRONZE		BRONZE	
Plan Name =>	Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze		Essential Health Bronze	
Deductible =>	\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850	
Coinsurance =>	100%		100%		100%		100%		100%		100%		100%		100%	
Copays =>	None		None		None		None		None		None		None		None	
In-Network OOP Maximum =>	\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850		\$6,850	
Pediatric Dental (Yes/No)	Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes	
Age Band	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
0 - 20	\$171.16	\$171.16	\$175.91	\$175.91	\$163.12	\$163.12	\$164.22	\$164.22	\$197.83	\$197.83	\$187.60	\$187.60	\$190.34	\$190.34	\$172.26	\$172.26
21	\$269.68	\$323.62	\$277.16	\$332.60	\$257.02	\$308.42	\$258.74	\$310.49	\$311.70	\$374.04	\$295.58	\$354.70	\$299.90	\$359.88	\$271.41	\$325.69
22	\$269.68	\$323.62	\$277.16	\$332.60	\$257.02	\$308.42	\$258.74	\$310.49	\$311.70	\$374.04	\$295.58	\$354.70	\$299.90	\$359.88	\$271.41	\$325.69
23	\$269.68	\$323.62	\$277.16	\$332.60	\$257.02	\$308.42	\$258.74	\$310.49	\$311.70	\$374.04	\$295.58	\$354.70	\$299.90	\$359.88	\$271.41	\$325.69
24	\$269.68	\$323.62	\$277.16	\$332.60	\$257.02	\$308.42	\$258.74	\$310.49	\$311.70	\$374.04	\$295.58	\$354.70	\$299.90	\$359.88	\$271.41	\$325.69
25	\$270.63	\$324.75	\$278.13	\$333.76	\$257.92	\$309.50	\$259.65	\$311.58	\$312.79	\$375.35	\$296.62	\$355.94	\$300.95	\$361.14	\$272.36	\$326.83
26	\$276.02	\$331.22	\$283.67	\$340.41	\$263.05	\$315.67	\$264.82	\$317.79	\$319.02	\$382.83	\$302.53	\$363.03	\$306.95	\$368.34	\$277.78	\$333.34
27	\$282.49	\$338.98	\$290.32	\$348.39	\$269.22	\$323.06	\$271.03	\$325.23	\$326.50	\$391.80	\$309.62	\$371.54	\$314.14	\$376.97	\$284.29	\$341.15
28	\$293.00	\$351.60	\$301.13	\$361.35	\$279.24	\$335.09	\$281.11	\$337.34	\$338.65	\$406.38	\$321.14	\$385.37	\$325.83	\$391.00	\$294.87	\$353.85
29	\$301.62	\$361.95	\$309.99	\$371.99	\$287.46	\$344.95	\$289.39	\$347.27	\$348.62	\$418.34	\$330.59	\$396.71	\$335.42	\$402.51	\$303.55	\$364.27
30	\$305.94	\$367.12	\$314.42	\$377.31	\$291.57	\$349.88	\$293.53	\$352.23	\$353.61	\$424.33	\$335.32	\$402.39	\$340.22	\$408.26	\$307.89	\$369.47
31	\$312.40	\$374.89	\$321.07	\$385.29	\$297.73	\$357.28	\$299.74	\$359.68	\$361.08	\$433.30	\$342.41	\$410.89	\$347.41	\$416.90	\$314.41	\$377.29
32	\$318.87	\$382.65	\$327.72	\$393.27	\$303.90	\$364.68	\$305.94	\$367.13	\$368.56	\$442.27	\$349.50	\$419.40	\$354.61	\$425.53	\$320.92	\$385.10
33	\$322.92	\$387.50	\$331.88	\$398.25	\$307.75	\$369.30	\$309.82	\$371.79	\$373.23	\$447.88	\$353.93	\$424.72	\$359.10	\$430.92	\$324.98	\$389.98
34	\$327.23	\$392.68	\$336.31	\$403.57	\$311.86	\$374.24	\$313.96	\$376.75	\$378.22	\$453.86	\$358.66	\$430.39	\$363.90	\$436.68	\$329.33	\$395.19
35	\$329.39	\$395.26	\$338.53	\$406.23	\$313.92	\$376.70	\$316.03	\$379.23	\$380.71	\$456.85	\$361.02	\$433.23	\$366.30	\$439.56	\$331.50	\$397.79
36	\$331.54	\$397.85	\$340.74	\$408.89	\$315.97	\$379.17	\$318.10	\$381.72	\$383.20	\$459.84	\$363.39	\$436.07	\$368.70	\$442.43	\$333.67	\$400.40
37	\$333.70	\$400.44	\$342.96	\$411.55	\$318.03	\$381.63	\$320.17	\$384.20	\$385.69	\$462.83	\$365.75	\$438.90	\$371.09	\$445.31	\$335.84	\$403.00
38	\$335.86	\$403.03	\$345.17	\$414.21	\$320.08	\$384.10	\$322.23	\$386.68	\$388.19	\$465.82	\$368.11	\$441.74	\$373.49	\$448.19	\$338.01	\$405.61
39	\$340.17	\$408.20	\$349.61	\$419.53	\$324.19	\$389.03	\$326.37	\$391.65	\$393.17	\$471.81	\$372.84	\$447.41	\$378.29	\$453.94	\$342.35	\$410.82
40	\$344.48	\$413.38	\$354.04	\$424.85	\$328.30	\$393.97	\$330.51	\$396.61	\$398.16	\$477.79	\$377.57	\$453.08	\$383.08	\$459.70	\$346.69	\$416.02
41	\$350.95	\$421.14	\$360.69	\$432.83	\$334.47	\$401.36	\$336.72	\$404.06	\$405.63	\$486.76	\$384.66	\$461.59	\$390.28	\$468.33	\$353.20	\$423.84
42	\$357.15	\$428.58	\$367.06	\$440.47	\$340.38	\$408.45	\$342.67	\$411.20	\$412.80	\$495.36	\$391.45	\$469.75	\$397.17	\$476.61	\$359.44	\$431.32
43	\$365.78	\$438.93	\$375.92	\$451.11	\$348.60	\$418.32	\$350.94	\$421.13	\$422.77	\$507.32	\$400.91	\$481.09	\$406.76	\$488.12	\$368.12	\$441.74
44	\$376.56	\$451.87	\$387.01	\$464.41	\$358.87	\$430.65	\$361.29	\$433.54	\$435.23	\$522.28	\$412.73	\$495.27	\$418.75	\$502.50	\$378.97	\$454.76
45	\$389.23	\$467.07	\$400.03	\$480.03	\$370.95	\$445.14	\$373.44	\$448.13	\$449.87	\$539.85	\$426.61	\$511.93	\$432.84	\$519.41	\$391.72	\$470.06
46	\$404.32	\$485.18	\$415.54	\$498.65	\$385.33	\$462.40	\$387.92	\$465.51	\$467.32	\$560.78	\$443.16	\$531.79	\$449.63	\$539.55	\$406.91	\$488.29
47	\$421.30	\$505.56	\$432.99	\$519.59	\$401.52	\$481.82	\$404.22	\$485.06	\$486.95	\$584.34	\$461.77	\$554.12	\$468.51	\$562.22	\$424.00	\$508.80
48	\$440.71	\$528.85	\$452.94	\$543.53	\$420.01	\$504.02	\$422.84	\$507.40	\$509.38	\$611.25	\$483.04	\$579.65	\$490.09	\$588.11	\$443.53	\$532.24
49	\$459.85	\$551.82	\$472.61	\$567.13	\$438.25	\$525.90	\$441.20	\$529.44	\$531.50	\$637.80	\$504.02	\$604.82	\$511.38	\$613.65	\$462.79	\$555.35
50	\$481.41	\$577.69	\$494.77	\$593.72	\$458.80	\$550.57	\$461.89	\$554.26	\$556.42	\$667.71	\$527.65	\$633.18	\$535.36	\$642.43	\$484.49	\$581.39
51	\$502.70	\$603.25	\$516.65	\$619.98	\$479.10	\$574.92	\$482.32	\$578.78	\$581.03	\$697.24	\$550.99	\$661.19	\$559.04	\$670.85	\$505.92	\$607.11
52	\$526.16	\$631.39	\$540.76	\$648.91	\$501.45	\$601.74	\$504.82	\$605.78	\$608.14	\$729.77	\$576.69	\$692.03	\$585.12	\$702.14	\$529.52	\$635.43
53	\$549.88	\$659.85	\$565.13	\$678.16	\$524.05	\$628.87	\$527.58	\$633.09	\$635.56	\$762.67	\$602.69	\$723.23	\$611.49	\$733.79	\$553.40	\$664.08
54	\$575.48	\$690.58	\$591.45	\$709.74	\$548.46	\$658.15	\$552.14	\$662.57	\$665.15	\$798.18	\$630.76	\$756.91	\$639.97	\$767.97	\$579.17	\$695.00
55	\$601.09	\$721.31	\$617.77	\$741.32	\$572.86	\$687.44	\$576.71	\$692.05	\$694.75	\$833.70	\$658.82	\$790.59	\$668.45	\$802.14	\$604.94	\$725.93
56	\$628.85	\$754.62	\$646.30	\$775.56	\$599.32	\$719.19	\$603.35	\$724.02	\$726.84	\$872.21	\$689.25	\$827.11	\$699.32	\$839.19	\$632.88	\$759.46
57	\$656.89	\$788.26	\$675.11	\$810.14	\$626.04	\$751.25	\$630.25	\$756.29	\$759.24	\$911.09	\$719.98	\$863.98	\$730.50	\$876.60	\$661.09	\$793.31
58	\$686.81	\$824.17	\$705.86	\$847.04	\$654.55	\$785.47	\$658.95	\$790.74	\$793.82	\$952.59	\$752.77	\$903.33	\$763.77	\$916.52	\$691.20	\$829.44
59	\$701.63	\$841.96	\$721.10	\$865.32	\$668.68	\$802.42	\$673.18	\$807.81	\$810.96	\$973.15	\$769.02	\$922.83	\$780.26	\$936.31	\$706.12	\$847.35
60	\$731.55	\$877.86	\$751.85	\$902.22	\$697.20	\$836.64	\$701.88	\$842.26	\$845.54	\$1,014.65	\$801.82	\$962.18	\$813.53	\$976.23	\$736.23	\$883.48
61	\$757.43	\$908.91	\$778.44	\$934.13	\$721.86	\$866.23	\$726.71	\$872.05	\$875.45	\$1,050.54	\$830.18	\$982.21	\$842.30	\$1,010.76	\$762.28	\$914.73
62	\$774.41	\$929.29	\$795.90	\$955.08	\$738.04	\$885.65	\$743.00	\$891.60	\$895.07	\$1,074.09	\$848.79	\$1,018.55	\$861.19	\$1,033.43	\$779.37	\$935.24
63	\$795.70	\$954.84	\$817.78	\$981.34	\$758.34	\$910.01	\$763.43	\$916.12	\$919.69	\$1,103.62	\$872.13	\$1,046.56	\$884.87	\$1,061.84	\$800.80	\$960.96
64	\$808.51	\$970.21	\$830.94	\$997.13	\$770.54	\$924.65	\$775.72	\$930.86	\$934.48	\$1,121.38	\$886.16	\$1,063.40	\$899.11	\$1,078.93	\$813.68	\$976.42
65+	\$808.51	\$970.21	\$830.94	\$997.13	\$770.54	\$924.65	\$775.72	\$930.86	\$934.48	\$1,121.38	\$886.16	\$1,063.40	\$899.11	\$1,078.93	\$813.68	\$976.42

Objection 1

Regarding your response to question 1, you did not respond to the following: Will only one policy be offered per household? If multiple policies are offered per household, how will the 3 child maximum be administered?

Only the first 3 children in a family will be charged premium to be compliant.

Objection 2

Please provide the rates template in the Rate/Rule Schedule tab.

We believe the rate template was already loaded to the Rate/rule Schedule tab. If that is not the document you are referring to, please be more specific as to which rates template needs to be uploaded.

Objection 3

In response to question #9, you indicated that the trend for Pennsylvania was calculated as a blend of an internal trend study and the 2015 Segal Health Care Cost Trend Study. While you provided the 2015 Segal Health Care Cost Trend Study, I could not locate the internal study. Please provide the internal study and support for the internal trend assumption of █%.

Please see the attached internal study.

Objection 4

Please discuss why you believe the rate development methodology described in response to several of the questions in my June 2, 2015 letter, meets the guidance provided by CMS in the 2016 Unified Rate Review Instructions.

Page 10-11 Section 2.1 of the 2016 Unified Rate Review Instructions states the following:

“The purpose of Worksheet 1 of the URRT is to capture information at the market level for non-grandfathered products, consistent with the requirement to set premium rates using a single risk pool, as defined in 45 CFR § 156.80. The worksheet is not intended to prescribe a rate development methodology. Rather, the worksheet captures experience period data and key assumptions consistent with those used in the development of the proposed premium rate increases.”

We have developed our projected Index Rate using our pricing methodology which reflects our best estimate for 2016 average allowed claims PMPM. We have completed the URRT with experience period data and key assumptions consistent with our pricing methodology which complies with the single risk pool requirements.

In regards to the allowable pricing methodology/factors, page 57 Section 4.6.2 of the 2016 Unified Rate Review Instructions states the following:

“The projected Index Rate must reflect the anticipated claim level of the projection period with respect to trend, benefit, and demographics. It must reflect the experience of all policies expected to be in the single risk pool (with all necessary adjustments to reflect the benefits, market rules, etc. applicable to

policies upon issue or renewal during the projection period). For transitional policies, the issuer should include those policies anticipated to be enrolled in a single risk pool compliant plan during the projection period at a point when the members in these plans move to non-single risk pool compliant plan.”

Our Index Rate reflects our anticipated claim level of the projection period and it reflects the experience of policies anticipated to be enrolled in a single risk pool compliant plan during the projection period. We have based our rate increase primarily on expected annual medical trend and known changes to the Federal Reinsurance Program. We do not wish to base our rates on a single year of annual experience as depicted by the rating methodology of the URRT and we believe that the instructions do not force us to use the URRT rating methodology. With a smaller block of business, as is expected for our company, basing our rates entirely on the previous year of annual experience could likely cause dramatic variation in our rates. For instance we would prefer to have two years of 10% increases rather than a 50% increase one year followed by a 19% decrease the next year. The Credibility Manual reflects our rating methodology and our general expectations and displays the information required in the federal template to the best of our abilities.

Page 59 Section 4.6.3 of the 2016 Unified Rate Review Instructions states the following:

“The Market Adjusted Index Rate is calculated as the Index Rate adjusted for all allowable market-wide modifiers defined in the market rating rules, 45 CFR § 156.80(d)(1). The following market-wide adjustments to the Index Rate are allowable under these rules:

- Federal reinsurance program adjustment (market-wide adjustment)
- Risk adjustment (market-wide adjustment)
- Marketplace user fee adjustment (market-wide adjustment)

Since the Index Rate is on an allowed claims basis, the market level adjustments for the Federal reinsurance program, risk adjustment program, and the Marketplace user fees should be on an allowed basis.”

We only consider the Federal Reinsurance Program adjustment to have a material effect on our rates. We therefore have developed our Federal Reinsurance Program adjustment and have applied it on an allowed claims basis to the Index Rate in accordance with the CMS guidance. No other adjustments were made as shown in the “Index Rate Example” worksheet.

Page 59 Section 4.6.4 of the 2016 Unified Rate Review Instructions states the following:

The Plan Adjusted Index Rate is calculated as the issuer Market Adjusted Index Rate adjusted for all allowable plan level modifiers defined in the market rating rules, 45 CFR § 156.80(d)(2). The following adjustments are allowable under these rules:

- AV and cost-sharing adjustment (plan adjustment)
- Provider network, delivery system and utilization management adjustment (plan adjustment)
- Adjustment for benefits in addition to the EHBs (plan adjustment)
- Impact of specific eligibility categories for the catastrophic plan (plan adjustment)
- Adjustment for distribution and administrative costs (plan adjustment)

We have adjusted our Market Adjusted Index Rate by the AV and cost-sharing adjustment (utilization differences, cost sharing differences and an adjustment for non-tobacco user status) and the adjustment for distribution and administrative costs. Each of these factors complies with CMS guidance. No other adjustments were made as shown in the “Index Rate Example” worksheet.

Page 60-61 Section 4.6.5 of the 2016 Unified Rate Review Instructions states the following:

At this time, calibration factors are ONLY allowed for the age and geography factors. Calibration for tobacco-use cannot be applied at this point since it is incorporated in the AV component of the plan level adjustments (see Plan Adjusted Index Rates section).

Age Curve Calibration Issuers must provide the approximate weighted average age, rounded to a whole number, associated with the projected single risk pool in the Actuarial Memorandum.

Issuers must provide a detailed explanation of the methodology used in the calibration to the age curve. Specifically, issuers should describe the factors used in the determination of the risk pool weighted average age, a description of data used to weight the factors, and a description of the exact calculation. Issuers will need to provide actuarial justification that the methodology employed in the calculation of the average age and the calibration to the age curve complies with the standard age curve methodology and that it conforms with the rating rules specified in 45 CFR § 147.102.

A demonstration of how the Plan Adjusted Index Rate and the age curve are used to generate the schedule of premium rates for each plan should be included in the Actuarial Memorandum. Note that the age curve calibration adjustment is not plan specific. In other words, the same age curve calibration must be applied to all plans in the projected single risk pool.

Geographic Factor Calibration The issuer is required to include a listing of all geographic rating factors applied to the Plan Adjusted Index Rate in the Actuarial Memorandum. The issuer must provide the geographic factor calibration that is applied to the projected single risk pool if one is necessary. For example, if the weighted average of the geographic factors does not equal 1.0, calibration may be required.

We have adjusted our Plan Adjusted Index Rate by the Age Curve Calibration and have not made any adjustments for the Geographic Factor Calibration because the weighted average of the geographic factors is equal to 1.0. Each of these factors complies with CMS guidance. No other adjustments were made as shown in the “Index Rate Example” worksheet.

We believe our pricing methodology and the factors used in the process are in compliance with CMS guidance. We acknowledge that perhaps our rating methodology is not the same as larger entities in the market but we believe the instructions allow for different rating methodologies and our rating methodology best aligns with our particular strategic interests and projected risk pool.

Objection 5

Please provide the 2014 nationwide experience, with runout through the most recent date available, and show the adjustments you believe are necessary to develop the 2016 Index Rate. Please provide support for all adjustments, including the adjustments made to reflect the Pennsylvania specific market. Please ensure that the 2016 rate development is consistent with the guidance provided in the 2016 Unified Rate Review Instructions. Additionally, provide the total number of member months in the 2014 nationwide experience period?

Please see Exhibit Q5 for the Credibility Manual with runout until 5/31/2015 adjusted to the 2016 Index Rate. With the runout the experience allowed claims are approximately [REDACTED] than expected on 12/31/2014. There are [REDACTED] member months in the 2014 nationwide experience period.

Objection 6

Please be advised that each time the URRT is changed in SERFF, the URRT in HIOS must also be updated. Please acknowledge your understanding and certify that you are in compliance.

We understand and certify we are in compliance with the statement.

2012-2014 Trend Exhibit: Major Medical

[illegible]

FREEDOM LIFE INSURANCE COMPANY OF AMERICA

300 Burnett Street, Suite 200 • Fort Worth, Texas 76102 • (800) 387-9027

August 18, 2015

Cherri Sanders-Jones
Pennsylvania Department of Insurance
1326 Strawberry Square
Harrisburg, PA 17120

RE: Freedom Life Insurance Company of America
Individual Rate Filing for:
Essential Health Benefits Plans *EHB-2016-IP-PA-FLIC and EHBC-2016-IP-PA-FLIC*
SERFF# USHG-130034201

Dear Ms. Sanders-Jones:

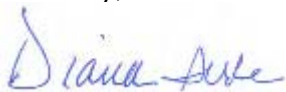
Based on direction from the department, the following documents have been revised in the above referenced rate filing to reflect a 0% increase for 2016:

Unified Rate Review Template (URRT)
URRT_PA_FLIC_08_18_2015_16_22
Part III Actuarial Memorandum
20160101_PA_EHB_Act_Memo_Part_III_FLIC_Rev_20150818
Index Rate Example
2016_Index_Rate_Example_PA_FLIC_Rev20150819
Rate factor pages
20160101_EHB-2016-IP-PA-FLIC_Rate_Pages_Rev 20150818
PA Rate Tables template
PA_FLIC_2016_Monthly_Rate_Tables_Rev_20150818
Federal Rate Data Template
PA_FLIC_EHB_2016_Rate_Tables_Template_Rev20150818
Redacted Part III Actuarial Memorandum
20160101_PA_EHB_Act_Memo_Part_III_FLIC_Rev_20150818_REDACTED

In addition, a Post Submission Update has been submitted to revise the "Company Rate Information" on the Rate/Rule Schedule tab to reflect a 0% increase as well as the Rate Review Detail numbers.

We appreciate your consideration of this filing. If you have any questions or need additional information, please contact me at the following number or email address.

Sincerely,



Diana Ivie
Actuarial Assistant
Telephone: (800) 387-9027 ext. 635
Email: lvied@ushealthgroup.com