

Attachment I

Rate Change Summary

Capital Advantage Assurance Company (CAAC) – Small Group Plans

Rate request filing ID # CABC-132352718 - 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

Initial requested average rate change:	-6.9% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	-17.6% to -3.9%
Effective date:	1/1/2021
Mapped Members:	34,067
Available in:	Rating Areas 6, Rating Area 7, and Rating Area 9

Key information

Jan. 2019-Dec. 2019 financial experience

Premiums	\$330,630,487
Claims	\$254,809,606
Administrative expenses	\$31,447,494
Taxes & fees	\$14,817,570
Company made (after taxes)	\$29,555,818

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2020:

Claims:	86.10%
Administrative:	11.41%
Taxes & fees:	0.49%
Profit:	2.00%

The company expects its annual medical costs to increase **6.65%**.

Explanation of requested rate change

Favorable Experience Net Risk Adjustment: -9%
Less migration of groups from ACA to ASO arrangements: -3%
Suspension of the Health Insurer Fee: -2%
Future Cost and Utilization: 7%

¹ Note that insurers will have the opportunity to revise their rate change request in July, after they are scheduled to receive updated information about the impact of a federal program called risk adjustment. This document will be updated accordingly at that time.