

Rate Change Summary

Highmark Inc. – Individual Plans

Rate request filing ID # 1A-DP-20-HI (SERFF # HGHM-132324142) - 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:	-0.7% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	-18.1% to 7.8%
Effective date:	January 1, 2021
People impacted:	28,954
Available in:	Rating Areas 1, 2, 4, 5, 6, 7, and 9

Key information

Jan. 2019-Dec. 2019 financial experience

Premiums	\$10,851,923
Claims	\$8,099,792
Administrative expenses	\$1,265,358
Taxes & fees	\$216,423
Company made (after taxes)	\$1,270,350

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2021:

Claims:	89%
Administrative:	8%
Taxes & fees:	3%
Profit:	0%

The company expects its annual medical costs to increase **9.4%**.

Explanation of requested rate change

The proposed average rate change is being driven by changes in the base claims experience, trend, retention, the anticipated impact of Covid-19, and the implementation of the Pennsylvania Health Insurance Individual market Stabilization Reinsurance Program ("Reinsurance Program").

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.