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| SERFF Tracking #: | HGHM-132380419 | State Tracking #: | HGHM-132380419 | Company Tracking #: | 1A-SG-HBG-2020 |
| State: | Pennsylvania | Filing Company: | Highmark Benefits Group | | |
| TOI/Sub-TOI: | H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only | | | | |
| Product Name: | HBG Small Group 2021 ACA Rate Filing | | | | |
| Project Name/Number: | HBG Small Group 2021 ACA Rate Filing/1A-SG-HBG-2020 | | | | |

Supporting Document Schedules

| | |
|--------------------------|--|
| Satisfied - Item: | ACA Rate Change Request Summary |
| Comments: | See the attached files for the ACA Rate Change Request Summary. |
| Attachment(s): | Attachment 1 - 2021 - HBG 07202020.pdf Attachment 1 - 2021 - HBG 07202020.xml |
| Item Status: | |
| Status Date: | |

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|-----------------------------|---|--------------------------|------------------------|----------------------------|----------------|
| SERFF Tracking #: | HGHM-132380419 | State Tracking #: | HGHM-132380419 | Company Tracking #: | 1A-SG-HBG-2020 |
| <hr/> | | | | | |
| State: | Pennsylvania | | Filing Company: | Highmark Benefits Group | |
| TOI/Sub-TOI: | H15G Group Health - Hospital/Surgical/Medical Expense/H15G.003 Small Group Only | | | | |
| Product Name: | HBG Small Group 2021 ACA Rate Filing | | | | |
| Project Name/Number: | HBG Small Group 2021 ACA Rate Filing/1A-SG-HBG-2020 | | | | |

Attachment Attachment 1 - 2021 - HBG 07202020.xml is not a PDF document and cannot be reproduced here.

Rate Change Summary

Highmark Benefits Groups (HBG) –Small Group Plans

Rate request filing ID # HGHM-132380419 - 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: | 2.37% ¹ |
| Revised requested average rate change: | N/A ¹ |
| Range of requested rate change: | -2.33% to 5.34% |
| Effective date: | January 1, 2021 |
| Mapped Members: | 12,589 |
| Available in: | Rating Areas 6, 7, 9 |

Key information

Jan. 2019-Dec. 2019 financial experience

| | |
|----------------------------|--------------------|
| Premiums | \$91,469,458 |
| Claims | \$72,020,794 |
| Administrative expenses | \$10,172,185 |
| Taxes & fees | \$51,421 |
| Company made (after taxes) | \$9,225,058 |

How it plans to spend your premium

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

| | |
|-----------------|--------------|
| Claims: | 90.3% |
| Administrative: | 9.6% |
| Taxes & fees: | 0.1% |
| Profit: | 0% |

The company expects its annual medical costs to increase **8.60%**.

Explanation of requested rate change

The proposed increases are being driven by rising medical care costs, which are expected to continue through the remainder of 2020 and throughout 2021 as a result of both higher utilization and the increasing cost of healthcare services.

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.