

SERFF Tracking Number: AMMS-127375413 State: Connecticut  
 Filing Company: Golden Rule Insurance Company State Tracking Number: 201183683  
 Company Tracking Number: CT EV TREND EXT  
 TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005C Individual - Other  
 Product Name: Connecticut EV  
 Project Name/Number: /

## Filing at a Glance

Company: Golden Rule Insurance Company

Product Name: Connecticut EV

TOI: H16I Individual Health - Major Medical

Sub-TOI: H16I.005C Individual - Other

Filing Type: Rate

SERFF Tr Num: AMMS-127375413 State: Connecticut

SERFF Status: Assigned State Tr Num: 201183683

Co Tr Num: CT EV TREND EXT State Status:

Reviewers: Paul Lombardo

Authors: Patricia Lofton, Timothy

Martin, Justin Bargy

Date Submitted: 08/22/2011

Disposition Status:

Implementation Date Requested: 01/01/2012

Implementation Date:

## General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type: Non Employer Group - Individual

Overall Rate Impact:

Filing Status Changed: 08/25/2011

State Status Changed:

Deemer Date:

Created By: Patricia Lofton

Submitted By: Patricia Lofton

Corresponding Filing Tracking Number:

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Filing Description:

For policy form GRI-N23M-06, we are requesting an extension of the quarterly trend factors and an increase to the prescription drug rider rates by 9.9%. Quarterly trend factor increases are approximately 2.4% per quarter with a cumulative impact of 9.9%. The rate level change will be implemented by changing the applicable trend factors. The trend factor extensions will apply to both new and renewal business. The proposed trend factor increases will take effect January 1, 2012 through December 1, 2012. In addition the prescription drug rider increase will take effect for renewal business on or after January 1, 2012. The enclosed actuarial memorandum and exhibits explain the derivation of the trend factor extensions and prescription drug increase.

The following is a list of bulleted points from the Connecticut Department of Insurance Bulletin HC-81. For each bullet point, we have indicated where the information can be found in our submission.

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- Historical experience from inception-to-date, this includes earned premium, paid claims, incurred claims, members, actual loss ratios and expected loss ratios (Actuarial Memorandum).
- A demonstration that the experience data submitted is consistent with the most recent financial statement filed with the Department pursuant to section 38a-53a of the Connecticut General Statutes. (Appendix F)
- Unit cost trend by broad service category, including actual unit cost data and impact of provider contract changes from experience period to rating period (medical and prescription drug separately). (Appendix B)
- Utilization trend by broad service category, including utilization data. (Appendix B)
- Impact of cost sharing leverage on trend. (Appendix C)
- Medical technology trend.
  - Medical technology trend is one of many factors that influence medical utilization and unit cost trends. We have provided Appendix B, C and D to provide the analysis of trends available in our data. Our data does not support further analysis of medical technology trend at this time.
- Benefit buy-down analysis and impact on trend. (Appendix D)
- Cost of each new benefit mandate or requirement due to change in law, separately identified, from the experience period to the rating period. This includes requirements of both state and federal law. (Appendix A)
- A list of each component of the health care reform bill that impacted premium and the actual impact used in pricing for each component (Appendix A)
- A comparison of the proposed retention charge in the filing to the most recently filed statutory financial statement for the regulated entity for which this filing is being made
  - Retention charges as indicated on statutory financial statement Schedule H, Other Individual Contracts, All Other is 10.1% commissions (line 7) and is 21.5% total other expenses incurred (line 10).
- Claim lag triangles (Appendix E)
- A demonstration that the increase requested in this rate filing will generate an expected medical loss ratio, for rebate purposes, that is consistent with the 80% prescribed by the federal law for individual health insurance. (Actuarial Memorandum)

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- Actuarial certification signed by a Member of the American Academy of Actuaries (MAAA). (Actuarial Memorandum)

## Company and Contact

### Filing Contact Information

Timothy Martin, Health Actuary timothy\_martin@goldenrule.com  
 7440 Woodland Drive 317-715-7946 [Phone]  
 Indianapolis, IN 46278-1719 317-297-0908 [FAX]

### Filing Company Information

Golden Rule Insurance Company CoCode: 62286 State of Domicile: Indiana  
 7440 Woodland Drive Group Code: 707 Company Type: Life and Health  
 Indianapolis, IN 46278 Group Name: State ID Number:  
 (800) 926-7602 ext. [Phone] FEIN Number: 37-6028756  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$35.00  
 Retaliatory? No  
 Fee Explanation: Our domicile filing fee is \$35.00.  
 Per Company: Yes

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Golden Rule Insurance Company	\$35.00	08/22/2011	50818594

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## Form Schedule

SERFF Tracking Number: AMMS-127375413 State: Connecticut  
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## Rate Information

Rate data applies to filing.

**Filing Method:** Review & Approval  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 16.400%  
**Effective Date of Last Rate Revision:** 02/01/2011  
**Filing Method of Last Filing:** Review & Approval

## Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Golden Rule Insurance Company	Increase	9.900%	9.900%	\$2,454,662	6,446	\$24,719,659	9.900%	9.900%
<b>Product Type:</b>	<b>HMO</b>	<b>PPO</b>	<b>EPO</b>	<b>POS</b>	<b>HSA</b>	<b>HDHP</b>	<b>FFS</b>	<b>Other</b>
<b>Covered Lives:</b>		11,633			5,863			
<b>Policy Holders:</b>		6,446			2,728			

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## Rate Review Details

### COMPANY:

Company Name: Golden Rule Insurance Company  
HHS Issuer Id: 40591  
Product Names: Connecticut EV  
Trend Factors:

### FORMS:

New Policy Forms:  
Affected Forms: GRI-N23M-06  
Other Affected Forms:

### REQUESTED RATE CHANGE

#### INFORMATION:

Change Period: Annual  
Member Months: 126,517  
Benefit Change: Increase  
Percent Change Requested: Min: 9.9 Max: 9.9 Avg: 9.9

#### PRIOR RATE:

Total Earned Premium: 28,635,765.00  
Total Incurred Claims: 18,564,688.00  
Annual \$: Min: 4,712.00 Max: 4,712.00 Avg: 4,712.00

#### REQUESTED RATE:

Projected Earned Premium: 34,843,138.00  
Projected Incurred Claims: 22,314,915.00  
Annual \$: Min: 5,180.00 Max: 5,180.00 Avg: 5,180.00

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## Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
Approved 08/18/2011	EV	GRI-N23S-06, GRI-N23M-06	Revised	Previous State Filing Number: Percent Rate Change Request:	2010779 Rates.pdf 50 9.900

## Golden Rule CT EV Trend

<b>Quarterly Trend Factors</b>	
<u>Effective Date</u>	<u>Factor</u>
01/01/09 – 03/31/09	1.025
04/01/09 – 06/30/09	1.050
07/01/09 – 09/30/09	1.075
10/01/10 – 12/31/09	1.100
01/01/10 – 03/31/10	1.128
04/01/10 – 06/30/10	1.156
07/01/10 – 09/30/10	1.185
10/01/10 – 01/31/11	1.214
02/01/11 – 03/31/11	1.244
04/01/101– 06/30/11	1.275
07/01/11 – 09/30/11	1.307
10/01/11 – 12/31/11	1.340 Factors Previously Approved
01/01/12 – 03/31/12	1.372
04/01/12– 06/30/12	1.405
07/01/12 – 09/30/12	1.439
10/01/12 – 12/31/12	1.473 Factors Proposed for Approval



**OPTIONAL BENEFIT RATES**

**PBM MONTHLY BASE RATES for Plan 80 and Plan 100**

**Tier 1: \$15 Copay**

**Tier 2: \$150 Deductible then \$30 Copay**

**Tier 3: \$150 Deductible then \$60 Copay**

**Tier 4: \$150 Deductible then 25% Coinsurance**

**Annual Maximum: \$3,000 covered Charges**

A single \$150 Deductible applies to tiers 2-4 combined.

AGE	ADULT
00-24	13.78
25-29	16.09
30-34	18.41
35-39	19.47
40-44	23.46
45-49	26.11
50-54	29.01
55-59	36.72
60-64	46.05
65-99	51.29
CHILD	13.78

**PBM DEDUCTIBLE FACTORS**

DED	FACTOR
1000	1.17
1500+	1.36

**PBM RATE CALCULATION (ROUND TO 2 DECIMALS)**

**ROUND(ROUND((PBM BASE RATE) \* (PBM DEDUCTIBLE FACTOR)) \* (PBM STATE FACTOR))**

**OPTIONAL BENEFIT RATES**

**PBM MONTHLY BASE RATES for Plan 80 and Plan 100**

Tier 1: \$15 Copay

Tier 2: \$150 Deductible then \$30 Copay

Tier 3: \$150 Deductible then \$60 Copay

Tier 4: \$150 Deductible then 25% Coinsurance

Annual Maximum: None

A single \$150 Deductible  
applies to tiers 2-4  
combined.

AGE	ADULT
00-24	17.92
25-29	20.92
30-34	23.93
35-39	25.32
40-44	30.50
45-49	33.95
50-54	37.72
55-59	47.73
60-64	59.86
65-99	66.68
CHILD	17.92

**PBM DEDUCTIBLE FACTORS**

DED	FACTOR
1000	1.17
1500+	1.36

**PBM RATE CALCULATION (ROUND TO 2 DECIMALS)**

ROUND(ROUND((PBM BASE RATE) \* (PBM DEDUCTIBLE FACTOR)) \* (PBM STATE FACTOR))

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## Supporting Document Schedules

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Actuarial Memorandum <b>Comments:</b> <b>Attachment:</b> N23M Memo.pdf		
<b>Satisfied - Item:</b> Appendix A thru F <b>Comments:</b> <b>Attachment:</b> Appendix A-F.pdf		

**GOLDEN RULE INSURANCE COMPANY**  
**FEIN: 37-6028756**

**NAIC NUMBER: 0707-62286**

**POLICY FORM: GRI-N23M-06**

**ACTUARIAL MEMORANDUM**  
**RATE REVISION**

**1. Purpose**

The purpose of this rate filing is to extend the annual trend factors and increase the prescription drug riders rates used by this policy form. This rate filing will also be used to demonstrate that the anticipated loss ratio for this policy form meets the minimum required loss ratio for your state. Rates and factors for these changes are attached. This rate filing is not intended for any other purpose.

**2. Policy Form Number**

GRI-N23M-06 and Riders SA-S-1148, SA-S-640, SA-S-892, Sa-S-1019-I, and SA-S-1347-06

**3. Description of Benefits**

This is a major medical expense policy form sold to individuals. The policy form covers either:

- 1) 80% of the covered expenses in excess of a selected deductible, up to the coinsurance limit, and then covers 100% of covered expenses, or;
- 2) 100% of the covered expenses in excess of a selected deductible.

The deductible is on a calendar year basis. When the network option is selected (by selecting SA-S-892), coverage is reduced for expenses resulting from services rendered by providers that are not part of the selected network. In addition, for the HSA option, family plans use a family deductible rather than a per insured deductible. There are various copay options available (by attaching rider form SA-S-1148); certain covered expenses are not subject to the base plan deductible and/or coinsurance but may be subject to a separate deductible and/or copay amounts. There are additional limitations for some specific services.

The policy contains a provision for prenotification of certain listed expenses. If these covered expenses are not prenotified, benefits will be reduced to 80 percent of regular policy benefits. However, prenotification does not guarantee benefits.

Optional benefits are available which may affect coverage under the base policy form. Optional benefits available include a supplemental accident benefit, a prescription drug copay benefit, and an HSA indemnity benefit.

**4. Renewability**

The policy form is guaranteed renewable as defined by the Health Insurance Portability and Accountability Act of 1996 (HR3103), effective July 1, 1997.

**5. Marketing Method**

The policy is available through direct marketing and brokerage operations including arrangements for marketing through other carriers who do not have their own individual medical products.

## **6. History of Approved Rate Revisions**

2010 trend factor increases of 2.5% per quarter .

2011 trend factor increases of 2.5% per quarter.

2011 a factor of 1.035 for nongrandfathered business for Health Care Reform benefit requirements

## **7. Scope and Reason for the Premium Rate Revision**

This policy form is expected to experience claims trend and underwriting wearoff through December 2012. In addition, the rates need to support both new business and renewing policies. The proposed trend increases of approximately 2.4% for each quarter of 2012 equate to an annualized trend increase of 9.9%. Also, a 9.9% increase in prescription drug rider rates will also be used to support new and renewal business.

## **8. Application of Revised Rates**

The revised rates will apply to new business and renewal business, on or after January 1, 2012.

## **9. Determination of Revised Rates**

The requested extension of the trend factors, and prescription drug rider rates is based on Golden Rule experience for this form. Experience to date for this form has claims 23.2% higher than expected based on pricing assumptions previously filed and approved. Since this policy form started marketing in 2009 and is still being marketed, the experience is heavily influenced by medical underwriting. Also, the policy is expected to continue experiencing trend throughout the rating period.

## **10. Average Annual Premium**

The average annual premium per policy is \$4,712. After the increase, it is expected to be \$5,180

## **11. Historical Experience (inception to date)**

The experience for GRI-N23M-06 is as follows:

Month/Year	Member Months	Earned Premium	Incurred Claims	Paid/Incurred Claims	Incurred Loss Ratio	Expected Loss Ratio	Actual/Expected
2009	15,129	2,314,640	647,807	647,798	28%	30%	0.945
2010	81,190	14,541,581	6,602,945	6,562,859	45%	42%	1.072
2011 (7 months)	74,619	14,719,517	9,684,263	7,331,437	66%	47%	1.063
07/10-06/11	110,247	20,965,088	12,413,083	11,387,464	59%	46%	1.277
Total	170,938	31,575,739	16,935,015	14,542,094	54%	44%	1.232

## **12. Expense Assumptions**

Commission Expenses are based on a percentage of premium and vary by issue age and marketing method:

0-30% first year

0-10% renewal years

Marketing, administrative, overhead, premium taxes, and other expenses vary by marketing method and aggregate to:

\$240 per policy + 15% of premium in the first year

\$25 per policy + 11% of premium in renewal years

### **13. Anticipated Lifetime Loss Ratio**

This policy form, including all optional benefit riders with the exception of the term life rider, is anticipated to exceed the minimum loss ratio requirement of 55%. To the extent that the Federal Patient Protection and Affordable Care Act and the uniform definitions that will be certified by the Secretary of the Department of Health and Human Services require higher loss ratios, we will comply with such statutes and regulations. We note that the PPACA refers to the Minimum Loss Ratio, not the Expected Loss Ratios.

### **14. Minimum Lifetime Loss Ratio**

The NAIC Model for "Guidelines for Filing of Rates for Individual Health Insurance Forms" specifies that the "anticipated loss ratio" is defined as the present value of the expected benefits to the present value of the expected premiums over the entire period for which rates are computed to provide coverage, where interest is used in the calculation and assumptions are reasonable in relation to the circumstances. See section 13. above regarding PPACA Minimum Loss Ratio requirements.

### **15. Actuarial Certification**

I, Timothy I. Martin, am a Health Actuary and Director of Actuarial Services for United Healthcare's Individual Line of Business, which includes health business underwritten by Golden Rule Insurance Company. I am a member of the American Academy of Actuaries and I meet the Academy's qualification standards for rendering statements of actuarial opinion, with respect to the filing of rates for health insurance products.

To the best of my knowledge and judgment, this rate filing is in compliance with the applicable laws and regulations of your state, and the benefits are reasonable in relation to the premiums charged.

**Timothy Martin,**  
**FSA, MAAA**

Digitally signed by Timothy Martin, FSA,  
MAAA  
DN: cn=Timothy Martin, FSA, MAAA,  
o=Golden Rule Insurance Company, ou,  
email=timothy\_martin@goldenrule.com,  
c=US  
Date: 2011.08.18 10:42:41 -04'00'

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Timothy Martin, FSA, MAAA  
Health Actuary

# Appendix A

**Proposed rate revisions effective on or after 1/1/2012:**

**Total increase requested is 9.93%**

<b>Proposed Quarterly Trend Factors</b>	<b>Increase</b>
01/01/12 – 03/31/12	1.372 2.39%
04/01/12– 06/30/12	1.405 2.41%
07/01/12 – 09/30/12	1.439 2.42%
10/01/12 – 12/31/12	1.473 2.36%

2 **Proposed increase to PBM rider = 9.9%**

# Appendix B

## Trend by Broad Service Category

State: CT

Policy Forms GRI-N23S-06 and GRI-N23M-06

		2009					2010					2009		2010		Utilizat- ion	Unit Cost	Total		
		2009 Paid Amount	Reprice Claim Amount	2009 Claim Count	2009 Members	2009 Utilizat- ion	2009 Unit Cost	2010 Paid Amount	Reprice Claim Amount	2010 Claim Count	2010 Members	2010 Utilizat- ion	2010 Unit Cost	Repriced Claim PMPM	Repriced Claim PMPM				Paid Claim PMPM	Paid Claim PMPM
Facility	Emergency Room	71,369	235,633	744	17,482	0.043	317	549,434	1,563,471	5,059	95,848	0.053	309	13.48	16.31	4.08	5.73	24.0%	-2.4%	21.0%
Facility	Inpatient Facility	186,236	229,447	49	17,482	0.003	4,683	1,905,039	2,192,127	328	95,848	0.003	6,683	13.12	22.87	10.65	19.88	22.1%	42.7%	74.3%
Facility	Outpatient Facility	155,652	224,901	289	17,482	0.017	778	967,369	1,530,862	2,329	95,848	0.024	657	12.86	15.97	8.90	10.09	47.0%	-15.5%	24.2%
Facility	Skilled Nursing Facility						3,017		3,017	1	193,851	0.000	3,017		0.03		0.03			
Other	DME/Prosthetics	1,855	2,839	16	17,482	0.001	177	10,171	24,771	116	95,848	0.001	214	0.16	0.26	0.11	0.11	32.2%	20.4%	59.2%
Other	Home Health	825	825	11	17,482	0.001	75	6,620	10,589	111	95,848	0.001	95	0.05	0.11	0.05	0.07	84.1%	27.2%	134.1%
Other	Other	-	949	1	17,482	0.000	949	12,531	15,890	23	95,848	0.000	691	0.05	0.17	-	0.13	319.5%	-27.2%	205.3%
Other	Other Medical Supplies	724	4,638	48	17,482	0.003	97	23,311	53,912	438	95,848	0.005	123	0.27	0.56	0.04	0.24	66.4%	27.4%	112.0%
Other	Physical Therapy	13,783	38,849	669	17,482	0.038	58	86,448	208,723	3,389	95,848	0.035	62	2.22	2.18	0.79	0.90	-7.6%	6.1%	-2.0%
Other	Radiation/Chemotherapy	29,917	29,977	12	17,482	0.001	2,498	157,690	164,627	94	95,848	0.001	1,751	1.71	1.72	1.71	1.65	42.9%	-29.9%	0.2%
Physician	Anesthesiology	23,100	36,310	53	17,482	0.003	685	193,373	287,864	423	95,848	0.004	681	2.08	3.00	1.32	2.02	45.6%	-0.7%	44.6%
Physician	Diagnostic Testing-Office/Clinic	8,227	62,254	844	17,482	0.048	74	106,359	455,297	5,660	95,848	0.059	80	3.56	4.75	0.47	1.11	22.3%	9.1%	33.4%
Physician	Diagnostic Testing-Other	57,080	146,779	1,582	17,482	0.090	93	446,557	1,097,515	11,151	95,848	0.116	98	8.40	11.45	3.27	4.66	28.6%	6.1%	36.4%
Physician	Office Visits	52,455	167,140	1,856	17,482	0.106	90	414,348	1,144,642	12,332	95,848	0.129	93	9.56	11.94	3.00	4.32	21.2%	3.1%	24.9%
Physician	Other	77	1,397	41	17,482	0.002	34	9,744	25,396	488	95,848	0.005	52	0.08	0.26	0.00	0.10	117.1%	52.8%	231.6%
Physician	Other Physician Services	17,084	44,693	687	17,482	0.039	65	137,221	364,818	4,443	95,848	0.046	82	2.56	3.81	0.98	1.43	18.0%	26.2%	48.9%
Physician	Psyche and Substance Abuse	2,539	16,365	166	17,482	0.009	99	62,579	175,658	1,709	95,848	0.018	103	0.94	1.83	0.15	0.65	87.8%	4.3%	95.8%
Physician	Spine & Back Disorder	2,108	22,575	380	17,482	0.022	59	28,420	193,218	4,195	95,848	0.044	46	1.29	2.02	0.12	0.30	101.4%	-22.5%	56.1%
Physician	Surgery	44,131	109,847	304	17,482	0.017	361	550,801	1,046,321	2,433	95,848	0.025	430	6.28	10.92	2.52	5.75	46.0%	19.0%	73.7%
Preventive Care	Routine Childhood Immunizations	28,328	33,635	1,207	17,482	0.069	28	181,841	223,880	7,475	95,848	0.078	30	1.92	2.34	1.62	1.90	13.0%	7.5%	21.4%
Preventive Care	Routine Mam/PSA/PAP/HPV	18,402	29,532	413	17,482	0.024	72	123,444	171,043	2,236	95,848	0.023	76	1.69	1.78	1.05	1.29	-1.3%	7.0%	5.6%
Preventive Care	Routine Office Visits	73,244	104,644	935	17,482	0.053	112	448,525	607,441	4,694	95,848	0.049	129	5.99	6.34	4.19	4.68	-8.4%	15.6%	5.9%
Preventive Care	Routine Services	28,082	44,237	1,707	17,482	0.098	26	195,760	289,469	11,181	95,848	0.117	26	2.53	3.02	1.61	2.04	19.5%	-0.1%	19.4%
ZPrescription Drug (	Medco Data (Copay Plans & Discount Card)	31,751	91,045	1,786	17,482	0.102	51	278,521	695,265	12,999	95,848	0.136	53	5.21	7.25	1.82	2.91	32.8%	4.9%	39.3%
ZPrescription Drug (	Retail Pharmacy)	901	4,488	77	17,482	0.004	58	71,561	88,418	790	95,848	0.008	112	0.26	0.92	0.05	0.75	87.1%	92.0%	259.3%
Total		847,868	1,682,999	13,877	17,482	0.794	121	6,970,684	12,634,231	94,097	95,848	0.982	134	96	132	48	73	23.7%	10.7%	36.9%



# Appendix C

## Cost Sharing

State: Nation Wide  
Policy Forms GRI-N23S-06 and GRI-N23M-06

		2009				Cost Sharing	2010				Cost Sharing	2009	2010	2009	2010	Utilization	Unit Cost	Total	Cost sharing %
		2009 Paid Amount	Reprice Claim Amount	2009 Claim Count	2009 Members		2010 Paid Amount	Reprice Claim Amount	2010 Claim Count	2010 Members		Repriced Claim PMPM	Repriced Claim PMPM	Paid Claim PMPM	Paid Claim PMPM				
Facility	Emergency Room	71,369	235,633	744	17,482	0.30	549,434	1,563,471	5,059	95,848	0.35	13.48	16.31	4.08	5.73	24.0%	-2.4%	21.0%	16.0%
Facility	Inpatient Facility	186,236	229,447	49	17,482	0.81	1,905,039	2,192,127	328	95,848	0.87	13.12	22.87	10.65	19.88	22.1%	42.7%	74.3%	7.1%
Facility	Outpatient Facility	155,652	224,901	289	17,482	0.69	967,369	1,530,862	2,329	95,848	0.63	12.86	15.97	8.90	10.09	47.0%	-15.5%	24.2%	-8.7%
Facility	Skilled Nursing Facility						3,017	3,017	1	95,848	1.00		0.03		0.03				
Other	DME/Prosthetics	1,855	2,839	16	17,482	0.65	10,171	24,771	116	95,848	0.41	0.16	0.26	0.11	0.11	32.2%	20.4%	59.2%	-37.2%
Other	Home Health	825	825	11	17,482	1.00	6,620	10,589	111	95,848	0.63	0.05	0.11	0.05	0.07	84.1%	27.2%	134.1%	-37.5%
Other	Other	-	949	1	17,482	-	12,531	15,890	23	95,848	0.79	0.05	0.17	-	0.13	319.5%	-27.2%	205.3%	
Other	Other Medical Supplies	724	4,638	48	17,482	0.16	23,311	53,912	438	95,848	0.43	0.27	0.56	0.04	0.24	66.4%	27.4%	112.0%	177.0%
Other	Physical Therapy	13,783	38,849	669	17,482	0.35	86,448	208,723	3,389	95,848	0.41	2.22	2.18	0.79	0.90	-7.6%	6.1%	-2.0%	16.7%
Other	Radiation/Chemotherapy	29,917	29,977	12	17,482	1.00	157,690	164,627	94	95,848	0.96	1.71	1.72	1.71	1.65	42.9%	-29.9%	0.2%	-4.0%
Physician	Anesthesiology	23,100	36,310	53	17,482	0.64	193,373	287,864	423	95,848	0.67	2.08	3.00	1.32	2.02	45.6%	-0.7%	44.6%	5.6%
Physician	Diagnostic Testing-Office/Clinic	8,227	62,254	844	17,482	0.13	106,359	455,297	5,660	95,848	0.23	3.56	4.75	0.47	1.11	22.3%	9.1%	33.4%	76.8%
Physician	Diagnostic Testing-Other	57,080	146,779	1,582	17,482	0.39	446,557	1,097,515	11,151	95,848	0.41	8.40	11.45	3.27	4.66	28.6%	6.1%	36.4%	4.6%
Physician	Office Visits	52,455	167,140	1,856	17,482	0.31	414,348	1,144,642	12,332	95,848	0.36	9.56	11.94	3.00	4.32	21.2%	3.1%	24.9%	15.3%
Physician	Other	77	1,397	41	17,482	0.06	9,744	25,396	488	95,848	0.38	0.08	0.26	0.00	0.10	117.1%	52.8%	231.6%	593.6%
Physician	Other Physician Services	17,084	44,693	687	17,482	0.38	137,221	364,818	4,443	95,848	0.38	2.56	3.81	0.98	1.43	18.0%	26.2%	48.9%	-1.6%
Physician	Psyche and Substance Abuse	2,539	16,365	166	17,482	0.16	62,579	175,658	1,709	95,848	0.36	0.94	1.83	0.15	0.65	87.8%	4.3%	95.8%	129.7%
Physician	Spine & Back Disorder	2,108	22,575	380	17,482	0.09	28,420	193,218	4,195	95,848	0.15	1.29	2.02	0.12	0.30	101.4%	-22.5%	56.1%	57.5%
Physician	Surgery	44,131	109,847	304	17,482	0.40	550,801	1,046,321	2,433	95,848	0.53	6.28	10.92	2.52	5.75	46.0%	19.0%	73.7%	31.0%
Preventive Care	Routine Childhood Immunizations	28,328	33,635	1,207	17,482	0.84	181,841	223,880	7,475	95,848	0.81	1.92	2.34	1.62	1.90	13.0%	7.5%	21.4%	-3.6%
Preventive Care	Routine Mam/PSA/PAP/HPV	18,402	29,532	413	17,482	0.62	123,444	171,043	2,236	95,848	0.72	1.69	1.78	1.05	1.29	-1.3%	7.0%	5.6%	15.8%
Preventive Care	Routine Office Visits	73,244	104,644	935	17,482	0.70	448,525	607,441	4,694	95,848	0.74	5.99	6.34	4.19	4.68	-8.4%	15.6%	5.9%	5.5%
Preventive Care	Routine Services	28,082	44,237	1,707	17,482	0.63	195,760	289,469	11,181	95,848	0.68	2.53	3.02	1.61	2.04	19.5%	-0.1%	19.4%	6.5%
ZPrescription Drug	Medco Data (Copay Plans & Discount Card)	31,751	91,045	1,786	17,482	0.35	278,521	695,265	12,999	95,848	0.40	5.21	7.25	1.82	2.91	32.8%	4.9%	39.3%	14.9%
ZPrescription Drug	Retail Pharmacy	901	4,488	77	17,482	0.20	71,561	88,418	790	95,848	0.81	0.26	0.92	0.05	0.75	87.1%	92.0%	259.3%	303.2%
Total		847,868	1,682,999	13,877	7,068,269	0.50	6,970,684	12,634,231	94,097	95,848	0.55	96	132	48	73	23.7%	10.7%	36.9%	9.5%

# **Appendix D**

## **Benefit Buy Down**

**State: CT**

In the year of 2010 3% of the insureds on Policy Forms GRI-N23S-06 and GRI-N23M-06 elected to lower their rates by changing their deductible. The average decrease to premium for the insureds who elected to lower their rates was 5% which contributed to an approximate decrease of .2% to the Earned Premium from these policy forms.

# Appendix E

## Claims Triangle

Policy Forms GRI-N23S-06 and GRI-N23M-06

State: CT

		Payment of Incurred Claims by Months after Incurred Date (\$)													
Date of Paid Claims		0	1	2	3	4	5	6	7	8	9	10	11	12	13
2010	Jul	162,517	271,861	104,545	6,231	1,339	449	1,304	0	0	35	0	0	0	0
2010	Aug	215,806	316,838	94,866	8,994	25,690	1,902	345	(234)	9	9	0	0	12	0
2010	Sep	222,124	309,585	79,748	61,764	5,719	4,035	3,672	1,294	29,373	119	202	0	(419)	0
2010	Oct	253,454	413,494	34,469	36,847	9,604	14,526	407	1,101	504	(18,189)	0	106	4	0
2010	Nov	182,752	495,792	93,342	69,418	1,331	3,902	2,885	582	1,206	535	4,933	194	0	(4)
2010	Dec	264,592	425,786	31,388	9,979	36,312	6,836	4,973	5,522	2,872	3,881	281	2,093	0	0
2011	Jan	161,735	501,871	173,384	31,192	14,116	3,388	910	(3,246)	763	1,286	941	51	210	0
2011	Feb	173,783	303,636	55,109	25,298	2,352	16,400	1,593	2,297	261	59	47	1,764	163	114
2011	Mar	382,353	417,011	72,170	35,918	198,818	7,782	(885)	(7,588)	8,450	495	225	0	337	28
2011	Apr	336,199	519,373	248,029	184,949	4,569	11,347	1,830	791	641	2,482	53	666	40	279
2011	May	320,568	671,355	311,265	23,965	49,147	8,792	5,300	305	1,221	0	119	636	(145)	61
2011	Jun	589,697	1,012,223	213,510	60,311	55,675	30,575	16,312	6,444	2,435	(232)	1,197	68	0	0

# Appendix F

## Historical Experience

### 2010 Annual Statement, State Page

	Processed	Premium	Earned Premium	Paid Claims	Incurred Claims
Line 26		58,883,412	57,943,996	35,495,598	36,512,338

### Experience as of December 31, 2010

	Processed	Premium	Earned Premium	Paid Claims	Incurred Claims
Dental-S/A sm		429,104	389,518 0		0
Group		22,612	22,519	5,281	5,310
Class E Short Term		723,760	722,722	359,614	361,845
Class F Short Term		218	218 0		0
Medigap Summary		165,736	165,611	105,701	107,044
Balance		21,786	23,540	27,728	27,912
Class F IGII		411,024	413,153	525,075	527,471
Class F List Bill Fees		750	760 0		0
ECI	0	0	0	0	0
Class E IGI		2,893,413	2,940,772	2,149,216	2,160,805
Class E IGII		54,125,151	54,083,020	32,967,865	33,146,385
<b>Total</b>		<b>58,793,554</b>	<b>58,760,858</b>	<b>35,365,119</b>	<b>36,817,289</b>

\*\*\* Please note that the December 31, 2010 experience and the annual statement are close in reported numbers. The minor difference can be attributed to accounting differentiation.

### Experience of Class E IGII as of December 31, 2010

	Processed	Premium	Earned Premium	Paid Claims	Incurred Claims
EA	0	0	0	0	0
EFI/S/X		1,400,429	1,416,468	1,119,840	1,126,034
EGI/S/X/M		4,081,983	4,140,710	2,926,297	2,940,059
EHC/I/S/X/M	0	0	0	0	0
EJC/D/I/S/X/M		1,583,776	1,661,455	1,138,400	1,143,458
EKC/D/E/I/S/X/M		2,010,689	2,034,512	2,161,514	2,170,644
ELD/E/F/I/S/X/M		9,033,709	9,108,912	5,025,396	5,051,701
END/E/F/I/S/X/M	0	0	0	0	0
EPD/E/I/S/X/G/H		19,905	19,383	11,759	11,806
EQD/I/S/X/H		18,889,928	19,104,612	13,554,616	13,629,214
ERD/E/I/S/X/G/H		163	326	0	0
ETD/E/I/S/X/G/H		4,471	4,475	936	937
EUD/E/I/S/X/G/H	0	0	0	0	0
EVD/F/I/X/H		15,008,896	14,541,581	6,472,425	6,512,731
EVE/G/S		2,089,792	2,049,204	495,248	497,620
EWD/E/I/S/X/H/J/K/L		214	185	87	88
EXD/E/I/S/X/H/J/K/L		1,196	1,196	61,346	62,093
<b>Total Class E IGII</b>		<b>54,125,151</b>	<b>54,083,020</b>	<b>32,967,865</b>	<b>33,146,385</b>

\*EVD/F/I/X/H is policy form GRI-N23M-06