

Golden Rule Insurance Co. – Individual

Rate request – 18.5 percent average increase for *off* Exchange policies

Decision – Disapproved, approved average increase of 1.1 percent

On April 6, 2015, Golden Rule Insurance Co. filed a request to raise premium rates an average of 18.5 percent for individual health policies marketed outside the state’s health insurance exchange with coverage beginning January 1, 2016.

The Department held a public hearing on the rate request July 27, 2015. The Insurance Commissioner ruled on August 27, 2015 that the rates were excessive based on the Department’s findings and required the company to recalculate. The company recalculated per the order, resulting in an average rate increase of 1.1 percent.

The new rates will be applied to 2,000 policies currently in force in Connecticut beginning January 1, 2016.

The company first offered this particular product in 2014 for coverage for 2015. Because it is a relatively new product there was no existing financial experience for this block of business so the company said it based its rate request “on the best information that we have available about the expected costs for these plans.”

In its calculations, the company assumed a 3 percent annual trend for utilization and an annual cost trend of 4.9 percent from 2014 to 2015 and 3.8 percent from 2015 to 2016, these factors reflect the increases in medical service and pharmacy costs and demand for those services.

Golden Rule cited a number of other factors contributing to the increase. They include:

- More of premiums need to cover health care costs as deductibles and co-pays remain the same
- Cost shifting from public to private sector as rates for Medicare and Medicaid decline
- Impact of new technology
- Changes in benefits
- Fees and taxes associated with the federal Affordable Care Act.