

Attachment I

Rate Change Summary

Capital Advantage Assurance Company (CAAC) – Individual Plans

Rate request filing ID # CABC-131454875 - 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:	-19.5% ¹
Revised requested average rate change:	-20.4%
Range of requested rate change:	-25.2% to -17.1%
Effective date:	1/1/2019
People impacted:	38,227
Available in:	Rating Area 6, Rating Area 7 and Rating Area 9

Key information

Jan. 2017-Dec. 2017 financial experience

Premiums	\$ 461,073,133
Claims	\$ 313,735,624
Administrative expenses	\$ 28,757,392
Taxes & fees	\$ 31,112,324
Company made (after taxes)	\$87,467,794

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2019:

Claims:	90.82%
Administrative:	6.76%
Taxes & fees:	0.42%
Profit:	2.0%

The company expects its annual medical costs to increase **11.74%**.

Explanation of requested rate change

Stabilization of the Individual market in recent years
Suspension of the Health Insurer Fee in 2019
Anticipated increase in facility and physician unit costs
Anticipated changes in prescription drug unit costs
Continuing change in utilization

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.