Filing at a Glance

Company:	MVP Health Plan, Inc.
Product Name:	VT LG HMO Filing 3Q/4Q 2016
State:	VermontGMCB
TOI:	HOrg02G Group Health Organizations - Health Maintenance (HMO)
Sub-TOI:	HOrg02G.003B Large Group Only - POS
Filing Type:	GMCB Rate
Date Submitted:	02/29/2016
SERFF Tr Num:	MVPH-130467866
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	
Implementation Date Requested:	07/01/2016
Author(s):	Matt Lombardo, Eric Bachner
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Implementation Date:	

State Filing Description:

State: *VermontGMCB* **Filing Company:** *MVP Health Plan, Inc.*
TOI/Sub-TOI: *HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.003B Large Group Only - POS*
Product Name: *VT LG HMO Filing 3Q/4Q 2016*
Project Name/Number: */*

General Information

Project Name:
Project Number:
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Group Market Type: Employer
Filing Status Changed: 02/29/2016
State Status Changed:
Created By: Eric Bachner
Corresponding Filing Tracking Number:

Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Group
Group Market Size: Large
Overall Rate Impact:

Deemer Date:
Submitted By: Eric Bachner

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

The proposed manual rates, experience rated formula, and addendum values included within this filing are for employer groups with 100+ employees in the state of Vermont with coverage dates beginning between 7/1/2016 - 12/31/2016.

Company and Contact

Filing Contact Information

Matt Lombardo,
625 State Street
Schenectady, NY 12305

mlombardo@mvphealthcare.com
518-388-2483 [Phone]

Filing Company Information

MVP Health Plan, Inc.
625 State Street
Schenectady, NY 12305
(518) 388-2469 ext. [Phone]

CoCode: 95521
Group Code: 1198
Group Name:
FEIN Number: 14-1640868

State of Domicile: New York
Company Type: Health Maintenance Organization
State ID Number:

Filing Fees

Fee Required? Yes
Fee Amount: $150.00
Retaliatory? No
Fee Explanation:

Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	1.800%
Effective Date of Last Rate Revision:	10/01/2015
Filing Method of Last Filing:	SERFF

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
MVP Health Plan, Inc.	Neutral	-4.400%	-4.400%	$0	0	$0	-4.400%	-5.700%

Rate Review Detail

COMPANY:

Company Name: MVP Health Plan, Inc.
HHS Issuer Id: 77566

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Vermont HMO Contract Grp			1

Trend Factors:

FORMS:

New Policy Forms:
Affected Forms:
Other Affected Forms: VT HMO COC

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
Member Months: 2,627
Benefit Change: Increase
Percent Change Requested: Min: -5.7 Max: -4.4 Avg: -4.4

PRIOR RATE:

Total Earned Premium: 0.00
Total Incurred Claims: 0.00
Annual $: Min: 529.04 Max: 548.97 Avg: 540.36

REQUESTED RATE:

Projected Earned Premium: 0.00
Projected Incurred Claims: 0.00
Annual $: Min: 548.25 Max: 568.97 Avg: 559.98

State: VermontGMCB **Filing Company:** MVP Health Plan, Inc.
TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.003B Large Group Only - POS
Product Name: VT LG HMO Filing 3Q/4Q 2016
Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	3Q 2016 ACT MEMO HMO Large Group.pdf 2016 Experience Rating Formula Filing Exhibits A&B - Vermont.pdf MVP Health Care - Experience Formula effective 1.1.16_VT.pdf VT Experience Rated Addendum - 3Q 2016.pdf Appendices A- C - 3Q 2016.pdf 3Q 2016 ACT MEMO HMO Large Group.pdf VT LG HMO Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF.xlsx VT LG HMO Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF.pdf Rolling 12 Medical and Rx Data - LG HMO.pdf Rolling 12 Medical and Rx Data - LG HMO.xlsx
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Civil Union Rating Requirements
Comments:	MVP's forms comply with 8 V.S.A. § 4724.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Certification of Compliance - VT.pdf
Item Status:	

State: *VermontGMCB* **Filing Company:** *MVP Health Plan, Inc.*
TOI/Sub-TOI: *HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.003B Large Group Only - POS*
Product Name: *VT LG HMO Filing 3Q/4Q 2016*
Project Name/Number: */*

Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

State: VermontGMCB **Filing Company:** MVP Health Plan, Inc.
TOI/Sub-TOI: HOrg02G Group Health Organizations - Health Maintenance (HMO)/HOrg02G.003B Large Group Only - POS
Product Name: VT LG HMO Filing 3Q/4Q 2016
Project Name/Number: /

Attachment VT LG HMO Q3 & Q4 2016 Rate Filing(Exclude 51-100) SERFF.xlsx is not a PDF document and cannot be reproduced here.

Attachment Rolling 12 Medical and Rx Data - LG HMO.xlsx is not a PDF document and cannot be reproduced here.

ACTUARIAL MEMORANDUM

3Q and 4Q 2016 Large Group AR44 Manual Rate, Formula and Addendum Filing

Purpose of Filing

The purpose of this filing is to demonstrate the development of manual rates in support of MVP Health Plan's (MVP) Large Group AR44 product portfolio and seek approval of the manual rates, formula and factors used to develop group specific premium rates. The manual rates and rating factors included in this filing are for group effective dates between 7/1/2016 and 12/31/2016. The rates are effective for 12 months. This rate filing has been prepared to satisfy the requirements of 8 V.S.A § 5104 and is not intended to be used for other purposes.

Scope of Filing

As of January 2016, there were 0 members enrolled in Large Group AR44 plans. MVP is filing rates for this block in the event that an employer group requests one of the products offered within this filing.

MVP is proposing to reduce the annual revenue for these products by 4.4% which is driven by three factors described below.

- Manual Rate Change: MVP is proposing a quarterly manual rate increase of 3.3% which translates to an annual change of 5.2%.

- Age/Gender Table Normalization: MVP began normalizing its age/gender factor table in 1Q 2016 due to a new business discount being offered to prospective employer groups. One of the criteria used determine if a group qualified for the new business discount is the average demographic factor of the group. Rather than modifying this criteria each rate filing, MVP decided to normalize the age/gender table and remove the age/gender normalization factor from the claim projection used to determine the manual rate change. The normalized age/gender table is included in Appendix B of the file, "Appendices A-C – 3Q 2016.xlsx". Note that MVP is filing the same age/gender table for these products as was filed in MVP's 3Q 2016 Large Group HIC filing (SERFF ID: MVPH-130454426) since all of the existing Large Group membership are enrolled in MVP HIC products.

- Change in Target Loss Ratio: MVP is increasing its target loss ratio from 80.2% in the 3Q 2015 filing to 84.4% for this rate filing which is decreasing the overall revenue change by an additional -4.7%. The drivers of this reduction are a decrease in the administrative load from 9.5% in 3Q 2015 to 8.0%, an increase in the contribution to surplus from 1.0% to 2.0%, a reduction in the VT Vaccine assessment worth 0.1%, a one year moratorium of the ACA Insurer Tax in 2017 and removal of the Temporary Reinsurance Pool fee for 2017 dates of service. Note, MVP proposed a contribution to surplus of 2.0% in 3Q 2015 which was reduced to 1.0% by the GMCB. For the 1Q 2016 Large Group MVP HIC filing (SERFF ID: MVPH-130178700), the GMCB approved a 2.0% contribution to surplus.

Please see the following page for a derivation of the overall revenue change for 3Q and 4Q 2016.

Derivation of Annual Revenue Change Based on Quarterly Rate Changes					
	4Q '15 / 3Q '15	3Q '16 / 4Q '15	2Q '16 / 1Q '16	3Q '16 Annual Increase	4Q '16 Annual Increase
Medical	1.8%	3.3%	1.0%	5.2%	4.3%
Average Manual Rate Change for LG HMO Block				5.2%	4.3%
Age Gender Table Normalization				-4.6%	-4.6%
Impact of Changes in Target Loss Ratio				-4.7%	-5.3%
Proposed Annual Revenue Change				**-4.4%**	**-5.7%**

Development of Manual Rate Increase

Large group AR44 claims incurred between November 2014 and October 2015, paid through December 2015 represents MVP's experience period data. There were two groups active in the experience period with a combined 2,627 member months, both of which exited their products in January 2016.

Exhibit 3a demonstrates the development of the proposed 3rd quarter manual rate action. Because there were only 2,627 member months in the experience period, the block of business is not credible for rate setting and is expected to produce volatile medical loss ratios. To arrive at a rate increase, MVP is proposing to increase the approved 4th quarter 2015 manual rates by three quarters of projected trend.

Also included with this filing is Exhibit 3b which illustrates the proposed 4Q 2016 quarterly rate change. The claim projection on this tab reflects the same experience period data as was shown on Exhibit 3a projected one more quarter to 4Q 2016. The change in the claim projection equals one quarter of paid trend and reflects the proposed 4Q 2016 quarterly rate action.

Pooling Charge

MVP is proposing to modify its pooling charge for this product to be consistent with the pooling charges approved in the 1Q 2016 MVP HIC rate filing. Please see the Experience Rated Addendum for the proposed factors.

Medical Trend Factors

The development of annual medical paid claim trend factors for 3Q 2016 is illustrated in Exhibit 2a. Consistent with recently submitted filings, MVP is applying 0% utilization trend to its data. Regression analysis has been performed on MVP's utilization data in the past, and it was concluded that the predictive ability of the historical utilization trends was weak and not reliable. The assumed unit cost trends reflect known and assumed price increases from MVP's provider network.

In addition to the medical cost inflation rate assumed from the historical experience period to the rating period, an adjustment is needed to reflect the impact of cost share leveraging on the carrier's share of the medical cost. Leveraging is a result of the fixed nature of deductibles and copays in health benefit plans. When there are fixed member deductibles and copays, the carrier bears a greater portion of the cost of medical inflation. Therefore, an additional factor adjustment is made to the trend assumption to capture this cost.

Also included in this filing is a paid trend development exhibit for 4Q 2016. Please see Exhibit 2e which is identical to Exhibit 2a except there is one more quarter of trend reflected in the calculation.

Rx Trend Factors

Annual Rx trend factors split by generic, brand and specialty drugs are illustrated in Exhibit 2a. These trend factors were supplied by MVP's pharmacy benefit manager (PBM) and reflect their best estimate of expected changes to pharmacy costs and drug utilization. Supporting documentation illustrating how the Rx trends shown on Exhibit 2a were converted to paid trends for 3Q 2016 can be found in Exhibit 2b.

Please see the attached file, "Rolling 12 Medical and Rx Data - LG HMO.xlsx" which contains a rolling 12 month summary of total Rx claim costs as well as Rx data broken out by Generic, Brand, and Specialty.

Also included in this filing is a paid trend development exhibit for 4Q 2016. Please see Exhibit 2f which is identical to Exhibit 2b except there is one more quarter of trend reflected in the calculation.

Retention Expenses

Retention expenses are outlined in the attached Addendum. The table below represents MVP's Large Group administrative expenses as filed in the Supplemental Health Care Exhibit over the past four years:

Administrative Expense Summary - Data Taken from Supplemental Health Care Exhibit

	VT Large Group - AR42 & AR44			
	Member Months	Premium PMPM	Admin PMPM	Admin Expense Ratio
2011	182,773	$326.54	$36.06	11.0%
2012	136,049	$335.21	$33.62	10.0%
2013	118,563	$363.04	$39.18	10.8%
2014	97,084	$404.11	$38.31	9.5%

Admin PMPM reflects the following lines from Part I of the SHCE: 6.6, 8.3, 10.1, and 10.4

Changes have been made to the following retention items since the 3Q 2015 filing:

- Administrative Load: MVP has worked towards reducing administrative expenses and will charge an administrative load equal to 8.0% of premium for this filing. This reflects a 1.5% reduction from the previously submitted LG AR44 filing.

- Contribution to Surplus: MVP is proposing a 2.0% contribution to surplus. This is consistent with the contribution to surplus approved for the 1Q 2016 LG HIC filing.

- ACA Insurer Tax: Recent information from the Federal Government indicates there will be a moratorium on this tax for 2017. As a result, members will only be taxed on this benefit for 2016 dates of service.

- Covered Lives Assessment: The 2016 covered lives assessment has been finalized by New York State. The addendum has been updated to reflect these amounts.

- VT Vaccine Assessment: Based on updated information, MVP has reduced this fee by 0.1% to 0.5% of premium.

The following taxes/assessments are included in the attached Addendum:

Temporary Individual Reinsurance Pool

Carriers are being assessed a fee to fund the Temporary Reinsurance Pool which supports the individual reinsurance program both in and out of the exchange from 2014 through 2016. For 2016, the fee is $2.25 PMPM, and the fee will be $0.00 in 2017.

ACA Insurer Tax
Beginning in 2014, carriers will be taxed based on earned premium. MVP estimates its liability in 2016 will equal 2.0% of premium and will be 0.0% in 2017.

VT Paid Claim Tax
The State of Vermont charges a 0.999% tax on paid claims.

Comparative Effectiveness Research Fee
A prescribed Federal fee equal to $0.18 PMPM to fund the Federal Research Fund.

VT Vaccine Pilot
This is a Vermont state assessment based on plan premiums which is used to fund immunizations provided by the state.

Changes to Large Group Formula
MVP is adding a new business discount and manual rate cap to its large group experience rated formula in 2016. Please see the accompanying addendum and large group formula files for details.

Loss Ratio Information
The traditional target loss ratio (claims cost / premium) for the rates proposed in this rate filing is 84.4%. After making adjustments for taxes/assessments and expenses associated with quality improvements, the Federal target loss ratio for the rates proposed in this filing is 88.1%. Please see the table below for more detail:

Target Loss Ratio for LG AR44 in 3Q 2016

	Large Group AR44
A) Claims Expense	$458.08
B) Taxes/Assessments	$17.75
C) Quality Improvement	$4.34
D) Premium	$542.57
E) Traditional Loss Ratio *= A) / D)*	**84.4%**
F) Federal Loss Ratio *= [A) + C)] / [D) - B)]*	**88.1%**

Supplemental Exhibits
Included with this filing is a historical claim and membership summary for the past 34 months grouped into rolling 12 month periods. Incurred claims from January 2013 – October 2015 completed through December 2015 are reflected in the data. Note the data represented in these files excludes the 51-100 block.

Retired Products
The following plans are being retired effective 7/1/16: Coplan 10 Large. This plan was a grandfathered plan that no longer has any membership.

Actuarial Certification

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, inadequate, nor unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.

_____ 02/25/2016

Matthew Lombardo, FSA, MAAA Date

Associate Director, Actuarial Services

MVP Health Care

MVP Health Care - Large Group Experience Rating Formula

I. Case Information			
Group Name:	*Input*	Date:	*Input*
Group #:	*Input*	Effective Date:	*Input*
Marketing Rep:	*Input*		
Underwriter:	*Input*		

II. Manual Pure Premium Calculation	**Medical w/ Non-Pharmacy Riders**	**Pharmacy**	
1 - Manual Pure Premium	*Addendum Value*	*Addendum Value*	
2 - Industry Factor	*Addendum Value*	*Addendum Value*	
3 - Demographic Factor	*Addendum Value*	*Addendum Value*	
4 - Manual Group Risk Assessment	*Addendum Value*	*Addendum Value*	
5 - HRA/HSA Funding Load Factor	*Addendum Value*	*Addendum Value*	
6 **- Adjusted Manual Pure Premium**	*1 x 2 x 3 x 4 x 5*	*1 x 2 x 3 x 4 x 5*	Total PMPM
III. Experience Pure Premium Calculation			
Experience Period Start Date	*Input*	*Input*	
Experience Period End Date	*Input*	*Input*	
Paid Through Date	*Input*	*Input*	
Midpoint of Experience Period	*Input*	*Input*	
Product Reflected in Experience	*Input*	*Input*	
Product in the Rate Quote	*Input*	*Input*	
Member Months	*Input*	*Input*	
Out-of-Area Subscribers	*Input*	*n/a*	
Claims Information			
1 - Date of Service Paid Claims	*Input*	*Input*	
2 - Composite Completion Factor Adjustment	*Input*	*Input*	
3 - Incurred Claims	*1x2*	*1x2*	
4 - Other non fee for service medical expenses	*Input*	*n/a*	
5 - Pooling Level (PL)	*Addendum Value*	*Addendum Value*	
6 - Actual Large Claims (Excess Over PL)	*Input*	*Input*	
7 - Pharmacy Rebate Factor	n/a	*Addendum Value*	
8 - Incurred Claims Less Large Claims	*3+4-6*	*(3 - 6) * 7*	
9 - Trend Factor to MP of Projection Period	*Addendum Value*	*Addendum Value*	
10 - Trended Net Claims	*8x9*	*8x9*	
11 - Trended pmpm Net Claims	*10 / membermonths*	*10 / membermonths*	
Experience Adjustments			
12 - Demographic Adjustment (Carrier Replacement Only)	*Addendum Value*	*Addendum Value*	
13 - Prior Period Adjustment, if applicable	*Value from Exhibit B*	*Value from Exhibit B*	
14 - Network Adjustment Factor	*Addendum Value*	*n/a*	
15 - Benefit Adjustment	*Addendum Value*	*Addendum Value*	
16 - Pooling Charge %	*Addendum Value*	Addendum Value	
17 - Adjusted pmpm Net Claims	*product(11 thru 15) x (1+16)*	*product(11 thru 15) x (1+16)*	
18 - Covered Lives Assessment	*Addendum Value*	n/a	
19 - Indigent Care	*Addendum Value*	n/a	
20 **- Experience Pure Premium**	***17 + 18 + 19***	***17***	

IV. Employer Specific Premium Rates	**Total**
Blending the Manual Pure Premium and Experience	
1 - Adjusted Manual Pure Premium	*6 From Section II*
2 - Capped Manual Pure Premium	*If group has over 100 enrolled subscribers and adjusted manual premium is +/- 15% or more of the Experience Pure Premium, cap adjusted manual rate at Experience Pure premium * 1.15 or Experience Pure Premium *.85, respectively. Otherwise, equal to Adjusted Manual Pure Premium*
3 - Experience Pure Premium	*20 From Section III*
4 - Experience Credibility Weight	*Addendum Value*
5 - Blended Pure Premium	3x4 + 2x(100%-4)
6 - Group Risk Assessment Factor	*Addendum Value*
7 - New Business Discount	*Addendum Value*
8 - Retrospective Financial Underwriting Factor	*Addendum Value*
9 - Network Access Fee	*Addendum Value*
10 - Retention Charges excluding Premium Tax	*Addendum Value*
11 - Premium Taxes	*Addendum Value*
12 **- Group Required Pure Premium**	***5x6x7x8+9+10+11***

Premium Rate Development

	Single	**EE/SP**	**EE/Ch(ren)**	**Family**
13 - Employer Specific Loading Factors	*Based on the Group's specific rate ratios/census*			
14 - Final Premium Rates	*12 x 13*	*12 x 13*	*12 x 13*	*12 x 13*

V. Minimum Premium Funding

	Single	**EE/SP**	**EE/Ch(ren)**	**Family**
1 - Final Premium Rates	From Section IV, line 14			
2 - Retention Rate	From Section IV., lines 10 + 11 x Employer Specific Loading Factors			
3 - Claims Liability Rate	1-2			
4 - Claims Fluctuation Margin	*Addendum Value*			
5 - Maximum Monthly Premium Liability	3X4			

Exhibit B

MVP Health Care - Large Group Experience Rating Formula - Two Periods of Experience calculation

Group Name:	*Input*	Date:	*Input*
Group #:	*Input*	Effective Date:	*Input*
Marketing Rep:	*Input*		
Underwriter:	*Input*		

Experience Pure Premium Calculation	**Medical Claims**		**Pharmacy Claims**	
	Period 1	Period 2	Period 1	Period 2
Experience Period Start Date	*Input*	*Input*	*Input*	*Input*
Experience Period End Date	*Input*	*Input*	*Input*	*Input*
Paid Through Date	*Input*	*Input*	*Input*	*Input*
Midpoint of Experience Period	*Input*	*Input*	*Input*	*Input*
Product Reflected in Experience	*Input*	*Input*	*Input*	*Input*
Product in the Rate Quote	*Input*	*Input*	*Input*	*Input*
Member Months	*Input*	*Input*	*Input*	*Input*
Claims Information				
1 - Date of Service Paid Claims	*Input*	*Input*	*Input*	*Input*
2 - Composite Completion Factor Adjustment	*Input*	*Input*	*Input*	*Input*
3 - Incurred Claims	*1x2*	*1x2*	*1x2*	*1x2*
4 - Other non fee for service medical expenses	*Input*	*Input*	*n/a*	*n/a*
5 - Pooling Level (PL)	*Addendum Value*	*Addendum Value*	*Addendum Value*	*Addendum Value*
6 - Actual Large Claims (Excess Over PL)	*Input*	*Input*	*Input*	*Input*
7 - Pharmacy Rebate Factor	*n/a*	*n/a*	*Addendum Value*	*Addendum Value*
8 - Incurred Claims Less Large Claims	*3+4-6*	*3+4-6*	*(3 - 6) * 7*	*(3 - 6) * 7*
9 - Trend Factor to MP of Projection Period	*Addendum Value*	*Addendum Value*	*Addendum Value*	*Addendum Value*
10 Regional Trend Adjustment Factor	*Addendum Value*	*n/a*	*Addendum Value*	*n/a*
11 - Trended Net Claims	*8x9x10*	*8x9x10*	*8x9x10*	*8x9x10*
12 - Trended pmpm Net Claims	*11 / membermonths*	*11 / membermonths*	*11 / membermonths*	*11 / membermonths*
Experience Adjustments				
13 - Demographic Adjustment (Carrier Replacement Only)	*Addendum Value*	*Addendum Value*	*Addendum Value*	*Addendum Value*
14 - Network Adjustment Factor	*Addendum Value*	*Addendum Value*	*Addendum Value*	*Addendum Value*
15 - Benefit Adjustment	*Addendum Value*	*Addendum Value*	*Addendum Value*	*Addendum Value*
16 - Pooling Charge %	*Addendum Value*	*Addendum Value*	n/a	n/a
17 - Adjusted pmpm Net Claims	*product(12 thru 15) x (1+16)*	*product(12 thru 15) x (1+16)*	*product(12 thru 15) x (1+16)*	*product(12 thru 15) x (1+16)*
Period Weight	*Addendum Value*	*Addendum Value*	*Addendum Value*	*Addendum Value*
Prior Period Adjustment Factor	P1 and P2 Weighted Average line 17 / P1 line 17		P1 and P2 Weighted Average line 17 / P1 line 17	

MVP Health Care, Inc.

Article 42 and AR44 Experience Rating Formula

EPO, PPO, and HMO Products

For Large Employer Groups

(100+ Employees as defined by regulation)

Effective 01/01/16

INTRODUCTION

MVP Health Insurance Company and MVP Health Plan, Inc. ("MVP") market Experience Rated EPO, PPO, and HMO products to large employer groups as defined per Vermont regulation. Prospective experience rating and Retrospective experience rating methods are offered. In addition, a Minimum Premium Funding arrangement is available via a rider.

MVP's large group rating formula has three parts. Part 1 develops a group specific manual pure premium. Part 2 develops a pure premium based on the group's actual claims experience. Part 3 blends the two using credibility factors and then develops the group's premium rates. The attached Exhibits A and B illustrate the calculation from start to finish and this document provides a description of each component. The actual factors used in the calculation are contained in a separate Experience Rating Addendum filing.

The addendum filing and the factors contained within will be reviewed and adjusted annually or as necessary. Whenever possible, the rating factors will be developed using MVP historical experience and will be normalized to MVP's population.

II: MANUAL PURE PREMIUM (part 1)

Part 1 of the formula is the calculation of the group specific Manual Pure Premium (the Adjusted Manual Pure Premium).

1. ***Manual Pure Premium* –** The Manual Pure Premium rate table can be found in the Experience Rating Addendum. These rates reflect the expected claim cost for the book of business for each benefit offering for the rating period.

2. ***Industry Factor*** – A factor to adjust for the group's specific industry. The industry factor table can be found in the Experience Rating Addendum.

3. ***Demographic Factor*** – A factor to adjust for the group's specific demographic makeup. For the purpose of calculating the demographic adjustment factor, any employees or retirees who have Medicare as their primary coverage are excluded from the census. The demographic tables can be found in the Experience Rating Addendum.

4. ***Manual Group Risk Assessment Factor*** - Rating factors to reflect specific characteristics of the group. See the Experience Rating Addendum for the applicable factors.

5. ***HRA/HSA Funding Load Factor*** – The additional risk charge applies when a group funds a plan deductible. The charge is intended to account for the anticipated

increase in utilization of services due to the resulting 'first dollar' coverage provided. See the Experience Rating Addendum for the applicable factors.

6. ***Adjusted Manual Pure Premium*** - The product of 1 through 5 above. This is the starting basis for the non-credible portion of the group's premium calculation.

III:EXPERIENCE PURE PREMIUM (part 2)

For existing MVP groups, historical paid claim experience will be used. The underwriter will typically use the most recent 12 months of data with 2 months run-off. There may be instances where more or less data is available. It will be reviewed to determine appropriateness and credibility.

For groups new to MVP, historical paid claim information will be used if it is determined to be credible and appropriate. The data will be adjusted whenever possible to reflect differences in products and benefits being quoted and for differences in provider contracting and medical management. Any adjustments to the data will be documented in the group's rating file. If MVP is not satisfied with the historical paid claim data received, the Adjusted Manual Pure Premium will be used for the first policy year.

PRIMARY INPUTS

- Experience Period Start Date – The first date of the experience data, based on date of service.
- Experience Period End Date – The last date of the experience data, based on the date of service.
- Paid Through Date – The date the claims in the experience period are paid through. This is used to determine the appropriate IBNR completion factor to adjust claims.
- Midpoint of the Experience Period – Middle date of the period start date and the period end date

Product Reflected in the experience – The product previously offered and reflected in the experience. For MVP renewal groups, the benefits are known in detail. For new groups, MVP may have limited benefit detail. When applicable, adjustments to claim information will be determined based on this information.

Product in the rate quote – The product and benefits being quoted. All products quoted will have rates on file with the State of Vermont.

Member Months – The member months for the experience period.

Out-of-Area Subscribers – The number of subscribers who are living outside of the MVP service areas.

CLAIM INFORMATION

1. ***Date of Service Paid Claims*** – The total claims paid for claims incurred in the experience period prior to adjusting for large claims and incurred but not reported claims.

2. ***Composite Completion Factor Adjustment*** – The factor used to complete paid claims. The completion factor depends on the length of the experience period and the number of months paid after the end of the experience period (or "claims runoff"). Factors are often applied during the data reporting and may also be included in #1 in an actual group calculation.

3. ***Incurred Claims*** - The projected total incurred claim cost for the group, adjusted for unpaid claims.

4. ***Other non Fee for Service medical expenses –*** The medical expenses associated with items like Capitation arrangements, Wellness Reward programs and Provider Incentive programs.

5. ***Pooling Level*** – The pooling level (attachment point) for the group. (See Experience Rating Addendum for details). Medical and Pharmacy claims will be included in the pooling calculation.

6. ***Actual Large Claims (excess over pooling level)*** – The claim amount in excess of the attachment point for all applicable claims in the experience period.

7. ***Pharmacy Rebate Factor*** – A factor to reflect pharmacy rebates received from MVP's Pharmacy Benefit Manager. This represents an average percentage adjustment for MVP's Rx community pool and is only applied to Rx costs. See Experience Rating Addendum for details.

8. ***Incurred Claims less Large Claims*** – The total Incurred Claims less the Large Claims.

9. ***Trend factor to midpoint of Projection Period*** – The trend rate based on the start and end date of the experience period and the renewal rating period. See the Experience Rating Addendum for trend factors.

10. ***Trended Net Claims*** – The Incurred Claims less Large Claims multiplied by the trend factor.

11. ***Trended PMPM Net Claims*** – The Trended Net Claims divided by the member month exposure for the experience period.

EXPERIENCE ADJUSTMENTS

12. ***Demographic Factor (Carrier Replacement Only)*** – In the event MVP is requested to provide an experience rate for the entire group, a demographic adjustment may be warranted. If MVP is offered on a slice basis and the quote is for full carrier replacement, MVP may adjust their own experience to reflect the demographics of the entire group. If claims experience is obtained for the rest of the group then that will be used instead. See the Experience Rating Addendum for the demographic factors.

13. ***Prior Period Adjustment Factor*** – In most cases, the underwriter will be looking at the most recent 12 months of a group's experience with 2 months of runoff. However, there may be instances where the underwriter will look at another claim period for the group and combine it with the most recent experience period. An example of this may be if a group had an unusually high number of large claims in the current period, the underwriter could look at the prior period to evaluate the large claim history. In the event the prior period history is very different, the underwriter could dampen the impact of the extraordinary large claims by blending the two periods together.

    The calculation of this adjustment factor is shown in the attached Exhibit B. The calculation of the Adjusted PMPM Net Claim amount is done in the same manner as in Exhibit A for the current experience period (Period 1) and is repeated for the prior experience period as well (Period 2). A weighted average of the two is then computed based on Period Weights assumed by the underwriter. The average PMPM is divided by the Period 1 PMPM to derive the Period Period Adjustment Factor.

    The Period weight is the amount of weight given to each period. See the Experience Rating Addendum for details.

14. ***Network Adjustment Factor*** – An adjustment to reflect differences in network providers, contractual provider reimbursement rates, gatekeeper vs. no gatekeeper, and referral vs. open access between the experience period data and the product being quoted. The calculation of any adjustment to the paid claims will be documented in the group file. See Experience Rating Addendum for details.

15. ***Benefit Adjustment*** – An adjustment to reflect material differences between the benefits inherent in the groups historical paid claim experience and the benefits being proposed in the quote. The factor will be calculated and applied separately to the Medical vs. the Prescription Drug claims. The calculation of any adjustment to the paid claims will be documented in the group file. See Experience Rating Addendum for details.

16. ***Pooling Charge % -*** The load applicable to the pooling level selected. See Experience Rating Addendum for details.

17. ***Adjusted PMPM Net Claims*** – The net incurred claims after applying the experience adjustments.

18. ***Covered Lives Assessment (CLA)*** – The amount paid for the Covered Lives Assessment. See the Experience Rating Addendum for detail.

19. ***Indigent Care*** – The amount paid to the State Public Goods Pool. This does not apply to Rx claims. See Experience Rating Addendum for detail.

20. ***Experience Pure Premium –*** Equal to the Adjusted PMPM Net Claims multiplied by the Prior Period Adjustment Factor, if applicable plus the PMPM CLA and Indigent Care expenses.

IV: EMPLOYER SPECIFIC PREMIUM RATES (part 3)

The results of Sections II and III above are blended together using credibility factors to determine the blended pure premium. Final adjustments, explained below, are then applied to arrive at the premium for the group. The premiums for the group's specific tier structure being quoted are then derived from this.

BLENDING OF EXPERIENCE PURE PREMIUM AND ADJUSTED MANUAL PURE PREMIUM

1. ***Adjusted Manual Pure Premium*** –Section II, line 6

2. ***Capped Manual Pure Premium*** – for accounts with over 100 subscribers and sufficient claims data, to calculate an Experience Pure Premium a manual rate cap may apply. When the Adjusted Manual Pure Premium is greater than 115% or less than 85% of the Experience Pure Premium, the Adjusted Manual Rate will be capped at 115% and 85%, respectively, of the Experience Pure Premium. If the group has less than 100 subscribers or the Adjusted Manual Pure Premium is within +/-15% of the Experience Pure Premium, the Capped Manual Pure Premium will be equal to the Adjusted Manual Pure Premium.

3. ***Experience Pure Premium –***Section III, line 20

4. ***Experience Credibility Weight*** – The weight assigned to the Experience Pure Premium based on the member months from the experience period. See the Experience Rate Addendum for the applicable credibility table.

5. ***Blended Pure Premium*** – The weighted average of the Capped Manual Pure Premium and the Experience Pure Premium based on the credibility assigned to the group.

6. ***Group Risk Assessment Factor*** – Rating factors to reflect specific characteristics of the group. See the Experience Rating Addendum.

7. ***New Business Discount Factor*** – See the Experience Rate Addendum for details.

8. ***Retrospective Financial Underwriting Factor*** – The additional risk charge applied when the group is retrospectively experience rating. See the Experience Rating Addendum for the applicable factors.

9. ***Network Access Fee*** – In the event the group has members who live outside of MVP's service area, MVP's rental network assesses an out-of-network access fee. The access fee is charged per OOA subscriber and then translated into a PMPM fee based on the group's total membership. See the Experience Rating Addendum for the network access fee.

10. ***Retention Excluding Premium Tax*** – The expense loads added to pure premium to cover general administrative fees, bad debt, risk charges, broker fees, net reinsurance, etc. See Experience Rating Addendum for details.

11. Premium Tax – The amount of premium tax. It is a percentage of premium and shown as a PMPM value. See Experience Rating Addendum for details.

12. Group Required Pure Premium – (5 x 6 x 7 x 8) + 9 + 10 + 11

PREMIUM RATE DEVELOPMENT

13. Employer Specific Loading Factor – Converts the Group Specific Pure Premium to Single, Double, Parent/Child(ren), and Family premiums. A group can choose a two-tier, three-tier, or four-tier billing structure. A group specific Step-Up Factor is calculated using the group census and the group's desired load ratios.

If MVP doesn't have credible census information for the group the premium conversion factors from an MVP community rate filing will be used.

14. ***Final Premium Rates*** – 12 x 13. When more than one plan is offered to an employer, the rates for each plan are developed in a consistent manner as described here. In the case where the employer's own claim's experience is being used to develop the premium rates, the actual claims are allocated back to the individual products based on the expected cost of each benefit plan.

Renewal Rate Cap Guarantee – A maximum renewal increase (cap) may be offered to select employer groups at point of sale for a new group or upon renewal for an existing group. If a cap is offered, the group's next renewal premium derived via this formula will be constrained by the maximum agreed upon renewal increase. A cap will be considered only for groups with a minimum of 100 enrolled subscribers and where MVP is the only carrier offering health insurance to the group. The group

must have 2 years of claim history available for review in the rate setting, regardless of whether it is a new or existing case and there are no ongoing large claimants. Groups that meet these selection criteria will be considered on a case by case basis for the cap offer. Not every group that meets these criteria will be offered a renewal increase cap. The maximum renewal increase offered will be at least equal to the projected trend rate used in the rate setting plus some margin. The amount of the margin will depend on the risk characteristics of the group.

V: RETROSPECTIVE EXPERIENCE RATE ACCOUNTING

MVP offers two options for Retrospective Accounting:

1) underwriting gains and losses are shared with the group
2) only underwriting gains are shared with the group

All retrospectively rated groups will pay a risk charge above the standard retention expenses associated with prospectively rated groups. This risk charge is outlined in the Experience Rating Addendum filed under separate cover and updated annually.

The Underwriting gain or loss for each retrospectively rated large group is determined annually using the prior policy years' incurred claim expense and 3 months of paid claim run out plus an additional amount for assumed IBNR claims.

To determine if the group is in a gain or loss position the actual premium collected over the policy year is compared to the actual incurred claims (including an estimate for IBNR) plus the PMPM fee for service medical claim expenses and non claim expenses from the group's premium rate development for that policy year. The actual incurred claims used will be net of any individual member claims over the pooling point purchased by the group for that policy year.

The group is in a gain position if the actual premium collected is greater than the sum of the estimated total incurred claims, the non fee for service medical expenses and the non claim expenses. If not, the group is in a loss position. Underwriting gains, or a portion of, are returned to the group. Underwriting losses, depending on the group contract, will either be the groups or MVP's responsibility.

VII: MINIMUM PREMIUM FUNDING ARRANGEMENT

An employer group can use Minimum Premium Funding by attaching a Minimum Premium Funding Arrangement (MPFA) rider to the group contract. MVP will utilize the large group formula to establish the Claims Liability Rate and other items in the MPFA rider. Exhibit A, attached, Section V. shows the calculations necessary to complete the MPFA rider.

1. ***Final Premium Rates*** – The final rates as determined using the MVP Large Group formula.

2. ***Retention Rate*** – The amount of retention included in the Final Premium Rates. The group is billed separately for retention charges.

3. ***Claims Liability Rate (CLR)*** **–** Line 1 minus Line 2, or the premium rates without retention.

4. ***Claims Fluctuation Margin*** **-** Addendum value. Also sometimes referred to as the Minimum Premium "Risk Corridor", the amount of risk over the claims projection to be absorbed by the employer group. The amount of risk assumption will vary by group size and risk characteristics of the group.

5. ***Maximum Monthly Premium Liability (MPL)*** – Line 3 x Line 4 x the number of subscribers in each premium tier for the month. The MPL will be used to determine any monthly gain or loss by comparing against actual claims in the month. Over the contract period, the cumulative gain or loss is determined by comparing the cumulative MPT to the cumulative actual claims paid. Settlements of gains and losses will be described in the MPFA rider language.

VIII: EARLY QUOTING CLAUSE

Large Employers often require firm rate proposals 7-9 months in advance of the renewal effective date due to the effort required to coordinate renewals from multiple carriers and prepare open enrollment materials for their employees. It is usually the case that MVP does not yet have the next calendar year addendum values finalized and ready to quote and file this far in advance.

Upon request, for accounts with at least 2,000 total employees, MVP will develop the group's premium rates based on the current formula and addendum values. Once MVP finalizes the next calendar year addendum factors and formula, all rates calculated thereafter will be based on the updated formula and addendum.

CERTIFICATION

I believe the rating formula described herein is consistent with industry norms, follows sound actuarial and underwriting principals and the rating factors used and documented in the Experience Rating Addendum are reasonable relative to MVP's book of business and industry norms.

I have reviewed the provisions of Vermont Insurance Law. It is my opinion that this rating formula complies with the requirements of those provisions.

_____ July 23, 2015

Matthew Lombardo, FSA, MAAA Date

MVP Health Care ("MVP") Experience Rated Addendum – 3Q/4Q 2016 Effective Dates

This document is an Addendum to MVP's 3Q/4Q 2016 Manual Rate Filing and Experience Rating Formula for products sold to employer groups with 100 or more employees in the State of Vermont. This addendum and its appendices outline the rating factors discussed in the Experience Rating Formula. These factors are being filed as an addendum to the Manual Rate and Formula filings so they can be updated as deemed necessary by MVP without having to re-file the rating methodology.

Whenever possible, the rating factors contained herein will be based on actual MVP experience or they will be normalized to MVP's population.

BASE MANUAL RATES

Please see Exhibits 4a (base manual rates), 4b (medical riders), and 4c (Rx riders) of the accompanying manual rate filing for the net PMPMs of plans and riders being offered by MVP for 3Q/4Q 2016 effective dates.

SIC FACTORS

The industry factors in Appendix A will be applied to the manual rates based on the employer's industry.

DEMOGRAPHIC FACTORS

To more closely resemble the health risk of the employer's insured population, the manual pure premium will be adjusted to reflect differences in the demographic characteristics of a specific employer group compared to MVP's community pool for the chosen product. This demographic factor will be applied to both the base rate and riders.

With respect to the employer specific experience rate, there may be a situation where MVP will be the sole health plan offering and be required to adjust the experience to reflect anticipated health characteristics of the entire group versus just MVP's members who were enrolled in the previous year under a slice product offering. In this situation, MVP will develop a demographic factor relative of the entire group and compare that to the demographics of their existing employer membership.

The demographic factors are in Appendix B. A per member demographic factor is calculated as the weighted average subscriber age/sex factor / weighted average subscriber average contract size.

HRA/HSA DEDUCTIBLE FUNDING FACTORS

The additional risk charge applies when a group funds a plan deductible. The charge is intended to account for the anticipated increase in utilization of services due to the resulting 'first dollar' coverage provided. The manual rate adjustment factors are in Appendix C.

POOLING CHARGES

Each group is charged a pooling fee and fee-for-service medical and Rx claims above the applicable attachment point are removed from their claim data. The charge is based on the following table:

Pooling Level	2016 Pooling Charge
$80,000	11.98%
$85,000	11.11%
$90,000	10.37%
$100,000	9.16%
$125,000	7.14%
$150,000	5.75%
$175,000	4.70%
$200,000	3.94%
$250,000	2.91%
$300,000	2.16%
$350,000	1.68%
$400,000	1.26%
$450,000	0.84%
$500,000	0.52%

Group size will be considered when selecting the appropriate pooling charge. The max pool level is the maximum amount MVP will allow for a given group size:

Avg. Subscribers	Max Pool Level
Up to 299	$100,000
300-499	$150,000
500-999	$200,000
1,000-1,499	$250,000
1,500-2,499	$350,000
2,500 and up	$450,000

TREND FACTORS

The following trends are used to project historical experience of the group to the proposed rating period. Exhibit 1 and Exhibit 2 are developed by applying the appropriate pro-rated calendar year trend factors from the midpoint of the experience period to the midpoint of the rating period. Paid trends are calculated by multiplying the applicable allowed trend times the leveraging factor.

Year	Allowed Medical Trend	Pharmacy Trend
2014	8.6%	14.5%
2015	4.2%	11.8%
2016	2.8%	12.3%
2017 & Beyond	2.8%	11.1%

Annual Leveraging Factor	0.4%

NETWORK ADJUSTMENT FACTOR

This adjustment reflects changes with respect to the differences in network providers, contractual provider reimbursement rates, the degree of medical management for MVP versus other carriers, gatekeeper versus no gatekeeper, and referral versus open access. For those accounts enrolled in MVP, this factor will primarily represent differences in provider contractual arrangements. If the experience is coming from another carrier, the adjustment may reflect all of the items above. MVP will make every effort to develop actuarial adjustments that properly determine the appropriate factor to reflect the expected experience of the group.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

BENEFIT ADJUSTMENT FACTOR

The purpose of the benefit adjustment is to reflect any difference between the benefits inherent in the group's historical claims experience period and the group's expected benefit plan for the prospective benefit period. This includes medical benefits and pharmacy benefits.

Based on filed manual rates, the underwriter will determine the value of the benefit adjustment factor by analyzing the actuarial equivalent difference in benefits. As it relates to a new group having experience from another carrier, the underwriter will use their best efforts to match up prior benefits to a currently filed benefit to determine the actuarial equivalent difference in benefits. In some cases, this may require interpolating between two manual rates, extrapolating from the filed manual rates, using other sources such as the Milliman USA guidelines, or other internal pricing models.

Other adjustments in this category may include benefit mandates. That is, mandated benefits that will be included in the future benefits, but not reflected in the group's experience.

The development of such a factor will be documented in the underwriter's group file and will be made available to in Insurance Department's actuaries and/or examiners on request.

PHARMACY REBATE FACTOR

Pharmacy rebates are received periodically. The pharmacy rebate factor of 0.91 is used to account for this reduction in pharmacy costs. This reduction will only apply if the paid pharmacy claims do not already reflect pharmacy rebates. In the case where the employer group is not a MVP group, the underwriter will determine if the claims data provided includes or excludes rebates from the other carrier.

PERIOD WEIGHT

Period Weight is determined by the underwriter. The underwriters follow a general protocol for deriving the weights to apply for the Period Weight portion of the experience rating formula. Most groups are rated using 12 months of historical data and therefore, the period weights are not applicable. For the smaller of the large groups, the underwriter will consider extending the historical look back to 24 months if the data is available in order to provide a more stable block of data from which to do the rating. In these cases, the underwriter will generally give an 80% weight to the most recent 12 months of data and a 20% weight to the prior period of data. These weights may vary and could be 50% / 50% if the underwriter feels more weight should be given to the older data. This may be the case if the current 12 months are exceptionally higher or lower than the prior period.

CREDIBILITY WEIGHT

Based on MVP's product guidelines for offering a prospective experience rate, an employer must have (or project) a minimum of 100 eligible employees for the proposed rating period. However, consistent with industry rating practices, smaller sized experience rated groups should not be considered as producing 100% credible claims information. To protect the employer from significant rate fluctuation from year to year, MVP will be applying a credibility weight to the group's claim experience.

In determining a group's quoted rate, a weight will be given to the group's claims experience based on the number of member months in the experience period. The complement of the weight will be applied to the manual rate. The blended rate is one that will be quoted to the employer group. Below are the base credibility weightings:

Member Month Range	Credibility Factor
0 to 599	0%
600 to 2,400	20%
2,401 to 3,700	30%
3,701 to 4,900	40%
4,901 to 6,100	50%
6,101 to 7,300	60%
7,301 to 8,500	70%
8,501 to 9,700	80%
9,701 to 12,200	90%
12,201 and over	100%

These experience credibility weightings can be adjusted downward based on the underwriter's judgment in the following circumstances:

The employer group has provided less than 12 months of incurred claims data or data is not provided for all services or employees – Generally, a minimum of one full calendar year of incurred claims data for all populations and covered services included in the quote is desired to underwrite a case. In the event less than 12 months of data is available, the underwriter can adjust the credibility table downward, not to be less than 0%.

The employer group has had membership change by 50% or more since the experience period – With a significant membership change, the historical claims experience may no longer represent the group's current population. If the membership has changed by more than 50% from the experience period to the rating period, the underwriter may override the table above to reduce credibility downward, not to be less than 0%.

The most recent experience data provided is too old – Generally, from the mid-point of the experience period to the mid-point of the rating period should not be older than 24 months. If the more recent period of data is older than 24 months, the underwriter may adjust the credibility table downward, not to be less than 0%.

MVP may also make an upward adjustment to the table if the group has a favorable group risk assessment. The credibility percentage will never exceed 100%.

MANUAL RATE CAP

For groups with over 100 subscribers, when the group's manual rate exceeds 115% of the experience rate or is 85% or less of the experience rate, the manual rate is capped at 115% and 85% of the experience rate, respectively, prior to the blending of the experience and manual rates using the credibility table above.

UNDERWRITING JUDGMENT/GROUP RISK ASSESSMENT

Underwriting judgment will be used by the underwriter in determining inputs to the rating formula or to modify the result depending on the circumstances of the case, the data available, or the quality of the available data.

Adjustments may be made due to items such as poor claim and enrollment experience data being presented for new groups, the group's claim trend being historically different than the averages, variability in claims experience, participation levels/group size changes, plan sponsor contribution levels, number of plan offerings, plan sponsor and covered population stability, and plan sponsor persistency. Adjustments may be both positive and negative, but will not be larger than 10% in either direction.

NETWORK ACCESS FEES AND OTHER FEES

MVP has a contracted network access fee with a rental network in the event a group has members that live outside of MVP's service area. The net access fee is $0 PEPM for just those subscribers who live outside of the service area.

COVERED LIVES ASSESSMENT

This is a New York State assessment passed on to groups in premium rates. The 2016 rates have been finalized by New York State.

	2016 Actual	
Region	Individual	Family
New York City	$16.90	$55.78
Long Island	$5.62	$18.54
Northern Metro	$3.25	$10.72
Northeastern	$3.57	$11.79
Utica/Watertown	$0.85	$2.82
Central	$5.04	$16.63
Rochester	$9.60	$31.68
Western	$3.45	$11.38

MVP will calculate the CLA with the group information that is available. For example, on a new business case, the number of single contracts by location may not be available. In that case, the CLA may have to be estimated based on the group's overall number single and family contracts and assume the same ratio exists in each region.

HCRA ASSESSMENT

This is another New York State assessment based on Hospital claims. A charge of 0.25% will be applied to the experience of new business quotes; this is consistent with the amount reflected in the manual portion of the rate.

RETENTION EXPENSES

Non-claim cost expenses must be added to the premium rates and can be per member per month (PMPM) charges, percent of paid claim charges, or percent of premium charges. The following tables reflect the retention loads:

<u>Percent of Premium Retention:</u>
General Administration = 8.0%
Bad Debt = 0.25%
Broker Loads = group specific

<u>Percent of Premium Taxes/Fees:</u>
Premium Tax = 2.0%
Contribution to Surplus = 2.0%
VT Vaccine Assessment = 0.5%
Insurer Tax = 2.0% for 2016 coverage dates; 0.0% for 2017 coverage dates

<u>Percent of Paid Claim Surcharges:</u>
VT Paid Claims Surcharge = 0.999%

<u>PMPM Retention</u>
PMPM = $0

<u>PMPM Taxes/Assessments:</u>
Federal ACA Reinsurance/Treasury Assessment: 2016 coverage dates = $2.25; 2017 coverage dates = $0.00
Comparative Effectiveness Research Tax = $0.18

EMPLOYER SPECIFIC PREMIUM RATES

The experience rating formula filing details the calculation of employer specific premium rates by using employer specific information. In the event the employer group cannot supply sufficient information to calculate employer specific conversion factors, the following community load ratios will be used:

Single=1.0
Double=2.0
Family 2 tier=2.5
Family 3 tier=2.6
Family 4 tier= 2.8
Parent Child 4 tier= 1.9

RETROSPECTIVE RATING

The risk charges for a group choosing to be rated retrospectively are outlined below:

(NO DEFICIT CARRY FORWARD/80% SURPLUS REFUND FOR GROUPS 251+, 50% REFUND FOR GROUPS LESS THAN 251)
Groups with 1,000+ enrolled subscribers = 1.01
Groups with 251-999 enrolled subscribers = 1.01
Groups with 51-250 enrolled subscribers = 1.01

MINIMUM PREMIUM FUNDING ARRANGMENTS

The following table shows the Claims Fluctuation Margin (CFM) available for groups of different sizes. The appropriate level of CFM will depend on the group's size and risk assessment. Groups that are smaller with a higher risk assessment will have a higher CFM. Because of the risk involved with minimum premium funding, at the smaller group size, the underwriter will use judgment to determine if minimum premium funding is allowed.

Group Size	CFM
100-249	120%, 125%, or 130%
249-499	115%, 120%, or 125%
500-999	110%, 115%, or 120%
1,000+	105%, 110%, or 115%

NEW BUSINESS DISCOUNT

Due to the variances in information available for use in rating prospects, MVP is introducing the following additional adjustments to be used in developing new business proposals. The discount will apply to currently insured accounts that will offer MVP on a total replacement basis and have non-Medicare retiree enrollment of less than 5% of the total group enrollment.

<u>Rate reduction of 5.0% will be applied if group meets the following criteria:</u>
*Demographic Factor <=1.10
*Participation >70% of total employees being offered coverage
*Employer Contribution > =50% of single rate of richest plan to all plans/tiers
*Employer Deductible Funding not greater than 70% of the In-Network Deductible
*One carrier prior 2 years
*For accounts with <100 enrolled contracts quoted without claims data, documented incumbent Carrier Initial Renewal <12% (not from a rate cap)

<u>Rate reduction of 8.0% will be applied if group meets the above list in addition to the following:</u>
*Employer Deductible Funding not greater than 50% of the In-Network Deductible
*Enrollment decline of less than 15% in past 12 months
*One carrier for prior 3 years

Discount Recovery:

Year 1 Discount	Year 2 Discount	Year 3 Discount
5.0%	3.5%	2.0%
8.0%	6.0%	4.0%

Employer groups will be required to provide documentation showing the criteria are met or sign an affidavit supporting the statement.

ACTUARIAL CERTIFICATION

I believe the rating factors described herein are consistent with industry norms, follows sound actuarial and underwriting principals, and the rating factors used and documented in the Experience Rating Addendum are reasonable relative to MVP's book of business and industry norms.

I have reviewed the provisions of Vermont Insurance Law. It is my opinion that this rating formula complies with the requirements of those provisions.

Matthew Lombardo, FSA, MAAA
Associate Director, Actuarial Services
MVP Health Care

Appendix A

SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
111	Wheat	0.90
112	Rice	0.90
115	Corn	0.90
116	Soybeans	0.90
119	Cash Grains, NEC	0.90
131	Cotton	0.90
132	Tobacco	0.90
133	Sugarcane and Sugar Beets	0.90
134	Irish Potatoes	0.90
139	Field Crops, Except Cash Grains, NEC	0.90
161	Vegetables and Melons	0.90
171	Berry Crops	0.90
172	Grapes	0.90
173	Tree Nuts	0.90
174	Citrus Fruits	0.90
175	Deciduous Tree Fruits	0.90
179	Fruits and Tree Nuts, NEC	0.90
181	Ornamental Floriculture and Nursery Products	0.90
182	Food Crops Grown Under Cover	0.90
191	General Farms, Primarily Crop	0.90
211	Beef Cattle Feedlots	0.95
212	Beef Cattle, Except Feedlots	0.95
213	Hogs	0.95
214	Sheep and Goats	0.95
219	General Livestock, Except Dairy and Poultry	1.00
241	Dairy Farms	1.00
251	Broiler, Fryers, and Roaster Chickens	0.95
252	Chicken Eggs	0.95
253	Turkey and Turkey Eggs	0.95
254	Poultry Hatcheries	0.95
259	Poultry and Eggs, NEC	0.95
271	Fur-Bearing Animals and Rabbits	0.95
272	Horses and Other Equines	0.95
273	Animal Aquaculture	0.95
279	Animal Specialities, NEC	0.95
291	General Farms, Primarily Livestock and Animal Specialties	1.00
711	Soil Preparation Services	0.95
721	Crop Planting, Cultivating, and Protecting	0.95
722	Crop Harvesting, Primarily by Machine	0.95
723	Crop Preparation Services For Market, except Cotton Ginning	0.95
724	Cotton Ginning	0.95
741	Veterinary Services For Livestock	0.95
742	Veterinary Services for Animal Specialties	0.95
751	Livestock Services, Except Veterinary	1.00
752	Animal Specialty Services, Except Veterinary	0.95
761	Farm Labor Contractors and Crew Leaders	0.95
762	Farm Management Services	0.95
781	Landscape Counseling and Planning	0.90
782	Lawn and Garden Services	1.10
783	Ornamental Shrub and Tree Services	1.10
811	Timber Tracts	0.90
831	Forest Nurseries and Gathering of Forest Products	0.90
851	Forestry Services	0.95
912	Finfish	1.05
913	Shellfish	1.05

Appendix A

SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
919	Miscellaneous Marine Products	0.95
921	Fish Hatcheries and Preserves	0.95
971	Hunting and Trapping, and Game Propagation	0.95
1011	Iron Ores	1.15
1021	Copper Ores	1.15
1031	Lead and Zinc Ores	1.15
1041	Gold Ores	1.15
1044	Silver Ores	1.15
1061	Ferroalloy Ores, Except Vanadium	1.15
1081	Metal Mining Services	1.05
1094	Uranium-Radium-Vanadium Ores	1.15
1099	Miscellaneous Metal Ores, NEC	1.15
1221	Bituminous Coal and Lignite Surface Mining	1.15
1222	Bituminous Coal Underground Mining	1.15
1231	Anthracite Mining	1.15
1241	Coal Mining Services	1.15
1311	Crude Petroleum and Natural Gas	1.05
1321	Natural Gas Liquids	1.05
1381	Drilling Oil and Gas Wells	1.05
1382	Oil and Gas Field Exploration Services	0.95
1389	Oil and Gas Field Services, NEC	1.05
1411	Dimension Stone	1.15
1422	Crushed and Broken Limestone	1.15
1423	Crushed and Broken Granite	1.15
1429	Crushed and Broken Stone, NEC	1.15
1442	Construction Sand and Gravel	1.15
1446	Industrial Sand	1.15
1455	Kaolin and Ball Clay	1.15
1459	Clay, Ceramic, and Refractory Minerals, NEC	1.15
1474	Potash, Soda, and Borate Minerals	1.15
1475	Phosphate Rock	1.15
1479	Chemical and Fertilizer Mineral Mining, NEC	1.15
1481	Nonmetallic Minerals Services Except Fuels	1.05
1499	Miscellaneous Nonmetallic Minerals, Except Fuels	1.15
1521	General Contractors-Single-Family Houses	0.95
1522	General Contractors-Residential Buildings, Other Than Single-Family	1.00
1531	Operative Builders	1.00
1541	General Contractors-Industrial Buildings and Warehouses	1.00
1542	General Contractors-Nonresidential Buildings, Other than Industrial Buildings and Warehouses	1.00
1611	Highway and Street Construction, Except Elevated Highways	1.00
1622	Bridge, Tunnel, and Elevated Highway Construction	1.00
1623	Water, Sewer, Pipeline, and Communications and Power Line Construction	1.00
1629	Heavy Construction, NEC	1.00
1711	Plumbing, Heating, and Air-Conditioning	1.00
1721	Painting and Paper Hanging	1.00
1731	Electrical Work	1.00
1741	Masonry, Stone Setting, and Other Stone Work	1.00
1742	Plastering, Drywall, Acoustical, and Insulation Work	1.00
1743	Terrazzo, Tile, Marble, and Mosaic Work	1.00
1751	Carpentry Work	1.00
1752	Floor Laying and Other Floor Work, NEC	1.00
1761	Roofing, Siding, and Sheet Metal Work	1.00
1771	Concrete Work	1.00
1781	Water Well Drilling	1.00
1791	Structural Steel Erection	1.00

Appendix A

SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
1793	Glass and Glazing Work	1.00
1794	Excavation Work	1.00
1795	Wrecking and Demolition Work	1.00
1796	Installation or Erection of Building Equipment, NEC	1.00
1799	Special Trade Contractors, NEC	1.00
2011	Meat Packing Plants	1.05
2013	Sausages and Other Prepared Meats	1.05
2015	Poultry Slaughtering and Processing	1.00
2021	Creamery Butter	0.95
2022	Natural, Processed, and Imitation Cheese	0.95
2023	Dry, Condensed, and Evaporated Dairy Products	0.95
2024	Ice Cream and Frozen Desserts	0.95
2026	Fluid Milk	0.95
2032	Canned Specialties	0.95
2033	Canned Fruits, Vegetables, Preserves, Jams, and Jellies	0.95
2034	Dried and Dehydrated Fruits, Vegetables, and Soup Mixes	0.95
2035	Pickled Fruits and Vegetables, Vegetable Sauces and Seasonings, and Salad Dressings	0.95
2037	Frozen Fruits, Fruit Juices, and Vegetables	0.95
2038	Frozen Specialties, NEC	0.95
2041	Flour and Other Grain Mill Products	0.95
2043	Cereal Breakfast Foods	0.95
2044	Rice Milling	0.95
2045	Prepared Flour Mixes and Doughs	0.95
2046	Wet Corn Milling	0.95
2047	Dog and Cat Food	0.95
2048	Prepared Feed and Feed Ingredients for Animals and Fowls, Except Dogs and Cats	0.95
2051	Bread and Other Bakery Products, Except Cookies and Crackers	0.95
2052	Cookies and Crackers	0.95
2053	Frozen Bakery Products, Except Bread	0.95
2061	Cane Sugar, Except Refining	0.95
2062	Cane Sugar Refining	0.95
2063	Beet Sugar	0.95
2064	Candy and Other Confectionery Products	0.95
2066	Chocolate and Cocoa Products	0.95
2067	Chewing Gum	0.95
2068	Salted and Roasted Nuts and Seeds	0.95
2074	Cottonseed Oil Mills	0.95
2075	Soybean Oil Mills	0.95
2076	Vegetable Oil Mills, Except Corn, Cottonseed, and Soybeans	0.95
2077	Animal and Marine Fats and Oils	1.00
2079	Shortening, Table Oils, Margarine, and Other Edible Fats and Oils, NEC	0.95
2082	Malt Beverages	0.95
2083	Malt	0.95
2084	Wines, Brandy, and Brandy Spirits	0.95
2085	Distilled and Blended Liquors	0.95
2086	Bottled and Canned Soft Drinks and Carbonated Waters	0.95
2087	Flavoring Extracts and Flavoring Syrups NEC	0.95
2091	Canned and Cured Fish and Seafood	0.95
2092	Prepared Fresh or Frozen Fish and Seafoods	0.95
2095	Roasted Coffee	0.95
2096	Potato Chips, Corn Chips, and Similar Snacks	0.95
2097	Manufactured Ice	0.95
2098	Macaroni, Spaghetti, Vermicelli, and Noodles	0.95
2099	Food Preparations, NEC	0.95
2111	Cigarettes	1.05

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
2121	Cigars	1.05
2131	Chewing and Smoking Tobacco and Snuff	1.05
2141	Tobacco Stemming and Redrying	1.05
2211	Broadwoven Fabric Mills, Cotton	0.95
2221	Broadwoven Fabric Mills, Manmade Fiber and Silk	0.95
2231	Broadwoven Fabric Mills, Wool (Including Dyeing and Finishing)	0.95
2241	Narrow Fabric and Other Smallware Mills: Cotton, Wool, Silk, and Manmade Fiber	0.95
2251	Women's Full-Length and Knee-Length Hosiery, Except Socks	1.00
2252	Hosiery, NEC	1.00
2253	Knit Outerwear Mills	1.00
2254	Knit Underwear and Nightwear Mills	1.00
2257	Weft Knit Fabric Mills	0.95
2258	Lace and Warp Knit Fabric Mills	0.95
2259	Knitting Mills, NEC	0.95
2261	Finishers of Broadwoven Fabrics of Cotton	0.95
2262	Finishers of Broadwoven Fabrics of Manmade Fiber and Silk	0.95
2269	Finishers of Textiles, NEC	0.95
2273	Carpets and Rugs	0.95
2281	Yarn Spinning Mills	0.95
2282	Yarn Texturizing, Throwing, Twisting, and Winding Mills	0.95
2284	Thread Mills	0.95
2295	Coated Fabrics, Not Rubberized	0.95
2296	Tire Cord and Fabrics	0.95
2297	Nonwoven Fabrics	0.95
2298	Cordage and Twine	0.95
2299	Textile Goods, NEC	0.95
2311	Men's and Boys' Suits, Coats, and Overcoats	1.00
2321	Men's and Boys' Shirts, Except Work Shirts	1.00
2322	Men's and Boys' Underwear and Nightwear	1.00
2323	Men's and Boys' Neckwear	1.00
2325	Men's and Boys' Trousers and Slacks	1.00
2326	Men's and Boys' Work Clothing	1.00
2329	Men's and Boys' Clothing, NEC	1.00
2331	Women's, Misses', and Juniors' Blouses and Shirts	1.00
2335	Women's, Misses', and Juniors' Dresses	1.00
2337	Women's, Misses' and Juniors' Suits, Skirts, and Coats	1.00
2339	Women's, Misses', and Juniors' Outerwear, NEC	1.00
2341	Women's, Misses', Children's, and Infants' Underwear and Nightwear	1.00
2342	Brassieres, Girdles, and Allied Garments	1.00
2353	Hats, Caps, and Millinery	1.00
2361	Girls', Children's, and Infants' Dresses, Blouses, and Shirts	1.00
2369	Girls', Children's, and Infants' Outerwear, NEC	1.00
2371	Fur Goods	1.00
2381	Dress and Work Gloves, Except Knit and All-Leather	1.00
2384	Robes and Dressing Gowns	1.00
2385	Waterproof Outerwear	1.00
2386	Leather and Sheep-Lined Clothing	1.00
2387	Apparel Belts	1.00
2389	Apparel and Accessories, NEC	1.00
2391	Curtains and Draperies	1.00
2392	Housefurnishings, Except Curtains and Draperies	0.95
2393	Textile Bags	0.95
2394	Canvas and Related Products	0.95
2395	Pleating, Decorative and Novelty Stitching, and Tucking for the Trade	1.00
2396	Automotive Trimmings, Apparel Findings, and Related Products	0.95

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
2397	Schiffli Machine Embroideries	0.95
2399	Fabricated Textile Products, NEC	1.00
2411	Logging	1.15
2421	Sawmills and Planing Mills, General	1.15
2426	Hardwood Dimension and Flooring Mills	1.15
2429	Special Product Sawmills, NEC	1.15
2431	Millwork	1.10
2434	Wood Kitchen Cabinets	0.95
2435	Hardwood Veneer and Plywood	1.00
2436	Softwood Veneer and Plywood	1.00
2439	Structural Wood Members, NEC	1.00
2441	Nailed and Lock Corner Wood Boxes and Shook	1.00
2448	Wood Pallets and Skids	1.00
2449	Wood Containers, NEC	1.00
2451	Mobile Homes	1.00
2452	Prefabricated Wood Buildings and Components	1.00
2491	Wood Preserving	1.00
2493	Reconstituted Wood Products	1.00
2499	Wood Products, NEC	1.00
2511	Wood Household Furniture, Except Upholstered	0.95
2512	Wood Household Furniture, Upholstered	0.95
2514	Metal Household Furniture	0.95
2515	Mattresses, Foundations, and Convertible Beds	0.95
2517	Wood Television, Radio, Phonograph and Sewing Machine Cabinets	0.95
2519	Household Furniture, NEC	0.95
2521	Wood Office Furniture	0.95
2522	Office Furniture, Except Wood	0.95
2531	Public Building and Related Furniture	0.95
2541	Wood Office and Store Fixtures, Partitions, Shelving, and Lockers	0.95
2542	Office and Store Fixtures, Partitions, Shelving, and Lockers, Except Wood	0.95
2591	Drapery Hardware and Window Blinds and Shades	0.95
2599	Furniture and Fixtures, NEC	0.95
2611	Pulp Mills	0.95
2621	Paper Mills	0.95
2631	Paperboard Mills	0.95
2652	Setup Paperboard Boxes	0.95
2653	Corrugated and Solid Fiber Boxes	0.95
2655	Fiber Cans, Tubes, Drums, and Similar Products	0.95
2656	Sanitary Food Containers, Except Folding	0.95
2657	Folding Paperboard Boxes, Including Sanitary	0.95
2671	Packaging Paper and Plastics Film, Coated and Laminated	0.95
2672	Coated and Laminated Paper, NEC	0.95
2673	Plastics, Foil, and Coated Paper Bags	0.95
2674	Uncoated Paper and Multiwall Bags	0.95
2675	Die-Cut Paper and Paperboard and Cardboard	0.95
2676	Sanitary Paper Products	0.95
2677	Envelopes	0.95
2678	Stationery, Tablets, and Related Products	0.95
2679	Converted Paper and Paperboard Products, NEC	0.95
2711	Newspapers: Publishing, or Publishing and Printing	0.90
2721	Periodicals: Publishing, or Publishing and Printing	0.90
2731	Books: Publishing, or Publishing and Printing	0.95
2732	Book Printing	0.90
2741	Miscellaneous Publishing	0.90
2752	Commercial Printing, Lithographic	0.90

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
2754	Commercial Printing, Gravure	0.90
2759	Commercial Printing, NEC	0.90
2761	Manifold Business Forms	0.90
2771	Greeting Cards	0.90
2782	Blankbooks, Loose-leaf Binders and Devices	0.90
2789	Bookbinding and Related Work	0.90
2791	Typesetting	0.90
2796	Platemaking and Related Services	0.90
2812	Alkalies and Chlorine	1.00
2813	Industrial Gases	1.00
2816	Inorganic Pigments	1.00
2819	Industrial Inorganic Chemicals, NEC	1.00
2821	Plastics Material and Synthetic Resins, and Nonvulcanizable Elastomers	1.00
2822	Synthetic Rubber	1.00
2823	Cellulosic Manmade Fibers	1.00
2824	Manmade Organic Fibers, Except Cellulosic	1.00
2833	Medicinal Chemicals and Botanical Products	0.90
2834	Pharmaceutical Preparations	0.90
2835	In Vitro and In Vivo Diagnostic Substances	0.90
2836	Biological Products, Except Diagnostic Substances	0.90
2841	Soaps and Other Detergents, Except Speciality Cleaners	0.90
2842	Speciality Cleaning, Polishing, and Sanitary Preparations	0.90
2843	Surface Active Agents, Finishing Agents, Sulfonated Oils, and Assistants	0.90
2844	Perfumes, Cosmetics, and Other Toilet Preparations	0.90
2851	Paints, Varnishes, Lacquers, Enamels, and Allied Products	0.95
2861	Gum and Wood Chemicals	1.00
2865	Cyclic Organic Crudes and Intermediates, and Organic Dyes and Pigments	1.00
2869	Industrial Organic Chemicals, NEC	1.00
2873	Nitrogenous Fertilizers	1.00
2874	Phosphatic Fertilizers	1.00
2875	Fertilizers, Mixing Only	1.00
2879	Pesticides and Agricultural Chemicals, NEC	1.00
2891	Adhesives and Sealants	0.95
2892	Explosives	1.15
2893	Printing Ink	0.95
2895	Carbon Black	1.00
2899	Chemicals and Chemical Preparations, NEC	0.95
2911	Petroleum Refining	1.05
2951	Asphalt Paving Mixtures and Blocks	1.05
2952	Asphalt Felts and Coatings	1.05
2992	Lubricating Oils and Greases	1.05
2999	Products of Petroleum and Coal, NEC	1.05
3011	Tires and Inner Tubes	0.95
3021	Rubber and Plastics Footwear	0.95
3052	Rubber and Plastics Hose and Belting	0.95
3053	Gaskets, Packing, and Sealing Devices	0.90
3061	Molded, Extruded, and Lathe-Cut Mechanical Rubber Goods	0.95
3069	Fabricated Rubber Products, NEC	0.95
3081	Unsupported Plastics Film and Sheet	0.95
3082	Unsupported Plastics Profile Shapes	0.95
3083	Laminated Plastics Plate, Sheet, and Profile Shapes	0.95
3084	Plastics Pipe	0.95
3085	Plastics Bottles	0.95
3086	Plastics Foam Products	0.95
3087	Custom Compounding of Purchased Plastics Resins	0.95

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
3088	Plastics Plumbing Fixtures	0.95
3089	Plastics Products, NEC	0.95
3111	Leather Tanning and Finishing	1.15
3131	Boot and Shoe Cut Stock and Findings	1.00
3142	House Slippers	0.95
3143	Men's Footwear, Except Athletic	0.95
3144	Women's Footwear, Except Athletic	0.95
3149	Footwear, Except Rubber, NEC	0.95
3151	Leather Gloves and Mittens	1.00
3161	Luggage	0.95
3171	Women's Handbags and Purses	0.95
3172	Personal Leather Goods, Except Women's Handbags and Purses	0.95
3199	Leather Goods, NEC	0.95
3211	Flat Glass	0.95
3221	Glass Containers	0.95
3229	Pressed and Blown Glass and Glassware, NEC	0.95
3231	Glass Products, Made of Purchased Glass	0.95
3241	Cement, Hydraulic	0.95
3251	Brick and Structural Clay Tile	0.95
3253	Ceramic Wall and Floor Tile	0.95
3255	Clay Refractories	0.95
3259	Structural Clay Products, NEC	0.95
3261	Vitreous China Plumbing Fixtures and China and Earthenware Fittings and Bathroom Accessories	0.95
3262	Vitreous China Table and Kitchen Articles	0.95
3263	Fine Earthenware (Whiteware) Table and Kitchen Articles	0.95
3264	Porcelain Electrical Supplies	0.95
3269	Pottery Products, NEC	0.95
3271	Concrete Block and Brick	0.95
3272	Concrete Products, Except Block and Brick	1.05
3273	Ready-Mixed Concrete	0.95
3274	Lime	0.95
3275	Gypsum Products	0.95
3281	Cut Stone and Stone Products	0.95
3291	Abrasive Products	1.05
3292	Asbestos Products	1.05
3295	Minerals and Earths, Ground or Otherwise Treated	1.10
3296	Mineral Wool	0.95
3297	Nonclay Refractories	0.95
3299	Nonmetallic Mineral Products, NEC	1.05
3312	Steel Works, Blast Furnaces (Including Coke Ovens), and Rolling Mills	1.10
3313	Electrometallurgical Products, Except Steel	1.10
3315	Steel Wiredrawing and Steel Nails and Spikes	1.05
3316	Cold-Rolled Steel Sheet, Strip, and Bars	1.10
3317	Steel Pipe and Tubes	1.10
3321	Gray and Ductile Iron Foundries	1.10
3322	Malleable Iron Foundries	1.10
3324	Steel Investment Foundries	1.10
3325	Steel Foundries, NEC	1.10
3331	Primary Smelting and Refining of Copper	1.10
3334	Primary Production of Aluminum	1.10
3339	Primary Smelting and Refining of Nonferrous Metals, Except Copper and Aluminum	1.10
3341	Secondary Smelting and Refining of Nonferrous Metals	1.10
3351	Rolling, Drawing, and Extruding of Copper	1.10
3353	Aluminum Sheet, Plate, and Foil	1.10
3354	Aluminum Extruded Products	1.10

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
3355	Aluminum Rolling and Drawing, NEC	1.10
3356	Rolling, Drawing, and Extruding of Nonferrous Metals, Except Copper and Aluminum	1.10
3357	Drawing and Insulating of Nonferrous Wire	1.00
3363	Aluminum Die-Castings	1.10
3364	Nonferrous Die-Castings, Except Aluminum	1.10
3365	Aluminum Foundries	1.10
3366	Copper Foundries	1.10
3369	Nonferrous Foundries, Except Aluminum and Copper	1.10
3398	Metal Heat Treating	0.95
3399	Primary Metal Products, NEC	1.05
3411	Metal Cans	0.95
3412	Metal Shipping Barrels, Drums, Kegs, and Pails	0.95
3421	Cutlery	0.95
3423	Hand and Edge Tools, Except Machine Tools and Handsaws	0.95
3425	Saw Blades and Handsaws	0.95
3429	Hardware, NEC	0.95
3431	Enameled Iron and Metal Sanitary Ware	0.95
3432	Plumbing Fixture Fittings and Trim	0.95
3433	Heating Equipment, Except Electric and Warm Air Furnaces	0.95
3441	Fabricated Structural Metal	0.95
3442	Metal Doors, Sash, Frames, Molding, and Trim Manufacturing	0.95
3443	Fabricated Plate Work (Boiler Shops)	0.95
3444	Sheet Metal Work	0.95
3446	Architectural and Ornamental Metal Work	0.95
3448	Prefabricated Metal Buildings and Components	0.95
3449	Miscellaneous Structural Metal Work	0.95
3451	Screw Machine Products	0.95
3452	Bolts, Nuts, Screws, Rivets, and Washers	0.95
3462	Iron and Steel Forgings	0.95
3463	Nonferrous Forgings	0.95
3465	Automotive Stamping	0.95
3466	Crowns and Closures	0.95
3469	Metal Stamping, NEC	0.95
3471	Electroplating, Plating, Polishing, Anodizing, and Coloring	0.95
3479	Coating, Engraving, and Allied Services, NEC	0.90
3482	Small Arms Ammunition	0.95
3483	Ammunition, Except for Small Arms	0.95
3484	Small Arms	0.95
3489	Ordnance and Accessories, NEC	0.95
3491	Industrial Valves	0.95
3492	Fluid Power Valves and Hose Fittings	0.95
3493	Steel Springs, Except Wire	0.95
3494	Valves and Pipe Fittings, NEC	0.95
3495	Wire Springs	0.95
3496	Miscellaneous Fabricated Wire Products	0.95
3497	Metal Foil and Leaf	0.95
3498	Fabricated Pipe and Pipe Fittings	0.95
3499	Fabricated Metal Products, NEC	0.95
3511	Steam, Gas, and Hydraulic Turbines, and Turbine Generator Set Units	0.95
3519	Internal Combustion Engines, NEC	0.95
3523	Farm Machinery and Equipment	0.95
3524	Lawn and Garden Tractors and Home Lawn and Garden Equipment	0.95
3531	Construction Machinery and Equipment	0.95
3532	Mining Machinery and Equipment, Except Oil and Gas Field Machinery and Equipment	0.95
3533	Oil and Gas Field Machinery and Equipment	0.95

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
3534	Elevators and Moving Stairways	0.95
3535	Conveyors and Conveying Equipment	0.95
3536	Overhead Traveling Cranes, Hoists, and Monorail Systems	0.95
3537	Industrial Trucks, Tractors, Trailers, and Stackers	0.95
3541	Machine Tools, Metal Cutting Type	0.95
3542	Machine Tools, Metal Forming Type	0.95
3543	Industrial Patterns	0.95
3544	Special Dies and Tools, Die Sets, Jigs and Fixtures, and Industrial Molds	0.95
3545	Cutting Tools, Machine Tool Accessories, and Machinists' Precision Measuring Devices	0.95
3546	Power-Driven Handtools	0.95
3547	Rolling Mill Machinery and Equipment	0.95
3548	Electric and Gas Welding and Soldering Equipment	0.95
3549	Metalworking Machinery, NEC	0.95
3552	Textile Machinery	0.95
3553	Woodworking Machinery	0.95
3554	Paper Industries Machinery	0.95
3555	Printing Trades Machinery and Equipment	0.95
3556	Food Products Machinery	0.95
3559	Special Industry Machinery, NEC	0.95
3561	Pumps and Pumping Equipment	0.95
3562	Ball and Roller Bearings	0.95
3563	Air and Gas Compressors	0.95
3564	Industrial and Commercial Fans and Blowers and Air Purification Equipment	0.95
3565	Packaging Machinery	0.95
3566	Speed Changers, Industrial High-Speed Drives, and Gears	0.95
3567	Industrial Process Furnaces and Ovens	0.95
3568	Mechanical Power Transmission Equipment, NEC	0.95
3569	General Industrial Machinery and Equipment, NEC	0.95
3571	Electronic Computers	0.90
3572	Computer Storage Devices	0.90
3575	Computer Terminals	0.90
3577	Computer Peripheral Equipment, NEC	0.90
3578	Calculating and Accounting Machines, Except Electronic Computers	0.95
3579	Office Machines, NEC	0.90
3581	Automatic Vending Machines	0.95
3582	Commercial Laundry, Drycleaning, and Pressing Machines	0.95
3585	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment	0.95
3586	Measuring and Dispensing Pumps	0.95
3589	Service Industry Machinery, NEC	0.95
3592	Carburetors, Pistons, Piston Rings, and Valves	0.95
3593	Fluid Power Cylinders and Actuators	0.95
3594	Fluid Power Pumps and Motors	0.95
3596	Scales and Balances, Except Laboratory	0.95
3599	Industrial and Commercial Machinery and Equipment, NEC	0.95
3612	Power, Distribution, and Specialty Transformers	0.90
3613	Switchgear and Switchboard Apparatus	0.90
3621	Motors and Generators	0.90
3624	Carbon and Graphite Products	0.90
3625	Relays and Industrial Controls	0.90
3629	Electrical Industrial Apparatus, NEC	0.90
3631	Household Cooking Equipment	0.90
3632	Household Refrigerators and Home and Farm Freezers	0.90
3633	Household Laundry Equipment	0.90
3634	Electric Housewares and Fans	0.90
3635	Household Vacuum Cleaners	0.90

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
3639	Household Appliances, NEC	0.90
3641	Electric Lamp Bulbs and Tubes	0.90
3643	Current-Carrying Wiring Devices	0.90
3644	Noncurrent-Carrying Wiring Devices	0.95
3645	Residential Electric Lighting Fixtures	0.90
3646	Commercial, Industrial, and Institutional Electric Lighting Fixtures	0.90
3647	Vehicular Lighting Equipment	0.95
3648	Lighting Equipment, NEC	0.90
3651	Household Audio and Video Equipment	0.90
3652	Phonograph Records and Prerecorded Audio Tapes and Disks	0.95
3661	Telephone and Telegraph Apparatus	0.90
3663	Radio and Television Broadcasting and Communications Equipment	0.90
3669	Communications Equipment, NEC	0.90
3671	Electron Tubes	0.90
3672	Printed Circuit Boards	0.90
3674	Semiconductors and Related Devices	0.90
3675	Electronic Capacitors	0.90
3676	Electronic Resistors	0.90
3677	Electronic Coils, Transformers, and Other Inductors	0.90
3678	Electronic Connectors	0.90
3679	Electronic Components, NEC	0.90
3691	Storage Batteries	0.90
3692	Primary Batteries, Dry and Wet	0.90
3694	Electrical Equipment for Internal Combustion Engines	0.95
3695	Magnetic and Optical Recording Media	0.90
3699	Electrical Machinery, Equipment, and Supplies, NEC	0.95
3711	Motor Vehicles and Passenger Car Bodies	0.95
3713	Truck and Bus Bodies	0.95
3714	Motor Vehicle Parts and Accessories	0.95
3715	Truck Trailers	0.95
3716	Motor Homes	0.95
3721	Aircraft	0.95
3724	Aircraft Engines and Engine Parts	0.95
3728	Aircraft Parts and Auxiliary Equipment, NEC	0.95
3731	Ship Building and Repairing	1.00
3732	Boat Building and Repairing	1.00
3743	Railroad Equipment	0.95
3751	Motorcycles, Bicycles, and Parts	0.95
3761	Guided Missiles and Space Vehicles	0.95
3764	Guided Missile and Space Vehicle Propulsion Units and Propulsion Unit Parts	0.95
3769	Guided Missile Space Vehicle Parts and Auxiliary Equipment, NEC	0.95
3792	Travel Trailers and Campers	0.95
3795	Tanks and Tank Components	0.95
3799	Transportation Equipment, NEC	0.95
3812	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical Systems and Instruments	0.90
3821	Laboratory Apparatus and Furniture	0.90
3822	Automatic Controls for Regulating Residential and Commercial Environments and Appliances	0.90
3823	Industrial Instruments for Measurement, Display, and Control of Process Variables; and Related Products	0.90
3824	Totalizing Fluid Meters and Counting Devices	0.90
3825	Instruments for Measuring and Testing of Electricity and Electrical Signals	0.90
3826	Laboratory Analytical Instruments	0.90
3827	Optical Instruments and Lenses	0.95
3829	Measuring and Controlling Devices, NEC	0.90
3841	Surgical and Medical Instruments and Apparatus	0.90
3842	Orthopedic, Prosthetic, and Surgical Appliances and Supplies	0.90

Appendix A

SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
3843	Dental Equipment and Supplies	0.90
3844	X-Ray Apparatus and Tubes and Related Irradiation Apparatus	0.90
3845	Electromedical and Electrotherapeutic Apparatus	0.90
3851	Ophthalmic Goods	0.90
3861	Photographic Equipment and Supplies	0.95
3873	Watches, Clocks, Clockwork Operated Devices and Parts	0.90
3911	Jewelry, Precious Metal	0.90
3914	Silverware, Plated Ware, and Stainless Steel Ware	0.95
3915	Jewelers' Findings and Materials, and Lapidary Work	0.90
3931	Musical Instruments	0.90
3942	Dolls and Stuffed Toys	0.90
3944	Games, Toys, and Children's Vehicles, Except Dolls and Bicycles	0.95
3949	Sporting and Athletic Goods, NEC	0.90
3951	Pens, Mechanical Pencils, and Parts	0.90
3952	Lead Pencils, Crayons, and Artist's Materials	0.95
3953	Marking Devices	0.90
3955	Carbon Paper and Inked Ribbons	0.90
3961	Costume Jewelry and Costume Novelties, Except Precious Metals	0.90
3965	Fasteners, Buttons, Needles, and Pins	0.90
3991	Brooms and Brushes	0.90
3993	Signs and Advertising Specialties	0.90
3995	Burial Caskets	0.90
3996	Linoleum, Asphalted-Felt-Base, and Other Hard Surface Floor Coverings, NEC	0.95
3999	Manufacturing Industries, NEC	0.95
4011	Railroads, Line-haul Operating	1.05
4013	Railroad Switching and Terminal Establishments	1.05
4111	Local and Suburban Transit	1.10
4119	Local Passenger Transportation, NEC	1.10
4121	Taxicabs	1.15
4131	Intercity and Rural Bus Transportation	1.10
4141	Local Bus Charter Service	1.10
4142	Bus Charter Service, Except Local	1.10
4151	School Buses	1.10
4173	Terminal and Service Facilities for Motor Vehicle Passenger Transportation	1.05
4212	Local Trucking Without Storage	1.00
4213	Trucking, Except Local	1.05
4214	Local Trucking with Storage	1.05
4215	Courier Services Except by Air	1.05
4221	Farm Product Warehousing and Storage	1.05
4222	Refrigerated Warehousing and Storage	1.05
4225	General Warehousing and Storage	1.10
4226	Special Warehousing and Storage, NEC	1.05
4231	Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation	1.05
4311	United States Postal Service	0.95
4412	Deep Sea Foreign Transportation of Freight	0.95
4424	Deep Sea Domestic Transportation of Freight	0.95
4432	Freight Transportation on the Great Lakes - St. Lawrence Seaway	0.95
4449	Water Transportation of Freight, NEC	0.95
4481	Deep Sea Transportation of Passengers, Except by Ferry	0.95
4482	Ferries	0.95
4489	Water Transportation of Passengers, NEC	1.00
4491	Marine Cargo Handling	1.05
4492	Towing and Tugboat Services	1.05
4493	Marinas	1.15
4499	Water Transportation Services, NEC	1.05

Appendix A

SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
4512	Air Transportation, Scheduled	0.95
4513	Air Courier Services	1.05
4522	Air Transportation, Nonscheduled	1.00
4581	Airports, Flying Fields, and Airport Terminal Services	1.05
4612	Crude Petroleum Pipelines	0.95
4613	Refined Petroleum Pipelines	0.95
4619	Pipelines, NEC	0.95
4724	Travel Agencies	0.95
4725	Tour Operators	0.95
4729	Arrangement of Passenger Transportation, NEC	1.00
4731	Arrangement of Transportation of Freight and Cargo	1.00
4741	Rental of Railroad Cars	1.00
4783	Packing and Crating	1.05
4785	Fixed Facilities and Inspection and Weighing Services for Motor Vehicle Transportation	1.05
4789	Transportation Services, NEC	1.10
4812	Radiotelephone Communications	0.90
4813	Telephone Communications, Except Radiotelephone	0.90
4822	Telegraph and Other Message Communications	0.90
4832	Radio Broadcasting Stations	0.90
4833	Television Broadcasting Stations	0.90
4841	Cable and Other Pay Television Services	0.90
4899	Communications Services, NEC	1.00
4911	Electric Services	0.95
4922	Natural Gas Transmission	0.95
4923	Natural Gas Transmission and Distribution	0.95
4924	Natural Gas Distribution	0.95
4925	Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution	0.95
4931	Electric and Other Services Combined	0.95
4932	Gas and Other Services Combined	0.95
4939	Combination Utilities, NEC	0.95
4941	Water Supply	0.95
4952	Sewerage Systems	0.95
4953	Refuse Systems	1.05
4959	Sanitary Services, NEC	1.10
4961	Steam and Air-Conditioning Supply	0.95
4971	Irrigation Systems	0.95
5012	Automobiles and Other Motor Vehicles	0.95
5013	Motor Vehicle Supplies and New Parts	1.05
5014	Tires and Tubes	1.05
5015	Motor Vehicle Parts, Used	1.05
5021	Furniture	0.95
5023	Home Furnishings	0.95
5031	Lumber, Plywood, Millwork, and Wood Panels	0.95
5032	Brick, Stone and Related Construction Materials	0.95
5033	Roofing, Siding, and Insulation Materials	0.95
5039	Construction Materials, NEC	0.95
5043	Photographic Equipment and Supplies	0.95
5044	Office Equipment	0.95
5045	Computers and Computer Peripheral Equipment and Software	0.95
5046	Commercial Equipment, NEC	0.95
5047	Medical, Dental, and Hospital Equipment and Supplies	0.95
5048	Ophthalmic Goods	0.95
5049	Professional Equipment and Supplies, NEC	0.95
5051	Metals Service Centers and Offices	0.95
5052	Coal and Other Minerals and Ores	0.95

Appendix A

SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
5063	Electrical Apparatus and Equipment Wiring Supplies, and Construction Materials	0.95
5064	Electrical Appliances, Television and Radio Sets	0.95
5065	Electronic Parts and Equipment, NEC	0.95
5072	Hardware	0.95
5074	Plumbing and Heating Equipment and Supplies (Hydronics)	0.95
5075	Warm Air Heating and Air-Conditioning Equipment and Supplies	0.95
5078	Refrigeration Equipment and Supplies	0.95
5082	Construction and Mining (Except Petroleum) Machinery and Equipment	0.95
5083	Farm and Garden Machinery and Equipment	0.95
5084	Industrial Machinery and Equipment	0.95
5085	Industrial Supplies	0.95
5087	Service Establishment Equipment and Supplies	0.95
5088	Transportation Equipment and Supplies, Except Motor Vehicles	0.95
5091	Sporting and Recreational Goods and Supplies	0.95
5092	Toys and Hobby Goods and Supplies	0.95
5093	Scrap and Waste Materials	1.10
5094	Jewelry, Watches, Precious Stones, and Precious Metals	0.95
5099	Durable Goods, NEC	0.95
5111	Printing and Writing Paper	0.95
5112	Stationery and Office Supplies	0.95
5113	Industrial and Personal Service Paper	0.95
5122	Drugs, Drug Proprietaries, and Druggists' Sundries	0.95
5131	Piece Goods, Notions, and Other Dry Goods	0.95
5136	Men's and Boys' Clothing and Furnishings	0.95
5137	Women's, Children's, and Infants' Clothing and Accessories	0.95
5139	Footwear	0.95
5141	Groceries, General Line	0.95
5142	Packaged Frozen Foods	0.95
5143	Dairy Products, Except Dried or Canned	0.95
5144	Poultry and Poultry Products	0.95
5145	Confectionery	0.95
5146	Fish and Seafoods	0.95
5147	Meats and Meat Products	1.00
5148	Fresh Fruits and Vegetables	0.95
5149	Groceries and Related Products, NEC	0.95
5153	Grain and Field Beans	0.95
5154	Livestock	0.95
5159	Farm-Product Raw Materials, NEC	0.95
5162	Plastics Materials and Basic Forms and Shapes	0.95
5169	Chemicals and Allied Products, NEC	0.95
5171	Petroleum Bulk Stations and Terminals	1.00
5172	Petroleum and Petroleum Products Wholesalers, Except Bulk Stations and Terminals	0.95
5181	Beer and Ale	1.05
5182	Wine and Distilled Alcoholic Beverages	1.05
5191	Farm Supplies	0.95
5192	Books, Periodicals, and Newspapers	0.95
5193	Flowers, Nursery Stock, and Florists' Supplies	0.95
5194	Tobacco and Tobacco Products	0.95
5198	Paint, Varnishes, and Supplies	0.95
5199	Nondurable Goods, NEC	1.00
5211	Lumber and Other Building Materials Dealers	0.95
5231	Paint, Glass, and Wallpaper Stores	0.95
5251	Hardware Stores	0.95
5261	Retail Nurseries, Lawn and Garden Supply Stores	0.95
5271	Mobile Home Dealers	1.10

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
5311	Department Stores	0.90
5331	Variety Stores	0.90
5399	Miscellaneous General Merchandise Stores	0.90
5411	Grocery Stores	1.00
5421	Meat and Fish (Seafood) Markets, Including Freezer Provisioners	0.95
5431	Fruit and Vegetable Markets	0.95
5441	Candy, Nut, and Confectionery Stores	0.95
5451	Dairy Products Stores	0.95
5461	Retail Bakeries	1.05
5499	Miscellaneous Food Stores	0.95
5511	Motor Vehicle Dealers (New and Used)	1.10
5521	Motor Vehicle Dealers (Used Only)	1.10
5531	Auto and Home Supply Stores	1.05
5541	Gasoline Service Stations	1.10
5551	Boat Dealers	1.10
5561	Recreational Vehicle Dealers	1.10
5571	Motorcycle Dealers	1.10
5599	Automotive Dealers, NEC	1.10
5611	Men's and Boys' Clothing and Accessory Stores	0.95
5621	Women's Clothing Stores	0.95
5632	Women's Accessory and Specialty Stores	0.95
5641	Children's and Infants' Wear Stores	0.95
5651	Family Clothing Stores	0.95
5661	Shoe Stores	0.95
5699	Miscellaneous Apparel and Accessory Stores	0.95
5712	Furniture Stores	0.95
5713	Floor Covering Stores	0.95
5714	Drapery, Curtain, and Upholstery Stores	0.95
5719	Miscellaneous Homefurnishings Stores	0.95
5722	Household Appliance Stores	0.95
5731	Radio, Television, and Consumer Electronics Stores	1.05
5734	Computer and Computer Software Stores	0.95
5735	Record and Prerecorded Tape Stores	0.95
5736	Musical Instrument Stores	0.95
5812	Eating and Drinking Places	1.15
5813	Drinking Places (Alcoholic Beverages)	1.15
5912	Drug Stores and Proprietary Stores	0.95
5921	Liquor Stores	1.15
5932	Used Merchandise Stores	0.90
5941	Sporting Goods Stores and Bicycle Shops	0.95
5942	Book Stores	0.95
5943	Stationery Stores	0.95
5944	Jewelry Stores	0.95
5945	Hobby, Toy, and Game Shops	0.95
5946	Camera and Photographic Supply Stores	0.95
5947	Gift, Novelty, and Souvenir Shops	0.95
5948	Luggage and Leather Goods Stores	0.95
5949	Sewing, Needlework, and Piece Goods Stores	0.95
5961	Catalog and Mail-Order Houses	0.95
5962	Automatic Merchandising Machine Operator	0.95
5963	Direct Selling Establishments	1.05
5983	Fuel Oil Dealers	1.05
5984	Liquefied Petroleum Gas (Bottled Gas) Dealers	1.05
5989	Fuel Dealers, NEC	1.05
5992	Florists	0.95

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
5993	Tobacco Stores and Stands	0.95
5994	News Dealers and Newsstands	0.95
5995	Optical Goods Stores	0.95
5999	Miscellaneous Retail Stores, NEC	0.95
6011	Federal Reserve Banks	0.90
6019	Central Reserve Depository Institutions, NEC	0.90
6021	National Commercial Banks	0.90
6022	State Commercial Banks	0.90
6029	Commercial Banks, NEC	0.90
6035	Savings Institutions, Federally Chartered	0.90
6036	Savings institutions, Not Federally Chartered	0.90
6061	Credit Unions, Federally Chartered	0.90
6062	Credit Unions, Not Federally Chartered	0.90
6081	Branches and Agencies of Foreign Banks	0.90
6082	Foreign Trade and International Banking Institutions	0.90
6091	Nondeposit Trust Facilities	0.95
6099	Functions Related to Deposit Banking, NEC	0.90
6111	Federal and Federally-Sponsored Credit Agencies	0.90
6141	Personal Credit Institutions	0.90
6153	Short-Term Business Credit Institutions, Except Agricultural	0.90
6159	Miscellaneous Business Credit Institutions	0.90
6162	Mortgage Bankers and Loan Correspondents	0.90
6163	Loan Brokers	0.90
6211	Security Brokers, Dealers, and Flotation Companies	0.95
6221	Commodity Contracts Brokers and Dealers	0.95
6231	Security and Commodity Exchanges	0.95
6282	Investment Advice	0.95
6289	Services Allied With the Exchange of Securities or Commodities, NEC	0.95
6311	Life Insurance	0.90
6321	Accident and Health Insurance	0.90
6324	Hospital and Medical Service Plans	0.90
6331	Fire, Marine, and Casualty Insurance	0.90
6351	Surety Insurance	0.90
6361	Title Insurance	0.90
6371	Pension, Health, and Welfare Funds	0.95
6399	Insurance Carriers, NEC	0.90
6411	Insurance Agents, Brokers, and Service	1.00
6512	Operators of Nonresidential Buildings	1.15
6513	Operators of Apartment Buildings	1.10
6514	Operators of Dwellings Other Than Apartment Buildings	1.10
6515	Operators of Residential Mobile Home Sites	1.10
6517	Lessors of Railroad Property	1.10
6519	Lessors of Real Property, NEC	1.10
6531	Real Estate Agents and Managers	1.10
6541	Title Abstract Offices	1.00
6552	Land Subdividers and Developers, Except Cemeteries	1.00
6553	Cemetery Subdividers and Developers	0.95
6712	Offices of Bank Holding Companies	0.90
6719	Offices of Holding Companies, NEC	0.90
6722	Management Investment Offices, Open-End	0.90
6726	Unit Investment Trusts, Face-Amount Certificate Offices, and Closed-End Management Investment Offices	0.90
6732	Education, Religious, and Charitable Trusts	0.90
6733	Trusts, Except Educational, Religious, and Charitable	0.95
6792	Oil Royalty Traders	0.95
6794	Patent Owners and Lessors	0.90

Appendix A

SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
6798	Real Estate Investment Trusts	0.90
6799	Investors, NEC	0.95
7011	Hotels and Motels	1.15
7021	Rooming and Boarding Houses	1.15
7032	Sporting and Recreational Camps	1.15
7033	Recreational Vehicle Parks and Campsites	1.15
7041	Organization Hotels and Lodging Houses, on Membership Basis	1.15
7211	Power Laundries, Family and Commercial	1.15
7212	Garment Pressing, and Agents for Laundries and Drycleaners	1.15
7213	Linen Supply	1.15
7215	Coin-Operated Laundries and Drycleaning	1.15
7216	Drycleaning Plants, Except Rug Cleaning	1.15
7217	Carpet and Upholstery Cleaning	1.10
7218	Industrial Launderers	1.15
7219	Laundry and Garment Services, NEC	1.15
7221	Photographic Studios, Portrait	0.95
7231	Beauty Shops	1.10
7241	Barber Shops	1.05
7251	Shoe Repair Shops and Shoeshine Parlors	1.00
7261	Funeral Services and Crematories	0.95
7291	Tax Return Preparation Services	0.90
7299	Miscellaneous Personal Services, NEC	1.05
7311	Advertising Agencies	1.05
7312	Outdoor Advertising Services	1.05
7313	Radio, Television, and Publishers' Advertising Representatives	1.05
7319	Advertising, NEC	1.05
7322	Adjustment and Collection Services	0.95
7323	Credit Reporting Services	0.95
7331	Direct Mail Advertising Services	1.00
7334	Photocopying and Duplicating Services	0.95
7335	Commercial Photography	0.95
7336	Commercial Art and Graphic Design	0.95
7338	Secretarial and Court Reporting Services	0.95
7342	Disinfecting and Pest Control Services	1.15
7349	Building Cleaning and Maintenance Services, NEC	1.10
7352	Medical Equipment Rental and Leasing	0.95
7353	Heavy Construction Equipment Rental and Leasing	1.00
7359	Equipment Rental and Leasing, NEC	0.95
7361	Employment Agencies	0.95
7363	Help Supply Services	0.95
7371	Computer Programming Services	0.90
7372	Prepackaged Software	0.90
7373	Computer Integrated Systems Design	0.90
7374	Computer Processing and Data Preparation and Processing Services	0.95
7375	Information Retrieval Services	0.95
7376	Computer Facilities Management Services	0.90
7377	Computer Rental and Leasing	0.95
7378	Computer Maintenance and Repair	1.00
7379	Computer Related Services, NEC	0.90
7381	Detective, Guard, and Armored Car Services	1.00
7382	Security Systems Services	1.00
7383	News Syndicates	1.05
7384	Photofinishing Laboratories	0.95
7389	Business Services, NEC	0.95
7513	Truck Rental and Leasing, Without Drivers	1.10

Appendix A

SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
7514	Passenger Car Rental	1.10
7515	Passenger Car Leasing	1.10
7519	Utility Trailer and Recreational Vehicle Rental	1.10
7521	Automobile Parking	1.10
7532	Top, Body, and Upholstery Repair Shops and Paint Shops	1.10
7533	Automotive Exhaust System Repair Shops	1.10
7534	Tire Retreading and Repair Shops	1.05
7536	Automotive Glass Replacement Shops	1.10
7537	Automotive Transmission Repair Shops	1.10
7538	General Automotive Repair Shops	1.10
7539	Automotive Repair Shops, NEC	1.10
7542	Carwashes	1.10
7549	Automotive Services, Except Repair and Carwashes	1.10
7622	Radio and Television Repair Shops	1.00
7623	Refrigeration and Air-Conditioning Services and Repair Shops	1.00
7629	Electrical and Electronic Repair Shops, NEC	1.00
7631	Watch, Clock, and Jewelry Repair	1.00
7641	Reupholstery and Furniture Repair	1.00
7692	Welding Repair	1.00
7694	Armature Rewinding Shops	0.95
7699	Repair Shops and Related Services, NEC	1.00
7812	Motion Picture and Video Tape Production	0.95
7819	Services Allied to Motion Picture Production	0.95
7822	Motion Picture and Video Tape Distribution	0.95
7829	Services Allied to Motion Picture Distribution	0.95
7832	Motion Picture Theaters, Except Drive-In	0.95
7833	Drive-In Motion Picture Theaters	0.95
7841	Video Tape Rental	0.95
7911	Dance Studios, Schools, and Halls	1.05
7922	Theatrical Producers (Except Motion Picture) and Miscellaneous Theatrical Services	1.10
7929	Bands, Orchestras, Actors, and Other Entertainers and Entertainment Groups	1.15
7933	Bowling Centers	1.15
7941	Professional Sports Clubs and Promoters	1.15
7948	Racing, Including Track Operations	1.15
7991	Physical Fitness Facilities	1.15
7992	Public Golf Courses	1.15
7993	Coin-Operated Amusement Devices	1.15
7996	Amusement Parks	1.15
7997	Membership Sports and Recreation Clubs	1.15
7999	Amusement and Recreation Services, NEC	1.10
8011	Offices and Clinics of Doctors of Medicine	1.15
8021	Offices and Clinics of Dentists	1.15
8031	Offices and Clinics of Doctors of Osteopathy	1.15
8041	Offices and Clinics of Chiropractors	1.15
8042	Offices and Clinics of Optometrists	1.15
8043	Offices and Clinics of Podiatrists	1.15
8049	Offices and Clinics of Health Practitioners, NEC	1.15
8051	Skilled Nursing Care Facilities	1.15
8052	Intermediate Care Facilities	1.15
8059	Nursing and Personal Care Facilities, NEC	1.15
8062	General Medical and Surgical Hospitals	1.15
8063	Psychiatric Hospitals	1.15
8069	Specialty Hospitals, Except Psychiatric	1.15
8071	Medical Laboratories	1.05
8072	Dental Laboratories	1.00

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
8082	Home Health Care Services	1.15
8092	Kidney Dialysis Centers	1.15
8093	Specialty Outpatient Facilities, NEC	1.15
8099	Health and Allied Services, NEC	1.05
8111	Legal Services	0.95
8211	Elementary and Secondary Schools	1.05
8221	Colleges, Universities, and Professional Schools	1.05
8222	Junior Colleges and Technical Institutes	1.05
8231	Libraries	0.90
8243	Data Processing Schools	0.95
8244	Business and Secretarial Schools	0.95
8249	Vocational Schools, NEC	0.95
8299	Schools and Educational Services, NEC	0.95
8322	Individual and Family Social Services	1.00
8331	Job Training and Vocational Rehabilitation Services	1.00
8351	Child Day Care Services	1.00
8361	Residential Care	1.15
8399	Social Services, NEC	1.00
8412	Museums and Art Galleries	1.05
8422	Arboreta and Botanical or Zoological Gardens	1.05
8611	Business Associations	1.15
8621	Professional Membership Organizations	1.15
8631	Labor Unions and Similar Labor Organizations	1.15
8641	Civic, Social, and Fraternal Associations	1.15
8651	Political Organizations	1.15
8661	Religious Organizations	1.15
8699	Membership Organizations, NEC	1.10
8711	Engineering Services	0.90
8712	Architectural Services	0.90
8713	Surveying Services	0.90
8721	Accounting, Auditing, and Bookkeeping Services	0.90
8731	Commercial Physical and Biological Research	0.95
8732	Commercial Economic, Sociological, and Educational Research	0.95
8733	Noncommercial Research Organizations	0.95
8734	Testing Laboratories	0.90
8741	Management Services	0.95
8742	Management Consulting Services	0.90
8743	Public Relations Services	1.05
8744	Facilities Support Management Services	0.95
8748	Business Consulting Services, NEC	0.90
8811	Private Households	1.15
8999	Services, NEC	0.95
9111	Executive Offices	1.15
9121	Legislative Bodies	1.15
9131	Executive and Legislative Offices, Combined	1.15
9199	General Government, NEC	1.15
9211	Courts	1.15
9221	Police Protection	1.15
9222	Legal Counsel and Prosecution	1.15
9223	Correctional Institutions	1.15
9224	Fire Protection	1.15
9229	Public Order and Safety, NEC	1.15
9311	Public Finance, Taxation, and Monetary Policy	1.15
9411	Administration of Educational Programs	1.15
9431	Administration of Public Health Programs	1.15

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SIC Codes and Industry Factors		
SIC	**SIC Description**	**SIC Fx**
9441	Administration of Social, Human Resource and Income Maintenance Programs	1.15
9451	Administration of Veterans' Affairs, Except Health Insurance	1.15
9511	Air and Water Resource and Solid Waste Management	1.15
9512	Land, Mineral, Wildlife, and Forest Conservation	1.15
9531	Administration of Housing Programs	1.15
9532	Administration of Urban Planning and Community and Rural Development	1.15
9611	Administration of General Economic Programs	1.15
9621	Regulation and Administration of Transportation Programs	1.10
9631	Regulation and Administration of Communications, Electric, Gas, and Other Utilities	1.15
9641	Regulation of Agricultural Marketing and Commodities	1.15
9651	Regulation, Licensing, and Inspection of Miscellaneous Commercial Sectors	1.15
9661	Space Research and Technology	1.15
9711	National Security	1.15
9721	International Affairs	1.15

Appendix B

Demographic Adjustment Factors									
	Male								
TIER	2T	3T	4T	3T	4T	4T	2T	3T	4T
Age	S	S	S	D	D	PC	F	F	F
0 - 24	0.324	0.324	0.324	1.201	1.285	1.132	1.654	2.414	2.532
25 - 29	0.388	0.388	0.388	1.294	1.426	1.183	1.969	2.514	2.647
30 - 34	0.475	0.475	0.475	1.357	1.565	1.249	2.246	2.576	2.712
35 - 39	0.583	0.583	0.583	1.416	1.682	1.361	2.349	2.564	2.698
40 - 44	0.722	0.722	0.722	1.603	1.897	1.464	2.449	2.640	2.763
45 - 49	0.921	0.921	0.921	1.982	2.234	1.649	2.680	2.920	3.038
50 - 54	1.263	1.263	1.263	2.580	2.741	1.960	3.042	3.374	3.477
55 - 59	1.618	1.618	1.618	3.205	3.289	2.271	3.427	3.845	3.931
60 - 64	2.126	2.126	2.126	3.994	4.037	2.771	4.061	4.410	4.470
65 - 199	2.956	2.956	2.956	5.224	5.241	3.650	5.234	5.364	5.554

	Female								
TIER	2T	3T	4T	3T	4T	4T	2T	3T	4T
Age	S	S	S	D	D	PC	F	F	F
0 - 24	0.651	0.651	0.651	1.340	1.017	1.663	1.571	2.147	2.141
25 - 29	0.885	0.885	0.885	1.489	1.317	1.793	1.880	2.344	2.447
30 - 34	1.027	1.027	1.027	1.621	1.560	1.892	2.187	2.490	2.627
35 - 39	1.048	1.048	1.048	1.647	1.753	1.862	2.267	2.497	2.663
40 - 44	1.100	1.100	1.100	1.754	2.034	1.836	2.370	2.618	2.808
45 - 49	1.263	1.263	1.263	2.147	2.494	1.956	2.664	2.986	3.194
50 - 54	1.485	1.485	1.485	2.727	3.018	2.140	3.043	3.439	3.651
55 - 59	1.723	1.723	1.723	3.385	3.588	2.328	3.526	3.983	4.177
60 - 64	2.058	2.058	2.058	4.186	4.319	2.638	4.216	4.556	4.797
65 - 199	2.500	2.500	2.500	5.231	5.312	3.196	5.230	5.228	6.151

Average Contract Size									
	Male								
TIER	2T	3T	4T	3T	4T	4T	2T	3T	4T
Age	S	S	S	D	D	PC	F	F	F
0 - 24	1.000	1.000	1.000	2.000	2.000	2.143	2.521	3.389	3.438
25 - 29	1.000	1.000	1.000	2.000	2.000	2.415	2.944	3.704	3.758
30 - 34	1.000	1.000	1.000	2.000	2.000	2.656	3.456	3.996	4.071
35 - 39	1.000	1.000	1.000	2.000	2.000	2.851	3.779	4.183	4.280
40 - 44	1.000	1.000	1.000	2.000	2.000	2.840	3.793	4.200	4.297
45 - 49	1.000	1.000	1.000	2.000	2.000	2.743	3.544	4.072	4.151
50 - 54	1.000	1.000	1.000	2.000	2.000	2.580	3.060	3.825	3.873
55 - 59	1.000	1.000	1.000	2.000	2.000	2.417	2.548	3.583	3.607
60 - 64	1.000	1.000	1.000	2.000	2.000	2.375	2.233	3.462	3.460
65 - 199	1.000	1.000	1.000	2.000	2.000	2.500	2.114	3.444	3.500

	Female								
TIER	2T	3T	4T	3T	4T	4T	2T	3T	4T
Age	S	S	S	D	D	PC	F	F	F
0 - 24	1.000	1.000	1.000	2.000	2.000	2.227	2.405	3.417	3.500
25 - 29	1.000	1.000	1.000	2.000	2.000	2.415	2.726	3.583	3.706
30 - 34	1.000	1.000	1.000	2.000	2.000	2.674	3.178	3.819	3.972
35 - 39	1.000	1.000	1.000	2.000	2.000	2.816	3.425	3.948	4.147
40 - 44	1.000	1.000	1.000	2.000	2.000	2.750	3.355	3.907	4.084
45 - 49	1.000	1.000	1.000	2.000	2.000	2.602	3.091	3.773	3.904
50 - 54	1.000	1.000	1.000	2.000	2.000	2.433	2.698	3.565	3.638
55 - 59	1.000	1.000	1.000	2.000	2.000	2.259	2.316	3.341	3.368
60 - 64	1.000	1.000	1.000	2.000	2.000	2.143	2.093	3.143	3.167
65 - 199	1.000	1.000	1.000	2.000	2.000	2.500	2.129	3.333	3.500

The demographic factor input into Exhibit A of the Experience Rating Formula is determined by dividing the average subscriber demographic factor by the weighted average number of members per contract (using the demographic factors and average contract size from the tables above).

Appendix C

HRA/HSA Deductible Funding Adjustment Factors				
Single	**51%-75% Funding**		**76%-100% Funding**	
Deductible	**HRA**	**HSA**	**HRA**	**HSA**
$1,000	1.20%	0.60%	2.40%	1.20%
$1,250	1.30%	0.70%	2.60%	1.40%
$1,500	1.30%	0.80%	2.70%	1.60%
$1,750	1.40%	0.90%	2.80%	1.80%
$2,000	1.50%	1.00%	2.90%	2.00%
$2,250	1.90%	1.10%	3.70%	2.20%
$2,500	2.30%	1.20%	4.50%	2.40%
$2,750	2.70%	1.30%	5.30%	2.70%
$3,000	3.10%	1.50%	6.10%	2.90%
$3,250	3.10%	1.40%	6.10%	2.80%
$3,500	3.10%	1.30%	6.10%	2.70%
$3,750	3.10%	1.30%	6.10%	2.60%
$4,000	3.10%	1.20%	6.10%	2.40%
$4,250	2.90%	1.20%	5.90%	2.30%
$4,500	2.80%	1.10%	5.70%	2.20%
$4,750	2.70%	1.00%	5.40%	2.10%
$5,000	2.60%	1.00%	5.20%	2.00%

ACTUARIAL MEMORANDUM

3Q and 4Q 2016 Large Group AR44 Manual Rate, Formula and Addendum Filing

Purpose of Filing

The purpose of this filing is to demonstrate the development of manual rates in support of MVP Health Plan's (MVP) Large Group AR44 product portfolio and seek approval of the manual rates, formula and factors used to develop group specific premium rates. The manual rates and rating factors included in this filing are for group effective dates between 7/1/2016 and 12/31/2016. The rates are effective for 12 months. This rate filing has been prepared to satisfy the requirements of 8 V.S.A § 5104 and is not intended to be used for other purposes.

Scope of Filing

As of January 2016, there were 0 members enrolled in Large Group AR44 plans. MVP is filing rates for this block in the event that an employer group requests one of the products offered within this filing.

MVP is proposing to reduce the annual revenue for these products by 4.4% which is driven by three factors described below.

- Manual Rate Change: MVP is proposing a quarterly manual rate increase of 3.3% which translates to an annual change of 5.2%.

- Age/Gender Table Normalization: MVP began normalizing its age/gender factor table in 1Q 2016 due to a new business discount being offered to prospective employer groups. One of the criteria used determine if a group qualified for the new business discount is the average demographic factor of the group. Rather than modifying this criteria each rate filing, MVP decided to normalize the age/gender table and remove the age/gender normalization factor from the claim projection used to determine the manual rate change. The normalized age/gender table is included in Appendix B of the file, "Appendices A-C – 3Q 2016.xlsx". Note that MVP is filing the same age/gender table for these products as was filed in MVP's 3Q 2016 Large Group HIC filing (SERFF ID: MVPH-130454426) since all of the existing Large Group membership are enrolled in MVP HIC products.

- Change in Target Loss Ratio: MVP is increasing its target loss ratio from 80.2% in the 3Q 2015 filing to 84.4% for this rate filing which is decreasing the overall revenue change by an additional -4.7%. The drivers of this reduction are a decrease in the administrative load from 9.5% in 3Q 2015 to 8.0%, an increase in the contribution to surplus from 1.0% to 2.0%, a reduction in the VT Vaccine assessment worth 0.1%, a one year moratorium of the ACA Insurer Tax in 2017 and removal of the Temporary Reinsurance Pool fee for 2017 dates of service. Note, MVP proposed a contribution to surplus of 2.0% in 3Q 2015 which was reduced to 1.0% by the GMCB. For the 1Q 2016 Large Group MVP HIC filing (SERFF ID: MVPH-130178700), the GMCB approved a 2.0% contribution to surplus.

Please see the following page for a derivation of the overall revenue change for 3Q and 4Q 2016.

Derivation of Annual Revenue Change Based on Quarterly Rate Changes					
	4Q '15 / 3Q '15	3Q '16 / 4Q '15	2Q '16 / 1Q '16	3Q '16 Annual Increase	4Q '16 Annual Increase
Medical	1.8%	3.3%	1.0%	5.2%	4.3%
Average Manual Rate Change for LG HMO Block				5.2%	4.3%
Age Gender Table Normalization				-4.6%	-4.6%
Impact of Changes in Target Loss Ratio				-4.7%	-5.3%
Proposed Annual Revenue Change				**-4.4%**	**-5.7%**

Development of Manual Rate Increase

Large group AR44 claims incurred between November 2014 and October 2015, paid through December 2015 represents MVP's experience period data. There were two groups active in the experience period with a combined 2,627 member months, both of which exited their products in January 2016.

Exhibit 3a demonstrates the development of the proposed 3rd quarter manual rate action. Because there were only 2,627 member months in the experience period, the block of business is not credible for rate setting and is expected to produce volatile medical loss ratios. To arrive at a rate increase, MVP is proposing to increase the approved 4th quarter 2015 manual rates by three quarters of projected trend.

Also included with this filing is Exhibit 3b which illustrates the proposed 4Q 2016 quarterly rate change. The claim projection on this tab reflects the same experience period data as was shown on Exhibit 3a projected one more quarter to 4Q 2016. The change in the claim projection equals one quarter of paid trend and reflects the proposed 4Q 2016 quarterly rate action.

Pooling Charge

MVP is proposing to modify its pooling charge for this product to be consistent with the pooling charges approved in the 1Q 2016 MVP HIC rate filing. Please see the Experience Rated Addendum for the proposed factors.

Medical Trend Factors

The development of annual medical paid claim trend factors for 3Q 2016 is illustrated in Exhibit 2a. Consistent with recently submitted filings, MVP is applying 0% utilization trend to its data. Regression analysis has been performed on MVP's utilization data in the past, and it was concluded that the predictive ability of the historical utilization trends was weak and not reliable. The assumed unit cost trends reflect known and assumed price increases from MVP's provider network.

In addition to the medical cost inflation rate assumed from the historical experience period to the rating period, an adjustment is needed to reflect the impact of cost share leveraging on the carrier's share of the medical cost. Leveraging is a result of the fixed nature of deductibles and copays in health benefit plans. When there are fixed member deductibles and copays, the carrier bears a greater portion of the cost of medical inflation. Therefore, an additional factor adjustment is made to the trend assumption to capture this cost.

Also included in this filing is a paid trend development exhibit for 4Q 2016. Please see Exhibit 2e which is identical to Exhibit 2a except there is one more quarter of trend reflected in the calculation.

Rx Trend Factors

Annual Rx trend factors split by generic, brand and specialty drugs are illustrated in Exhibit 2a. These trend factors were supplied by MVP's pharmacy benefit manager (PBM) and reflect their best estimate of expected changes to pharmacy costs and drug utilization. Supporting documentation illustrating how the Rx trends shown on Exhibit 2a were converted to paid trends for 3Q 2016 can be found in Exhibit 2b.

Please see the attached file, "Rolling 12 Medical and Rx Data - LG HMO.xlsx" which contains a rolling 12 month summary of total Rx claim costs as well as Rx data broken out by Generic, Brand, and Specialty.

Also included in this filing is a paid trend development exhibit for 4Q 2016. Please see Exhibit 2f which is identical to Exhibit 2b except there is one more quarter of trend reflected in the calculation.

Retention Expenses

Retention expenses are outlined in the attached Addendum. The table below represents MVP's Large Group administrative expenses as filed in the Supplemental Health Care Exhibit over the past four years:

Administrative Expense Summary - Data Taken from Supplemental Health Care Exhibit

	VT Large Group - AR42 & AR44			
	Member Months	Premium PMPM	Admin PMPM	Admin Expense Ratio
2011	182,773	$326.54	$36.06	11.0%
2012	136,049	$335.21	$33.62	10.0%
2013	118,563	$363.04	$39.18	10.8%
2014	97,084	$404.11	$38.31	9.5%

Admin PMPM reflects the following lines from Part I of the SHCE: 6.6, 8.3, 10.1, and 10.4

Changes have been made to the following retention items since the 3Q 2015 filing:

- Administrative Load: MVP has worked towards reducing administrative expenses and will charge an administrative load equal to 8.0% of premium for this filing. This reflects a 1.5% reduction from the previously submitted LG AR44 filing.

- Contribution to Surplus: MVP is proposing a 2.0% contribution to surplus. This is consistent with the contribution to surplus approved for the 1Q 2016 LG HIC filing.

- ACA Insurer Tax: Recent information from the Federal Government indicates there will be a moratorium on this tax for 2017. As a result, members will only be taxed on this benefit for 2016 dates of service.

- Covered Lives Assessment: The 2016 covered lives assessment has been finalized by New York State. The addendum has been updated to reflect these amounts.

- VT Vaccine Assessment: Based on updated information, MVP has reduced this fee by 0.1% to 0.5% of premium.

The following taxes/assessments are included in the attached Addendum:

Temporary Individual Reinsurance Pool

Carriers are being assessed a fee to fund the Temporary Reinsurance Pool which supports the individual reinsurance program both in and out of the exchange from 2014 through 2016. For 2016, the fee is $2.25 PMPM, and the fee will be $0.00 in 2017.

ACA Insurer Tax
Beginning in 2014, carriers will be taxed based on earned premium. MVP estimates its liability in 2016 will equal 2.0% of premium and will be 0.0% in 2017.

VT Paid Claim Tax
The State of Vermont charges a 0.999% tax on paid claims.

Comparative Effectiveness Research Fee
A prescribed Federal fee equal to $0.18 PMPM to fund the Federal Research Fund.

VT Vaccine Pilot
This is a Vermont state assessment based on plan premiums which is used to fund immunizations provided by the state.

Changes to Large Group Formula
MVP is adding a new business discount and manual rate cap to its large group experience rated formula in 2016. Please see the accompanying addendum and large group formula files for details.

Loss Ratio Information
The traditional target loss ratio (claims cost / premium) for the rates proposed in this rate filing is 84.4%. After making adjustments for taxes/assessments and expenses associated with quality improvements, the Federal target loss ratio for the rates proposed in this filing is 88.1%. Please see the table below for more detail:

Target Loss Ratio for LG AR44 in 3Q 2016

	Large Group AR44
A) Claims Expense	$458.08
B) Taxes/Assessments	$17.75
C) Quality Improvement	$4.34
D) Premium	$542.57
E) Traditional Loss Ratio *= A) / D)*	**84.4%**
F) Federal Loss Ratio *= [A) + C)] / [D) - B)]*	**88.1%**

Supplemental Exhibits
Included with this filing is a historical claim and membership summary for the past 34 months grouped into rolling 12 month periods. Incurred claims from January 2013 – October 2015 completed through December 2015 are reflected in the data. Note the data represented in these files excludes the 51-100 block.

Retired Products
The following plans are being retired effective 7/1/16: Coplan 10 Large. This plan was a grandfathered plan that no longer has any membership.

Actuarial Certification

I, Matthew Lombardo, am a Member of the American Academy of Actuaries. I have examined the assumptions and methods used in determining MVP's requested rates. Based on my review and examination, it is my opinion that the proposed premium rates are reasonable in relation to the benefits provided and that they are not excessive, inadequate, nor unfairly discriminatory. This rate filing conforms to the applicable Standards of Practice as promulgated by the Actuarial Standards Board.

_____ 02/25/2016

Matthew Lombardo, FSA, MAAA Date

Associate Director, Actuarial Services

MVP Health Care

MVP Health Care -- Q3 & Q4 2016 LG HMO Rate Filing

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Exhibit 1 -- Summary of Medical Coplans Offered

Exhibit 2a -- 3Q 2016 Pricing Trend Assumptions

Exhibits 2b -- 3Q 2016 Rx Paid Trend Development

Exhibit 2c -- 4Q 2016 Pricing Trend Assumptions

Exhibits 2d -- 4Q 2016 Rx Paid Trend Development

Exhibit 3a -- 3Q 2016 Claim Projection and Proposed Rate Change

Exhibit 3b -- 4Q 2016 Claim Projection and Proposed Rate Change

Exhibit 4a -- Medical Manual Rates

Exhibit 4b -- Medical Rider Rates

Exhibit 4c -- Rx Rider Rates

Exhibit 1 -- Summary of Medical Coplans Offered

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

		In-Network Benefits										Out-of-Network Benefits			
Coplan	**Product Type**	**PCP**	**SCP**	**IP (Med/Surg**	**ER**	**OP Surg**	**DME**	**Amb**	**Ded**	**Coins.**	**OOP Max**	**Coins**	**Ded**	**OOP Max**	**Pharmacy**
Coplan 10 14	HMO	$10	$10	$240	$35	$10	20%	$0	$0	0%	$5,300	N/A	N/A	N/A	Riders Available
Coplan 15 14	HMO	$15	$15	$240	$50	$100	20%	$0	$0	0%	$5,300	N/A	N/A	N/A	Riders Available
Coplan 25 14	HMO	$25	$25	$500	$50	$100	20%	$0	$0	0%	$5,300	N/A	N/A	N/A	Riders Available

Exhibit 2a -- Pricing Trend Assumptions -- 3Q Projection

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Experience Period:	November 1, 2014 - October 31, 2015
Rating Period:	July 1, 2016 - June 30, 2017

	2015	2016	2017	Total
Months of Trend	2	12	6	**20**

Medical Trend Summary

2015 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.1%	5.3%	0.0%	5.3%
OP and Other Med	46.1%	4.7%	0.0%	4.7%
PHY	34.9%	2.9%	0.0%	2.9%
Medical Total		4.2%	0.0%	**4.2%**

2016 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.1%	5.1%	0.0%	5.1%
OP and Other Med	46.1%	4.0%	0.0%	4.0%
PHY	34.8%	0.0%	0.0%	0.0%
Medical Total		2.8%	0.0%	**2.8%**

2017 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.5%	5.1%	0.0%	5.1%
OP and Other Med	46.6%	4.0%	0.0%	4.0%
PHY	33.8%	0.0%	0.0%	0.0%
Medical Total		2.9%	0.0%	**2.9%**

Leveraging Impact - Large Group HMO Fee-For-Service Medical Claims

Member Months	2,627				
IBNR Factor	1.020				
	Allowed	**Coinsurance**	**Copay**	**Deductible**	**Paid***
Experience Period:	$350.11	$0.63	$10.71	$0.00	$338.78
20 Months of Trend:	1.050	1.050	1.000	1.000	1.052
Projection Period:	$367.69	$0.66	$10.71	$0.00	$356.33
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.1%				
Leveraging (Annual)	**0.1%**				

**Ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 3a unless these adjustments are taken into account.*

Rx Trend Summary

	2015 Trend		2016 Trend		2017 Trend	
	Unit Cost	**Utilization**	**Unit Cost**	**Utilization**	**Unit Cost**	**Utilization**
Generic	4.3%	3.4%	3.0%	2.2%	3.0%	2.4%
Brand	13.5%	-11.4%	13.5%	-4.4%	13.5%	-6.0%
Specialty	16.0%	5.0%	12.0%	6.0%	12.0%	4.0%

Exhibit 2b -- Rx Trend Development - 3Q

MVP Health Care -- Q3 & Q4 2016 LG HMO Rate Filing
For Effective Dates Beginning Between July 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015
Member Months with Rx Benefit: 2,627

Rx Claim Information	**Generic**	**Brand**	**Specialty**	**Total**
	1	2	3	
Experience Period Scripts / 1000	12,407	1,480	164	14,051
Experience Period Allowed PMPM	$22.59	$28.75	$17.25	$68.60
Experience Period Deductible PMPM	$0.00	$0.11	$0.00	$0.11
Experience Period Copay PMPM	$5.72	$3.29	$0.29	$9.30
Experience Period Coinsurance PMPM	$0.00	$0.32	$0.00	$0.32
Experience Period Cost Sharing PMPM	$5.72	$3.72	$0.29	$9.73
Experience Period Paid PMPM	$16.87	$25.04	$16.96	$58.87
Annual Util Trend	1.024	0.944	1.053	1.016
Annual Unit Cost Trend	1.031	1.135	1.124	1.078
Annual Deductible Trend	1.056	1.072	1.183	1.072
Annual Paid Trend	1.066	1.088	1.186	1.110
Months of Trend to Q3 2016	20	20	20	20
Projected Scripts / 1000 as of Q3 2016	12,897	1,345	179	14,421
Projected Allowed PMPM as of Q3 2016	$24.72	$32.27	$22.85	$79.84
Projected Deductible PMPM	$0.00	$0.13	$0.00	$0.13
Projected Copay PMPM	$5.95	$2.99	$0.32	$9.25
Projected Coinsurance PMPM	$0.00	$0.36	$0.00	$0.36
Projected Cost Sharing PMPM as of Q3 2016	$5.95	$3.47	$0.32	$9.73
Projected Paid PMPM as of Q3 2016	$18.78	$28.80	$22.53	$70.11

Exhibit 2c -- Pricing Trend Assumptions -- 4Q Projection

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period:	November 1, 2014 - October 31, 2015
Rating Period:	October 1, 2016 - September 30, 2017

	2015	2016	2017	Total
Months of Trend	2	12	9	**23**

Medical Trend Summary

2015 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.1%	5.3%	0.0%	5.3%
OP and Other Med	46.1%	4.7%	0.0%	4.7%
PHY	34.9%	2.9%	0.0%	2.9%
Medical Total		4.2%	0.0%	**4.2%**

2016 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.1%	5.1%	0.0%	5.1%
OP and Other Med	46.1%	4.0%	0.0%	4.0%
PHY	34.8%	0.0%	0.0%	0.0%
Medical Total		2.8%	0.0%	**2.8%**

2017 Annual Trend

	% of Allowed Claims	Unit Cost	Utilization	Total
IP	19.5%	5.1%	0.0%	5.1%
OP and Other Med	46.6%	4.0%	0.0%	4.0%
PHY	33.8%	0.0%	0.0%	0.0%
Medical Total		2.9%	0.0%	**2.9%**

Leveraging Impact - Large Group HMO Fee-For-Service Medical Claims

Member Months	2,627				
IBNR Factor	1.020				
	Allowed	**Coinsurance**	**Copay**	**Deductible**	**Paid***
Experience Period:	$350.11	$0.63	$10.71	$0.00	$338.78
23 Months of Trend:	1.058	1.058	1.000	1.000	1.060
Projection Period:	$370.31	$0.66	$10.71	$0.00	$358.94
Allowed Trend (Annual)	3.0%				
Paid Trend (Annual)	3.1%				
Leveraging (Annual)	**0.1%**				

**Ignores impact of removing high cost claims and replacing with pooling charge. Paid projection will not tie out to FFS claim projection on Tab 3a unless these adjustments are taken into account.*

Rx Trend Summary

	2015 Trend		2016 Trend		2017 Trend	
	Unit Cost	**Utilization**	**Unit Cost**	**Utilization**	**Unit Cost**	**Utilization**
Generic	4.3%	3.4%	3.0%	2.2%	3.0%	2.4%
Brand	13.5%	-11.4%	13.5%	-4.4%	13.5%	-6.0%
Specialty	16.0%	5.0%	12.0%	6.0%	12.0%	4.0%

Exhibit 2d -- Rx Trend Development - 4Q

MVP Health Care -- Q3 & Q4 2016 LG HMO Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015
Member Months with Rx Benefit: 2,627

Rx Claim Information	**Generic**	**Brand**	**Specialty**	**Total**
	1	2	3	
Experience Period Scripts / 1000	12,407	1,480	164	14,051
Experience Period Allowed PMPM	$22.59	$28.75	$17.25	$68.60
Experience Period Deductible PMPM	$0.00	$0.11	$0.00	$0.11
Experience Period Copay PMPM	$5.72	$3.29	$0.29	$9.30
Experience Period Coinsurance PMPM	$0.00	$0.32	$0.00	$0.32
Experience Period Cost Sharing PMPM	$5.72	$3.72	$0.29	$9.73
Experience Period Paid PMPM	$16.87	$25.04	$16.96	$58.87
Annual Util Trend	1.024	0.944	1.051	1.016
Annual Unit Cost Trend	1.031	1.135	1.123	1.078
Annual Deductible Trend	1.055	1.071	1.181	1.071
Annual Paid Trend	1.066	1.087	1.183	1.110
Months of Trend to Q4 2016	23	23	23	23
Projected Scripts / 1000 as of Q4 2016	12,973	1,324	181	14,479
Projected Allowed PMPM as of Q4 2016	$25.06	$32.80	$23.73	$81.59
Projected Deductible PMPM	$0.00	$0.13	$0.00	$0.13
Projected Copay PMPM	$5.98	$2.94	$0.32	$9.24
Projected Coinsurance PMPM	$0.00	$0.36	$0.00	$0.36
Projected Cost Sharing PMPM as of Q4 2016	$5.98	$3.43	$0.32	$9.73
Projected Paid PMPM as of Q4 2016	$19.07	$29.36	$23.42	$71.86

Exhibit 3a -- Claim Projection & Proposed Rate Change

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

LG HIC Claim Projection and Proposed Rate Change

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015

Experience Period Member Months	2,627
1) Experience Period Medical Claims PMPM	$332.23
1a) Claims in Excess of $100k over Experience Period	$0.00
1b) Pooling Charge	1.0916
2) IBNR Factor	1.020
3) Experience Period Incurred Medical Claims *= [1) - 1a)] * 1b) * 2)*	$369.81
4) Annual Medical Trend *Includes Paid Leveraging*	1.031
5) Months of Trend to Q3 2016	20
6a) Capitations and Non-FFS Claim Expenses	$6.19
7) Trended Incurred Medical Claims PMPM as of Q3 2016 *= [3) * 4) ^ [5) / 12] + 6a)]*	$395.16
8) Experience Period Rx Claims PMPM	$58.87
8a) Rx Claims in Excess of $100k over Experience Period	$0.00
8b) Pooling Charge	1.0916
9) Annual Rx Trend *Includes Paid Leveraging*	1.110
10) Months of Trend to Q3 2016	20
11) Trended Gross Rx Claims PMPM as of Q3 2016 *= [8) - 8a)] * 8b) * [9)] ^ [10) / 12]*	$76.53
11a) Impact of Bill H559	$0.00
11b) Rx Rebates	($14.75)
12) Trended Net Rx Claims PMPM as of Q3 2016 *= 11) + 11a) + 11b)*	$61.78
13) Industry Normalization Factor	1.109
13a) NY State HCRA Surcharge	0.25%
14) Total Claim Cost as of Q3 2016 *= [7) + 12)] * 13)* [1+ 13a)]*	$508.10
15) Projected Net Revenue Collected at Q4 2015 Rate Level *Based on distribution of experience period members*	$504.62
16) Data Suggested Rate Change *= 14) / 15) -1*	**0.7%**
17) MVP Proposed Rate Change over 4Q 2015 Rates *Equals one quarter of 2015 trend and two quarters of 2016 trend.*	**3.3%**

Exhibit 3b -- Claim Projection & Proposed Rate Change

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

LG HIC Claim Projection and Proposed Rate Change

Experience Period: November 1, 2014 - October 31, 2015
Paid Through: December 31, 2015

Experience Period Member Months	2,627
1) Experience Period Medical Claims PMPM	$332.23
1a) Claims in Excess of $100k over Experience Period	$0.00
1b) Pooling Charge	1.0916
2) IBNR Factor	1.020
3) Experience Period Incurred Medical Claims *= [1) - 1a)] * 1b) * 2)*	$369.81
4) Annual Medical Trend *Includes Paid Leveraging*	1.031
5) Months of Trend to Q4 2016	23
6a) Capitations and Non-FFS Claim Expenses	$6.19
7) Trended Incurred Medical Claims PMPM as of Q4 2016 *= [3) * 4) ^ [5) / 12] + 6a)]*	$398.02
8) Experience Period Rx Claims PMPM	$58.87
8a) Rx Claims in Excess of $100k over Experience Period	$0.00
8b) Pooling Charge	1.0916
9) Annual Rx Trend *Includes Paid Leveraging*	1.110
10) Months of Trend to Q4 2016	23
11) Trended Gross Rx Claims PMPM as of Q4 2016 *= [8) - 8a)] * 8b) * [9)] ^ [10) / 12]*	$78.44
11a) Impact of Bill H559	$0.00
11b) Rx Rebates	($14.73)
12) Trended Net Rx Claims PMPM as of Q4 2016 *= 11) + 11a) + 11b)*	$63.70
13) Industry Normalization Factor	1.109
13a) NY State HCRA Surcharge	0.25%
14) Total Claim Cost as of Q4 2016 *= [7) + 12)] * 13)* [1+ 13a)]*	$513.41
15) Projected Claim Cost Q3 2016 *Based on distribution of experience period members*	$508.10
16) Proposed Quarterly Rate Change *= 14) / 15) -1*	**1.0%**

Exhibit 4a -- Medical Manual Rates (Q3 2016)

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Annual Revenue Change
Coplan 10 14	HMO	$480.32	3.3%	5.2%	-4.4%
Coplan 15 14	HMO	$475.15	3.3%	5.2%	-4.4%
Coplan 25 14	HMO	$462.88	3.3%	5.2%	-4.4%

Exhibit 4a -- Medical Manual Rates (Q4 2016)

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Coplan	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change	Annual Revenue Change
Coplan 10 14	HMO	$485.12	1.0%	4.3%	-5.7%
Coplan 15 14	HMO	$479.90	1.0%	4.3%	-5.7%
Coplan 25 14	HMO	$467.51	1.0%	4.3%	-5.7%

Exhibit 4b -- Medical Riders (Q3 2016)

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
R6-V	External Prosthetic Devices	HMO	$0.20	3.3%	3.3%
R7-V	Unlimited Skilled Nursing	HMO	$0.15	3.3%	3.3%
R14-V	Exclude Elective Abortion	HMO	($0.12)	3.3%	3.3%
R49-V	Disposable Medical Supplies	HMO	$0.98	3.3%	5.5%
R63-V	Foot Orthotics	HMO	$1.03	3.3%	5.4%
R142-V	$500 IP Hospital Copay (Lrg Grp)	HMO	($1.28)	3.3%	5.0%
R146-V	Exclusion of Preventative Dental	HMO	($1.17)	3.3%	5.2%
R167-V	ER - $50 Copay (Lrg Grp)	HMO	($0.57)	3.3%	5.2%
R170-V	Eyewear Benefits	HMO	$3.41	3.3%	5.2%
R181-V	$100 IP Hospital Copay	HMO	$0.70	3.3%	4.8%
R185-V	Catastrophic Rider (IP ded 2000 & OP Surg Ded-1000 ER-75)	HMO	-5.0%	0.0%	0.0%
R217-V	High Option Eyewear	HMO	$6.84	3.3%	5.2%
R222-V	Adult Preventative Dental	HMO	$18.84	3.3%	5.1%
R223-V	Adult Prev. Dental w/Family Restorative	HMO	$22.85	3.3%	5.2%
R230-V	Advanced Infertility (Lrg Grp)	HMO	$5.05	3.3%	5.2%
R232-V	Catastrophic Rider (IP Ded-1000 OP Surg Ded-500 ER-75)	HMO	-2.0%	0.0%	0.0%
R242-V	IP Copay $240 (with Coplan25, Large Group Only)	HMO	$1.28	3.3%	5.0%
R263-V	Domestic Partner All Groups (B/6/6)	HMO	$0.00	N/A	N/A
R20-V	Other Child Dependents	HMO	$0.00	N/A	N/A

Exhibit 4b -- Medical Riders (Q4 2016)

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
R6-V	External Prosthetic Devices	HMO	$0.20	1.9%	5.3%
R7-V	Unlimited Skilled Nursing	HMO	$0.16	3.3%	6.7%
R14-V	Exclude Elective Abortion	HMO	($0.13)	4.9%	8.3%
R49-V	Disposable Medical Supplies	HMO	$0.99	0.9%	4.2%
R63-V	Foot Orthotics	HMO	$1.04	0.7%	4.0%
R142-V	$500 IP Hospital Copay (Lrg Grp)	HMO	($1.29)	0.7%	4.0%
R146-V	Exclusion of Preventative Dental	HMO	($1.18)	1.1%	4.4%
R167-V	ER - $50 Copay (Lrg Grp)	HMO	($0.57)	0.3%	3.6%
R170-V	Eyewear Benefits	HMO	$3.44	0.9%	4.2%
R181-V	$100 IP Hospital Copay	HMO	$0.71	1.1%	4.4%
R185-V	Catastrophic Rider (IP ded 2000 & OP Surg Ded-1000 ER-75)	HMO	-5.0%	0.0%	0.0%
R217-V	High Option Eyewear	HMO	$6.91	1.0%	4.4%
R222-V	Adult Preventative Dental	HMO	$19.03	1.0%	4.3%
R223-V	Adult Prev. Dental w/Family Restorative	HMO	$23.08	1.0%	4.3%
R230-V	Advanced Infertility (Lrg Grp)	HMO	$5.10	1.0%	4.3%
R232-V	Catastrophic Rider (IP Ded-1000 OP Surg Ded-500 ER-75)	HMO	-2.0%	0.0%	0.0%
R242-V	IP Copay $240 (with Coplan25, Large Group Only)	HMO	$1.29	0.7%	4.0%
R263-V	Domestic Partner All Groups (B/6/6)	HMO	$0.00	n/a	n/a
R20-V	Other Child Dependents	HMO	$0.00	n/a	n/a

Exhibit 4c -- Rx Riders (Q3 2016)

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between July 1, 2016 - September 30, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
R152-V	50% Coinsurance on any RX	HMO	$33.20	3.3%	5.2%
R203-V	$5 Generic/$20 Brand /$40 Non-Fo	HMO	$58.08	3.3%	5.2%
R234-V	$10 Generic/$30 Brand/$50 Non-Fc	HMO	$52.22	3.3%	5.2%
R256-V	$10 Generic /30% Brand /50% Non-	HMO	$43.32	3.3%	5.1%
R264-V	$15 Generic/$35 Brand/$50 Non-Fc	HMO	$49.22	3.3%	5.1%
R203-V w/ r	Adds $100 Deductible R203-V	HMO	($5.09)	3.2%	5.2%
R234-V w/ r	Adds $100 Deductible R234-V	HMO	($4.58)	3.4%	5.3%
R256-V w/ r	Adds $100 Deductible to R256-V	HMO	($3.77)	3.3%	5.0%
R264-V w/ r	Adds $100 Deductible to R264-V	HMO	($4.32)	3.3%	5.1%
R550L-V	Removes MAC Pricing	HMO	$0.82	3.8%	5.1%
R551L-V	Change mail copay from 2.5 to 2.0	HMO	$0.35	2.9%	6.1%

Exhibit 4c -- Rx Riders (Q4 2016)

Large Group VT HMO AR44 Rate Filing
For Effective Dates Beginning Between October 1, 2016 - December 31, 2016

Rider	Description	Product Type	Net Required Revenue PMPM	Quarterly Change	Annual Manual Rate Change
R152-V	50% Coinsurance on any RX	HMO	$33.53	1.0%	4.3%
R203-V	$5 Generic/$20 Brand /$40 Non-Formulary	HMO	$58.66	1.0%	4.3%
R234-V	$10 Generic/$30 Brand/$50 Non-Formulary	HMO	$52.74	1.0%	4.3%
R256-V	$10 Generic /30% Brand /50% Non-Formulary	HMO	$43.75	1.0%	4.3%
R264-V	$15 Generic/$35 Brand/$50 Non-Formulary	HMO	$49.71	1.0%	4.3%
R203-V w/ r	Adds $100 Deductible R203-V	HMO	($5.14)	1.0%	4.3%
R234-V w/ r	Adds $100 Deductible R234-V	HMO	($4.63)	1.1%	4.5%
R256-V w/ r	Adds $100 Deductible to R256-V	HMO	($3.81)	1.1%	4.4%
R264-V w/ r	Adds $100 Deductible to R264-V	HMO	($4.36)	0.9%	4.3%
R550L-V	Removes MAC Pricing	HMO	$0.83	1.2%	5.1%
R551L-V	Change mail copay from 2.5 to 2.0	HMO	$0.35	0.0%	2.9%

Large Group Historical Medical & Rx Claims Summary - HMO

Rolling 12 End Date	Medical + Rx Claim Expense > $100k PMPM	Medical Claim Expense PMPM	Rx Claim Expense PMPM	Medical Allowed - COB PMPM	Rx Allowed PMPM	Member Months	Claims > $100k as % of Claims < $100k	Rolling 12 Medical Claim Expense Trend	Rolling 12 Rx Claim Expense Trend	Rolling 12 Paid Trend Removing High Cost Claims	Rolling 12 Medical Allowed - COB Trend	Rolling 12 Rx Allowed Trend	Rolling 12 Membership Change	Paid To Allowed Ratio
201312	$5.69	$349.59	$43.78	$368.04	$53.75	4,966	1.5%	N/A	N/A	N/A	N/A	N/A	N/A	93.3%
201401	$4.80	$351.88	$43.85	$370.12	$53.98	4,783	1.2%	N/A	N/A	N/A	N/A	N/A	N/A	93.3%
201402	$4.88	$343.95	$46.66	$361.67	$57.00	4,596	1.3%	N/A	N/A	N/A	N/A	N/A	N/A	93.3%
201403	$4.78	$342.17	$47.75	$359.10	$58.18	4,412	1.2%	N/A	N/A	N/A	N/A	N/A	N/A	93.4%
201404	$3.97	$337.93	$49.56	$354.40	$60.03	4,231	1.0%	N/A	N/A	N/A	N/A	N/A	N/A	93.5%
201405	$2.31	$311.23	$51.39	$326.88	$61.92	4,053	0.6%	N/A	N/A	N/A	N/A	N/A	N/A	93.3%
201406	$0.00	$304.36	$54.92	$319.50	$65.64	3,883	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	93.3%
201407	$0.00	$304.53	$54.87	$318.81	$65.54	3,717	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	93.5%
201408	$0.00	$308.29	$58.02	$322.52	$68.80	3,543	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	93.6%
201409	$0.00	$318.37	$63.09	$332.09	$74.13	3,362	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	93.9%
201410	$0.00	$318.91	$64.86	$331.32	$75.92	3,185	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	94.2%
201411	$0.00	$318.69	$69.15	$330.77	$80.26	3,002	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	94.4%
201412	$0.00	$336.13	$71.30	$348.00	$82.49	2,815	0.0%	-3.8%	62.9%	5.1%	-5.4%	53.4%	-43.3%	94.6%
201501	$0.00	$331.68	$71.35	$343.15	$82.23	2,792	0.0%	-5.7%	62.7%	3.1%	-7.3%	52.3%	-41.6%	94.7%
201502	$0.00	$347.71	$68.18	$359.36	$78.82	2,771	0.0%	1.1%	46.1%	7.8%	-0.6%	38.3%	-39.7%	94.9%
201503	$0.00	$353.77	$68.79	$365.57	$79.35	2,752	0.0%	3.4%	44.1%	9.7%	1.8%	36.4%	-37.6%	95.0%
201504	$0.00	$349.72	$66.28	$361.72	$76.49	2,733	0.0%	3.5%	33.7%	8.5%	2.1%	27.4%	-35.4%	94.9%
201505	$0.00	$338.99	$67.24	$350.72	$77.49	2,712	0.0%	8.9%	30.8%	12.7%	7.3%	25.1%	-33.1%	94.9%
201506	$0.00	$382.56	$65.67	$395.03	$75.77	2,692	0.0%	25.7%	19.6%	24.8%	23.6%	15.4%	-30.7%	95.2%
201507	$0.00	$366.78	$67.74	$379.17	$77.99	2,669	0.0%	20.4%	23.5%	20.9%	18.9%	19.0%	-28.2%	95.0%
201508	$0.00	$366.88	$64.13	$379.23	$74.37	2,650	0.0%	19.0%	10.5%	17.7%	17.6%	8.1%	-25.2%	95.0%
201509	$0.00	$347.66	$62.48	$359.35	$72.52	2,641	0.0%	9.2%	-1.0%	7.5%	8.2%	-2.2%	-21.4%	95.0%
201510	$0.00	$338.78	$58.87	$350.11	$68.60	2,627	0.0%	6.2%	-9.2%	3.6%	5.7%	-9.6%	-17.5%	95.0%

Summary of Historical Rx Claims Broken Out by Rx Category - HMO

LOB	Size	Product Type	Rolling 12 End Date YYYYMM	Rx Category	Allowed	Member Months	Allowed PMPM	Rolling 12 Allowed Trend
AR44	Large	HMO/POS	201312	1 Generic	$85,794	4,966	$17.28	N/A
AR44	Large	HMO/POS	201401	1 Generic	$82,232	4,783	$17.19	N/A
AR44	Large	HMO/POS	201402	1 Generic	$78,072	4,596	$16.99	N/A
AR44	Large	HMO/POS	201403	1 Generic	$75,142	4,414	$17.02	N/A
AR44	Large	HMO/POS	201404	1 Generic	$71,416	4,231	$16.88	N/A
AR44	Large	HMO/POS	201405	1 Generic	$68,482	4,053	$16.90	N/A
AR44	Large	HMO/POS	201406	1 Generic	$65,848	3,883	$16.96	N/A
AR44	Large	HMO/POS	201407	1 Generic	$64,751	3,717	$17.42	N/A
AR44	Large	HMO/POS	201408	1 Generic	$63,784	3,543	$18.00	N/A
AR44	Large	HMO/POS	201409	1 Generic	$61,493	3,362	$18.29	N/A
AR44	Large	HMO/POS	201410	1 Generic	$60,729	3,185	$19.07	N/A
AR44	Large	HMO/POS	201411	1 Generic	$56,962	3,002	$18.97	N/A
AR44	Large	HMO/POS	201412	1 Generic	$53,605	2,815	$19.04	10.2%
AR44	Large	HMO/POS	201501	1 Generic	$52,815	2,792	$18.92	10.0%
AR44	Large	HMO/POS	201502	1 Generic	$54,070	2,771	$19.51	14.9%
AR44	Large	HMO/POS	201503	1 Generic	$56,012	2,752	$20.35	19.6%
AR44	Large	HMO/POS	201504	1 Generic	$57,060	2,733	$20.88	23.7%
AR44	Large	HMO/POS	201505	1 Generic	$58,502	2,712	$21.57	27.7%
AR44	Large	HMO/POS	201506	1 Generic	$59,425	2,692	$22.07	30.2%
AR44	Large	HMO/POS	201507	1 Generic	$59,977	2,669	$22.47	29.0%
AR44	Large	HMO/POS	201508	1 Generic	$60,683	2,650	$22.90	27.2%
AR44	Large	HMO/POS	201509	1 Generic	$62,042	2,641	$23.49	28.4%
AR44	Large	HMO/POS	201510	1 Generic	$59,355	2,627	$22.59	18.5%
AR44	Large	HMO/POS	201312	2 Brand	$110,803	4,966	$22.31	N/A
AR44	Large	HMO/POS	201401	2 Brand	$109,452	4,783	$22.88	N/A
AR44	Large	HMO/POS	201402	2 Brand	$109,606	4,596	$23.85	N/A
AR44	Large	HMO/POS	201403	2 Brand	$107,245	4,414	$24.30	N/A
AR44	Large	HMO/POS	201404	2 Brand	$102,764	4,231	$24.29	N/A
AR44	Large	HMO/POS	201405	2 Brand	$101,917	4,053	$25.15	N/A
AR44	Large	HMO/POS	201406	2 Brand	$101,569	3,883	$26.16	N/A
AR44	Large	HMO/POS	201407	2 Brand	$93,913	3,717	$25.27	N/A
AR44	Large	HMO/POS	201408	2 Brand	$90,364	3,543	$25.50	N/A
AR44	Large	HMO/POS	201409	2 Brand	$90,168	3,362	$26.82	N/A
AR44	Large	HMO/POS	201410	2 Brand	$86,921	3,185	$27.29	N/A
AR44	Large	HMO/POS	201411	2 Brand	$82,369	3,002	$27.44	N/A
AR44	Large	HMO/POS	201412	2 Brand	$80,347	2,815	$28.54	27.9%
AR44	Large	HMO/POS	201501	2 Brand	$78,868	2,792	$28.25	23.4%
AR44	Large	HMO/POS	201502	2 Brand	$78,116	2,771	$28.19	18.2%
AR44	Large	HMO/POS	201503	2 Brand	$78,570	2,752	$28.55	17.5%
AR44	Large	HMO/POS	201504	2 Brand	$75,673	2,733	$27.69	14.0%
AR44	Large	HMO/POS	201505	2 Brand	$77,258	2,712	$28.49	13.3%
AR44	Large	HMO/POS	201506	2 Brand	$78,333	2,692	$29.10	11.2%
AR44	Large	HMO/POS	201507	2 Brand	$79,442	2,669	$29.76	17.8%
AR44	Large	HMO/POS	201508	2 Brand	$80,140	2,650	$30.24	18.6%
AR44	Large	HMO/POS	201509	2 Brand	$79,042	2,641	$29.93	11.6%
AR44	Large	HMO/POS	201510	2 Brand	$75,539	2,627	$28.75	5.4%

Summary of Historical Rx Claims Broken Out by Rx Category - HMO

LOB	Size	Product Type	Rolling 12 End Date YYYYMM	Rx Category	Allowed	Member Months	Allowed PMPM	Rolling 12 Allowed Trend
AR44	Large	HMO/POS	201312	3 Specialty	$70,346	4,966	$14.17	N/A
AR44	Large	HMO/POS	201401	3 Specialty	$66,483	4,783	$13.90	N/A
AR44	Large	HMO/POS	201402	3 Specialty	$74,285	4,596	$16.16	N/A
AR44	Large	HMO/POS	201403	3 Specialty	$74,325	4,414	$16.84	N/A
AR44	Large	HMO/POS	201404	3 Specialty	$79,806	4,231	$18.86	N/A
AR44	Large	HMO/POS	201405	3 Specialty	$80,563	4,053	$19.88	N/A
AR44	Large	HMO/POS	201406	3 Specialty	$87,471	3,883	$22.53	N/A
AR44	Large	HMO/POS	201407	3 Specialty	$84,932	3,717	$22.85	N/A
AR44	Large	HMO/POS	201408	3 Specialty	$89,593	3,543	$25.29	N/A
AR44	Large	HMO/POS	201409	3 Specialty	$97,561	3,362	$29.02	N/A
AR44	Large	HMO/POS	201410	3 Specialty	$94,171	3,185	$29.57	N/A
AR44	Large	HMO/POS	201411	3 Specialty	$101,623	3,002	$33.85	N/A
AR44	Large	HMO/POS	201412	3 Specialty	$98,245	2,815	$34.90	146.4%
AR44	Large	HMO/POS	201501	3 Specialty	$97,890	2,792	$35.06	152.2%
AR44	Large	HMO/POS	201502	3 Specialty	$86,224	2,771	$31.12	92.5%
AR44	Large	HMO/POS	201503	3 Specialty	$83,798	2,752	$30.45	80.8%
AR44	Large	HMO/POS	201504	3 Specialty	$76,305	2,733	$27.92	48.0%
AR44	Large	HMO/POS	201505	3 Specialty	$74,399	2,712	$27.43	38.0%
AR44	Large	HMO/POS	201506	3 Specialty	$66,222	2,692	$24.60	9.2%
AR44	Large	HMO/POS	201507	3 Specialty	$68,731	2,669	$25.75	12.7%
AR44	Large	HMO/POS	201508	3 Specialty	$56,252	2,650	$21.23	-16.1%
AR44	Large	HMO/POS	201509	3 Specialty	$50,450	2,641	$19.10	-34.2%
AR44	Large	HMO/POS	201510	3 Specialty	$45,327	2,627	$17.25	-41.6%

Certification of Compliance
I hereby certify that I have reviewed the applicable filing requirements for this filing and the filing complies with all applicable statutory and regulatory provisions for the state of Vermont.
Print Name: Karla Austen Title: Chief Financial Officer & Executive Vice President
Signature: Date: 02/18/16