

**BLUE CROSS AND BLUE SHIELD OF VERMONT
2018 VERMONT QUALIFIED HEALTH PLANS RATE FILING**

Section 1

Minimum Required CTR Calculation

RESPONSE TO ACTUARIAL INQUIRIES

2017 Forecast

**Restated to Reflect QHP
Premium Increases to 2018**

		Premium	Share of Capital Requirement	Projected Premium Increase	Premium	Share of Capital Requirement
<u>BCBSVT Enterprise Totals</u>						
QHP	A	\$417,566,717	53.49%	12.7%	\$470,533,176	56.44%
BCBSVT and TVHP Large Group Insured	B	\$74,631,421	14.73%		\$74,631,421	13.80%
All Other	C		31.78%			29.76%
Investment Income	D	\$4,598,707			\$4,598,707	
Tax Rate	E		20%			20%
Investment Income Net of Taxes	F = D x (1-E)	\$3,678,966			\$3,678,966	
QHP Share of Investment Income	G = F x A%	\$1,967,815			\$2,076,536	
Estimated YE 2017 Authorized Control Level (ACL)	H		\$23,495,304			
Estimated ACL Reflecting QHP Premium Increases to 2018	J		\$24,756,113			
Increase in Capital Required to Maintain Target RBC	K = 700% x (J-H)		\$8,825,663			
Additional Required Grossed Up for FIT	L = K / (1-E)		\$11,032,079			
CTR Required from QHP in 2018	M = L-G		\$8,955,543			
Required QHP Insured CTR Factor to Maintain Target RBC	CTR = M/\$A		1.9%			

Notes

The \$24,756,113 calculated in row J is the result of amending the RBC software supporting the 2017 forecast by adding an incremental \$52,966,459 to premium and adding an incremental \$31,452,113 to claims.

	2017 Forecast	Restated	Claims:Premium	88.2%
H0 Risk	\$3,086,985	\$3,086,985	2018 Projected Claims	\$415,137,146
H1 Risk	\$14,369,485	\$14,369,485	2017 Forecast Claims	\$383,685,033
H2 Risk	\$40,557,758	\$43,278,573	Delta	\$31,452,113
H3 Risk	\$699,607	\$699,607		
H4 Risk	\$8,696,249	\$8,677,358		
Authorized Control Level (ACL)	\$23,495,304	\$24,756,113		