

Responses to Objections

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Introduction:

We reviewed the questions below and they all are driven by the same underlying difference in timing and sourcing between the information we used to file our 2020 rates (2018 book of business trended forward two years) and the 2019 SHCE (actual accounting results for the full year of 2019). Therefore we have copied the same response for all questions as it is applicable to each of them.

Objection 1

Comment:

The 2019 Vermont SHCE shows large group (line 1.1, column 3) earned premium = \$9,691,085 before adjustments. The 2020 Vermont large group filing shows the earned premium for the same time (2019 prior) = \$5,518,709 in the “rate review detail” section. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.

Objection 2

Comments:

The 2019 Vermont SHCE shows large group (line 5.0, column 3) total incurred claims = \$8,870,714. The 2020 Vermont large group filing shows the total incurred claims for the same time (2019 prior) = \$4,942,616 in the “rate review detail” section. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.

Objection 3

Comment:

The 2019 Vermont SHCE shows large group (other indicators, line 2, column 3) number of covered lives = 1,518. The 2020 Vermont large group filing shows the number of covered lives = 798 under the “rate review detail” section. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.

Objection 4

Comments:

The 2019 Vermont SHCE shows large group (other indicators, line 3, column 3) number of policy holders = 9. The 2020 Vermont large group filing shows the number of policy holders = 7 under the “rate/rule schedule” tab. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.

Objection 5

Comments:

The 2019 Vermont SHCE shows large group (other indicators, line 4, column 3) member months = 18,101. The 2020 Vermont large group filing shows the member months = 9,477 under the “rate review detail” section. Please explain the difference.

Response:

The 2020 Filing was prepared using data on the book of business as of 2018 and then trended forward to 2020 using our best information available at the time of the filing.

The 2019 SCHE is published in the end of March 2020 and contains additional detail not available when filling the 2020 large group filing including full year information on our 2019 book of business.

From 2018 to 2019 our book of business saw considerable membership growth which is reflected in the SCHE numbers you site above. For the purposes of the rate filing we use information from our most recent complete year’s book of business to calculate average PMPM metrics and trend forward the increase in costs and premium. We do not believe that our underlying assumptions on a per member basis would be affected by the increased book size and therefore still believe in the accuracy of our filing.

In addition, for full completeness of the response, the SHCE data quoted above is for business written on CHLIC paper. When forecasting book of business trends we use both CHLIC businesses and a very small amount of legacy CGLIC business which slightly influences the results.