



625 State Street, PO Box 2207  
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September 15, 2020

Ms. Traci Hughes, ASA, MAAA  
Lewis & Ellis, Inc.  
700 Central Expressway South, Suite 550  
Allen, TX 75013

Re: 2021 Large Group HMO Rate Filing  
SERFF Tracking #: MVPH-132497714

Dear Ms. Hughes:

This letter is in response to your correspondence received 09/11/2020 regarding the above-mentioned rate filing. The responses to your questions are provided below.

*1. Please provide the average credibility percentage for the VT large group in this block of business.*

Response: The premium weighted average credibility is 34.7% for this block of business.

*2. Regarding the response to question #17 of the previous objection – It is essential to our review to know the rate increase expected to be felt by Vermonters. Please provide the average expected rate increase for groups renewing 1Q21.*

Response: Based on MVP's underwriting department's first pass at 1Q21 renewals using data from the same experience period used in the rate filing, the average expected rate change felt by Vermonters is -0.9%.

*3. In the claims triangle provided, we noticed increased payment amounts in lag months 0-2 for incurral months March 2020 – July 2020. What is the reason for these increase payment amounts?*

Response: The block of business making up the claims triangle provided is comprised of around 2,000 members, and creating a claims triangle with a small number of members allows for big swings in claim volume and intensity. MVP believes that the increased payment amounts are due to claim fluctuations as a result of a small block. It is worth noting that MVP combines Vermont large group data with its small and individual data for IBNR purposes for this reason.



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4. Please provide the current distribution of large groups by the applied underwriting discretion factor.

Response: Please see the table below that shows the distribution of groups by underwriting discretion factor.

Current Distribution of UW Discretion for VT Large Group	
Range	Groups
5% to 10%	3
0% to 5%	2
-5% to 0%	0
-10% to -5%	6

5. What is the expected range of the underwriting discretion factor for 2021?

Response: The expected range of underwriting discretion for 2021 is -6% to 6% with over 60% of groups getting 0% underwriting discretion.

If you have any questions or require any additional information, please contact me at [CPontiff@mvphealthcare.com](mailto:CPontiff@mvphealthcare.com).

Sincerely,

Christopher Pontiff, ASA  
Leader, Actuarial  
MVP Health Care