

June 22, 2022

Kevin Rugeberg, FSA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, Inc.

**Subject: Your 06/17/2022 Question re:
Blue Cross and Blue Shield of Vermont
2023 Vermont ACA Market - Individual and Small Group Rate Filings
(SERFF Tracking #: BCVT-133243519 and BCVT-133243509)**

Dear Mr. Rugeberg:

In response to your requests dated June 17, 2022, here is [your question](#) and our response:

- 1. In your response dated May 27, you indicated that information regarding 2022 and 2023 RBC projections would be available "in mid-June." Please provide an update on the availability of this information.*

Recognizing that RBC is materially influenced by a great many factors, Blue Cross has undertaken a more rigorous process for projecting future RBC levels. Restricting those projections to point estimates limits the amount of information provided and gives a false sense of certainty to the projection. We have therefore developed a stochastic model that is designed to identify the most likely *range* of RBC results.

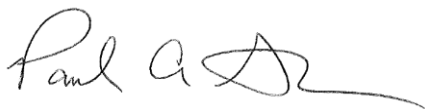
The most likely range of RBC results at year end 2022 is 523 percent to 614 percent.

The most likely range of RBC results at year end 2023 is 472 percent to 608 percent.

We will provide documentation of our methodology and assumptions as part of our response to your requests dated June 20, 2022, which we expect to submit on June 27, 2022. We will also include therein a more complete description of the results of the projection, along with supporting commentary.

Please let us know if you have any further questions, or if we can provide additional clarity on any of the information above.

Sincerely,



Paul Schultz, F.S.A., M.A.A.A.
Chief Actuary