

Attachment I

Rate Change Summary

Capital Advantage Assurance Company (CAAC) – Individual Plans

Rate request filing ID # CABC-132796292 - This document is prepared by the insurance company submitting the rate filing as a consumer tool to help explain the rate filing. It is not intended to describe or include all factors or information considered in the review process. For more information, see the filing at <https://www.insurance.pa.gov/Consumers/HealthInsuranceFilings/Pages/ACA-Health-Rate-Filings.aspx>

Overview

Initial requested average rate change:	5.1% ¹
Revised requested average rate change:	N/A ¹
Range of requested rate change:	3.4% to 8.3%
Effective date:	1/1/2022
Mapped Members:	46,621
Available in:	Rating Areas 6, Rating Area 7, and Rating Area 9

Key information

Jan. 2020-Dec. 2020 financial experience

Premiums	\$353,854,332
Claims	\$255,692,200
Administrative expenses	\$26,844,564
Taxes & fees	\$28,034,507
Company made (after taxes)	\$43,283,061

How it plans to spend your premium

This is how the insurance company plans to spend the premium it collects in 2022:

Claims:	88.89%
Administrative:	8.51%
Taxes & fees:	0.60%
Profit:	2.00%

The company expects its annual medical costs to increase **6.53%**.

Explanation of requested rate change

Future Cost and Utilization: 6.5%
Improved morbidity due to American Rescue Plan subsidies: -4%
Proposed change to PA Reinsurance Program: 1.5%
Estimated 2020 Risk Adjustment: 1.1%

¹ Note that the Initial requested average rate change reflects the insurer's rate change request, in July, after they have received updated information about the impact of a federal program called risk adjustment and finalization of the reinsurance program parameters.