

**RATE INCREASE JUSTIFICATION
PLAIN LANGUAGE SUMMARY**

COMPANY: UnitedHealthcare Insurance Company
(NAIC # 79413)

RATE SUBMISSION: 2023 Rate Revision and Annual Loss Ratio Filing for:
Standardized Medicare Supplement Plans
(SERFF # UHLC-133454778)
Pre-Standardized Medicare Supplement Plans
(SERFF # UHLC-133451212)

DATE: January 24, 2023

2023 premium rate changes have been requested for several AARP Medicare Supplement Insurance Plans. These would affect approximately 14,000 Standardized plan members, and approximately 50 Pre-Standardized plan members in the State of Vermont.

The new monthly premium rates would apply to members beginning June 1, 2023.

Premium rate changes are needed to cover the expected benefit costs and expenses of the program. Benefit costs change due to increases in costs for medical services and supplies, higher Medicare deductibles and co-payments, and the use of medical services and supplies by members.

Proposed 2023 rate revisions for Standardized Plans average 2.9%; increases by plan range from 2.8% to 3.0%. Pre-Standardized Plans are not proposed to change.

Plans Effective 1/1/1992 & Later

Plans Effective Before 1/1/1992

<u>Standardized Plan</u>	<u>Proposed Rate Increases</u>		<u>Pre-Standardized Plan</u>	<u>Proposed Rate Increases</u>
	<u>Ages 65+</u>	<u>Under Age 65</u>		
Plan A	2.9%	2.9%	Plan M1	0.0%
Plan B	2.9%	2.9%	Plan M2	0.0%
Plan C	2.9%	2.9%	Plan M3 (with drugs)	0.0%
Plan D	2.9%	2.9%	Plan M3 (without drugs)	0.0%
Plan E	2.9%	2.9%	Plan M4 (with drugs)	0.0%
Plan F	2.9%	2.9%	Plan M4 (without drugs)	0.0%
Plan G	2.9%	2.9%	Plan M5	0.0%
Plan H (with drugs)	2.9%	2.9%	Plan M6	0.0%
Plan H (without drugs)	2.9%	2.9%	Plan M7 (with drugs)	0.0%
Plan J (with drugs)	2.9%	2.9%	Plan M7 (without drugs)	0.0%
Plan J (without drugs)	2.9%	2.9%	Plan MA	0.0%
Plan K	2.8%	2.9%	Plan AD/DP	0.0%
Plan L	3.0%	3.0%		
Plan N	2.9%	2.9%		

We are working hard to keep premium rates as low as possible for all members. In 2020, during the COVID pandemic, we observed a reduction in utilization of services. We have since taken several steps to return some of savings to policyholders through reduced premiums, including: 1) delaying the implementation of the 2022 rate change from January to June, 2) a rate increase that was approximately 2% lower than what was needed for the rating period (June 2022-May 2023), and 3) a proposed rate increase that is approximately 2% lower than what we expect is needed for the upcoming rating period (June 2023-May 2024). We estimate that these actions are worth approximately \$2.6M. We will continue to monitor the situation and determine if additional actions are warranted.

The proposed rate increases have been filed with the Vermont Department of Insurance for approval. This filing complies with the laws and regulations of the State of Vermont. Revised rates will not be implemented until approved by the Department.