State of Idaho – Required Content of ACTUARIAL MEMORANDUM Accompanying Rate Filings

Applicable for New Rate and Rate Revision Filings Subject to:

- Small Employer Health Insurance Availability Act
- Individual Health Insurance Availability Act

ACTUARIAL MEMORANDUM required content:

- Scope and Purpose
- Applicability
- Reason for Rate Revision, Including Explanation of Significant Factors Causing Rate Revision
- Benefit Description
- Renewability Clause
- Morbidity Basis
- Mortality Basis
- Persistency
- Expenses, Including Breakdown of Components
- Marketing Method
- Underwriting
- Premium Classes
- Issue Age Range
- Area Factors
- Average Annual Premium (Nationwide and Idaho)
- Premium Modalization Rules
- Claim Liability and Reserves
- Active Life Reserves
- Cost and Utilization Trend Assumptions by Major Service Categories
- Credibility
- Minimum Loss Ratio
- Anticipated Loss Ratio
- Distribution of Business
- Contingency and Risk Margins
- Experience Past and Future (Nationwide and Idaho)
- Lifetime Loss Ratio
- Experience-Based Determination of Needed Rate Revision, Including Details of Projection Assumptions and Explanations of Any Experience Adjustments
- Impact of Rate Revision (Average and Range)
- History of Rate Adjustments
- Number of Policyholders (Nationwide and Idaho)
- Effective Date of Rate Revision
- Company Financial Position (Company Surplus and Risk-Based Capital)
- Actuarial Certification

Include all points; if a point does not apply to a particular rate filing, indicate "N/A" (not applicable) and explain why it does not apply.

Revised 08/30/2011