

Part II Rate Increase Justification

Company Name: St. Luke's Health Plan, Inc.
Preliminary Rate Increase Justification for 2023
Individual Health Benefit Plans

Rate Change

St. Luke's Health Plan is a new entrant to the Individual market for 2023. As a result, there is no rate change for this product.

Most Significant Factors

N/A

Financial Experience

St. Luke's Health Plan has no prior financial experience offering Individual market products.

Key Assumptions

The 2023 rates are made up of the following components:

- Claims: 94.1% of projected revenue
- Risk adjustment payment / (receipt): (-1.0%) of projected revenue
- Net market reinsurance payment / (receipt): (-13.1%) of projected revenue
- Administrative costs: 12.2% of projected revenue
- Federal taxes and fees: 0.1% of projected revenue
- State taxes and fees: 1.5% of projected revenue
- Exchange fees: 2.5% of projected revenue
- Commissions: 2.7% of projected revenue
- Contributions to surplus, profit, and risk margin: 1.0% of projected revenue