

State: District of Columbia **Filing Company:** UnitedHealthcare Insurance Company
TOI/Sub-TOI: H16G Group Health - Major Medical/H16G.002C Large Group Only - Other
Product Name: DC KA UHIC 01-01-2014
Project Name/Number: /

Filing at a Glance

Company: UnitedHealthcare Insurance Company
Product Name: DC KA UHIC 01-01-2014
State: District of Columbia
TOI: H16G Group Health - Major Medical
Sub-TOI: H16G.002C Large Group Only - Other
Filing Type: Rate
Date Submitted: 10/01/2013
SERFF Tr Num: UHLC-129229058
SERFF Status: Assigned
State Tr Num:
State Status:
Co Tr Num:

Implementation: 01/01/2014
Date Requested:
Author(s): Bonnie Barboza, Nibesh Paudel, Matthew Madia
Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: District of Columbia **Filing Company:** UnitedHealthcare Insurance Company
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General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Large
Group Market Type:	Overall Rate Impact:
Filing Status Changed: 10/07/2013	
State Status Changed:	Deemer Date:
Created By: Matthew Madia	Submitted By: Matthew Madia
Corresponding Filing Tracking Number:	

PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:
 DC KA UHIC 01-01-2014

Company and Contact

Filing Contact Information

Matthew Madia, Associate Actuarial Analyst matthew_r_madia@uhc.com
 185 Asylum Street 860-702-5097 [Phone]
 Hartford, CT 06103

Filing Company Information

UnitedHealthcare Insurance Company	CoCode: 79413	State of Domicile: Connecticut
185 Asylum Street	Group Code: 707	Company Type: Life and Health
Hartford, CT 06103	Group Name:	State ID Number: 79413
(860) 702-5000 ext. [Phone]	FEIN Number: 36-2739571	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

UHLC-129229058

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H16G Group Health - Major Medical/H16G.002C Large Group Only - Other

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DC KA UHIC 01-01-2014

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Correspondence Summary

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Rate	DC KA UHIC 01-01-2014 Filing Exhibits	Matthew Madia	10/01/2013	10/01/2013

SERFF Tracking #:

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Amendment Letter

Submitted Date: 10/01/2013

Comments:

Originally forgot to attach Filing Exhibits.

Changed Items:

No Form Schedule Items Changed.

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	DC KA UHIC 01-01-2014 Filing Exhibits	POL.I.11.DC, et. al.	Revised	Previous State Filing Number: Percent Rate Change Request:	DC-LG-UHIC-2014-01-Exhibits.pdf,	10/01/2013 By:

No Supporting Documents Changed.

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Rate Information

Rate data applies to filing.

Filing Method:

Review and Approval

Rate Change Type:

Decrease

Overall Percentage of Last Rate Revision:

-3.000%

Effective Date of Last Rate Revision:

01/01/2013

Filing Method of Last Filing:

Review and Approval

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
UnitedHealthcare Insurance Company	Decrease	-5.000%	-5.000%	\$219,098,868	221	\$257,960,040	-5.000%	-5.000%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		218	264	53,378				
Policy Holders:		20	40	161				

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Rate Review Detail

COMPANY:

Company Name: UnitedHealthcare Insurance Company
HHS Issuer Id: 00000
Product Names: PPO, POS, EPO, and IND
Trend Factors: The annual pricing trend is 11.5%.

FORMS:

New Policy Forms:
Affected Forms:
Other Affected Forms: POL.I.11.DC, et. al.

REQUESTED RATE CHANGE INFORMATION:

Change Period: Other
Member Months: 494,833
Benefit Change: Decrease
Percent Change Requested: Min: -5.0 Max: -5.0 Avg: -5.0

PRIOR RATE:

Total Earned Premium: 257,960,040.00
Total Incurred Claims: 195,551,921.00
Annual \$: Min: 89.50 Max: 1,247.18 Avg: 521.31

REQUESTED RATE:

Projected Earned Premium: 245,062,038.00
Projected Incurred Claims: 218,040,392.00
Annual \$: Min: 94.81 Max: 1,321.07 Avg: 495.24

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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		DC KA UHIC 01-01-2014 Filing Exhibits	POL.I.11.DC, et. al.	Revised	Previous State Filing Number: Percent Rate Change Request:	DC-LG-UHIC-2014-01-Exhibits.pdf,

UnitedHealthcare Insurance Company

Large Group (51 or More Eligible Employees) Rating Instructions: District of Columbia

Note: This is only a general description of the large group rating process. The actual process varies, depending on the amount and detail of group experience provided and on group-specific factors that the underwriters, in their judgment, believe to be appropriate for rating a particular group.

Manual Claim Costs

- Step [1] Find INFULL PMPM rate from Table A.
- Step [2] Multiply [1] by the trend factor; see Table A.
- Step [3] Multiply [2] by the area factor; see Table C.
- Step [4] Multiply [3] by the plan relativity factor from Table A, if the plan is shown there. Table A shows selected, representative plans only. If the plan selected is not shown in Table A, use a factor for the plan that is actuarially equivalent to and consistent with the factors for the plans in Table A. The actuary will provide the factors for other plans not in Table A.
- Step [5] Calculate the group's age factor from Table B and industry factor from Table D.
- Step [6] Multiply [4] and [5] to get manual PMPM claim cost.
-
-

Experience Claim Costs

- Step [7] From the claims in each experience year, subtract claims in excess of the large claim pooling level, which depends on the number of employees in the group.
- Step [8] Adjust [7] for benefit plan changes from the experience period to the upcoming year.
- Step [9] For each experience year, divide [8] by each year's member months to determine the PMPM claim costs for that year.
- Step [10] Trend the experience from [9] from the experience midpoint to the midpoint of the upcoming plan year.
- Step [11] Determine weighted average trended PMPM claim cost: apply weights to each experience year's PMPM. Weights by year are based on underwriter judgement.
- Step [12] Add the large claim pooling charge to [11] to get the experience PMPM claim cost.
-
-

Blended Claim Costs

- Step [13] Blend together the manual claim costs [6] and experience claim costs [12] using appropriate credibility factors. The weight applied to the customer's own experience [12] is based on the number of member months of experience, with underwriter discretion to adjust for factors which, in their judgment, they believe to be appropriate for a particular group.
- Step [14] Divide the blended PMPM projected claim cost [13] by (100% minus the retention percentages). Refer to Table E.
- Step [15] Apply contract factors to [14] to derive tier rates for single employee, family, and, if applicable, other rate tiers. The underwriter determines these contract factors based on group-specific data.

Table A

UnitedHealthcare Insurance Company

District of Columbia

INFULL Rates, Trend, and Representative Plan Rate Relativities

INFULL Rates

	as of
	<u>01/01/2014</u>
EPO Medical:	\$367.75
POS Medical:	\$389.84
PPO Medical:	\$418.14
Indemnity Medical:	\$700.47
Prescription Drug:	\$101.98

Annual Trend Rate

	as of
	<u>01/01/2014</u>
Medical:	11.5%
Prescription Drug:	11.5%

Plan Relativity Factors

Factors for selected, representative plans only. Consult the actuary for the factors for other plans. The factors for other plans will be actuarially equivalent to the factors below. For the HSA plans, the rate relativity includes the cost for 10/30/50 Rx.

Product Type	Plan Code	Plan Relativity	In-Network Benefits				Out-of-Network Benefits		
			Ded. Ind/Fam	Coins.	Phys. Copay	OOP Ind/Fam	Ded. Ind/Fam	Coins.	OOP Ind/Fam
EPO	QWL	0.8799	0	100%	15/30	3k/6k	n/a	n/a	n/a
EPO	QK9	0.7748	250/500	90%	15/30	3k/6k	n/a	n/a	n/a
EPO	QLE	0.6865	1000/3000	80%	30/60	3k/6k	n/a	n/a	n/a
POS	QWD	0.9129	0	100%	10/20	3k/6k	500/1000	80%	4k/8k
POS	QWQ	0.8053	0	100%	25/50	3k/6k	1000/3000	80%	4k/8k
POS	QLO	0.6730	1000/3000	80%	30/60	3k/6k	1500/4500	60%	6k/12k
PPO	QZH	0.8746	0	100%	15/30	3k/6k	1000/2000	80%	3k/6k
PPO	QZI	0.8539	0	100%	20/40	3k/6k	1500/3000	80%	3k/6k
PPO	QZJ	0.6659	1000/2000	90%	30/50	5k/10k	2000/4000	70%	5k/10k
Indemnity	QZL	0.7429	500/1000	80%		3k/6k	combined with in-network		
Indemnity	QZN	0.6415	2000/4000	80%		5k/10k	combined with in-network		
EPO-HSA	K9U	0.8569	1250/2500	100%	0	3k/6k	n/a	n/a	n/a
EPO-HSA	K9W	0.7644	2000/4000	100%	0	5k/10k	n/a	n/a	n/a
EPO-HSA	K9P	0.6092	2000/4000	80%	0	5k/10k	n/a	n/a	n/a
POS-HSA	K93	0.8408	1250/2500	100%	0	3k/6k	2400/4800	80%	4.8k/9.6k
POS-HSA	K95	0.7492	2000/4000	100%	0	5k/10k	4000/8000	80%	8k/16k
POS-HSA	K9X	0.5985	2000/4000	80%	0	5k/10k	4000/8000	60%	8k/16k
Rx	H9	0.4803	copays: 10/30/50, 2.5x home delivery						
Rx	2V	0.4499	copays: 10/35/60, 2.5x home delivery						
Rx	5C	0.3151	copays: 15/35/75, 2.5x home delivery						

Table B

UnitedHealthcare Insurance Company

Age Factors: District of Columbia

Age Bracket			Male	Female
Child			0.524	0.524
Under	25		0.328	0.752
25	to	29	0.409	0.983
30	to	34	0.521	1.143
35	to	39	0.668	1.139
40	to	44	0.828	1.170
45	to	49	1.059	1.378
50	to	54	1.452	1.665
55	to	59	1.890	1.966
60	to	64	2.559	2.335
65+ Medicare Secondary			3.451	2.784
Medicare Primary			1.251	1.251

Table C

UnitedHealthcare Insurance Company

Intermarket Area Factor Table

Market	Area Factor
All	1.000

Table D
UnitedHealthcare Insurance Company
Industry Factors: District of Columbia

<u>SIC Code</u>	<u>Industry</u>	<u>Industry Factor</u>
5012	Automobiles and Other Motor Vehicles	1.075
5511-5599	Auto Dealers / Auto Supply Stores / Service Stations	1.075
5812-5813	Eating and Drinking Places	1.075
7011-7041	Hotels / Motels / Lodging / Camps	1.075
7513-7549	Auto Rental & Leasing, Repair, Services, Parking	1.075
8011-8099	Health Services	1.150
8211-8299	Schools, Colleges, Educational Services	1.075
9111-9721	Public Administration / Government	1.075
	All Other	1.000

Table E
UnitedHealthcare Insurance Company
Common Retention Factors: District of Columbia

<u>Item</u>	<u>Percentage of Premium</u>
Administrative Expense, Risk Charge, Profit	13.0%
Premium Tax	2.0%
Commissions	Varies by group, not included in premium for larger groups.

Exhibit 1

Rate Changes

InFull Rates (from Table A)

Product	Current			Proposed			<u>Components of Rate Change</u>		
	01/01/13	12 mos.	01/01/14	01/01/14	%	Revenue	Overall		
	<u>Rate</u>	<u>Trend</u>	= <u>Rate</u>	<u>Rate</u>	<u>Chg</u>	Neutral Adj.	Rate	<u>Total</u>	
EPO	\$333.19	1.115	371.51	367.75	-1.0%	4.2%	-5%	-1.0%	
POS	\$353.20	1.115	393.82	389.84	-1.0%	4.2%	-5%	-1.0%	
PPO	\$378.84	1.115	422.41	418.14	-1.0%	4.2%	-5%	-1.0%	
Indemnity	\$634.63	1.115	707.61	700.47	-1.0%	4.2%	-5%	-1.0%	
Rx	\$96.27	1.115	107.34	101.98	-5.0%	0.0%	-5%	-5.0%	

Plan Relativity Factors (from Table A)

(note: all new plans)

Plan Code	Current Relativity	Proposed Relativity	% Change
QWL	n/a	0.8799	n/a
QK9	n/a	0.7748	n/a
QLE	n/a	0.6865	n/a
QWD	n/a	0.9129	n/a
QWQ	n/a	0.8053	n/a
QLO	n/a	0.6730	n/a
QZH	n/a	0.8746	n/a
QZI	n/a	0.8539	n/a
QZJ	n/a	0.6659	n/a
QZL	n/a	0.7429	n/a
QZN	n/a	0.6415	n/a
K9U	n/a	0.8569	n/a
K9W	n/a	0.7644	n/a
K9P	n/a	0.6092	n/a
K93	n/a	0.8408	n/a
K95	n/a	0.7492	n/a
K9X	n/a	0.5985	n/a

DC Large Group Fully Insured Experience - UHIC

Exhibit 2

	<u>Members</u>	<u>Written Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>YTD LR</u>
Jan-10	18,715	7,081,265	4,731,269	66.8%	66.8%
Feb-10	18,661	7,053,256	4,741,247	67.2%	67.0%
Mar-10	18,633	7,050,390	5,967,436	84.6%	72.9%
Apr-10	18,548	7,029,060	4,889,149	69.6%	72.1%
May-10	19,055	7,235,344	4,936,421	68.2%	71.3%
Jun-10	24,365	9,564,520	7,297,912	76.3%	72.3%
Jul-10	28,689	11,688,551	8,064,187	69.0%	71.7%
Aug-10	29,074	11,898,894	9,179,316	77.1%	72.6%
Sep-10	29,229	11,968,580	8,699,418	72.7%	72.6%
Oct-10	29,464	12,057,600	8,790,521	72.9%	72.7%
Nov-10	29,559	12,098,838	8,444,268	69.8%	72.3%
Dec-10	29,239	11,978,620	8,980,828	75.0%	72.6%
Jan-11	29,941	12,583,794	8,260,564	65.6%	65.6%
Feb-11	30,040	12,644,948	8,820,330	69.8%	67.7%
Mar-11	30,372	12,774,589	9,804,155	76.7%	70.7%
Apr-11	30,301	12,746,332	8,711,397	68.3%	70.1%
May-11	30,232	12,745,503	9,836,766	77.2%	71.6%
Jun-11	30,468	12,889,698	10,013,027	77.7%	72.6%
Jul-11	29,910	12,827,406	8,740,430	68.1%	71.9%
Aug-11	29,958	12,857,459	10,101,734	78.6%	72.8%
Sep-11	29,708	12,698,489	9,158,504	72.1%	72.7%
Oct-11	29,632	12,654,774	9,588,288	75.8%	73.0%
Nov-11	29,778	12,708,622	10,257,147	80.7%	73.7%
Dec-11	29,779	12,701,931	10,754,701	84.7%	74.6%
Jan-12	29,928	12,890,398	10,483,576	81.3%	81.3%
Feb-12	29,802	12,835,823	10,281,197	80.1%	80.7%
Mar-12	30,045	12,908,346	10,609,981	82.2%	81.2%
Apr-12	30,121	12,947,283	9,418,539	72.7%	79.1%
May-12	29,746	12,785,982	9,770,942	76.4%	78.6%
Jun-12	29,710	12,909,463	9,119,818	70.6%	77.2%
Jul-12	29,696	13,029,951	9,405,643	72.2%	76.5%
Aug-12	29,923	13,097,268	11,187,363	85.4%	77.6%
Sep-12	29,677	12,954,506	8,932,844	69.0%	76.7%
Oct-12	29,171	12,741,947	10,040,584	78.8%	76.9%
Nov-12	29,217	12,763,238	9,056,267	71.0%	76.3%
Dec-12	29,252	12,827,278	9,504,058	74.1%	76.2%
Jan-13	27,461	12,264,223	10,256,506	83.6%	83.6%
Feb-13	27,505	12,260,788	8,802,460	71.8%	77.7%
March-13	27,451	12,209,255	9,475,769	77.6%	77.7%
Apr-13	27,432	12,186,637	9,261,716	76.0%	77.3%
May-13	27,566	12,234,324	9,932,602	81.2%	78.0%
Jun-13	27,219	12,141,603	9,573,794	78.9%	78.2%

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Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	DC-LG-UHIC-2014-01-Cover.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	DC-LG-UHIC-2014-01-ActMemo.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
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Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	



185 Asylum Street, CT039-16B
Hartford, CT 06103
Phone 860-702-5540 Fax 860-702-5016
E-Mail: boris_gerber@uhc.com

October 1, 2013

Efren Tanhehco, Actuary
DC Department of Insurance & Securities Regulation
810 First Street, NE Suite 701
Washington, DC 20002

Re: UnitedHealthcare Insurance Company, NAIC #79413
Large Group (51+) Rate Filing

Dear Mr. Tanhehco:

Enclosed please find the group health pricing manual for products offered by UnitedHealthcare Insurance Company to employers in the District of Columbia with 51 or more eligible employees. These rates are effective January 1, 2014.

Submitted via SERFF, in addition to the rate filing, is an actuarial memorandum.

Please keep these rates confidential to the extent allowed by District of Columbia law.

If you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads 'Boris P. Gerber'.

Boris P. Gerber, FSA, MAAA
Actuary

Actuarial Memorandum
UnitedHealthcare Insurance Company
Rating Manual for Groups of 51 or More Employees

October 1, 2013

The purpose of this filing is to comply with the requirements of District of Columbia. This rating manual, dated January, 2014, presents the manual premium rates for EPO (exclusive provider), POS (point of service), PPO (preferred provider), and Indemnity benefit plans.

Summary of Rate Filing.

This filing is a revision to previously filed rates in District of Columbia. We are 1) filing rates for new benefit plans that meet the coverage requirements of PPACA, 2) changing the rate relationship between benefit plans, 3) decreasing overall rates by 5.0%, and 4) continuing our approved current trend rate. All rate changes are proposed to be effective 1/1/2014.

Description of Rate Changes Included in Filing.

1) New Benefit Plans.

Table A presents rates for new benefit plans that comply with the coverage requirements of the Patient Protection and Affordable Care Act (PPACA). This act requires that all member cost sharing (copays, etc.) count toward satisfying the out-of-pocket maximum. In addition, internal dollar limits on essential health benefits (DME, prosthetics) are removed.

2) Benefit Plan Price Relationships.

We are changing the rate relationships between our benefit plans.

Our previous medical plan relativities were developed using an older version of our proprietary pricing model ARC (Actuarial Relativity Calculator). The plan relativities for all our plans were recalculated using our new ARC version. This ARC version incorporates new and updated UnitedHealthcare nationwide experience data. It contains utilization frequencies and unit costs by service category, and claim distributions and adjustment factors for a large number of plan design variables.

Benefit design parameters such as deductibles, coinsurance, copays, out-of-pocket maximums, etc. were input for each plan into the new ARC. The ARC produced net-to-allowed ratios are then used as the pricing plan relativities for each benefit plan. All benefit plans are priced on an actuarially equivalent basis with each other, with the rates different only by the estimated value of the benefit differences.

Compared to our current plan relativities, the rates for some benefit plans will decrease and some will increase. Overall, based on the current distribution of membership by benefit plan, use of the new plan relativities reduces revenue by 4.2%. To be revenue neutral, we are increasing our medical manual rates by 4.2%.

3) Decrease Overall Rates by 5.0%.

The overall 5% rate reduction was based on an analysis of recent past claim experience, adjusted for the mix of business (age, gender, benefit plan, etc.), compared to our current pricing manual rates.

This analysis indicated a base rate reduction. Note: In combination with the 4.2% increase discussed above to achieve revenue neutrality from the benefit plan price relativity changes, the medical manual rate is being decreased by $1.042 \times 0.95 = 0.990$ or -1.0%. The Rx manual rate is being decreased by the full -5%.

4) Continue Current 11.5% Annual Trend.

We propose to continue our current approved annual trend rate of 11.5% into 2014.

Policy Forms

The policy forms for which these rates apply are: "POL.I.11.DC, et. al."

Annual Rate Impact to Policyholders.

With these proposed rates, the annual rate impact to policyholders, expressed as the change in rates from the same month of the previous year, are as follows:

<u>Renewal Month</u>	<u>Rate Change</u>
Jan-14	5.9%
Feb-14	5.9%
Mar-14	5.9%
Apr-14	5.9%
May-14	5.9%
Jun-14	5.9%
Jul-14	5.9%
Aug-14	5.9%
Sep-14	5.9%
Oct-14	5.9%
Nov-14	5.9%
Dec-14	5.9%
Jan-15	11.5%

Rate Change History

01/1/13: Decreased rates by 3%, and lowered the annual trend rate from 12.0% to 11.5%.

10/1/12: Decreased rates by 3%.

07/1/12: Decreased rates by 3%.

10/1/11: Decreased rates by 1.5%, and lowered the annual trend rate from 12.5% to 12.0%.

01/1/11: Decreased rates by 2%.

10/1/10: Decreased rates by 8%, continued the annual trend rate of 12.5%.

Additional Information Requested in DC "Health Insurance Rate Filing Procedures"

A: Benefit descriptions for sample plans are displayed in Table A. B: The renewability provision is guaranteed renewable. C: The applicability is open block. D: The benefit plans are marketed through independent brokers and agents. E: The underwriting method is described in the first filing

exhibit "Rating Instructions". F: There are no issue age limits. G: The premium basis is described in Step 15 in the first filing exhibit "Rating Instructions". H: The nature of the rate change is discussed above. I: Each proposed rate change is a modification to current rating factors. J,K&L: The proposed rate changes to current are detailed in Exhibit 1. M: The overall premium impact on 1/1/2014 is -5%. N: The federal MLR for large group is defined to be 85%. O: We did not consider investment income (the large majority of claims incurred in a period are paid out 2 to 3 months after incurral, so the amount of investment information generated on claim reserves is small. Investment income is factored into the profit component of our retention: the required profit loads are lower due to investment income earned). P: We estimate that the future annual trend in costs is 11.5%.

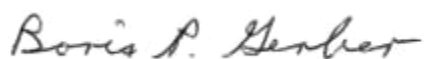
Certification

Base rates and other factors are based on experience of UnitedHealthcare, as well as anticipated changes in general medical cost levels, negotiated provider contracts, and medical management protocols.

Please note that the rates presented in this filing are our table or manual rates. Rates for our customers are based in part on the customer's own past claim experience. For our larger customers, these manual rates are used primarily to evaluate the cost impact of changes in benefit plan.

The expected loss ratio for this filing is 85%.

I certify that this rating manual was developed according to accepted actuarial principles, is based on reasonable assumptions, and that the rates are not excessive, inadequate, or unfairly discriminatory. To the best of my knowledge and judgment, the filed rates are in compliance with the applicable laws and regulations of the District of Columbia, and the benefits are reasonable in relation to the premium charged.



Boris P. Gerber, FSA, MAAA
Actuary
UnitedHealthcare