

Illinois Small Employer Group (2-50) Rate Filing Actuarial Memorandum

UnitedHealthcare Plan of the River Valley, Inc.
Effective 1/1/2027

1 - General Information

1A - Scope and Purpose of Filing

The purpose of this memorandum is to provide relevant actuarial information regarding the development of premium rates for small employer group insurance subject to PPACA and sold by UnitedHealthcare Plan of the River Valley, Inc. (UnitedHealthcare). Small group to UnitedHealthcare means groups with between 1 and 50 eligible employees (1-50). The rates are applicable for medical (including drug) expense benefits. This rate filing is prepared according to the Illinois Department of Insurance – “Illinois Actuarial Memorandum Requirements – Small Group” document.

This filing includes rates for new plans and revised rates for existing plans.

This filing should not be used for any other purpose.

1B - Market

This filing impacts the Small Employer Group (1-50) block for UnitedHealthcare Plan of the River Valley, Inc. in the state of Illinois subject to PPACA.

1C - Policy Forms

The policy number associated with this filing is [REDACTED]

1D - Description of Benefits

Group comprehensive medical and prescription drug benefit plans sold to 1-50 employer groups. The benefits have been revised to meet the essential health benefits as prescribed by the state of Illinois.

1E - Marketing Method

The market for this product is Small employers with between 1 and 50 employees. The product is sold to employers usually via a broker.

2B - Effective Date of Requested Rate Increase

2C - Months of Rate Guarantee

2D - Effective through Date and Any Rate Increase Schedule Applicable

Rates are effective through [REDACTED]

2E - SERFF Number of Prior Filing

2F - Effective Date of Prior Filing

The effective date of the prior filing was January 1, 2026.

2G - Proposed Percentage Rate Change

UnitedHealthcare is proposing [REDACTED]. Please see URRT Worksheet 2 for proposed rate changes by plan.

[REDACTED]

2H - Reason for Rate Change

Updated experience and a refinement to our benefit pricing model indicate a rate revision is appropriate.

2I - Average Annual Premium

The experience period average monthly premium was [REDACTED]. This is equal to [REDACTED] on an annual basis. The projected 2027 average monthly premium is [REDACTED]. On an annual basis, this is equal to [REDACTED].

2J - Number of Policyholders and Covered Lives

As of December 2025, there were [REDACTED] for employers located in Illinois on this license. Covered lives include covered employees and their dependents.

2K - Projected Loss Ratio with and without Proposed Rate Increase

[REDACTED] If the actual loss ratio is below the 80% MLR requirement for small business, rebates will be paid as the law requires.

2L - Cumulative, Future, and Lifetime Loss Ratios

Not applicable. This is an annually rated product.

3 - Experience Period Premium and Claims

3A - Dates of Service for the Experience Period Used to Develop Rates

January 2025 to December 2025.

3B - Dates Through Which Claims Were Paid

Claims were paid through February 2026.

3C - Estimated Allowed Claims during the Experience Period Used to Develop Rates

The estimated allowed claim amount in the experience period is approximately [REDACTED]. There were approximately [REDACTED] in experience period.

3D - Method of Determining Allowed Claims

Incurred claims were developed by first starting with actual claims paid through 2/28/26 sorted by incurred date. Estimates of incurred but not paid were added to these paid claims.

3E - Incurred but Not Paid Claims

The allowed claims amount incurred in the experience period but not paid through the end of February 2026 was estimated at approximately [REDACTED]. This is about [REDACTED] of the allowed claims incurred and paid through the end of February 2026.

3F - Premium in Experience Period (Net of MLR Rebate)

The total premium (net of MLR Rebate) in the experience period was approximately [REDACTED]

4 - Adjustments to Allowed Claims during the Experience Period

4A&B - Adjustments to Allowed Claims during the Experience Period

The only adjustment was for the Incurred but Not Paid claims amount.

5 – Projection Factors

5A - Changes to Benefits

None

5B - Trend Factors (Cost and Utilization)

[REDACTED]

[REDACTED]

[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	

5C - Quarterly Trend Factors

The current and proposed trend factors are included in the table below:

[REDACTED]

5D - Projected Changes in the Demographics of the Insured Population

The age factors do not account for aging that occurs during the policy year. The HHS proposed age factors are used in rating.

5E - Projected Changes in the Morbidity of the Insured Population

Adjustments that we will continue to monitor but have not included in this filing include the following:

[REDACTED]

5F - Other Projected Changes

The "Other" column in the URRT includes adjustments for items that are not otherwise reflected in our rating experience.

6 – Credibility Manual Rate Development

6A - Methodology Used to Develop the Credibility Manual Rate

The experience for this legal entity contains

Consideration was given to ASOP #25 when determining the credibility and appropriateness of the experience and the manual rate.

6B - Source & Appropriateness of the Experience Used to Develop the Credibility Manual Rate

6C - Adjustments Made to the Data Used to Develop the Credibility Manual Rate

This claims data was trended forward to the contract period and adjusted for large claims and demographic differences.

6D - Inclusion of Capitation Payments in Developing the Credibility Manual Rate

Capitated claims were included.

7 - Credibility

7A - Credibility Methodology

UnitedHealthcare's experience includes

7B - Credibility Level

[REDACTED]

8 – Covered Services

8A - Covered Services – Essential Health Benefits

None

8B - Covered Services – State Mandated Benefits Which Are Not Essential Health Benefits

None

8C - Covered Services – Eliminated Benefits

None

8D - Covered Services – Additional Mandated Supplementary Benefits

None

8E - Covered Services – Changes in the Level of Covered Services

None

8F - Covered Services – EHB Substitutions

None

9 - Credibility Adjusted Projected Claims

The credibility adjusted Projected allowed claim amount is approximately [REDACTED]

10 - Projected Index Rate

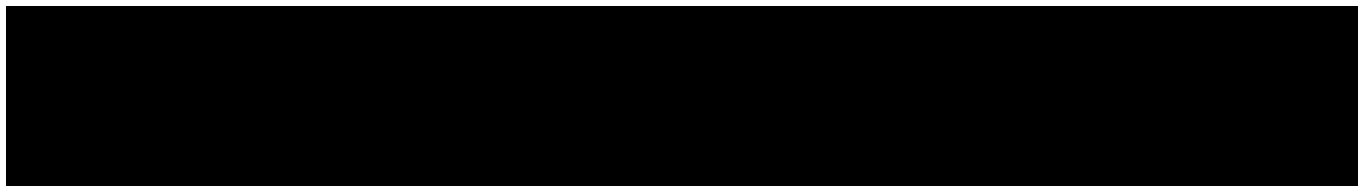
The Projected Index rate is [REDACTED], which is based on the projected claim amount of [REDACTED]

11 - Risk Transfer Payment

[REDACTED]

12 - Development of the Market Adjusted Index Rate

The market adjusted index rate includes market-wide adjustments for the risk adjustment program and exchange user fees. Please refer to Risk Transfer Payment section and the Non-Benefit Expenses and Profit section of this memorandum for a brief description of each of these items. Incurred values were grossed up by the average paid-to-allowed ratio to reflect an allowed basis.



13 - Development of the Plan Level Adjusted Index Rate

The development of the projected index rate and all rating factors is in compliance with all applicable federal statutes and regulations (45 CFR 156.80 and 147.102).

Actuarial Value and Cost Sharing Adjustment



Provider network, delivery systems and utilization management adjustment

Any adjustments for these items are included in the plan relativity factors.

Benefits in Addition to EHBs

The Index Rate for the experience period is equal to the allowed claims PMPM. Benefits that are in excess of EHBs are estimated to be a de minimis amount. Therefore, the allowed claims were not adjusted to exclude these benefits.

Distribution and Administrative Costs

Distribution and administrative costs include premium tax, PCORI fees, SG&A, quality improvements, federal income tax, and after-tax income. Risk adjustment transfers and user fees and exchange fees are excluded because they are accounted for in the market adjusted index rate.

14 – Actuarial Values

14A - AV Metal Values

All AV Metal Values were based on the AV Calculator. Some adjustments were made to plan designs in order to appropriately model the designs in the AV Calculator. When possible, data from the AV Calculator was used to make the adjustments. If the necessary data from the AV Calculator was not available, adjustments were developed based on UnitedHealthcare's historical experience and proprietary pricing model. These adjustments include the following:

[REDACTED]

[REDACTED]

[REDACTED]

14B - AV Pricing Values

The AV pricing value is set according to guidance to be the single value for each plan that is applied to the Market Adjusted Index Rate to generate the Plan Adjusted Index Rate.

15 - Paid to Allowed Ratio

The Paid to Allowed Ratio is [REDACTED]. The paid to allowed average factor for the projection period is based on the actual paid to allowed in the experience period blended with the credibility manual, adjusted for expected leveraging and migration to new plans.

16 – Non-Benefit Expenses Including Risk and Profit Margin

16A - Projected Non-Benefit Expenses, Risk and Profit

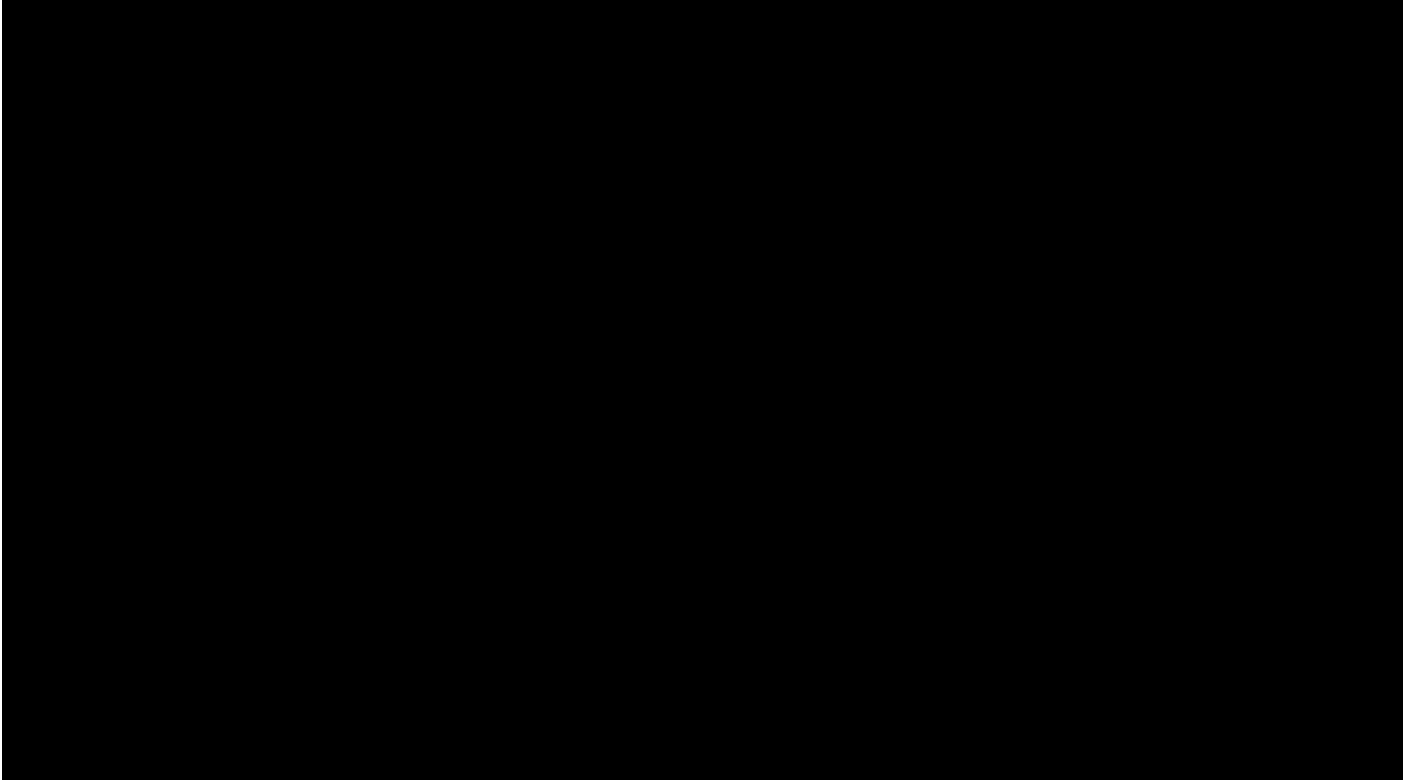
Administrative Expenses - The administrative expense assumption is a long-term estimate of administrative expenses, including commissions, management fees, and other SG&A. [REDACTED]

Profit & Risk Margin The profit and risk load varies by plan on a percentage basis but is constant by plan on a Per Member Per Month (PMPM) basis.

Taxes and Fees - The taxes and fees assumption includes insurer fees, premium taxes, and federal income taxes.

16B - Comparison of Current and Proposed Non-Benefit Expenses, Risk and Profit

The tables below illustrate the anticipated non-claim expenses incurred by UnitedHealthcare as a percent of total premium collected. This is used to calculate the anticipated loss ratio that is then used in the base rate development. The anticipated loss ratio does not equate to the federal MLR used to calculate insurer rebates as there are multiple components illustrated below that are excluded/credited from the federal MLR calculation.



16C - Varying Non-Benefit Expenses by Plan



17 - Adjusted Community Rating Factors

17A - Age Factors

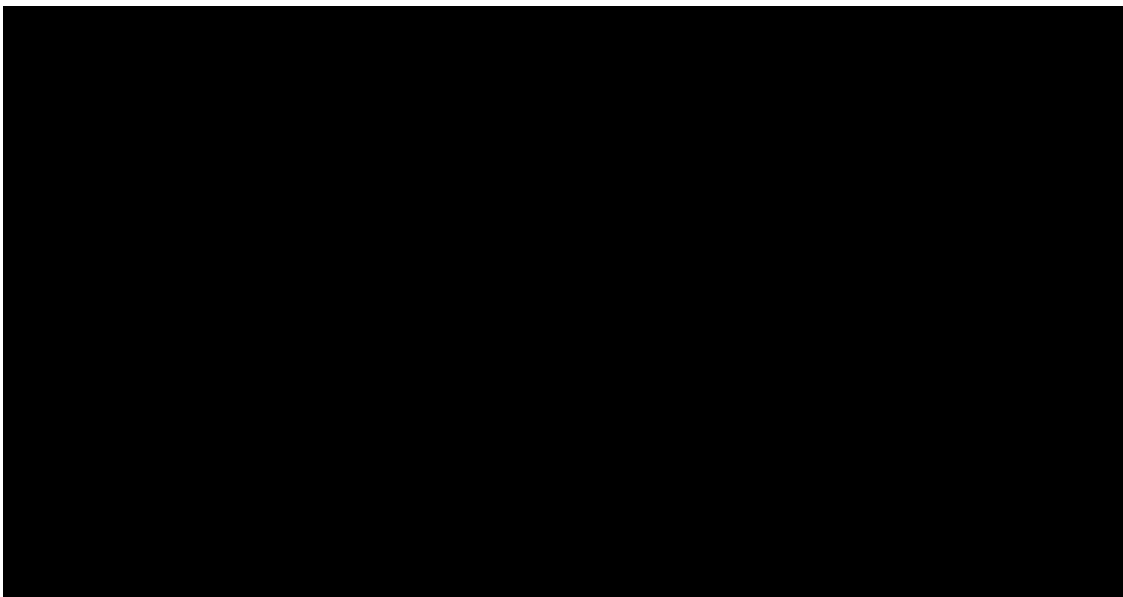
UnitedHealthcare's age factors will follow the Federal recommended factors, which are shown below.

Age	Current Factor	Proposed Factor	Age	Current Factor	Proposed Factor
0	0.765	0.765	33	1.198	1.198
1	0.765	0.765	34	1.214	1.214
2	0.765	0.765	35	1.222	1.222
3	0.765	0.765	36	1.230	1.230
4	0.765	0.765	37	1.238	1.238
5	0.765	0.765	38	1.246	1.246
6	0.765	0.765	39	1.262	1.262
7	0.765	0.765	40	1.278	1.278
8	0.765	0.765	41	1.302	1.302
9	0.765	0.765	42	1.325	1.325
10	0.765	0.765	43	1.357	1.357
11	0.765	0.765	44	1.397	1.397
12	0.765	0.765	45	1.444	1.444
13	0.765	0.765	46	1.500	1.500
14	0.765	0.765	47	1.563	1.563
15	0.833	0.833	48	1.635	1.635
16	0.859	0.859	49	1.706	1.706
17	0.885	0.885	50	1.786	1.786
18	0.913	0.913	51	1.865	1.865
19	0.941	0.941	52	1.952	1.952
20	0.970	0.970	53	2.040	2.040
21	1.000	1.000	54	2.135	2.135
22	1.000	1.000	55	2.230	2.230
23	1.000	1.000	56	2.333	2.333
24	1.000	1.000	57	2.437	2.437
25	1.004	1.004	58	2.548	2.548
26	1.024	1.024	59	2.603	2.603
27	1.048	1.048	60	2.714	2.714
28	1.087	1.087	61	2.810	2.810
29	1.119	1.119	62	2.873	2.873
30	1.135	1.135	63	2.952	2.952
31	1.159	1.159	64	3.000	3.000
32	1.183	1.183	Over 64	3.000	3.000

Age factors are not changing with this filing.

17B - Geographic Factors

UnitedHealthcare's area factors are below. The areas are set by county as defined by the state of Illinois.



17C - Tobacco Factors

Tobacco status will not be used in rating in this 1/1/27 filing. Both tobacco users and non-tobacco users will get a 1.0 factor in rating.

17D - Family Composition

Final rates will be determined by calculating a rate for each individual member based on that member's age, tobacco status, benefit plan, and geographic area. The calculated rate for each member is aggregated to determine the group's rate. Only the three oldest dependents under 21 are used in the development of rates.

18 – Rate Tables

18A - Development of Rate Tables

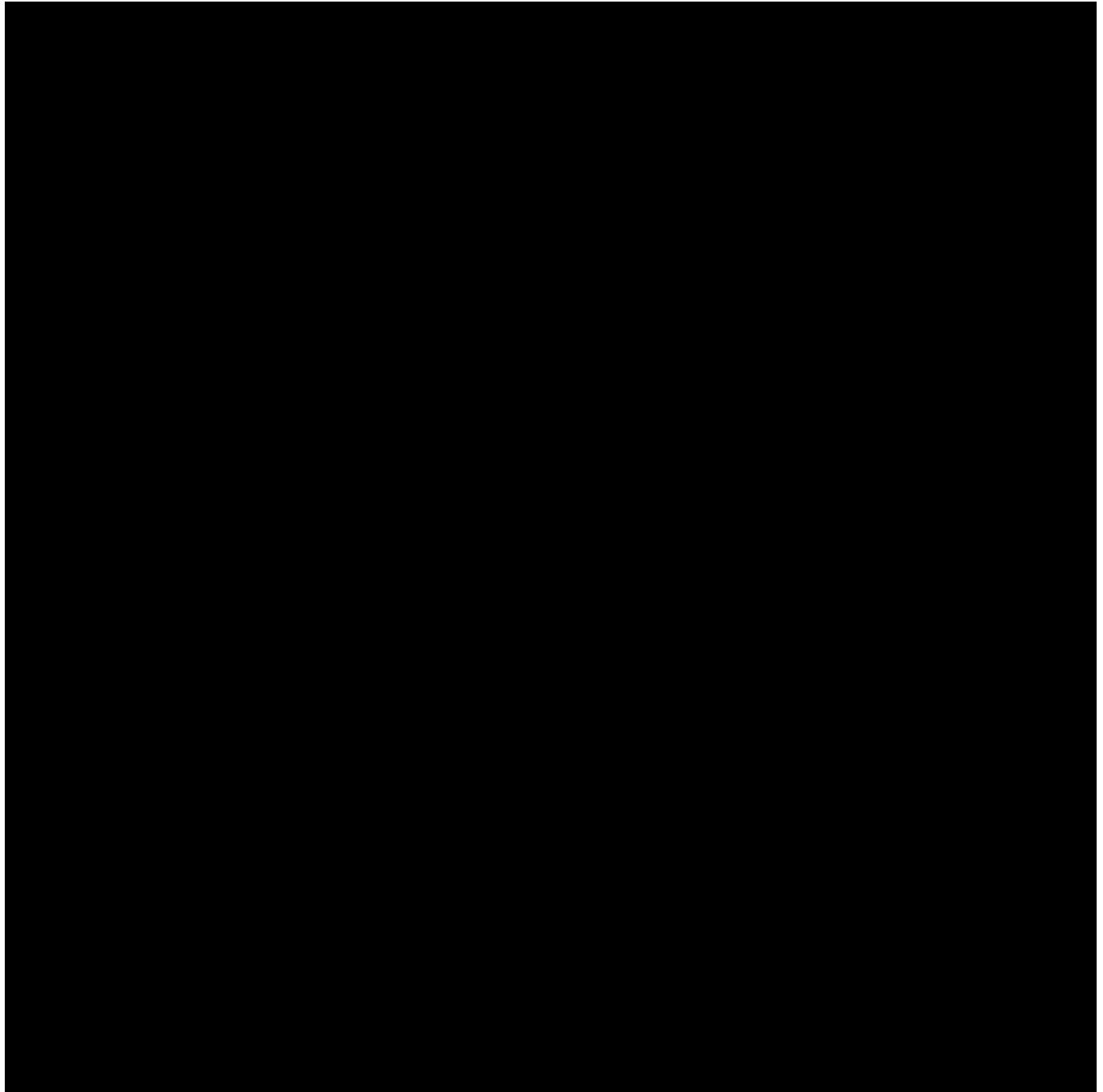
The average demographic factors were projected based on the filed factors and the projected demographic make-up of the membership impacted by this filing. Those factors were considered when setting the base rates so that the required premium could be achieved.

18B - Weighted Average Age

The weighted average age is approximately [REDACTED]. Please see the Age Curve Calibration section for more details.

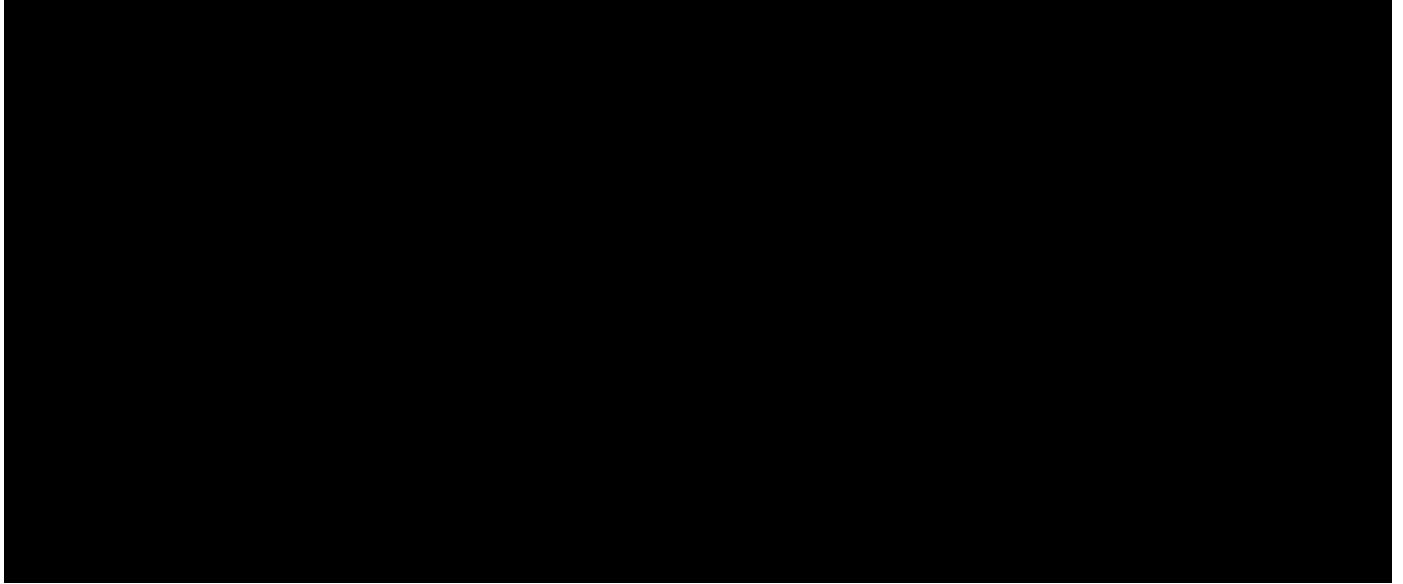
18C - Age Curve Calibration

The calculated age curve calibration is [REDACTED], which equals one divided by the average age factor of the expected member distribution by age. This corresponds with an approximate age of 45 years. The age factors used in this calculation are the HHS-specified age curve.



18D - Geographic Calibration Factor

The geographic factor calibration is [REDACTED], which equals one divided by the expected average area factor.



19 - Development of All Product Base Rates

The development of the base rates from the Index Rate to the Market Adjusted Index Rate to the Plan Adjusted Index Rate to the Calibrated Plan Adjusted Index Rate can all be seen on Worksheets 1 and 2 of the URRT.

20 - Risk Corridor Payments or Recoveries

There were no risk corridor payments or recoveries in the experience period.

21 - Company Financial Position



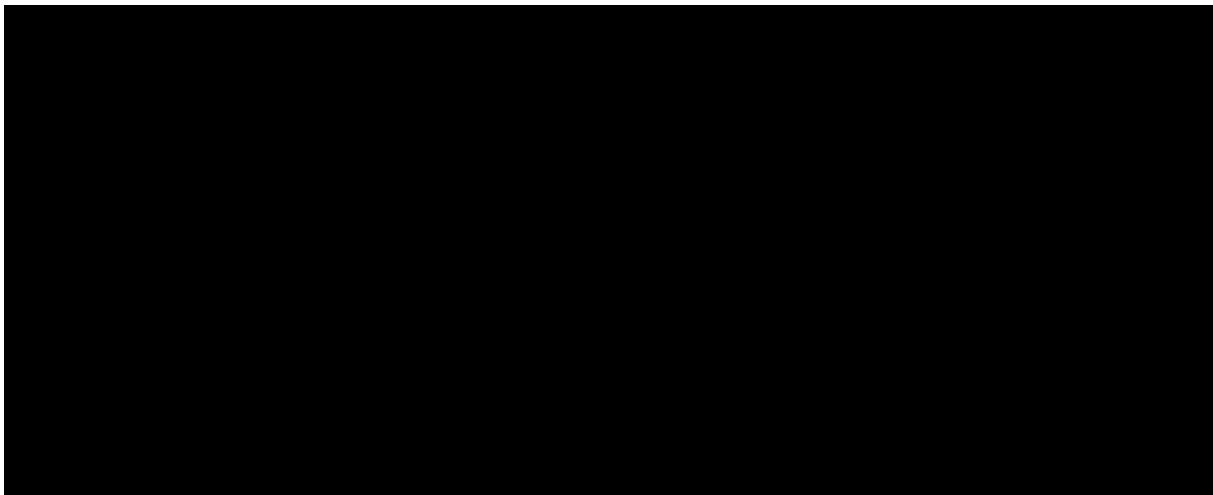
22 - Last Five Years RBC



23 – Federal Medical Loss Ratio Requirements

23A - Projected Federal MLR

When calculating the MLR utilizing the federal methodology, the estimated MLR is [REDACTED]. The table below illustrates the development of the projected loss ratio.



23B - Explanation for Future Loss Ratio

Not applicable.

24 - Reliance

Due to responsibility allocation, I have relied upon other individuals within the UnitedHealthcare organization to provide certain assumptions. Although I have performed a limited review of the information and have not found it unreasonable or inconsistent, I have not reviewed it in enough detail to fully judge the reasonableness of the information due to the substantial amount of additional time required. I have therefore relied upon the expertise of those individuals who have developed the assumptions, and am providing the information required by Actuarial Standard of Practice 41, section 4.3. A list of reliances is included below.

UnitedHealthcare Finance Department

Projected SG&A Assumption

UnitedHealthcare National Pricing Team

Plan Relativity Modeling

UnitedHealthcare Healthcare Economics Department

Projected Trend

Claims Reserves

25 – Certifications of Compliance

Identification of the Certifying Actuary

I, [REDACTED], am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I satisfy the 2025 continuing professional development requirements of the Academy and therefore am qualified to issue this 2026 statement of actuarial opinion. I have reviewed applicable ASOPs during the preparation of this rate filing.

Certification of the Index Rate

I certify that the projected index rate is:

- In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80(d)(1)),
- Developed in compliance with the applicable Actuarial Standards of Practice,
- Reasonable in relation to the benefits provided and the population anticipated to be covered, and,
- Neither excess nor deficient

Certification of the Plan Level Rates

I certify that the index rate and only the allowable modifiers as described in 45 CFR 156.80(d) (1) and 45 CFR 156.80(d) (2) were used to generate plan level rates.

Certification of Metal AV

I certify that the AV Calculator was used to determine the AV Metal Values shown in Worksheet 2 of the Part I Unified Rate Review Template. Some plan designs did not fit into the AV Calculator and needed an adjustment to properly calculate the AV Metal Value.

Certification of Geographic Factors

I certify that the geographic factors do not reflect anticipated differences in morbidity by area. The factors were determined by first looking at the expected differences in unit costs and practice patterns by area. Adjustments were then made to mitigate any dramatic changes that would have resulted by market if the geographic factors were strictly based on unit cost expectations. This adjustment was not based on morbidity by area.

Certification of Compliance with Applicable Federal Regulations

I certify that the index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.

I qualify my opinion to state that the Part I Unified Rate Review Template does not demonstrate the process used by UnitedHealthcare to develop the rates. Rather, it represents information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans for federally facilitated exchanges, and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

Certification of Compliance with Actuarial Standards of Practice

Other Actuarial Disclosures:

- This rate filing document is uniquely identified with date/time stamp and filename shown in the document footer
- The intended user of this rate filing is the Illinois Department of Insurance
- There are no cautions with regards to risk or uncertainty in the items discussed in the rate filing
- This rate filings should not be used for any other purpose than which is stated in the “Scope and Purpose of Filing” section. Within that context, there are no limitations or constrains on the use or applicability of the rating items discussed herein.
- There are no conflicts of interest with regards to my production of this rate filing

All information is current-to-date shown in the footer; no information or subsequent event with any material impacts has arisen since the production of this document.

Actuarial Certification

To the best of my knowledge, I certify that the entire rate filing is in compliance with the applicable laws and regulations of the state of Illinois, the applicable Federal statutes and regulations, and complies with all applicable Actuarial Standards of Practice.

Final Comments

The information in this filing is accurate to the best of my knowledge as of the date of this filing. This concludes UnitedHealthcare’s rate filing. Should you need additional information, please contact me as shown below.

Respectfully submitted,

