



STATE OF RHODE ISLAND
OFFICE OF THE ATTORNEY GENERAL

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Peter F. Neronha
Attorney General

August 11, 2021

Via Electronic Mail Only

Mr. Patrick Tigue
Health Insurance Commissioner
Office of the Health Insurance Commissioner ("OHIC")
1511 Pontiac Avenue
Building 69, First Floor
Cranston, Rhode Island 02920
Patrick.Tigue@ohic.ri.gov

In re: Neighborhood Health Plan of Rhode Island
Rates Filed for 2022 Individual Market Plans
SERFF ID: NHRI-132837475

Dear Commissioner Tigue:

Pursuant to Rhode Island General Laws §§ 27-19-6(j)(2), 27-20-6(j)(2), and 27-36-1, the Rhode Island Attorney General submits the following objection to the 8.5% rate increase in the individual market sought by Neighborhood Health Plan of Rhode Island ("NHPRI"). The Attorney General addresses OHIC in his distinct role in this rate review: to represent, protect and advocate for Rhode Islanders who are and will be consumers of these insurance products. *See R.I. Gen. Laws § 27-36-1*. In addition, as the State's Health Care Advocate, the Attorney General is obligated to carry out the mandate of the Health Care Advocate statute and advocate for quality and affordable health care for the people of this State. *R.I. Gen. Laws § 42-9.1-1*.

In accordance with Rhode Island General Laws §§ 27-19-6(f) and 27-20-6(f), because both insurers in the individual market, NHPRI and Blue Cross Blue Shield of Rhode Island, requested rates below 10%, no public hearing was held. OHIC held a public comment meeting via Zoom on the rate review process on Monday, August 2, 2021 at 4:30pm. Representatives from our Office were in attendance.

The Attorney General's objections are based both on the attached actuarial report of Lewis & Ellis, Inc. ("L&E") submitted on behalf of the Office of the Attorney General and the unaffordability of the proposed increase. Our Office asks that you exercise your authority to account for affordability and deny a rate increase altogether.

Preliminary Statement

This is your first rate review as Health Insurance Commissioner. In OHIC's press release in June 2020 announcing the rate review process, you stated that you were "concerned by many of the requested premium increases" across all markets and acknowledged that "health insurers have generated substantial profits as a result of the reduction in medical services experienced during the coronavirus disease 2019 public health emergency."¹ You pledged that OHIC "will scrutinize the requested increases and critically evaluate the necessity of significant increases, given the overall financial health of the insurers." You have an extraordinary opportunity to begin anew, put words into action, and show the citizens of Rhode Island that OHIC hears them and acts in their best interest to take one step closer toward affordable health insurance by lifting the burden of too-high premiums which create a barrier to healthcare.

NHPRI's request for a substantial rate increase comes over a year into the COVID-19 ("COVID") pandemic and after receiving a 4.7% increase from OHIC last year during the height of the pandemic. Many Rhode Islanders remain unemployed and are facing tax penalties for failing to carry health insurance and reeling from an unprecedented pandemic and the resulting economic consequences.² These are the Rhode Islanders who must turn to the individual market for health insurance, where this rate increase is sought. Given the historic health disparities and obstacles to healthcare for many Rhode Islanders who will be affected by your decision, and the enormous economic and health risks *all* individuals who must turn to the individual market currently face, the Attorney General recommends NHPRI's rate increase be denied and no increase imposed.

Unaffordability of a Rate Increase

Federal Response – Risk and Opportunity

At least 24,866 members will be affected by these final rates and that number will likely rise for 2022 enrollment.³ In recognition of the increased need for coverage and the decreased financial ability to afford it, Congress enacted the American Rescue Plan Act of 2021 ("ARPA") to help mitigate the financial devastation COVID-19 has caused to American families, individuals, and businesses. One of the key tenets of the ARPA extends advance premium tax credits ("APTC") to those individuals making between 400% and 600% of the federal poverty level ("FPL") and who choose to purchase their health insurance from the federal or state-based health exchanges.⁴ Prior to the enactment of ARPA, the Affordable Care Act capped premium tax credits at 400% FPL. The ARPA's APTC provision is operative in 2021 and 2022, making it very likely (if not guaranteed) more individuals will sign up for health insurance on the Exchange for 2022. In fact,

¹ [2022 Rate Review Process Press Release - Requested Rates.pdf \(ri.gov\)](#), June 28, 2021.

² Rhode Island Department of Labor and Training News Release at [Microsoft Word - News Release 0621 \(ri.gov\)](#).

³ Current members as of March 31, 2021. See Rate Filing at NHRI-132837475, OHIC Rate Template, Tab One (Data & Rate Change), June 22, 2021.

⁴ See *P.L. 111-148*, § 1401; *H.R. 1319*, § 9661; [I.R.C. § 36B](#).

Healthsource RI is already advertising the benefits of ARPA to Rhode Island consumers.⁵ As such, even more Rhode Islanders will be harmed by any rate increase in the individual market.

ARPA also presents you, as Commissioner, with a consideration that was not present last year. Given the expansion of APTC eligibility, there will likely be more healthy people in the individual market pool whose presence will mitigate the losses Neighborhood may experience from its sicker individuals. This principle – making health insurance more affordable to incentivize healthy adults to buy insurance – is the scaffold of the Affordable Care Act. By expanding APTC eligibility, the federal government has recognized the importance of recruiting, through financial incentives, healthy people into the risk pool whose presence ultimately financially benefits insurers. More healthy people purchasing insurance must be a factor when considering affordability of premium rate increases because of the financial benefit to insurers. As Commissioner, you have the authority to confer a financial benefit to Rhode Islanders by denying this rate increase.

The Office of Attorney General urges you to bring exacting scrutiny to NHPRI's request for a rate increase. NHPRI includes, as a basis for its rate increase request, the assumption that its enrollees will require COVID booster shots and that the cost of those shots should be borne by its insureds in the requested rate increase. These are faulty assumptions for three reasons. First, to the extent booster shots are recommended by the informed medical community, they are being recommended for people over 65 and the immunocompromised and for those who received their vaccines in December 2020 or January 2021.⁶ Second, it is becoming increasingly clear that there is a worldwide push against boosters for the time being to allow lesser developed countries to gain access to available COVID vaccines. Also, to assume there will be no federal subsidies to help offset COVID booster costs once there are boosters to be given is unrealistic given the federal government's consistent and frequent aid to businesses and insurers during the pandemic. Finally, the Coronavirus Aid, Relief, and Economic Securities Act ("CARES Act"), P.L. 116-136, states that the federal government "shall require group health plans and health insurance issuers offering...individual health insurance to cover (without cost-sharing) any qualifying coronavirus preventive service***."⁷ The CARES Act language is clear that the insurance company bears the burden of COVID-related costs. Notwithstanding this unambiguous language, in its request for a rate increase, NHPRI has included assumptions related to COVID boosters and COVID testing, which our actuarial report addresses. While the language of the CARES act may not prevent insurers from recouping certain COVID costs through means other than cost-sharing, we ask you, as Commissioner, to not allow NHPRI to put the cost of the COVID boosters, COVID testing, or any COVID costs, back on the consumer through increased rates.

⁵ [The American Rescue Plan Act of 2021 | HealthSource RI.](#)

⁶ See e.g. [FDA Covid-19 Vaccine Booster Plan Could Be Ready Within Weeks - WSJ](#), August 5, 2021; [Booster Shots for Immunocompromised People in the Works, Fauci Says \(webmd.com\)](#), August 6, 2021.

⁷ P.L. 116-136, Section 3203(a). See [BILLS-116hr748enr.pdf \(congress.gov\)](#).

Unaffordability in context

It is critical that all individuals seeking insurance in the individual market, whether by choice or by force of circumstance, pay the lowest possible rates to ensure continuity of care for themselves and their families. In addition, those who will need health insurance in the individual market – who simply cannot afford an increase in rates but who have been shouldering increases for years – include people and communities already suffering from profound inequities.

As of July 2021, job loss nationally has been experienced disproportionately by African Americans at 9.2 %, followed by Latinx at 7.4 %, 5.8% for Asian people and 5.2 % for white people.⁸ These are the people and communities who will be turning to the individual market. Yet even before the COVID pandemic, the proportion of African Americans and Latinx in Rhode Island who report not seeking medical attention is 11.3% and 21%, respectively, according to the Rhode Island Commission for Health Advocacy and Equity – Legislative Report January 2020.⁹ Recognizing the many social determinants of health, this report identifies housing burden and food insecurity (among other measures) concentrated in communities with high African American and Latinx populations. In addition, now that Rhode Island has instituted a state-based individual mandate¹⁰, all Rhode Islanders must have health insurance or pay a tax penalty. The cost of not having health insurance is not only felt when an uninsured person needs care, but when he or she pays state taxes.

Insurance premium costs continue to rise, and while unacceptable in any year, such increases are egregious and unconscionable in the time of COVID. These stark and disturbing disparities in health care and its determinants have played out with a vengeance during the COVID pandemic. In Rhode Island, 29% of all coronavirus cases are among Latinx, who make up just 16% of the population.¹¹ Likewise, 7% of all cases are among African Americans who make up just 8% of Rhode Island's population.¹²

The disparate health impact of decades of policy and practice on Latinx and African American communities in Rhode Island has been clearly documented by the State's own Commission for Health Advocacy and Equity, and any increase in rates will present yet another obstacle to care. Further, because a rate increase in the individual market would fall upon those who have lost employer-provided health insurance, it will have the greatest impact on these same communities that are bearing a particularly heavy cost because of the COVID pandemic, compounding these historic and current inequities.

The Attorney General urges you to exercise your regulatory authority and discretion to determine 2022 rates based upon affordability to the people who must pay for those insurance

⁸ See Bureau of Labor Statistics report of July 2021, <https://www.bls.gov/news.release/empsit.nr0.htm>.

⁹ <https://health.ri.gov/publications/reports/2020CommissionForHealthAdvocacyAndEquityLegislative.pdf>

¹⁰ R.I. Gen. Laws § 44-30-101(c) (imposing a shared-responsibility payment on all persons who do not show proof of health insurance).

¹¹ See Pie Graphs, COVID-19 by Race and Ethnicity in Rhode Island (percentages based on known cases), [Demographics of COVID-19 in Rhode Island | WPRI.com](https://www.wprl.com/demographics-of-covid-19-in-rhode-island/), August 3, 2021.

¹² See *id.*

products. OHIC Regulation 230-RICR-20-30-4 (Powers and Duties of OHIC), Section 4.9 (C) delineates the factors to consider in determining affordability of rates, including the ability of lower-income individuals to pay for health insurance. The Attorney General also urges you to factor any and all OHIC initiatives that aim to reduce hospital and emergency room utilization for primary care purposes into your analysis of the reasonableness of frequency of this utilization in 2022. In addition, NHPRI has a responsibility to "provide affordable and accessible health insurance to insureds" and "employ pricing strategies that enhance the affordability of health care coverage." *See R.I. Gen. Laws §§ 27-19.2-3(1) and 27-19.2-10(3)*.

The Actuarial Basis for Denying NHPRI's Request for an 8.5% Increase

There is a strong actuarial basis for denying the increase proposed by NHPRI. After review of NHPRI's filings and the company's responses to questions posed both by OHIC and the Attorney General, L&E concluded that it is both reasonable and actuarially appropriate to reduce NHPRI's proposed rate increase from 8.5% to 5.3%, **and this even before affordability is factored**. As explained more fully in our actuarial report, we find that reductions based on COVID adjustment, ARPA impact, risk adjustment, COVID boosters, and COVID testing are necessary and actuarially appropriate, with total premium savings of approximately four million dollars (\$4,000,000) if all reductions are adopted by OHIC.

Based on our Office's historical experience of reviewing NHPRI's rate filings and based on the current information contained in NHPRI's rate filing for 2022, our Office has found no evidence that NHPRI will become insolvent if its rates are not approved as requested by our Office. We thus request all actuarially supported data be viewed in the light most favorable to the insured and to the affordability of products.

Conclusion

The Attorney General's actuaries cannot justify an increase of more than 5.3%. Taking into account the unaffordability of even that increase, as you are authorized to do, no increase at all can be justified. In addition to actuarial assumptions and findings, the impact COVID has had and continues to have on the very real people the insurance plans serve must be considered. It is no secret that many Rhode Islanders continue to struggle financially during this pandemic, which is far from over – a recent news report confirmed that there are more daily cases of COVID reported in Rhode Island right now than this time last year in 2020.¹³ The unemployed will find themselves in a precarious situation, having to choose between paying for insurance no longer received through their employer or paying for other necessities such as food or housing and facing a tax penalty. Those who have suffered symptoms from COVID, particularly those victims of long-haul COVID, should not have to worry about affording health insurance.

¹³ 150 cases per day versus 100 cases per day. *See* <https://www.wpri.com/target-12/heres-how-covid-19-looks-in-2021-compared-to-2020-in-rhode-island/>, August 3, 2021.

Keeping the needs and considerations of the affected insured always first and foremost, the Office of the Attorney General asks that you place significant weight on the unaffordability of higher health insurance rates and deny any rate increase in the individual market to NHPRI in the best interest of the public. Notwithstanding the above arguments, should a rate increase be approved, our Office will seek precise factual and actuarial bases from OHIC for this decision. Thank you for your consideration.

Respectfully Submitted,

PETER F. NERONHA
ATTORNEY GENERAL

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August 11, 2021

State of Rhode Island Office of the Health Insurance Commissioner

Re: Neighborhood Health Plan of Rhode Island
2022 Individual Rate Filing
SERFF# NHRI-132837475

Submitted on Behalf of the Rhode Island Office of Attorney General

The purpose of this letter is to provide a summary of Lewis & Ellis, Inc's (L&E) actuarial analysis regarding the proposed 2022 Individual Rate Filing for Neighborhood Health Plan of Rhode Island (NHPRI or Company) and to assist the Rhode Island Office of Attorney General (OAG) in recommending changes to the proposed rates.

FILING DESCRIPTION

1. NHPRI is a not-for-profit health maintenance organization (HMO) insurance company that provides health insurance coverage to Rhode Islanders. This filing proposes premiums for NHPRI's Qualified Health Plans (QHPs) that will be offered on HealthSource Rhode Island (HSRI) beginning January 1, 2022.
2. NHPRI initially submitted proposed rates on May 17, 2021, with an average rate increase of 7.8%. On June 11, 2021, NHPRI was notified that the Rhode Island state reinsurance program was modified due to new information about lower than expected tax revenue for the program. Based on the new reinsurance program parameters, NHPRI revised their proposed rate impact on June 22, 2021, to an average rate increase of 8.5%. This report's analysis is based on the proposed rates as revised on June 22, 2021.

PURPOSE AND SCOPE

Pursuant to Rhode Island Gen. Laws §§27-36-1, 27-19-6, and 27-20-6, the OAG is vested with the authority and enforcement of the laws within the State of Rhode Island, including, but not limited to, representing, protecting, and advocating on behalf of consumers at public rate hearings.

A public rate hearing must be held for a requested rate increase of 10% or higher by an insurer covering 10,000 or more individual lives per Rhode Island Gen. Laws §§27-19-6(f) and 27-20-6(f). In the event a public rate hearing is not triggered, Rhode Island law [§§27-19-6(j)(2)-(k), 27-20-6(j)(2)-(k), and 27-36-2(a)] allows the OAG to hire actuaries to review the proposed rate filings.

The OAG has engaged L&E to perform such an actuarial review for the 2022 Individual market Affordable Care Act (ACA) rates. This letter is to assist the OAG in recommending changes to the proposed rates, if applicable. L&E's recommendations focus on producing rates that are not excessive, inadequate, or unfairly discriminatory¹. Premium affordability is not within the scope of L&E's actuarial review.

SUMMARY OF RECEIVED DATA

NHPRI provided the methodology used to develop the proposed 2022 Individual market premiums. The Company provided exhibits which demonstrated the quantitative development for each component of the premium request, including trend, morbidity adjustments, federal programs, administrative costs, and taxes and fees.

NHPRI provided additional exhibits and information as requested during the rate review process.

L&E ANALYSIS

The items outlined below are the filing assumptions where L&E recommends changes to the proposed 8.5% rate increase.

1. UTILIZATION TREND

NHPRI used 2020 claims experience as the starting point for projecting 2022 premium rates, which included the suppressed utilization due to the COVID-19 pandemic. NHPRI estimated the impact of the pandemic on the base period experience to account for the expectation that suppressed utilization will not occur in 2022.

In 2020, NHPRI observed a -2.5% utilization trend. NHPRI assumed that a 2.2% utilization trend would have been expected without the pandemic. NHPRI also assumed that there would be a 1.6% increase to utilization due to pent-up demand. Additionally, a 1.9% utilization trend was assumed for 2021 and 2022.

Based on data provided by NHPRI, the Company's observed average annual utilization trend from 2017-2019 was 0.0%. NHPRI notes that utilization trend has historically been volatile due to changes in membership growth and morbidity changes. However, the Company did not provide enough documentation and support for the assumed utilization trend to the extent that another actuary could assess the reasonableness of the assumption.

After an assessment of the Company's Risk-Based Capital (RBC) level and other surplus metrics, L&E noted the Company has potential long-term financial solvency concerns. In the absence of financial solvency concerns, L&E would recommend a reduction in the annual utilization trend for 2019 to 2022

¹ This is based on Actuarial Standards of Practice No. 8

<http://www.actuarialstandardsboard.org/asops/regulatory-filings-health-benefits-health-insurance-andentities-providing-health-benefits/#312-regulatory-benchmark>

down to 0.0%. This would have reduced the rates by approximately 6.0%. However, due to NHPRI's recent financial performance and low RBC levels, L&E recommends only reducing the annual utilization trends for 2019 to 2022 to 1.5%. This would reduce rates by approximately 1.7%.

2. AMERICAN RESCUE PLAN ACT

The 2021 American Rescue Plan Act (ARPA) made additional premium subsidies available for persons covered in the Individual market. Individuals who previously had to pay the entire premium for coverage will now be eligible for subsidies and in some cases, substantial subsidies. Additionally, members currently eligible for premium subsidies will generally be eligible for larger subsidies, which would decrease their premiums.

In 2020, households below 400% of the federal poverty level (FPL) made health insurance decisions based on lower subsidies than what will be available in 2022. For those with incomes exceeding 400% FPL, they will now be eligible for premium subsidies.

The introduction of the new subsidies will reduce the incentive for healthy uninsured people to remain uninsured since they will now be able to purchase coverage at a reduced rate. The addition of the previously uninsured, healthy population to the Individual market should improve the overall morbidity of the Individual market.

Based on US Census data by age and income, L&E estimates that there are approximately 31,000 uninsured Rhode Islanders that will be eligible for increased subsidies due to ARPA. Assuming a 5% take-up rate, and assuming that these individuals are 10% healthier than the current Individual market, the expected new enrollment would decrease the Company's Individual market morbidity by approximately 0.3%. This calculation is illustrated below.

Population	Members	Morbidity Level
2020 Population	47,244	1.000
Expected New ARPA Members	1,569	0.900
Expected 2022 Population	48,813	0.997
Change from 2020 to 2022		-0.3%

3. RISK ADJUSTMENT

A company's risk adjustment transfer payment (payable or receivable) is dependent on the Company's morbidity relative to the Individual market and the Individual market's average premium rate.

NHPRI consistently transfers payments into the risk adjustment program since the Company has a disproportionately healthy population relative to their competitor in the Rhode Island Individual market.

L&E notes two issues regarding the Company's estimated 2022 risk adjustment transfer payment:

- NHPRI's actual 2020 transfer payment was approximately 11% smaller than the estimated 2020 payment used to project the 2022 transfer.
- NHPRI did not account for premium increases that are occurring between 2020 and 2022. The average 2021 premium increase was 4.2%, and the average 2022 increase based on L&E's recommendations is approximately 4.3%. Therefore, it is reasonable to expect that statewide average premium and NHPRI's transfer payment would increase by approximately 9%.

Because these items significantly counteract each other, the adjusted aggregate risk adjustment payment reduces rates by 0.1%.

4. COVID-19 BOOSTERS

NHPRI included a provision in the proposed rates to reflect the cost of providing COVID-19 booster shots to their enrollees during 2022. This cost was calculated by assuming that 50% of members would get a booster, and each booster would cost \$100. Therefore, NHPRI is assuming an average cost of \$50 per member per year.

L&E notes the following regarding COVID-19 boosters:

- It is not guaranteed that a COVID-19 booster will be generally available during 2022.
- It is not known that a COVID-19 immunization will be needed annually. Many recommended vaccinations, such as measles, mumps, rubella (MMR), hepatitis A & B, etc., are not required annually.
- If vaccinations are needed annually, there is not yet clear guidance on whether boosters will be indicated for the general population, or perhaps only for seniors and immunocompromised individuals. As of July 2021, the CDC does not recommend additional doses for fully vaccinated individuals.²
- There is potential for federal or state subsidies to partially offset the insurer's cost burden of providing COVID-19 boosters.

L&E believes that the Company's assumptions for unit cost and utilization are reasonable. However, L&E has not been provided enough evidence regarding the necessity of COVID-19 boosters and the ultimate cost borne by insurers. Assuming a 25% likelihood for these occurrences would produce an assumed \$12.50 cost per member per year, or just over \$1 per member per month. Making this COVID-19 booster adjustment reduces rates by approximately 0.7%.

5. COVID-19 TESTING

NHPRI included a provision in the proposed rates to reflect the cost of additional COVID-19 testing, above and beyond the COVID-19 testing reflected in the 2020 base period experience. The 2020 base period reflects an average of two tests for 18% of members, while the projected provision reflects an average of two tests for an additional 12% of members.

² <https://www.cdc.gov/vaccines/covid-19/hcp/faq.html>, accessed on 7/26/2021.

L&E understands that COVID-19 testing will continue to be used in 2022; however, no evidence has been provided by the Company to adequately support the assumption that 2022 testing levels will be increased versus 2020. L&E believes that the testing included in the base period, which is trended to the projection period, is sufficient to cover expected costs. Removing this provision reduces rates by approximately 0.4%.

RECOMMENDATIONS

L&E believes that this filing, with the following modifications, produces rates that are not excessive, inadequate, nor unfairly discriminatory.

1. UTILIZATION TREND

L&E recommends reducing the 2019 to 2022 assumed utilization trends to 1.5%. This would reduce rates by approximately 1.7%.

2. AMERICAN RESCUE PLAN ACT

L&E recommends that the projected premiums be reduced by 0.3% to reflect the favorable market wide morbidity impact anticipated from ARPA.

3. RISK ADJUSTMENT:

L&E recommends that the actual 2020 risk adjustment transfer amount and the impact of rate increases be appropriately considered. This would reduce rates by approximately 0.1%.

4. COVID-19 BOOSTERS

L&E recommends that the COVID-19 booster assumptions be reduced which would reduce rates by approximately 0.7%.

5. COVID-19 TESTING

L&E recommends that the provision for additional COVID-19 testing be removed which would reduce rates by approximately 0.4%.

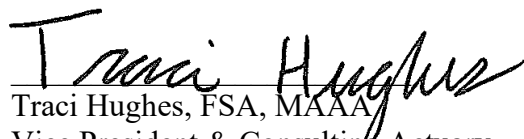
After modification, the rate increase will change from +8.5% to +5.3%. Implementing these recommendations would result in a savings of \$13.51 per member per month to Rhode Islanders. This amounts to a total savings of approximately \$4,000,000.

2022 RECOMMENDED RATE CHANGES

A breakdown of L&E's recommendation by rating component is provided below:

Component	Rate Change
NHPRI Proposal	+8.5%
COVID-19 Adjustment	-1.7%
ARPA	-0.3%
Risk Adjustment	-0.1%
COVID-19 Boosters	-0.7%
COVID-19 Testing	-0.4%
L&E Recommendation	+5.3%

Sincerely,



Traci Hughes, FSA, MAAA
Vice President & Consulting Actuary
Lewis & Ellis, Inc.



Josh Hammerquist, FSA, MAAA
Vice President & Principal
Lewis & Ellis, Inc.



Dave Dillon, FSA, MAAA, MS
Senior Vice President & Principal
Lewis & Ellis, Inc.

ASOP 41 DISCLOSURES

The Actuarial Standards Board (ASB), vested by the U.S.-based actuarial organizations³, promulgates Actuarial Standards of Practice (ASOPs) for use by actuaries when providing professional services in the United States.

Each of these organizations requires its members, through its Code of Professional Conduct⁴, to observe the ASOPs of the ASB when practicing in the United States. ASOP #41 provides guidance to actuaries with respect to actuarial communications and requires certain disclosures which are contained below.

IDENTIFICATION OF THE RESPONSIBLE ACTUARIES

The responsible actuaries are:

- Traci Hughes, FSA, MAAA, Vice President & Consulting Actuary.
- Josh Hammerquist, FSA, MAAA, Vice President & Principal.
- Dave Dillon, FSA, MAAA, MS, Senior Vice President & Principal.

IDENTIFICATION OF ACTUARIAL DOCUMENTS

The date of this document is August 11, 2021. The date (a.k.a. “latest information date”) through which data or other information has been considered in performing this analysis is July 27, 2021.

DISCLOSURES IN ACTUARIAL REPORTS

- The contents of this report are intended for the use of the Rhode Island Office of Attorney General. The authors of this report are aware that it will be distributed to third parties. Any third party with access to this report acknowledges, as a condition of receipt, that they cannot bring suit, claim, or action against L&E, under any theory of law, related in any way to this material.
- Lewis & Ellis is financially and organizationally independent from NHPRI. L&E is not aware of anything that would impair or seem to impair the objectivity of the work.
- The purpose of this report is to assist the OAG in recommending changes to the proposed rates.
- The responsible actuaries identified above are qualified as specified in the Qualification Standards of the American Academy of Actuaries.
- Lewis & Ellis has reviewed the data provided by NHPRI for reasonableness; however, not every aspect of the data has been audited. Neither L&E, nor the responsible actuaries, assume responsibility for the items that may have a material impact on the analysis. To the extent that there are material inaccuracies in, misrepresentations in, or lack of adequate disclosure by the data, the results may be accordingly affected.

³ The American Academy of Actuaries (Academy), the American Society of Pension Professionals and Actuaries, the Casualty Actuarial Society, the Conference of Consulting Actuaries, and the Society of Actuaries.

⁴ These organizations adopted identical *Codes of Professional Conduct* effective January 1, 2001.

- Notwithstanding the ongoing COVID-19 pandemic, L&E is not aware of any subsequent events that may have a material effect on the findings.
- There are no other documents or files that accompany this report.

ACTUARIAL FINDINGS

The actuarial findings of the report can be found in the body of this report.

METHODS, PROCEDURES, ASSUMPTIONS, AND DATA

The methods, procedures, assumptions, and data used by the actuaries can be found in body of this report.

ASSUMPTIONS OR METHODS PRESCRIBED BY LAW

This report was prepared as prescribed by applicable law, statutes, regulations, and other legally binding authority.

RESPONSIBILITY FOR ASSUMPTIONS AND METHODS

The actuaries do not disclaim responsibility for material assumptions or methods.

DEVIATION FROM THE GUIDANCE OF AN ASOP

The actuaries have not deviated materially from the guidance set forth in the applicable ASOPs.