Actuarial Memorandum

1. Introduction and Purpose

The purpose of this document, which is submitted in conjunction with the Part I Unified Rate Review Template (URRT), is to comply with the requirements of the Part III Actuarial Memorandum and to support the premium rates developed for Oscar Health Maintenance Organization of Florida, Inc. (Oscar's) Affordable Care Act (ACA) products in the individual market, with an effective date of January 1, 2027.

Additional information is added to comply with Florida Rule 69O-149.006, F.A.C. (Actuarial Memorandum) and a crosswalk of the various requirements is summarized in Exhibit K.

This actuarial memorandum provides certain information related to the rate filing submission including support for the values entered into the URRT, which demonstrates compliance with the market rating rules and reasonableness of applicable rate increases. This information may not be appropriate for other purposes.

This information is intended for use by the Florida Office of Insurance Regulation (FLOIR), the Center for Consumer Information and Insurance Oversight (CCIIO), and their subcontractors to assist in the review of Oscar's individual market rate filing.

Future regulatory changes may affect the extent to which the rates presented herein are neither excessive nor deficient.

2. General Information

Company Identifying Information

Company Legal Name:	Oscar Health Maintenance Organization of Florida, Inc.
State:	Florida
NAIC:	17798
HIOS Issuer ID:	21525
Market:	Individual
Effective Date:	January 1, 2027
Policy Forms:	OSC-FL-IVL-HMO-EOC-2027[-HIX]

Company Contact Information

Primary Contact Name:	[redacted]
Primary Contact Telephone Number:	[redacted]
Primary Contact Email Address:	[redacted]
Secondary Contact Name:	[redacted]
Secondary Contact Telephone Number:	[redacted]
Secondary Contact Email Address:	[redacted]

New License Information

On January 1, 2026, Oscar began to issue plans through a new HMO license (Issuer ID 21525) that mirrors the same products as our prior EPO license (Issuer ID 40572). On-exchange members had been mapped from the EPO to the HMO in plan year 2026. The development of rates herein relied upon the on-exchange experience of Oscar's Florida

EPO license in plan year 2025. In the Part I URRT, manual rate development is used because plan experience from different issuers cannot be input in the template, whereas the Actuarial Memorandum herein presents experience rate development based on the on-exchange experience.

The products offered within this filing are all guaranteed issue (i.e. no medical underwriting) and guaranteed renewable as required under the ACA. This rate filing applies to non-grandfathered plans only that are open to new sales. Premiums will be charged on a monthly basis.

3. Proposed Rate Increases

Reason for Rate Increase(s)

Exhibit A summarizes the proposed rate increases by plan effective January 1, 2027. Rate increases vary by plan due to a combination of factors including shifts in benefit leveraging, cost-sharing modifications, and geographic rating factors. Using in-force business as of March 2026, the proposed average rate change for renewing plans is [redacted]. This rate change is absent of rate changes due to attained age.

The significant factors driving the proposed rate change include the following:

Medical and Prescription Drug Inflation and Utilization Trends

The projected premium rates reflect the most recent emerging experience which was trended for anticipated changes due to medical and prescription drug inflation and utilization.

Administrative Expenses, Taxes and Fees, and Risk Margin

Changes to the overall premium level are needed because of required changes in federal and state taxes and fees. In addition, there are anticipated changes in both administrative expenses and targeted risk margin.

Prospective Benefit Changes

Plan benefits have been revised as a result of changes in the Center for Medicare and Medicaid Services (CMS) Actuarial Value Calculator and state requirements, as well as for strategic product considerations.

Anticipated Changes in the Average Morbidity of the Covered Population

Changes to the overall premium level are needed because of anticipated changes in the underlying morbidity of the projected marketplace.

Rate Development Overview

The plans included in this rate filing are to be offered for sale effective January 1, 2027. Oscar's rate development, including the methodology described below, is based on generally accepted actuarial principles for community rated individual blocks of business.

Underlying Claim Experience

Oscar started with individual claim experience from January 1, 2025 through December 31, 2025, with runout through March 31, 2026, as the experience basis in the projection. The claim amount includes an estimate for Incurred But Not Reported (IBNR) claims.

Trend

Oscar applied utilization and unit cost trends to the underlying medical and prescription drug claims to reflect the expected claim levels in the projection period.

Benefit Adjustment
The projected claims were adjusted to reflect the benefits for each of the products to be offered on and off the exchange.

Demographics and Morbidity
The starting claim experience was adjusted to reflect changes in the anticipated morbidity and demographics corresponding to Oscar's projected 2027 membership distribution.

Market Morbidity
The starting claim experience was additionally adjusted to reflect changes in the anticipated market morbidity from the experience period to the projection period in response to the uncertainty inherent in the marketplace.

Network Adjustment
The projected claims were adjusted to reflect changes in the anticipated provider reimbursement levels and network configuration.

Risk Adjustment
The projected claims were adjusted to reflect payments to the individual (catastrophic and non-catastrophic) risk pool as a result of the risk adjustment program.

Administrative Expenses and Risk Margin
The premium incorporates an average [redacted] administrative charge, which is inclusive of general administrative expenses, commission, and risk margin.

Taxes and Fees
The premium rates reflect applicable state and federal taxes and fees for the 2027 plan year.

4. Market Experience

4.1. Experience and Current Period Premium, Claims, and Enrollment

Oscar's rates are developed using a single risk pool, established according to the requirements in 45 CFR Part 156, §156.80(d). The experience period data is based on all Oscar individual market policies in Florida and the projection period reflects all projected covered lives for every non-grandfathered product/plan combination for Oscar in the Florida individual market.

The premium earned during the experience period and as reported on Worksheet 1, Section I of the URRT are from Oscar's data warehouse for calendar year 2025. The premiums do not reflect an adjustment for MLR rebates as Oscar does not anticipate paying rebates for the base period.

Paid Through Date
The experience period in Worksheet 1, Section I of the URRT shows Oscar's earned premium and incurred claims for the experience period of January 1, 2025 through December 31, 2025, with claims paid through March 31, 2026.

Current Date
The current period in Worksheet 2, Section II of the URRT shows Oscar's premium and enrollment using in-force business as of March 2026.

Allowed and Incurred Claims Incurred During the Experience Period

Oscar's calendar year 2025 medical and pharmacy claim data was used for developing the single risk pool claims. Worksheet 1, Section I of the URRT outlines Oscar's best estimate of claims incurred during the experience period. The estimate includes:

- Claims processed through Oscar's claim system,
- Claims processed outside of the claim system (e.g. pediatric dental and vision services), and
- Oscar's best estimate of IBNR.

Oscar's claim reserves consists of liabilities for both claims incurred but not reported ("IBNR") and reported but not yet processed through our systems that are determined by employing actuarial methods that are commonly used by health insurance actuaries. The completion factor development method is utilized for non-catastrophic claims [redacted], supplemented by a projected per-member per-month (PMPM) claims methodology for generally the most recent two months. Projected PMPMs are developed from the Company's historical experience and adjusted for emerging experience data in the preceding months, which may include adjustments for known changes in estimates of recent hospital and drug utilization data, provider contracting changes, changes in benefit levels, changes in member cost sharing, changes in medical management processes, claim inventory levels, product mix, and workday seasonality. A seriatim methodology is utilized for single catastrophic claims [redacted], supplemented by known open cases that are in various stages of review by Oscar's medical management team, or under bill audit review. A separate accrual process is also employed to develop reserves for exposure related to out-of-network and other provider disputed claims.

4.2. Benefit Categories

The benefit categories described below are based on the algorithm used by Milliman's *Health Cost Guidelines*™ (HCGs). The HCG grouper uses a combination of Diagnosis Related Groups (DRGs), Current Procedural Terminology Codes – Fourth Edition (CPT-4 Codes), Healthcare Common Procedural Coding System codes (HCPCS), and revenue codes to allocate detailed claims into roughly 60 benefit categories.

The utilization and unit cost data for rate development were assigned to benefit categories as shown in Worksheet 1, Section I of the URRT based on place and type of service using a detailed claim mapping algorithm, which can be summarized as follows:

Inpatient Hospital

Includes non-capitated facility services for medical, surgical, maternity, mental health and substance abuse, skilled nursing, and other services provided in an inpatient facility setting and billed by the facility.

Outpatient Hospital

Includes non-capitated facility services for surgical, emergency room, ancillary, observation and other services provided in an outpatient facility setting and billed by the facility.

Professional

Includes non-capitated primary care, specialty care, therapy, the professional component of laboratory and radiology, and other professional services, except for hospital based professionals whose payments are included in facility fees.

Other Medical

Includes non-capitated ambulance, home health care, durable medical equipment, prosthetics, supplies, vision exams, dental services and other services. The measurement units for utilization used in this category are a mix of visits, cases, and procedures.

Capitation
Includes the amount for any services that are provided on a capitated basis.

Prescription Drug
Includes drugs dispensed by a pharmacy. This amount is net of rebates received from drug manufacturers.

4.3. Projection Factors
This section includes a description of each factor used to project the experience period allowed claims to the projection period, supporting information related to the development of those factors is also included.

Trend Factors – Cost and Utilization
Average cost trends were developed based on Oscar's anticipated reimbursement levels. Utilization trends were developed at the broad service category level: inpatient facility, outpatient facility, professional, other, and prescription drugs. Utilization trend assumptions were generally estimated using Milliman's HCG secular utilization trend levels, which are based on large data sets and are widely used by insurers and others to estimate expected claim costs and model healthcare utilization.

Table 1 provides the annualized trend assumptions that were used to adjust the allowed claims from the experience period to the projection period. The overall trend used to get from the experience period to the projection period is based on an unleveraged prospective annual trend of [redacted].

[redacted]

The trend factors by benefit category are included in the "Year 1 Trend" and "Year 2 Trend" entries on Worksheet 1, Section II of the URRT.

Adjustments to Trended EHB Allowed Claims PMPM
Morbidity Adjustment

An adjustment was included to reflect changes in the anticipated market morbidity in response to the uncertainty inherent in the marketplace. Specifically, Oscar anticipated changes to the market morbidity associated with the change in Florida Individual's enrollment for the projection period relative to the experience period, due to the ending of the enhanced subsidies introduced by the American Rescue Plan Act, as well as the several new enrollment and eligibility procedures and requirements introduced by regulations including, but not limited to, the 2025 Marketplace Integrity and Affordability Proposed Rule and the *HHS Notice of Benefit and Payment Parameters for 2027 Final Rule*.

This adjustment reflects the projected change in claim costs outside of the underlying demographics of the covered population and is also assumed when estimating the risk adjustment transfer for the projection period.

A combined factor of [redacted] is included in the "Morbidity Adjustment" entry on Worksheet 1, Section II of the URRT.

Demographic Shift

An adjustment was included to account for the anticipated changes in demographic mix — in both age/gender and geography — between the experience period and the projection period.

A factor of [redacted] is included in the "Demographic Shift" entry on Worksheet 1, Section II of the URRT.

Plan Design Changes

Oscar applied an adjustment to account for the anticipated changes in the average utilization of services due to differences in average cost sharing requirements between the experience period and projection period. Plan behavior change factors were applied at the plan level using factors developed from Oscar's risk adjusted individual claim experience. The resulting allowed and net claim costs for each plan reflect differences due to cost sharing and the impact of plan behavior change only, and not due to health status.

A factor of [redacted] is included in the "Plan Design Changes" entry on Worksheet 1, Section II of the URRT.

Other Adjustments - Combined

A combined factor of [redacted] is included in the "Other" entry on Worksheet 1, Section II of the URRT. The adjustments included in this factor are described in further detail below.

Other Adjustments – Changes in Network

Oscar applied an adjustment of [redacted] to account for anticipated changes in provider reimbursement levels between the experience period and projection period. The reimbursement changes are in response to modifications to Oscar's underlying contracts with its providers.

Other Adjustments – Prescription Drug Rebates

An adjustment of [redacted] was included to account for the anticipated changes in the level of prescription drug rebates between the experience period and projection period.

Other Adjustments – Pooling Charge

An adjustment [redacted] of was included to account for Oscar experiencing higher than expected shock claims during the experience period. In this context, a shock claim is defined as annual costs in excess of $750,000 per individual claimant.

Manual Rate Adjustments

Not applicable. Oscar's historical experience is fully credible for the purposes of rate projections.

Source and Appropriateness of Experience Data Used

Not applicable.

Adjustments Made to the Data

Not applicable.

Inclusion of Capitation Payments

Not applicable.

Credibility of Experience

In accordance with *Actuarial Standards of Practice (ASOP) #25 — Credibility Procedures,* Oscar's internal credibility manual, determined from statistical relationships inherent in nationwide experience in the individual market, assigns full credibility at [redacted] member months. Oscar's experience includes [redacted] member months and is considered fully credible for purposes of developing claim projections.

Establishing the Index Rate

Experience Period

As shown in Worksheet 1, Section II of the URRT, the experience period index rate is [redacted]. The experience period index rate reflects the estimated total combined allowed essential health benefit (EHB) claim experience in the single risk pool, and is not adjusted for payments and charges under the risk adjustment program or for marketplace user fees.

Projection Period

The index rate is defined as the EHB portion of projected allowed claims with respect to trend, benefit, and demographics and divided by all projected single risk pool lives. Oscar's projection period index rate for the 2027 plan year as shown in Worksheet 1, Section II of the URRT is [redacted].

Development of the Market-Wide Adjusted Index Rate

The market-adjusted index rate is calculated as the sum of the projection period index rate, the net impact of the risk adjustment program and the exchange user fees. Table 2 details the projection period index rate, allowable market-wide modifiers as defined in 45 CFR Part 156, §156.80(d), and the resulting market-adjusted index rate.

[redacted]

The adjustments in the table above reflect all of the market-wide modifiers allowed in federal regulation and the average demographic characteristics of the single risk pool. Please note the allowable market-wide modifiers were adjusted to an allowed basis in the development of the market-adjusted index rate which is consistent with the basis of the projected index rate.

Risk Adjustment Payment/Charge

To estimate the risk adjustment PMPM, Oscar relied upon the results of the The Wakley National Risk Adjustment Reporting Project supplied to Oscar by Wakely to estimate the market wide plan liability risk score, allowable rating factor, actuarial value, and induced demand factor for the individual market. The statewide average premium estimates relied on results from the *Interim Summary Report on Risk Adjustment for the 2025 Benefit Year* published by CMS on March 13, 2026. Oscar's geographic cost factor was also adjusted based on the anticipated geographic mix for the 2027 plan year.

Additional adjustments were made to account for the anticipated changes in the Health and Human Services Hierarchical Condition Categories (HHS-HCC) risk adjustment coefficient changes from the 2025 plan year to the 2027 plan year, for both Oscar and the market. These adjustments were determined from the HHS Risk Weight Conversion Tool that was supplied to Oscar by Wakely.

Oscar also included an adjustment to account for the anticipated impact of the Risk Adjustment Data Validation (RADV) audit on the 2027 plan year. To estimate the RADV impact, Oscar relied on historical experience in the individual market, measured anticipated risk adjustment coding error rates inherent in the 2023 and 2024 plan years, and forecasted those error rates to the projection period. The RADV impact is estimated as a payment of [redacted] PMPM.

Lastly, Oscar considered the impact to the projected risk adjustment transfer for the addition of the high-cost risk pooling mechanism that was implemented starting with the 2018 plan year.

The projected risk adjustment transfer, net of the risk adjustment user fee and expressed on an allowed basis, is estimated as a payment of approximately [redacted] and is reflected in Worksheet 1, Section II of the URRT.

Any resulting risk adjustment transfer payments would be allocated proportionally across all plans in Oscar's individual market single risk pool.

Detailed quantitative support of the risk adjustment transfer projection is provided in Exhibit B.

Exchange User Fees

Oscar assumed that [redacted] of gross premiums will enroll through the exchange which translates to an estimated exchange user fee assessment of [redacted] PMPM. Development of this estimate is provided in Table 3.

[redacted]

The projected exchange user fee, expressed on an allowed basis, is estimated as a payment of approximately [redacted] and is reflected in Worksheet 1, Section II of the URRT.

4.4. Plan-Adjusted Index Rate

Projected Plan-Adjusted Index Rates

Exhibit C summarizes the plan-adjusted index rates, which are determined by applying the allowable plan-level modifiers to the market-adjusted index rate.

The allowable modifiers as described in 45 CFR Part 156, §156.80(d)(2) are the following:

Actuarial Value and Cost-Sharing

Each plan's actuarial value and cost-sharing factor includes a benefit relativity adjustment and the expected impact of the plan's cost sharing amounts on the member's utilization of services. Oscar's internal benefit pricing model, which uses a single claim distribution for all plans, was used to estimate how members purchase services differently based on the level of plan-specific cost sharing. By utilizing a static claim distribution, the pricing model's adjustments assume the same demographic and risk characteristics for each plan priced and therefore exclude expected differences in the health status of members assumed to select each plan.

Plan's Provider Network and Delivery System Characteristics

There are no anticipated plan-specific differences in the provider network or utilization management practices in Oscar's projected product suite.

Plan Benefits in Addition to the EHBs

Oscar's product suite will not cover benefits for any non-EHB services, except for adult dental and vision benefits in select plans.

Administrative Costs, Excluding Exchange User Fees

The net claims costs are adjusted to account for expected non-benefit expenses. Exhibit D summarizes the components of the administrative cost factor as shown in Worksheet 2, Section III of the URRT.

Expected Impact of the Specific Eligibility Categories for the Catastrophic Plan

A specific eligibility adjustment reflects the difference in expected demographics between the catastrophic plan and the non-catastrophic plans due to the unique eligibility requirements of the catastrophic plan (i.e. that only individuals under the age of 30 or eligible by reason of financial hardship can enroll). This adjustment reflects that costs vary by age and the cost of the population expected to enroll in the catastrophic plan is anticipated to be lower than non-catastrophic plans.

Oscar is proposing no change to the currently approved catastrophic eligibility adjustment.

4.5. Calibration

A composite calibration adjustment is applied uniformly to all plans. Detailed support of the calibration factor is provided in Exhibit E. The market-wide calibration factor is [redacted].

Age Curve Calibration

The average age factor used in the calibration process is [redacted] and was determined by applying the standard age curve established by HHS to the projected member distribution by age, with an adjustment for non-billable members who exceed the maximum of three child dependents under the age of 21 rule.

Under this methodology, the approximate average rated age, rounded to the nearest whole number, associated with the single risk pool is [redacted].

Geographic Factor Calibration

The average geographic rating factor is [redacted]. In order to determine the geographic calibration factor the projected distribution of members by area was determined. The weighted average of the area factors was then calculated using this distribution.

Exhibit F provides a summary of the proposed geographic rating factors applied to the plan-adjusted index rates.

Tobacco Factor Calibration

The average tobacco rating factor used in the calibration process is [redacted].

The tobacco factors by age were developed using a Milliman research report titled *Impact of Height, Weight, and Smoking on Medical Claim Costs*, which tabulates the medical claim costs by age for smokers and non-smokers using a government data source, the Medical Expenditure Panel Survey (MEPS). Smoker prevalence rates, which were utilized above to develop the tobacco calibration factor, were based on Oscar's empirical data, and are not anticipated to be substantially different in the projection period.

Oscar is proposing no change to the currently approved tobacco rating factors.

4.6. Consumer-Adjusted Premium Rate Development

Oscar derives consumer-adjusted premium rates by calibrating the plan-adjusted index rate and applying the rating factors specified by 45 CFR Part 147, §147.102. Exhibit G includes the proposed rate manual and a sample rate calculation.

5. Projected Loss Ratio

Oscar's projected loss ratio based on the federally-prescribed MLR methodology is [redacted]. The numerator of the projected loss ratio contains claim costs and HCQI expenses net of receipts from the risk adjustment program and the denominator consists of total premiums net of premium taxes and regulatory fees. Note the MLR in this context does not capture all adjustments, including multi-year averaging, credibility, and deductible averaging.

This projection meets the minimum loss ratio of 65.0% for guaranteed renewable individual forms as documented in Florida Rule 69O-149.006, F.A.C, assuming that risk adjustment is included in the numerator and classified as a medical expense item.

Summary of the components included in this loss ratio projection is provided in Exhibit H.

6. Plan Product Information

6.1. AV Metal Values

The AV metal values included in Worksheet 2, Section I of the URRT were based on the HHS actuarial value calculator. The development of the actuarial value, for a subset of unique plans, is based on one of the acceptable alternative methods outlined in CFR 156.135(b)(2) or 156.135(b)(3) for benefits that deviate substantially from the parameters of the AVC and have a material impact on the actuarial value.

6.2. Membership Projections

Oscar projected membership as displayed in Worksheet 2, Section IV of the URRT by considering the size of the projected Florida individual market in 2027 as well as our historical enrollment patterns of the Florida individual market, to estimate our assumed market penetration rate and member months projection. For silver level plans in the individual market, an estimate was made for the portion of projected enrollment that will be eligible for CSR subsidies at each subsidy level.

The projection assumes full membership persistency. Oscar assumes members exiting Oscar's population will have similar characteristics to those enrolling, and thus make no adjustments for lapses. There are currently [redacted] policyholders that will be affected by a rate change.

Exhibit I summarizes the membership projection by metal level, including the alternative variant silver plans which CSR eligibles can purchase, and exchange status.

6.3. Plan Type

The plan types listed in Worksheet 2, Section I of the URRT appropriately describe Oscar's plans.

7. Miscellaneous Information

7.1. Effective Rate Review Information

CSR Subsidies

Oscar assumed that CSR subsidies will not be funded by the federal government for the 2027 plan year. If CSR funds are not appropriated and CSR plans continue to be offered, Oscar will then be solely responsible for covering cost sharing for these members. The proposed rates contained herein assume that CSR subsidies remain unfunded by the federal government and that the resulting shortfall will be applied exclusively to Oscar's on-exchange silver plans.

Description of Benefits

Oscar offers [redacted] Health Maintenance Organization (HMO) plans which provide comprehensive medical benefits for services within the described provider network. Benefits and services are subject to a combination of cost-sharing provisions such as deductibles, coinsurance, and copayments. All EHBs outlined in the state benchmark plan are covered. These plan design options are summarized in the actuarial value screenshots, included in this rate filing as a separate attachment, with their corresponding HIOS IDs.

Terminated Products

Exhibit J summarizes both the discontinued plans that were included in the single risk pool during the experience period or made available thereafter and the corresponding mapped plans.

Marketing Method

Oscar will market individual policies through the federally facilitated marketplace, direct sales channels and broker arrangements.

Renewability

The products offered within this filing are all guaranteed issue (i.e., no medical underwriting) and guaranteed renewable as required under the ACA. This rate filing applies to non-grandfathered plans only that are open to new sales. Premiums will be charged on a monthly basis and are guaranteed for the duration of the 2027 plan year.

Issue Age Limit

No age limits apply to the plans represented in this filing. Dependent children are eligible for coverage up to and including age 25.

Cost Share Reduction Actual versus Projected Costs

On May 15, 2026, HHS, through CMS, issued the "HHS Notice of Benefit and Payment Parameters for 2027 Final Rule", requiring issuers to provide additional data related to CSR payments in the URRT. In particular, Oscar has been asked to report on the following:

1. Issuer CSR Payments for the Experience Period
   To estimate CSRs paid in 2025, we followed CMS standard methodology by performing an analytical readjudication of claims for all members in a CSR plan on the corresponding base Silver plan using our internal pricing Actuarial Value model. Please note that this was not a true readjudication as our internal model faces issues including, but not limited to, mismatches in claim adjudication order caused by claim adjustments, carry-over of member accumulators resulting from plan changes, and missing claim benefit codes for externally priced and adjudicated claims. Oscar simulated actual claim adjudication and performed validation on the model to ensure discrepancies are within the margin of error acceptable for the purpose of this exercise.

2. Recoveries from CSR Load for the Experience Period
   To calculate CSR Load Recoveries, we divided the premium revenue by the CSR factors, and subtract that amount from the premium revenue. Oscar used the net premium revenue (i.e. adding risk adjustment receivables and subtracting premium tax and exchange fees from gross premium) in the calculation of CSR Load Recoveries.

3. Recoveries from CSR Load for the Projected Period
   The Projected CSR Load Recoveries are calculated following the same methodology as those for experience period, but are using projected period premium revenue instead. Oscar relies upon the CSR load provided by FLOIR that has been determined to be appropriate per FLOIR's methodology.

4. Issuer CSR Payments for the Projected Period
   Projected issuer payments align with the recoveries from FLOIR's mandated CSR load. This load was developed using market-wide data and complies with single risk pool requirements.

7.2. Reliance

In developing this rate filing, several internal departments were relied upon for information and assumption setting. This information includes, but is not limited to: Actuarial providing pandemic modeling, rating factors, and claim trend projections; Insurance Financial Management providing membership projections, non-benefit expenses, and taxes and fees; supplemental market data and analytics modeling to estimate the impact of the Expiration of the Enhanced Subsidy Tax Credits from third party consultants; and the Insurance Business providing product changes and contractual terms for healthcare providers and vendors. I have performed a limited review of this information and have deemed it to be reasonable.

7.3. Actuarial Certification

I, [redacted], for Oscar. I am a member of the American Academy of Actuaries and I meet the qualification standards of the Academy to render the actuarial opinion contained herein.

I hereby certify that the projected index rate is to the best of my knowledge and understanding:

- In compliance with all applicable state and federal statutes and regulations (45 CFR Part 156, §156.80(d)(2) and 45 CFR Part 147, §147.102),

- Developed in compliance with the applicable Actuarial Standards of Practice, including but not limited to:
    - ASOP No. 5, *Incurred Health and Disability Claims*,
    - ASOP No. 8, *Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits*,
    - ASOP No. 12, *Risk Classification*,
    - ASOP No. 23, *Data Quality*,
    - ASOP No. 25, *Credibility Procedures*,
    - ASOP No. 26, *Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans*,
    - ASOP No. 41, *Actuarial Communications*,
    - ASOP No. 42, *Determining Health and Disability Liabilities Other than Liabilities for Incurred Claims,*
    - ASOP No. 45, *The Use of Health Status Based Risk Adjustment Methodologies,* and
    - ASOP No. 50, *Determining Minimum Value and Actuarial Value Under the ACA*.
- Reasonable in relation to the benefits provided and the population anticipated to be covered, and

- Neither excessive nor deficient.

I further certify that:

- The index rate and only the allowable modifiers as described in 45 CFR Part 156, §156.80(d)(1) and 45 CFR Part 156, §156.80(d)(2) were used to generate plan level rates,
- The geographic rating factors reflect only differences in the costs of delivery and do not include differences for population morbidity by geographic area, and
- The AV calculator was used to determine the AV metal values shown on Worksheet 2 of the Part I URRT for all plans.

URRT Methodology

The Part I URRT and Florida ACA Rate Review Template do not demonstrate the process used by Oscar to develop proposed premium rates. It is representative of information required by federal and state 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 regulations and used consistently and only adjusted by the allowable modifiers.

CSR Loading

Mandated CSR loads were applied in accordance with FLOIR rate filing guidance. Actual CSR loads may differ from the methods prescribed, which may affect the extent to which the rates presented herein are neither excessive nor deficient.

Individual ACA Marketplace Changes

Rates were developed in line with the current law, which at the time of this rate filing reflects the expiration of the Enhanced Premium Tax Credits introduced by the Inflation Reduction Act (IRA) as of 12/31/2025, as well as provisions introduced by the *2025 Marketplace Integrity and Affordability Final Rule and the HHS Notice of Benefit and Payment Parameters for 2027 Final Rule*. Future regulatory, legislative, and economic changes may affect the extent to which the rates presented herein are neither excessive nor deficient. This includes, but is not limited to, changes to the *HHS Notice of Benefit and Payment Parameters for 2027 Final Rule*, any changes to the Premium Tax Credit subsidy structure, changes to Medicaid eligibility, and the potential funding of Cost Sharing Reductions.



Exhibit A

Summary of Proposed Rate Increases

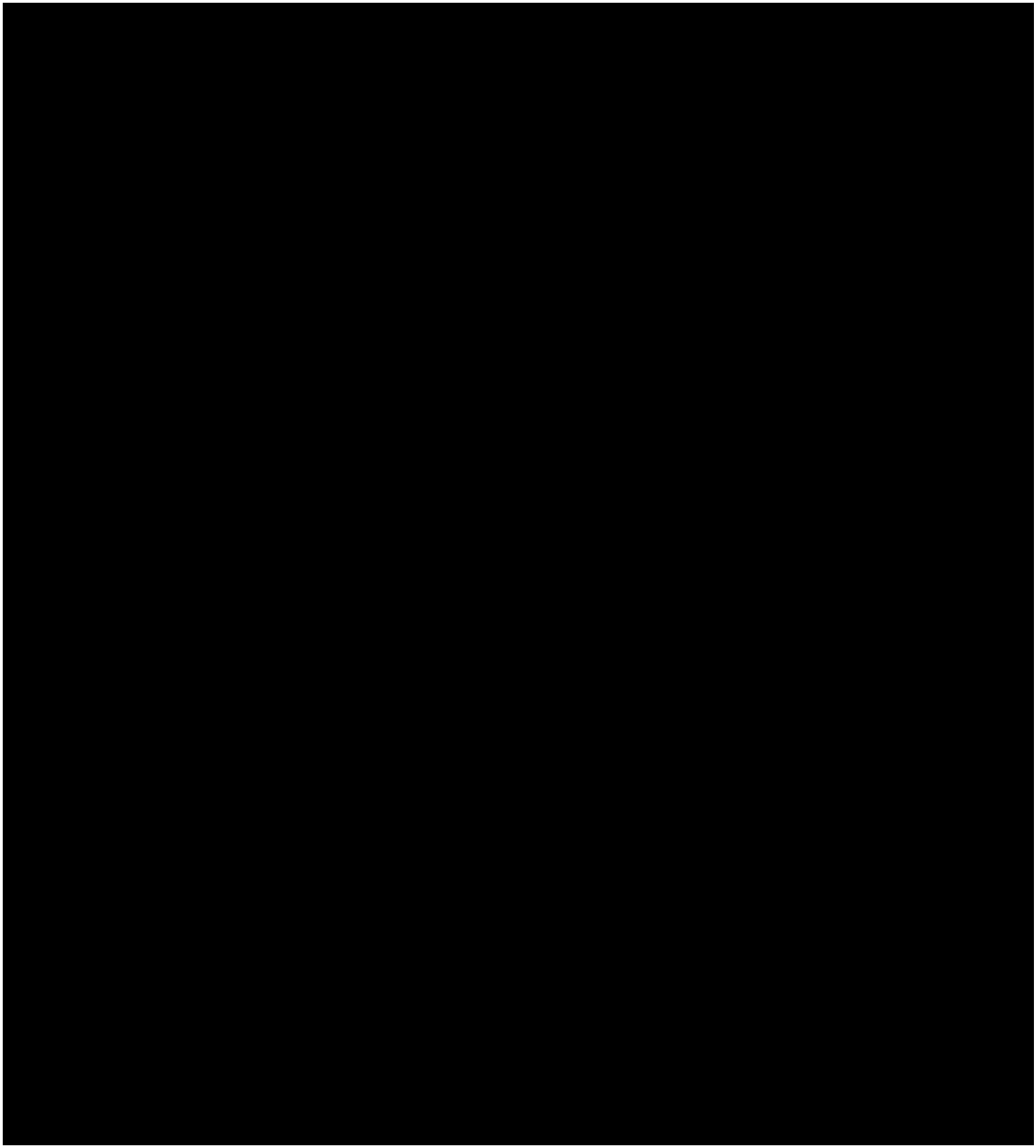



Exhibit B

Risk Adjustment Transfer Projection for the 2027 Plan Year

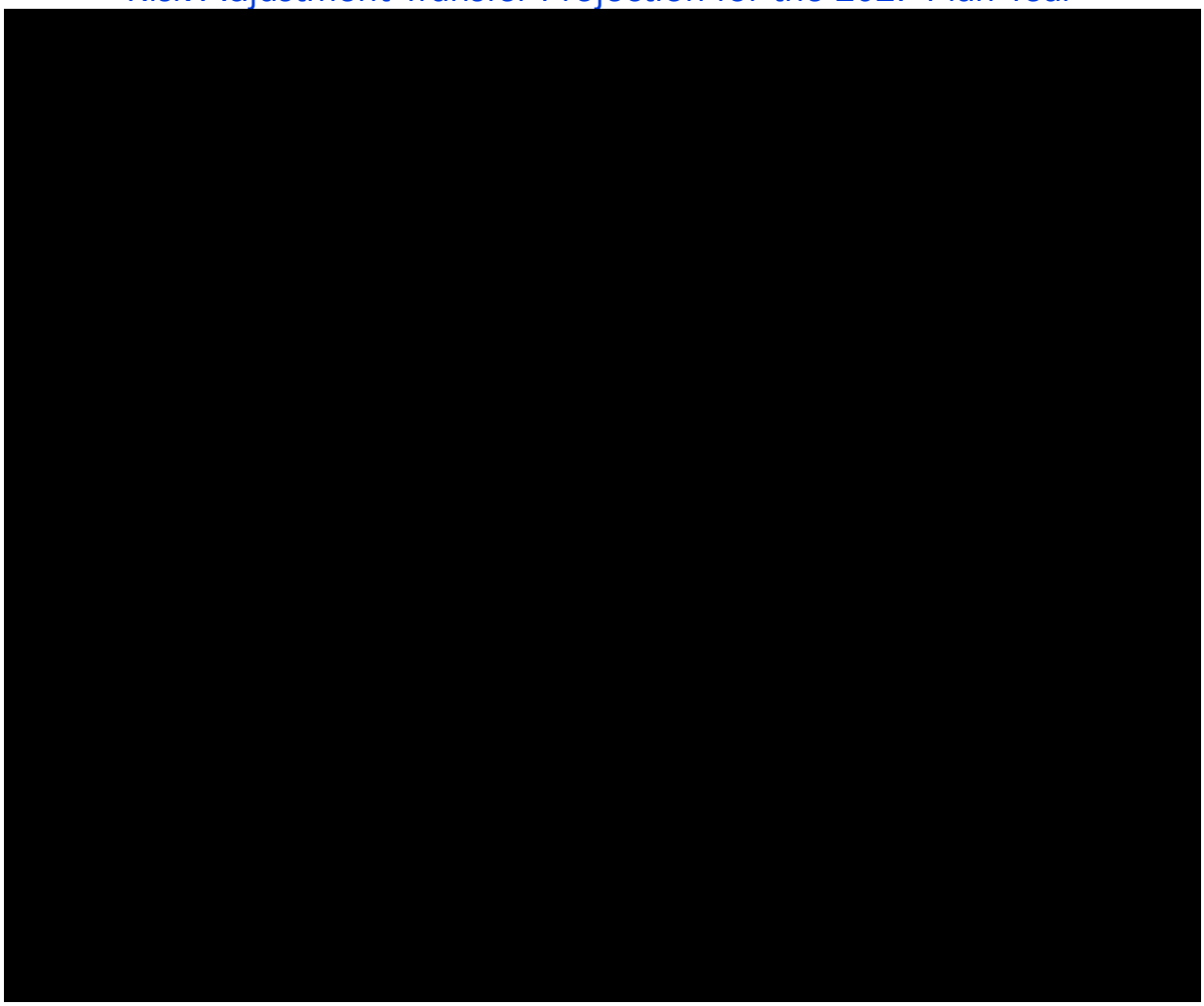

Exhibit C

Plan-Adjusted Index Rates (1 of 2)

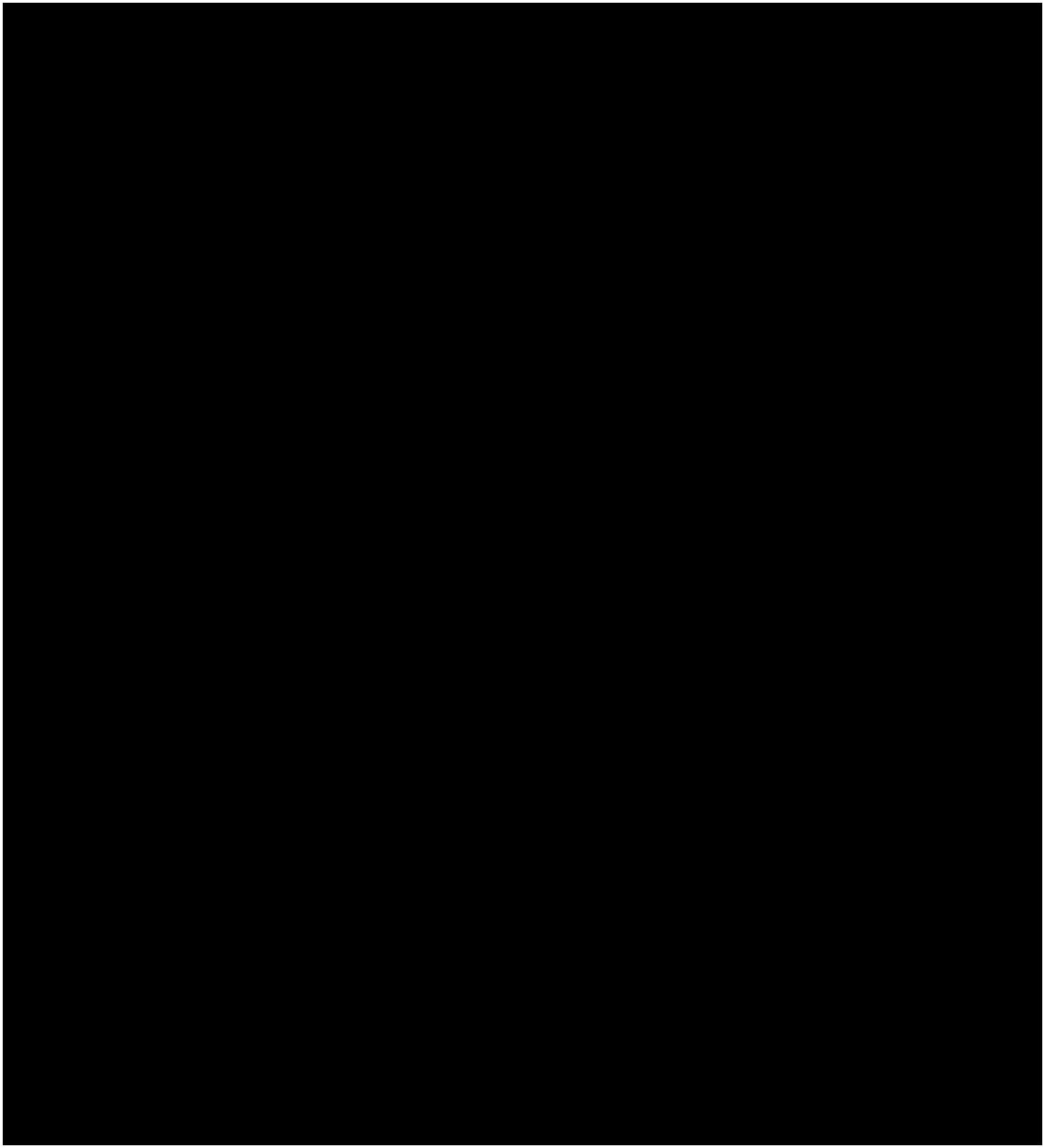



Exhibit C

Plan-Adjusted Index Rates (2 of 2)

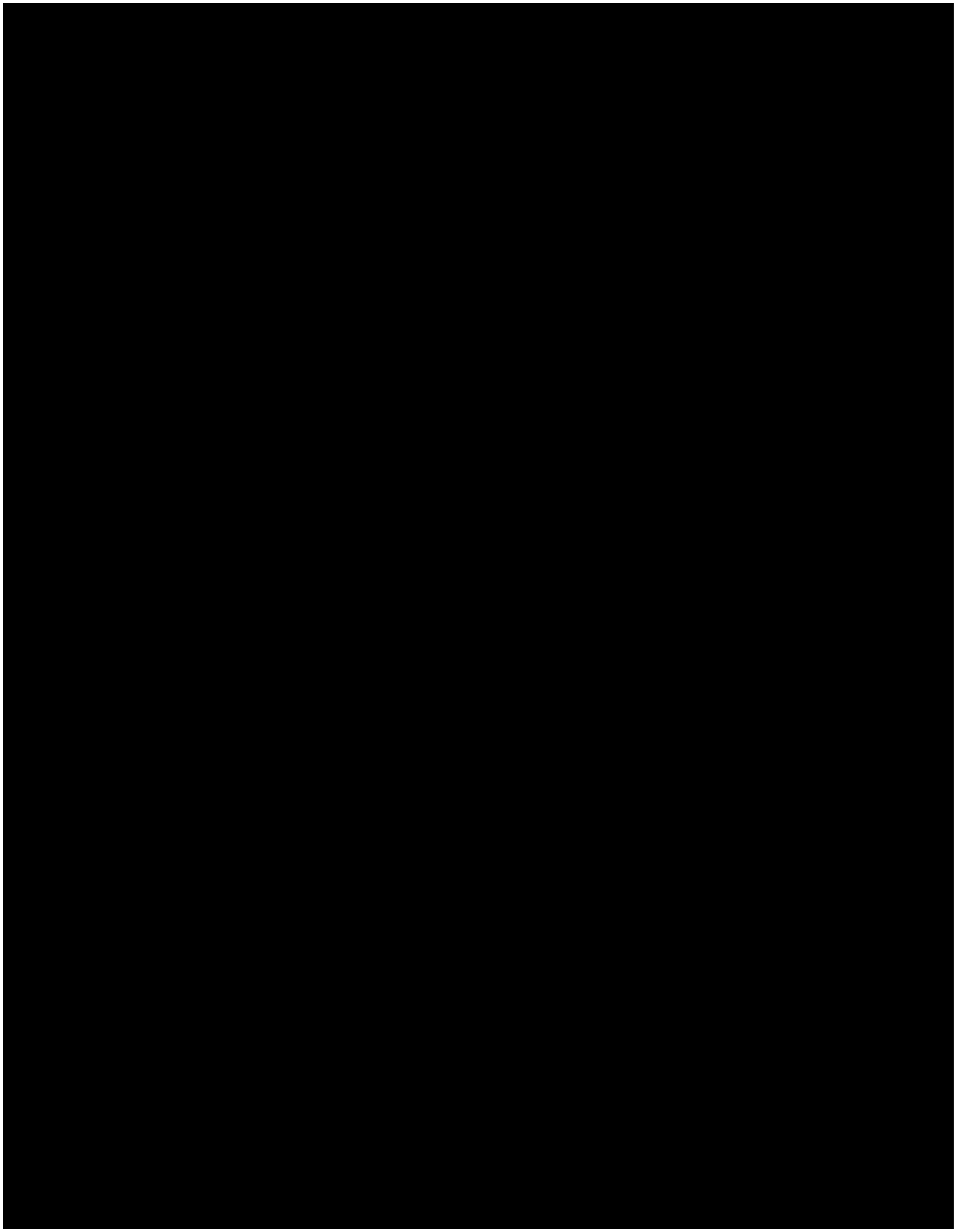



Exhibit D

Administrative Cost Factor Components

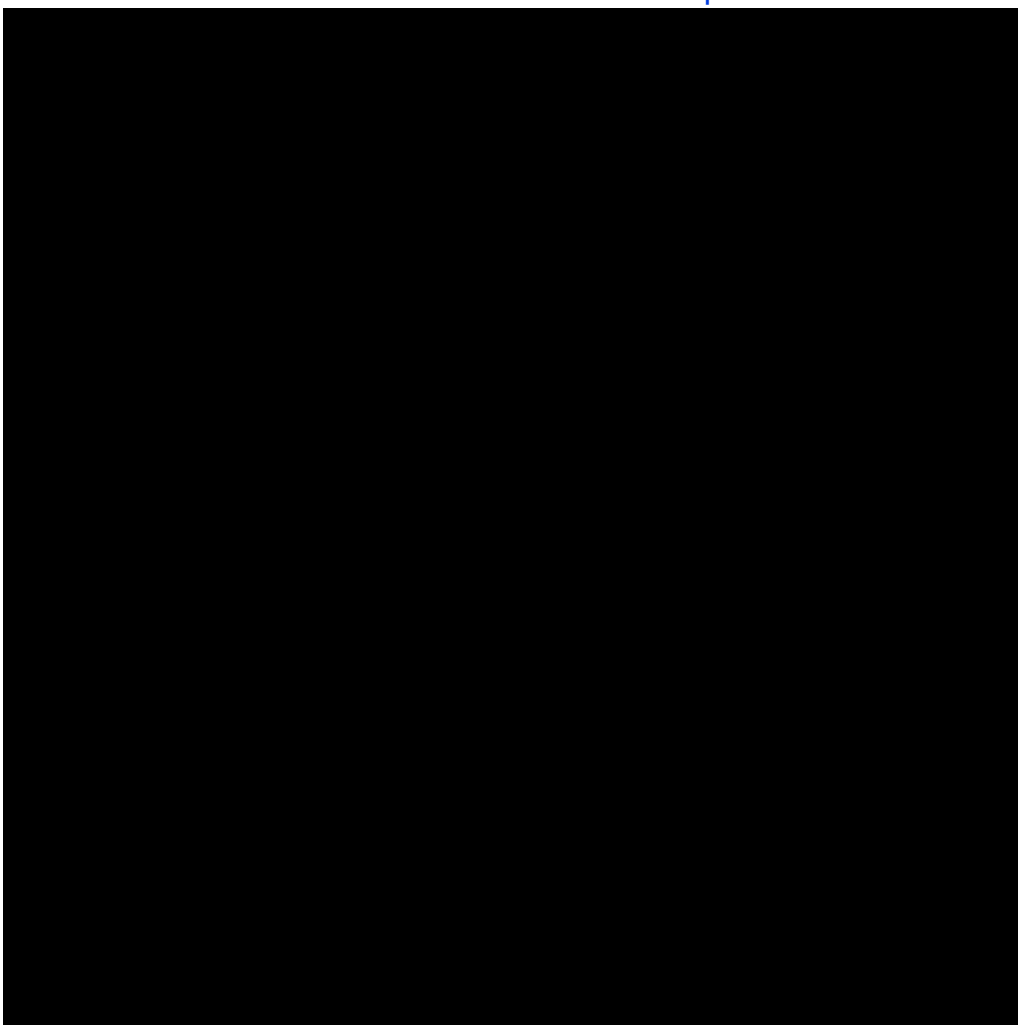

Exhibit E

Calibration Development

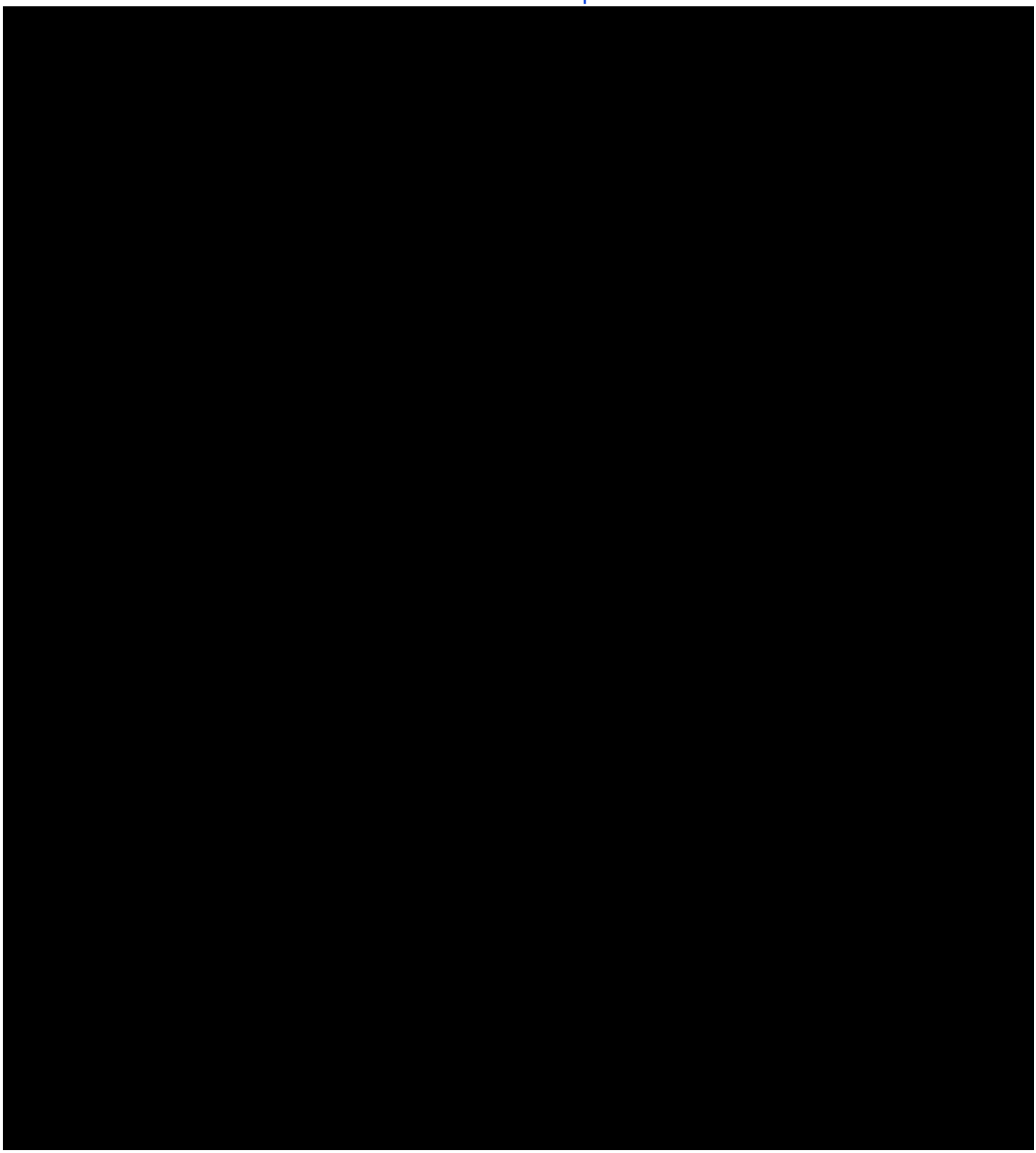

Exhibit F

Geographic Rating Factors

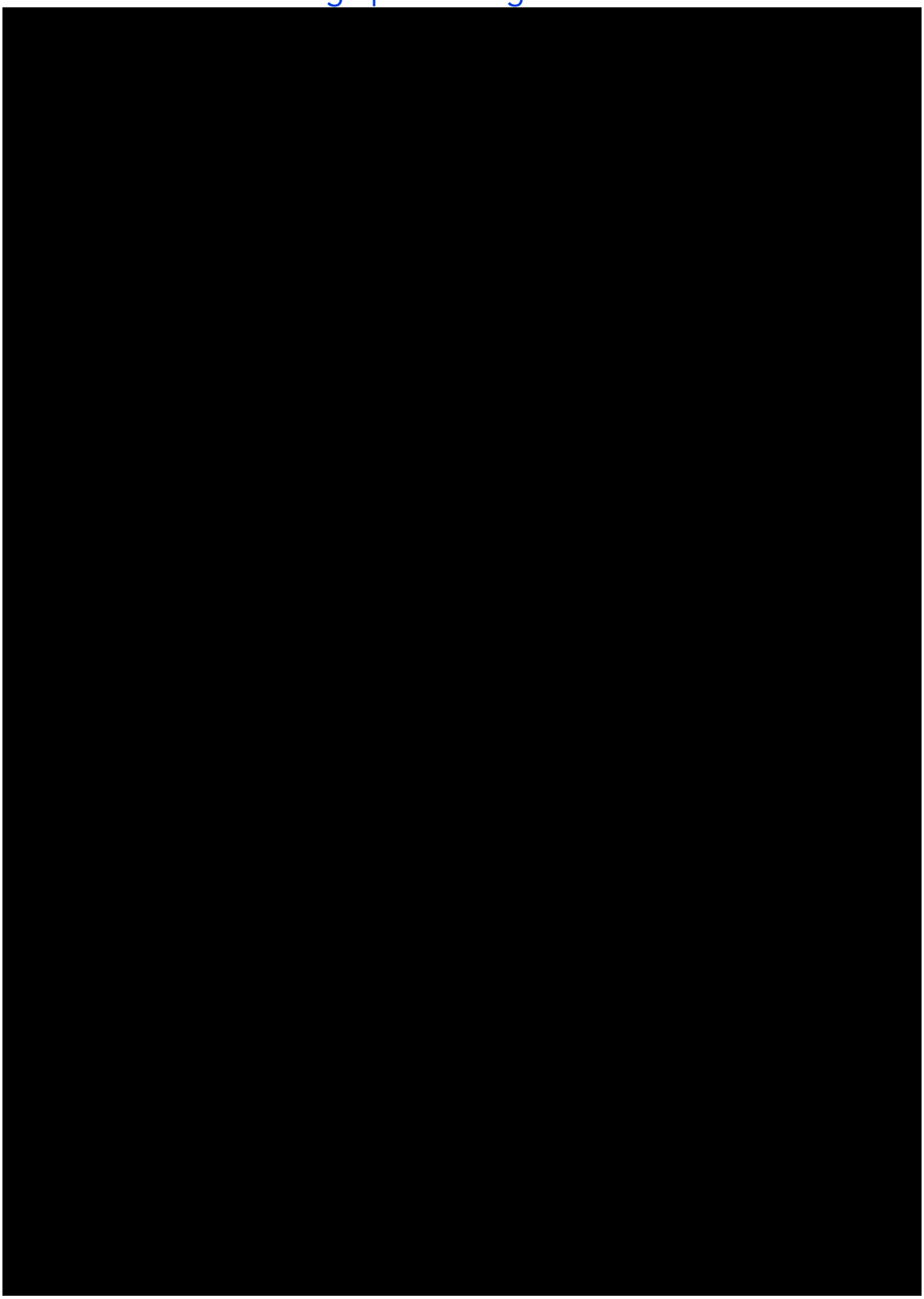

Exhibit G

Rate Manual



Exhibit H

Projected Medical Loss Ratio



Exhibit I

Distribution of Membership Across Metal



Exhibit J

Terminated Products

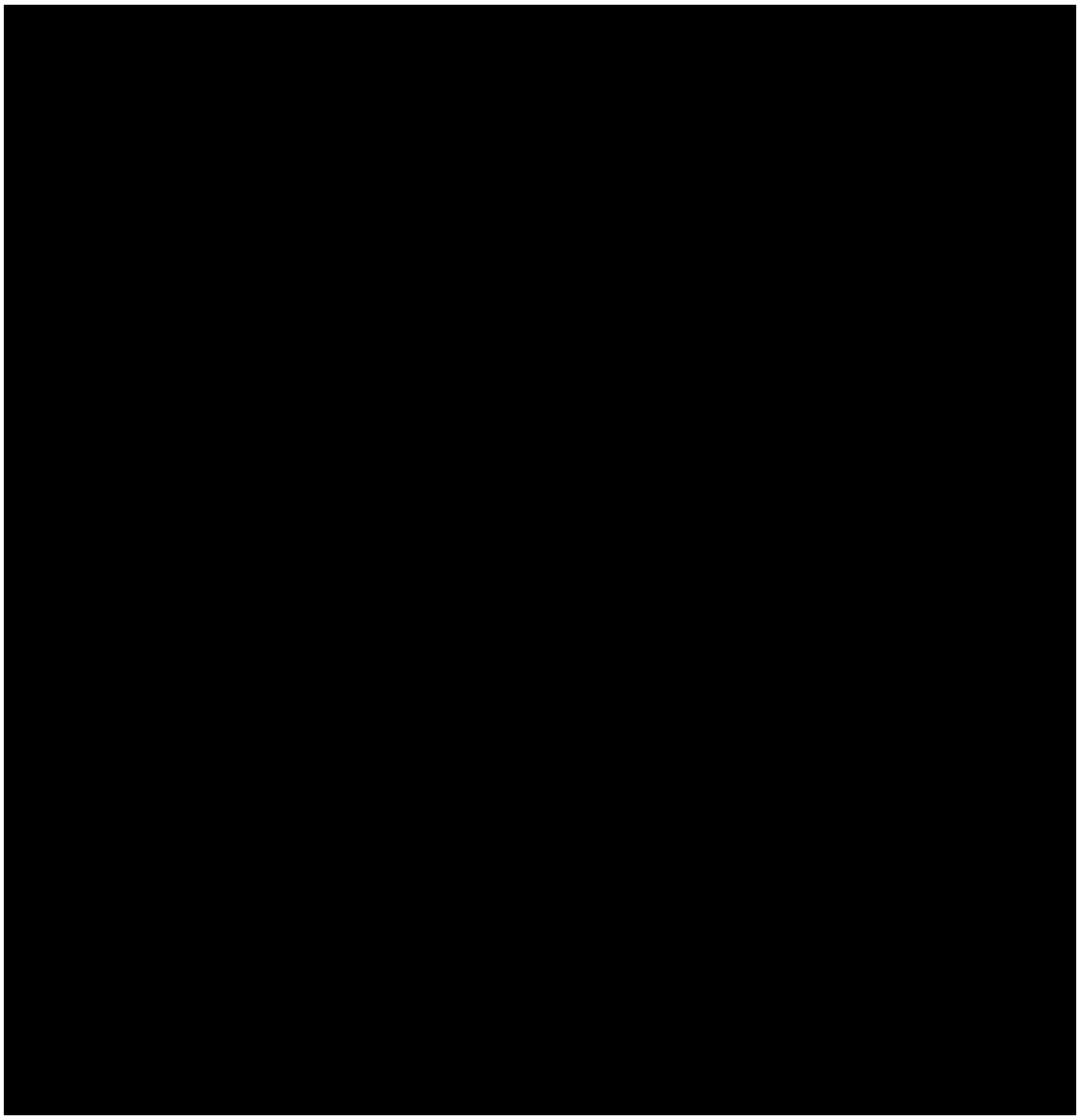

Exhibit K

Crosswalk to the Components of the Florida Actuarial Memorandum

	Item	Location
a.	Scope & Purpose	Section 1
b.	Benefit Description	Section 7.1
c.	Renewability Clause	Section 7.1
d.	Applicability	Section 1
e.	Morbidity	Section 4.3
f.	Mortality	Not Applicable
g.	Persistency	Section 6.2
h.	Expenses	Exhibit D
i.	Marketing Method	Section 7.1
j.	Underwriting	Section 7.1
k.	Premium Classes	Exhibit E
l.	Issue Age Range	Exhibit E
m.	Area Factors	Exhibit F
n.	Average Annual Premium	Exhibit H
o.	Premium Modalization Rules	Section 7.1
p.	Claim Liability and Reserves	Section 4.1
q.	Active Life Reserves	Not Applicable
r.	Trend Assumption - Medical and Insurance	Section 4.3
s.	Minimum Loss Ratio	Section 5
t.	Anticipated Loss Ratio	Section 5
u.	Distribution of Business	Exhibit E
v.	Contingency & Risk Margins	Exhibit D
w.	Experience - Past & Future	See Data Template, and Part I URRT
x.	Lifetime Loss Ratio	Exhibit H
y.	History of Rate Adjustments	Exhibit A
z.	Number of Policyholders	Section 6.2
aa.	Proposed Effective Date	Section 1
ab.	Actuarial Certification	Section 7.3