

**Federal Rate Filing Justification Part III
Actuarial Memorandum and Certification**

UnitedHealthcare Insurance Company

NAIC: 79413

FEIN: 36-2739571

State of Florida Rate Review

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Section 1: Purpose

Following is a rate filing prepared by UnitedHealthcare Insurance Company (referenced as UHIC, or the Company). This filing has been prepared to provide the necessary information required by the Department of Health and Human Services. The purpose of this memorandum is to provide information relevant to the Federal Part I Unified Rate Review Template (URRT).

This filing establishes rates intended to be used for non-grandfathered PPACA compliant small group health benefit plans sold off the Small Business Health Options Program (SHOP) in Florida for the 2027 plan year. The rates and other information in this submission are based on the current regulations and guidance from HHS

This memorandum is intended solely for the information of and use by the Department of Health and Human Services and the Florida Office of Insurance Regulation. It will demonstrate compliance with state and federal laws and regulations related to the development of the index rate and allowable rating factors and is not intended to be used for any other purpose.

The attached document contains confidential, proprietary information and trade secrets.

Section 2: General Information

Company Identifying Information

Company Legal Name: UnitedHealthcare Insurance Company (UHC)
 State: Florida
 HIOS Issuer ID: 43839
 Market: Small Group
 Proposed Effective Date: January 1, 2027

Primary Contact Information

Name: [REDACTED]
 Telephone Number: [REDACTED]
 Email Address: [REDACTED]

Section 3: Proposed Rate Changes

The following details explain any proposed changes to our rating components:

Base Premium Rates:

There are new base rates included in this filing. Details regarding the base premium rates are provided in the state filing.

Age Factors:

The age rating table is unchanged and continues to use the recommended age rating scale from HHS.

Area Factors:

Exhibit E of the state filing contains the area factors for the 67 rating areas. Counties define the rating areas. Geographic factors are calculated based on average medical cost patterns by rating area. Geographic area rating factors are reviewed periodically versus UnitedHealthcare claims data that reflects unit cost differences by county. Such a review was conducted as part of our January 2027 rate development. [REDACTED]
 [REDACTED]

Trend:

An annual pricing trend of [REDACTED] is proposed with this filing. Additional details regarding trend are located in both the state filing and in other sections of this memo.

Plan Designs/Factors:

All plan relativity factors have been updated to reflect UnitedHealthcare's most recent pricing model.

The impact of any changes to plans that have occurred due to uniform modification or maintaining AV compliance are also reflected in the updated plan relativity factors. Please see the "Plan Adjusted Index Rate" section of the memorandum for more detail on these changes.

The PPACA compliant plan designs with plan relativities and actuarial value metal tiers are provided in Exhibits B and C in the state filing. All listed plans are designed based on the final Market Reform Rule requirements.

We refined the medical and pharmacy plan price relativities to reflect the most recent pricing methodology and pricing models. The methodology is based on UnitedHealthcare nationwide experience data, which contains utilization frequencies and unit costs by service category, in addition to 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. The expected paid-to-allowed relativities and expected utilization differences due to differences in cost sharing for each plan are then used to develop the plan factors for each benefit plan. All benefit plans are priced consistently with each other, with the rates differing only by the estimated value of the benefits and the expected utilization differences due to differences in cost sharing. The utilization differences do not reflect differences due to health status. The net impact of all changes by plan can be found in Worksheet 2, Section I of the Unified Rate Review Template.

Significant factors driving the proposed rate changes are discussed in further detail in Section 6 (*Projection Factors*) and Section 7 (*Credibility Manual Rate Development*) of this memorandum.

Section 4: Experience Period Premium and Claims

Paid Through Date

The experience period is January 1, 2025 to December 31, 2025, with claims paid through February 28, 2026.

Current Date

The current enrollment and premium is reported as of 12/31/2025.

Allowed and Incurred Claims Incurred During the Experience Period

Claims Description	
Allowed Claims as of February 28, 2026.	██████████
Incurred Claims as of February 28, 2026.	██████████

The claims data was available directly from company claims records. Incurred claims were developed by actual claims paid through 2/28/2026 by incurred date over the experience period. Estimates of incurred but not paid (IBNP) were added.

Support for estimate of incurred but not paid claims

Historical claims are categorized both by the month in which they were incurred and the month in which they were adjudicated. For incurral months with sufficient adjudicated claim experience, incurred claims are estimated by applying completion factors derived from the historical claims. Adjustments are made based on specific knowledge of the entity (e.g., catastrophic claims, pending claims, etc.). For incurral months where adjudicated claim experience is not sufficient to rely on completion factors, a PMPM is used to estimate incurred claims. PMPM estimates are based on expected claim seasonality patterns, monthly calendar days and work days, emerging claim trends, and other factors.

The same completion factors are applied to both incurred and allowed claims amounts.

Experience Period Risk Adjustment

[illegible]

Experience Period Index Rates

Experience Period Index Rates are defined as the allowed claims PMPM for Essential Health Benefits during the Experience Period. With the breakout of service level EHB claims, the information provided reflects a reasonable estimate of the EHBs.

Section 5: Benefit Categories

Claims were assigned to each of the benefit categories based on where services were administered and the types of medical services rendered. The benefit categories were defined by our claims department using standard industry definitions.

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, laboratory, radiology, therapeutic, observation, and other services provided in an outpatient facility setting and billed by the facility.

Professional

Includes non-capitated primary care, specialist care, therapeutic, the professional component of laboratory and radiology, and other professional services, other than hospital based professionals whose payments are included in facility fees.

Other Medical

Includes non-capitated ambulatory, home health care, durable medical equipment, prosthetics, supplies, vision exams, dental services and other services.

Capitation

Includes all services provided under one or more capitated agreements.

Prescription Drug

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

Section 6: Projection Factors

Trend

Two years of annual trend were applied to our 2025 experience to project it to the 2027 rating period. Our most recent analysis indicates annual trend in the state of Florida for 2026 and 2027 calendar years will be [REDACTED] and [REDACTED], respectively. The table below details the components of each trend factor.

Trend Component	2026	2027
Unit Cost	[REDACTED]	[REDACTED]
Utilization	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

UnitedHealthcare develops forward-looking medical expense estimates based on a number of considerations. In general, recent/emerging claims experience is reviewed at the market level for several broad medical expense categories (inpatient, professional, pharmacy, etc.), with utilization, unit cost, and benefit leveraging identified for each category. Future trends are developed based on a projection of each component.

Utilization rates by category are measured and projected. Forward looking utilization levels are developed based on emerging market level data, supplemented by regional and/or national level utilization data. Macro-economic data is often used to develop assumptions regarding directional changes in national health care consumption rates. UnitedHealthcare uses same store analysis to reflect utilization.

Market-level unit cost projections are developed based on evaluations of current and anticipated provider contract economics, as well as consideration to both current and expected changes in non-contracted provider cost exposure. Unit cost projections also consider the estimated cost impact of new technologies, service availability/mandates, or other factors that might influence the mix of procedures. Unit cost is based on our contractual changes with providers.

In addition, market-level healthcare affordability activities that are expected to impact forward-looking medical costs are recognized. Depending on the nature of individual initiatives, the impact may be recognized in one or more of the component cost items discussed above. Only incremental activities are recognized for this purpose in the expected trend impact for any particular period.

Morbidity Adjustment

[REDACTED]

[REDACTED]

[REDACTED]

Demographic Shift

[REDACTED]

[REDACTED]

Plan Design Changes

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Other Adjustments

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Section 7: Credibility Manual Rate Development

Source and Appropriateness of Data Used

UHIC is considered fully credible so no other experience was used in the rate development.

Adjustments Made to the Data

Since this block is fully credible the only adjustments made were highlighted in Section 6.

Inclusion of Capitation Payments

Capitation payments are included in both the experience and projections.

Section 8: Credibility of Experience

UHIC had an average ACR membership of [REDACTED] over the experience period. Florida regulations define 100% credibility at 2,000 employees. For the purpose of developing base rates, UHIC is considered fully credible, and therefore reflects the anticipated population, region, and provider network.

Section 9: Development of Projected Index Rate

The experience period index rate is [REDACTED].

The Index Rate For the experience period is approximately [REDACTED] of allowed claims due to benefits in excess of EHBs. The reported percentage amount is based on experience data. The index rate of the experience period has been reported accordingly. The Index Rate in the projection period represents [REDACTED] of allowed claims due to the benefits in excess of EHBs.

The projected index rate of [REDACTED] was calculated by trending and adjusting the experience period index rate to the projection period. It is established in accordance with the requirements of 45 CFR §156.80(d). See sections 6, 7, and 8 of this memo for more details.

Section 10: Development of the Market-wide Index Rate

Reinsurance

There is no reinsurance program in force for this business, and as a result there are no reinsurance recoveries to report.

Risk Adjustment Payment/Charge

UnitedHealthcare Insurance Company anticipates [REDACTED] for risk adjustment transfers in the state of Florida for the 2027 plan year. For purposes of calculating the Market Adjusted Index Rate, we have converted this from a premium basis to a value of [REDACTED] on an allowed claims basis. We are assuming the risk level of our business relative to that of our competitors for the 2027 plan year will be [REDACTED]. Since risk adjustment transfer payments are a function of the market level premium, our projected risk adjustment transfer PMPM amount is calculated by [REDACTED]

and other adjustments based on the overall financial performance of the market.

Index Rate	Net Federal or State Reinsurance (allowed basis)	Risk Adjustment Payment/Charge (allowed basis)	Exchange Fee Adjustment (allowed basis)	Market Adjusted Index Rate

*The figures above may not tally exactly due to rounding of the display.

Section 11: Plan Adjusted Index Rate

Actuarial Value and Cost Sharing Adjustment

[REDACTED]

[REDACTED]

[REDACTED]

Provider network, delivery system and utilization management adjustment

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

Benefits in Addition to EHBs

[REDACTED]

Distribution and Administrative Costs

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

Administrative Expense Load

The administrative expense load is a long-term estimate of administrative expenses, including selling expenses and general administrative expenses. This load is consistent across most products and plans. However, a small number of plans may have different expense loads due to unique features of those plans. These assumptions are based on the general ledger actual results for 2025 with known adjustments. Known adjustments include, but are not limited to, pay increases/raises for employees and administrative expenses as a result of Healthcare Reform and compliance requirements. The administrative expense allocation methodology used in pricing is appropriate because it is consistent with how UnitedHealthcare runs its business and how it allocates administrative costs for Statutory Filings and the Healthcare Reform Exhibits.

Profit and Risk Margin

The profit and risk margin is shown in Worksheet 2, Section III of the URRT. This target does not vary by product or plan.

The profit and risk margin is derived from the difference between the administrative expenses, taxes and fees, and 1 minus the target loss ratio

The profit and risk margin results in an anticipated MLR that is above the minimum requirements as described in the Projected Loss Ratio section.

Taxes and Fees

Taxes and fees are expected to be [REDACTED] and include premium tax, exchange fees (if any), risk adjustment user fees, and federal income tax. The following is a breakdown of the taxes and fees.

Premium Taxes and Fees Allocation	Estimated % of Premium
Federal / State Income Tax on Profit & Risk Load	[REDACTED]
Premium Tax	[REDACTED]
ACA Taxes: Insurer Fee	[REDACTED]
ACA Taxes: PCORI Fee	[REDACTED]
ACA Taxes: Risk Adjustment User Fee	[REDACTED]
ACA Taxes: Exchange User Fee	[REDACTED]
All Other Taxes & Fees	[REDACTED]
Total	[REDACTED]

*The figures above may not tally exactly due to rounding of the display.

Section 12: Calibration

Plan Adjusted Index Rates need to be calibrated to apply the allowable rating factors of age and geography in order to calculate the Consumer Adjusted Premium Rates. Calibration factors are applied uniformly to all plans.

Age Calibration

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

Geographic Calibration

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

Tobacco Calibration

Tobacco factors are [REDACTED]

Section 13: Consumer Adjusted Premium Rate Development

The consumer adjusted premium rate is the final premium rate that is charged to an individual. It is developed by calibrating the plan adjusted index rate by the average age and geographic rating factors, and applying the consumer specific age and geographic rating factors. The calculation is provided below.

- Plan Adjusted Index Rate
- * Age Calibration Factor
- * Geographic Calibration Factor
- * Consumer Specific Age Rating Factor
- * Consumer Specific Geographic Rating Factor
- * Small Group Trend Adjustment
- = Consumer Adjusted Premium Rate

Section 14: Projected Loss Ratio

[REDACTED]

UnitedHealthcare Insurance Company agrees to comply with the rebate requirements of 45 CFR Part 158 should the actual market MLR fall below the 80.0% requirement.

Section 15: AV Metal Values

The AV calculator used to calculate the AV metal values is based on a prescribed methodology and, therefore, does not necessarily reflect a reasonable estimate of the portion of allowed costs covered by the associated plan.

Some plans within this portfolio have cost sharing features that differ between individual and family coverage (i.e., when two or more people are covered by the plan). For all plans, consistent with the Actuarial Value Calculator inputs, we have used only the cost sharing provisions applicable for individuals in the actuarial value calculation.

The AV calculator was used to determine the AV metal values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans. Some of our plan designs are not directly compatible with the AV calculator. The values were developed in accordance with generally accepted actuarial principles and methodologies.

[REDACTED]

[REDACTED]

[REDACTED]

HIOS Plan ID			
43839FL0200002			
43839FL0200003			
43839FL0200015			
43839FL0200016			
43839FL0200030			
43839FL0200035			
43839FL0200038			
43839FL0200039			
43839FL0210005			

Section 16: Membership Projections

The membership projection for the projection period [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Strictly for purposes of the URRT, we have projected membership by plan. Projected membership reflects ACA-only business from the experience period.

Section 17: Terminated Products

[REDACTED] A list of terminating plans is included in the state rate filing.

Section 18: Plan Type

Plan types are shown in the URRT Worksheet 2. Plan types of EPO and POS have been selected, which describes the plans exactly.

Section 19: 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 to be 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 Healthcare Economics Department

- Projected Trend
- Premium Designated Provider Cost savings estimates

UnitedHealthcare National Pricing Team

- Plan relativity modeling

UnitedHealthcare Product Department

- Reasonable and compliant benefit designs

Section 20: Actuarial Certification

I, [REDACTED], am an Actuarial Consultant for UnitedHealthcare and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering statements of actuarial opinion with respect to the filing of rates for health insurance products.

To the best of my knowledge and judgment, I certify that:

- The projected index rate is:
 - In compliance with state and federal statutes and regulations related to the development of the index rate and allowable rating factors (such as 45 CFR 156.80 and 147.102),
 - Developed in compliance with the applicable Actuarial Standards of Practice,
 - Reasonable in relation to the benefits provided and population anticipated to be covered,
 - Neither excessive, deficient, nor unfairly discriminatory.
- 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.
- The percent of total premium that represents essential health benefits included in Worksheet 2, Sections III and IV were calculated in accordance with actuarial standards of practice.
- The geographic rating factors reflect only differences in the costs of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area. I qualify that rate volatility was also taken into consideration in establishing the area factors. UnitedHealthcare is continuing to develop tools to better estimate differences in costs of delivery by area. The data that is currently available may have limited credibility and may not fully account for differences in provider practice patterns. Rate stability and minimizing disruption is preferred, particularly with the uncertain impact of risk adjustment by rating region. Differences in population morbidity were not considered in developing the area factors.
- The AV calculator was used to determine the AV metal values shown in Worksheet 2 of the Part I Unified Rate Review Template for all plans. Some of our plan designs are not directly compatible with the AV calculator. The values were developed in accordance with generally accepted actuarial principles and methodologies. The unique plan design actuarial certification required by 45 CFR Part 156.135 has been separately attached.

I qualify my opinion to state that the Part I Unified Rate Review Template (URRT) does not demonstrate the process used by UnitedHealthcare to develop premium rates that small employer groups in the State of Florida will pay. This process is described in detail in the state-specific submitted actuarial memorandum. Rather, the URRT represents information required by Federal regulation (i) in support of the review of rate increases, (ii) for certification of qualified health plans for federally facilitated exchanges, and (iii) for certification that the index rate is developed in accordance with Federal regulation, is used consistently, and is adjusted only by the allowable modifiers.

[REDACTED]

06/09/2026
Date