

New Hampshire Reinsurance Program

Actuarial Work Group Meeting

03/14/2024

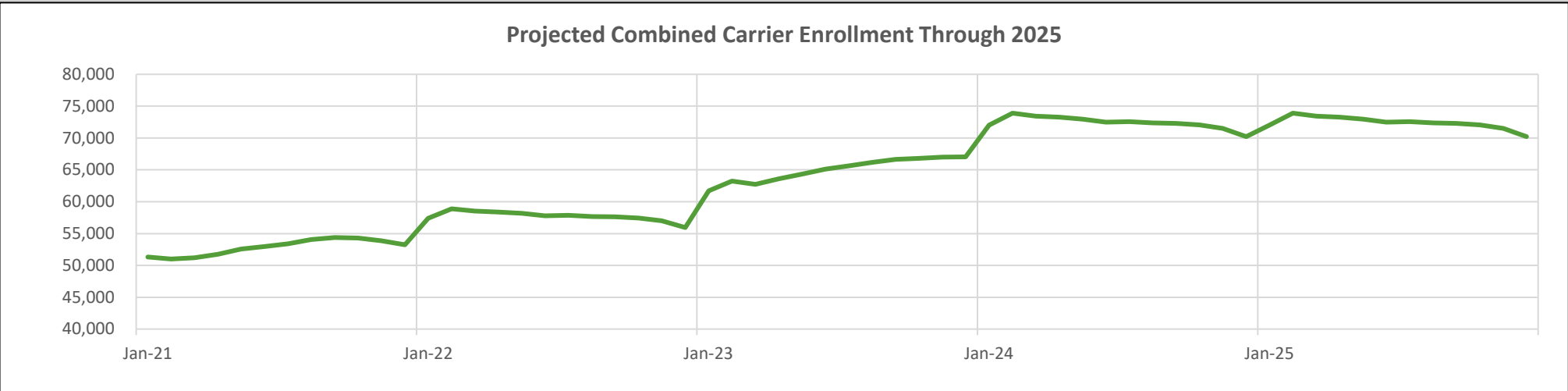
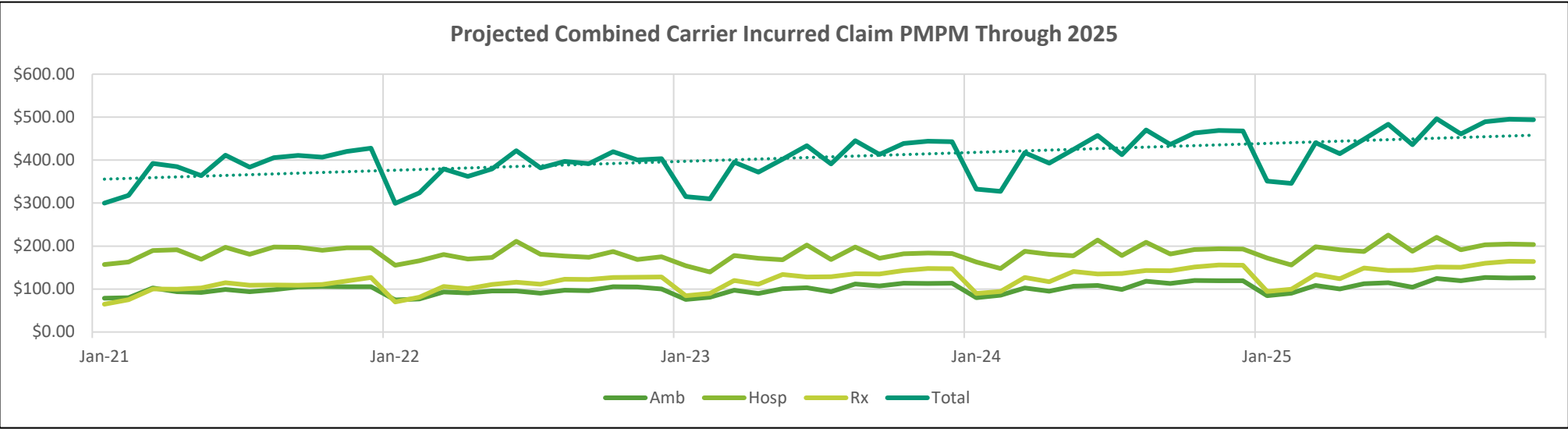
Topics for Today

- Review of trend assumptions
- Review of claim and enrollment projections
- Continuance table findings
- Projected 2025 federal funding
- Proposed 2025 parameter formula
- Revisit 2024 funding projections

Summary of Assumptions

- Claims: 5.6% annual trend from 2023 to 2024 and again to 2025
- Enrollment:
 - 2024 – Assumed enrollment will follow a typical month-to-month pattern (based on 2022) after an initial January increase of 5,000 (7.5%)
 - 2025 – Enrollment will remain flat
- Assumes no new legislation or executive orders in 2024 or 2025

Claim and Enrollment Projections



Continuance Table Findings

2025 Projections	
Total Projected Claims	\$387.6 million
Total Projected Claims in Corridor \$60K to \$400K	\$88.0 million
If total funding is \$40 million, reinsurance reimbursement would be:	46% of ceded claims 10% of total claims
If total funding is \$35 million, reinsurance reimbursement would be:	40% of ceded claims 9% of total claims
If total funding is \$30 million, reinsurance reimbursement would be:	34% of ceded claims 8% of total claims

2025 Federal Funding Projection

Item		Without Waiver	With Waiver
Enrollment	Receiving APTC	39,870	37,418
Avg Premium PMPM	Gross	\$653	\$572
	Actual	\$190	\$148
	APTC	\$463	\$424
Annual Premium	Gross	\$312.6 million	\$256.5 million
	Actual	\$91.1 million	\$66.2 million
	APTC	\$211.5 million	\$190.3 million
Projected APTC Savings			\$31.2 million
PTC Ratio			99.0%
Total PTC Savings			\$30.9 million
Exchange Fee Loss (2.20%)			(\$679,000)
Net Federal Funding			\$30.2 million

Total Estimated 2025 Funding and Reinsurance Percentage

Category	Amount
Federal Funding	\$30.2 million
State Funding	\$12.6 million
Total Funding	\$42.8 million
Reinsurance Claims	\$42.8 million
Reimbursement % <small>Of claims between \$60K and \$400K</small>	49%
Percent of Projected Claims	11%

Total Estimated 2025 Premium Savings

Category	Amount
Projected Premium with Waiver	\$405.5 million
Projected Premium without Waiver	\$448.3 million
Expected Premium Reduction	\$42.8 million
Without Waiver Compared to With Waiver	+11%
Funding Estimate	\$42.8 million

Recommended 2025 Reinsurance Parameters

- Attachment Point: \$60,000
- Upper Limit: \$400,000
- Estimated Reinsurance Percentage: 49%
- Based on Estimated Combined State and Federal Funding: \$42.8 million

Revised 2024 Estimates

Item		Original Estimate		Current Estimate	
		Without Waiver	With Waiver	Without Waiver	With Waiver
Enrollment	Receiving APTC	52,500	51,000	39,700	38,500
Avg Premium PMPM	Gross	\$633	\$557	\$594	\$532
	Actual	\$215	\$197	\$206	\$188
	APTC	\$418	\$360	\$388	\$344
Annual Premium	Gross	\$398.4 million	\$341.2 million	\$283.1 million	\$245.6 million
	Actual	\$135.1 million	\$121.0 million	\$98.4 million	\$86.9 million
	APTC	\$263.3 million	\$220.1 million	\$184.7 million	\$158.7 million
Projected APTC Savings			\$43.2 million		\$26.1 million
Net Federal Funding			\$39.6 million		\$25.2 million
State Funding			\$12.8 million		\$12.8 million
Total Funding			\$52.4 million		\$38.0 million
Estimated Eligible Claims			\$106.0 million		\$89.8 million
Reimbursement Percent			49.4%		42.3%