

WEST VIRGINIA

ATTACHMENT C

APPLICATION COVER SHEET AND CHECK-OFF LIST

Page 1 of 2

Identifying Information:

Grant Opportunity: HHS Health Insurance Rate Review Grants-Cycle I

DUNS #: 162025324 Grant Award: \$1 million

Applicant: West Virginia Offices of the Insurance Commissioner

Primary Contact Person, Name: Tonya Gillespie

Telephone Number: 304.558.6279, ext. 1265 Fax number: 304.558.1610

Email address: tonya.gillespie@wvinsurance.gov

APPLICATION COVER SHEET AND CHECK-OFF LIST

Page 2 of 2

REQUIRED CONTENTS

A complete proposal consists of the following material organized in the sequence below: Please ensure that the project narrative is page-numbered. The sequence is:

- Cover Sheet
- Forms/Mandatory Documents (Grants.gov).

The following forms must be completed with an original signature and enclosed as part of the proposal:

- SF-424: Application for Federal Assistance
- SF-424A: Budget Information
- SF-424B: Assurances-Non-Construction Programs
- SF-LLL: Disclosure of Lobbying Activities
- Additional Assurance Certifications *N/A*
- Required Letter of support and Memorandum of Agreement
- Applicant's Application Cover Letter
- Project Abstract
- Project Narrative
- Work plan and Time Line
- Proposed Budget (Narrative/Justifications)
- Required Appendices
- Resume/Job Description for Project Director and Assistant Director

Opportunity Title:	"Grants to States for Health Insurance Premium Review-C
Offering Agency:	Ofc of Consumer Information & Insurance Oversight
CFDA Number:	93.511
CFDA Description:	Affordable Care Act (ACA) Grants to States for Health I
Opportunity Number:	RFA-FD-10-999
Competition ID:	ADOBE-FORMS-B
Opportunity Open Date:	06/07/2010
Opportunity Close Date:	07/07/2010
Agency Contact:	Gladys Melendez-Bohler Grant Specialist E-mail: Gladys.Melendez-Bohler@fda.hhs.gov Phone: 301-827-7168

This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.

If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.

This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.

* Application Filing Name:

Mandatory Documents

Attachments
Project Abstract
Project Narrative Attachment Form
Objective Work Plan
Budget Narrative Attachment Form

Move Form to Complete

Mandatory Documents for Submission

Application for Federal Assistance (SF-424)
Key Contacts
Budget Information for Non-Construction Program
Assurances for Non-Construction Programs (SF-42)
Disclosure of Lobbying Activities (SF-LLL)
Project/Performance Site Location(s)

Move Form to Delete

Optional Documents

Basic Work Plan
Project Abstract Summary
Other Attachments Form

Move Form to Submission List

Optional Documents for Submission

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Move Form to Delete

Instructions

- 1** Enter a name for the application in the Application Filing Name field.

 - This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
 - You can save your application at any time by clicking the "Save" button at the top of your screen.
 - The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.
- 2** Open and complete all of the documents listed in the "Mandatory Documents" box. Complete the SF-424 form first.

 - It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.
 - The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".
 - To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.
 - All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.
- 3** Click the "Save & Submit" button to submit your application to Grants.gov.

 - Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
 - Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
 - The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
 - You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

Application for Federal Assistance SF-424

*** 1. Type of Submission:**

- Preapplication
- Application
- Changed/Corrected Application

*** 2. Type of Application:**

- New
- Continuation
- Revision

*** If Revision, select appropriate letter(s):**

*** Other (Specify):**

*** 3. Date Received:**

Completed by Grants.gov upon submission.

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

CFDA 93.511

State Use Only:

6. Date Received by State:

7. State Application Identifier:

State Government

8. APPLICANT INFORMATION:

*** a. Legal Name:** West Virginia Offices of the Insurance Commissioner

*** b. Employer/Taxpayer Identification Number (EIN/TIN):**

556000786

*** c. Organizational DUNS:**

1620253240000

d. Address:

*** Street1:** West Virginia Offices of the Insurance Commissioner

Street2: 1124 Smith Street

*** City:** Charleston

County/Parish:

*** State:** WV: West Virginia

Province:

*** Country:** USA: UNITED STATES

*** Zip / Postal Code:** 25305-0540

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mrs.

*** First Name:** Tonya

Middle Name: Childress

*** Last Name:** Gillespie

Suffix:

Title: Director, Rates and Forms

Organizational Affiliation:

West Virginia Offices of the Insurance Commissioner

*** Telephone Number:** 304.558.6279, ext. 1265

Fax Number: 304.558.1610

*** Email:** tonya.gillespie@wvinsurance.gov

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

Ofc of Consumer Information & Insurance Oversight

11. Catalog of Federal Domestic Assistance Number:

93.511

CFDA Title:

Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review

*** 12. Funding Opportunity Number:**

RFA-FD-10-999

* Title:

"Grants to States for Health Insurance Premium Review-Cycle I" Office of Consumer Information and Insurance Oversight (OCIIO)

13. Competition Identification Number:

ADOBE-FORMS-B

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 16. Descriptive Title of Applicant's Project:**

Premium Review Grant - West Virginia

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="1,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="1,000,000.00"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

- Yes No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: * Date Signed:

Project/Performance Site Location(s)

Project/Performance Site Primary Location I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country:

* ZIP / Postal Code:

* Project/ Performance Site Congressional District:



Project/Performance Site Location 1 I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

* Street1:

Street2:

* City: County:

* State:

Province:

* Country:

* ZIP / Postal Code:

* Project/ Performance Site Congressional District:



Additional Location(s)

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 4040-0006
Expiration Date 07/30/2010

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Health Insurance Premium Review Grant to States	CFDA 93.511	\$ 1,000,000.00	\$	\$	\$	\$ 1,000,000.00
2.						
3.						
4.						
5. Totals		\$ 1,000,000.00	\$	\$	\$	\$ 1,000,000.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Health Insurance Premium Review Grant to States				
a. Personnel	\$	\$	\$	\$	\$
b. Fringe Benefits					
c. Travel					
d. Equipment	11,000.00				11,000.00
e. Supplies					
f. Contractual	989,000.00				989,000.00
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a-6h)	1,000,000.00				\$ 1,000,000.00
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$ 1,000,000.00	\$	\$	\$	\$ 1,000,000.00
7. Program Income	\$	\$	\$	\$	\$

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Standard Form 424A (Rev. 7-97)
Prescribed by OMB (Circular A -102) Page 1A

SECTION C - NON-FEDERAL RESOURCES

	(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.		\$	\$	\$	\$
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)		\$	\$	\$	\$

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$	\$	\$	\$	\$
14. Non-Federal	\$				
15. TOTAL (sum of lines 13 and 14)	\$	\$	\$	\$	\$

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

	(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
		(b) First	(c) Second	(d) Third	(e) Fourth
16.	Health Insurance Premium Review Grant to States	\$ 1,000,000.00	\$	\$	\$
17.					
18.					
19.					
20. TOTAL (sum of lines 16 - 19)		\$ 1,000,000.00	\$	\$	\$

SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:		22. Indirect Charges:	
23. Remarks:			

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p>Completed on submission to Grants.gov</p>	<p>* TITLE</p> <p>Director, Rates and Forms</p>
<p>* APPLICANT ORGANIZATION</p> <p>West Virginia Offices of the Insurance Commissioner</p>	<p>* DATE SUBMITTED</p> <p>Completed on submission to Grants.gov</p>

Key Contacts Form

* Applicant Organization Name:

West Virginia Offices of the Insurance Commissioner

Enter the individual's role on the project (e.g., project manager, fiscal contact).

* Contact 1 Project Role: Project Manager

Prefix: Mrs.

* First Name: Tonya

Middle Name: Childress

* Last Name: Gillespie

Suffix:

Title: Director, Rates and Forms

Organizational Affiliation:

West Virginia Offices of the Insurance Commissioner

* Street1: 1124 Smith Street

Street2:

* City: Charleston

County: Kanawha

* State: WV: West Virginia

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 25305-0540

* Telephone Number: 304.558.6279, ext. 1265

Fax: 304.558.1610

* Email: tonya.gillespie@wvinsurance.gov

Delete Entry

Next Person

Key Contacts Form

* Applicant Organization Name:

West Virginia Offices of the Insurance Commissioner

Enter the individual's role on the project (e.g., project manager, fiscal contact).

* Contact 2 Project Role: Financial Contact

Prefix: Ms.

* First Name: Cheri

Middle Name: Ann

* Last Name: Harpold

Suffix:

Title: Director, Financial Accounting

Organizational Affiliation:

West Virginia Offices of the Insurance Commissioner

* Street1: 1124 Smith Street

Street2:

* City: Charleston

County: Kanawha

* State: WV: West Virginia

Province:

* Country: USA: UNITED STATES

* Zip / Postal Code: 25305-0540

* Telephone Number: 304.558.6279, ext. 1245

Fax: 304.558.5586

* Email: Cheri.harpold@wvinsurance.gov

Delete Entry

Previous Person

Next Person



State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wv.gov

July 1, 2010

The Honorable Kathleen Sebelius, Secretary
Department of Health and Human Services
Washington, DC 20201

Re: Grants to States for Health Insurance Premium Review – Cycle I
Catalog of Federal Domestic Assistance 93.11

Dear Secretary Sebelius:

I am providing this letter as my official endorsement of the above-referenced grant application to be submitted by the West Virginia Offices of the Insurance Commissioner. The grant is to be used for health insurance rate review activities or enhancements involved in the grant program established under section 1003 of the Patient Protection and Affordable Care Act.

Thank you for consideration of the proposal.

With warmest regards,

A handwritten signature in black ink, appearing to read "Joe Manchin III".

Joe Manchin III
Governor



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

JOE MANCHIN III
Governor

JANE L. CLINE
Insurance Commissioner

July 6, 2010

Ms. Jacqueline Roche
Ms. Gladys Bohler
U. S. Department of Health and Human Services
Office of Consumer Information and Insurance Oversight
200 Independence Avenue, SW
Washington, DC 20201

Re: Health Insurance Premium Review Grant. CFDA No. 93.511

Ladies,

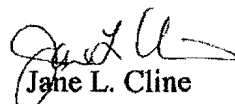
Attached is the West Virginia Offices of the Insurance Commissioner's grant application for the health insurance premium review grant – cycle 1.

The West Virginia Offices of the Insurance Commissioner has been designated as the lead agency for the health insurance premium review grant opportunity by an accompanying letter of support from Governor Joe Manchin. Funding is requested at the maximum level of \$1,000,000.00.

The project manager is Tonya Gillespie, Director of Rates and Forms, who may be contacted at 304.558.6279, ext. 1265 or tonya.gillespie@wvinsurance.gov. Cheri Harpold, Director of Financial Accounting, will serve as the financial contact and may be contacted at 304.558.6279, ext. 1245 or cheri.harpold@wvinsurance.gov.

Thank you for consideration for the health insurance premium review grant request.

Sincerely,


Jane L. Cline
Insurance Commissioner



Project Abstract

The availability of additional funding will allow the West Virginia Offices of the Insurance Commissioner (OIC) to supplement and enhance its rate review process for health insurance products. Health insurance filings are complex and heavily reliant on actuarial projections and although West Virginia's Rates and Forms staff is knowledgeable and experienced, they do not have the specialized expertise of a designated health actuary. The demographics and the fiscal constraints of the State have made it difficult to recruit and retain qualified actuarial personnel to the OIC and this additional level of review will be of great benefit to our citizens.

The OIC is requesting the maximum grant amount of \$1,000,000.00 and is proposing using the grant funding to enhance our rate review process by achieving the following objectives:

The first objective is to improve our rate review process by obtaining external qualified actuarial services to review our individual health filings, small group health filings and association health filings. It is estimated that the cost for this service will be \$600,000.

The second objective is to obtain external actuarial services for training and enhancing the skills of our current internal policy and rate analysts in "best practice" rate review procedures. It is estimated that the cost of this service will be \$180,000.

The third objective is to obtain external actuarial services to develop a manual of rate review guidelines. It is estimated that the cost for this service will be \$75,000.

The fourth, fifth and sixth objectives are IT related and will be achieved by leveraging the resources of SERFF. We plan to obtain resources to develop SERFF for tracking the required PPACA data; obtaining resources to develop SERFF for making non-confidential consumer friendly rate disclosures and/or rate filing information available publicly on the web and obtaining resources to develop SERFF to assist in the reporting of required rate increase patterns to the HHS Secretary. It is estimated that the cost for these services will be \$30,000.

The seventh objective would be to obtain outside resources to compare existing State and new Federal mandated insurer requirements and provide analysis and necessary steps to ensure that West Virginia's health insurance rules and regulations continue to provide the citizens the protections intended. It is estimated that the cost for this service will be \$115,000.

Project Narrative

a) Current Health Insurance Rate Review Capacity and Process

GENERAL HEALTH INSURANCE RATE REGULATION INFORMATION

The West Virginia Offices of the Insurance Commissioner is responsible for regulating individual health, small group and certain association offerings by carriers and related HMO and PPOs. West Virginia is a “prior approval state” for individual, small group and certain association rate and form filings. Large group rate filings (over 50 employees) are exempt from rate filing regulations. The following is a description of the current rate review practices by product and the appropriate statutory reference and attachments when appropriate.

INDIVIDUAL PRODUCTS - Article 15 of Chapter 33 of the Code of West Virginia:

Prior Approval Required

Loss Ratio Requirement – Minimum anticipated loss ratio of sixty-five percent.

Adjustment Factors Allowed – Age, sex, industry, occupational, and avocational factors may be used setting the rates. Different rates for smokers and non-smokers or for other habit(s) which have a statistically proven effect upon the health condition of the insured may be applied after approval by the Commissioner. A substandard classification may be established based upon the

health condition of the insured: provided, the initial classification may not be changed adversely to the insured after the initial issuance of the policy.

Guarantee Loss Ratio - In the individual market a carrier may also opt to issue a product on a guarantee loss ratio basis with a minimum loss ratio of sixty percent. In the initial rating process they are required to show the anticipated lifetime and durational target loss ratios. Once in place the carrier is required to have the experience independently audited each year and reported to the Insurance Commissioner. If the anticipated loss ratio is not met for that experience period, the insurer is required to provide a refund to all policy holders who were covered on the last day of the experience period.

If a rate increase is needed for this product, any future rates must be calculated to meet the original lifetime and durational loss ratios.

The company/carrier financial stability is also considered during the rate review process.

SMALL GROUP PLANS (2 – 50 employees) - Article 16D of Chapter 33 of the Code of West Virginia:

Prior Approval Required

Classes of Business - All insurance carriers are prohibited from distinguishing more than 4 classes of business.

Premium Rates – Premium rates for health benefit plans are subject to the following:

1. Index rate for a rating class cannot exceed the index rate for any other class by more than 20 percent.
2. For a class of business, the premium rate charged during a rating period to an employer group with similar case characteristics and the same or similar coverage cannot vary from the index rate by more than 30 percent (plus or minus).
3. The percentage increase in premium charged may not exceed the sum of the following:
 - a. The percentage change in new business premium rate.
 - b. An adjustment, not to exceed 15% due to claims experience, health status, or duration of coverage of the employees or dependents.
 - c. An adjustment due to change in coverage or change in case characteristics of the employer group.
4. Small employer carriers shall apply legitimate rating factors, including case characteristics consistently.
5. Adjustments in rates for claims experience, health status and duration of coverage may not be charged to individual employees or dependents.
6. Industry classification may be used as a case characteristic; however, any classification factor may not exceed the lowest factor by more than 15 percent.

7. A small employer carrier may not involuntarily transfer a small employer into or out of a class of business.
8. To be eligible for a rate increase, the carrier shall have a minimum anticipated loss ratio of 73 percent.

ASSOCIATIONS – Article 16 and 16D of Chapter 33 of the Code of West Virginia:

("Bona fide association" means an association which has been actively in existence for at least five years; has been formed and maintained in good faith for purposes other than obtaining insurance; does not condition membership in the association on any health status-related factor relating to an individual; makes accident and sickness insurance offered through the association available to all members regardless of any health status-related factor relating to members or individuals eligible for coverage through a member; and does not make accident and sickness insurance coverage offered through the association available other than in connection with a member of the association.)

Bona Fide Associations - All health benefit plans provided by a carrier through a bona fide association of small employers with not fewer than 200 cumulative employees and rated based on the number of employees and not on the basis of the individual small employer are exempt from rate review in WV.

Non-Bona Fide Associations - All health benefit plans provided to non-bona fide associations must comply with all the requirements of small group plans detailed above.

LARGE GROUP PLANS (more than 50 employees)

Large group plans are exempt from rate filing requirements.

Copies of the related West Virginia Code sections, applicable rules, an individual rate filing and a small group rate filing are attached as an appendix to this application.

INFORMATION TECHNOLOGY (IT) – (SERFF)

The primary rate and review tool utilized by the policy and rate analyst is NAIC's System for Electronic Rate and Form Filing (SERFF). West Virginia Informational Letter 163, effective January 1, 2009, mandates that carriers submit rate and form filings electronically through SERFF. All review and correspondence occurs and is maintained within the SERFF system for uniform and efficient processing. West Virginia also requires submission of all filing fees via electronic funds transfers through the SERFF system.

CURRENT BUDGET

The Rates & Forms division has a small staff and budget and the addition of available federal grant assistance will be of great benefit. The division's annual operating budget is approximately \$600,000 of which \$530,000 is allocated to pay the salaries and benefits of the eleven (11) full time employees. The office has four (4) insurance policy rate and form analysts responsible for both Life and Health products. Other full time employees

are dedicated to property and casualty filings and department support. Two of the four life and health analysts are 100% dedicated to the review of rate filings by health carriers. Analysts are experienced in rate filings; however, the office does not employ an actuary. The office is self-supportive and generates approximately \$650,000 in annual income as a result of filing fees. Contracted actuarial support is an option, however, given the budget constraints facing the office, their services have not been used in the review of health products for the last few years.

CURRENT STAFFING

The Rates & Forms division has eleven full time employees of which four (4) insurance policy and rate analysts are responsible for the review of life and health rate and form filings. The Division Director and Assistant Commissioner of Regulations also participate when appropriate in the rate review process. Reviews also receive the support of the Legal division when required. There is a need for qualified actuarial support services. The educational and professional background for those involved in the review of Health filings is as follows:

	Education	Years of Insurance Experience
Asst Commissioner	MBA, ARM	9
Director, Rates and Forms	BS and CPA	15
Policy and Rate Analyst 1	BS and some graduate classes	33

Policy and Rate Analyst 2	High School Diploma and 90 hours of college	18
Policy and Rate Analyst 3	High School Diploma	52
Policy and Rate Analyst 4	BS	15
<i>Note: Effective 7/16/2010</i>		

AVERAGE NUMBER OF FILINGS RECIEVED

During calendar year 2009 our Rates and Forms Division received 8,540 total filings, includes property and casualty filings. Life and health filings accounted for 3,166 of the total filings received. Of the 3,166 life and health filings received, 465 related to group health and 229 related to individual health filings; the remainder of L&H filings were for life, annuities, long-term care, disability, etc. As of May 31, 2010, we have received 3,441 filings. Life and health filings accounted for 1,167 of the total filings received. Of the 1,167 life and health filings received 176 related to group health and 97 related to individual health.

AVERAGE REVIEW TIME

West Virginia statue requires individual and small group rates and forms to be approved by the Offices of the Insurance Commissioner prior to the effective date. Generally, most approvals occur at a minimum 60 days prior to the effective date. In most situations the review period required by the staff is less than 30 days. The review period depends, to a large extent, on the quality of the filing initially received and the timeliness of the carrier responses.

CONSUMER PROTECTIONS

West Virginia statute requires that health filings be publicly disclosed. West Virginia's Freedom of Information Act ("FOIA"), codified at W. Va. Code §29B-1-1 et seq., governs the disclosure and public access to rate filings and generally to "public records" in the Insurance Commissioner's possession. FOIA guarantees each citizen "full and complete information" from government records, unless specifically exempted, and does not require requestors to specify why they need the information. More specifically, when a request for non-exempt documents is presented to the Insurance Commissioner pursuant to FOIA, the documents must be made available for inspection or copying within five business days. If denied the right to inspect or copy the information, a suit may be filed against the public body and attorney fees and court costs may be obtained from the public body if public records were unlawfully withheld. The custodian of public records that illegally denies access to the information may, if convicted, be fined, imprisoned or both.

In addition to the formal FOIA process the public can access filings at a kiosk in the Rates and Form division office. At this time, filings are not available to the public via a webpage; however, this is something being sought. West Virginia also does not have a means to publish summaries of approved rate changes for the public; instead, the entire filing is made available at the kiosk.

West Virginia has no official period by which consumers may review and comment on proposed rate filings. However, the Insurance Commissioner may call and hold hearings for any purposed deemed necessary by her for the performance of her duties. W. Va. Code §33-2-13. Notice of such a hearing must be given by appropriate publication in a newspaper as prescribed by law.

CONSUMER COMPLAINTS

The Offices of the Insurance Commissioner has formally assisted two hundred sixteen consumers regarding health insurance rates since 2008. One hundred sixty seven of the complaints were related specifically to rate increases while the other forty nine related to the overall affordability of health insurance in West Virginia.

EXAMINATION AND OVERSIGHT

The OIC has taken the following recent actions against insurance companies regarding health insurance rates:

Market Conduct Examination (adopted in 2010) of a HMO included the following findings:

8% of the sample tested had improperly applied rates on small group. All of these errors were in favor of the policyholder (group)

The Company improperly discouraged issuance of small groups in several ways, including reducing commissions on max rated small groups. Although this issue primarily dealt with guaranteed issue requirements it indirectly affected rates.

The Company covers approximately 19,301 lives in W. Va.

We have a PENDING ACTION regarding a Market Conduct Examination of a Health insurance carrier:

The Company was using non -filed rates for a product since 2005.

The Company improperly discouraged issuance of small groups in several ways, including commissions on max rated small groups. Although this issue primarily dealt with guaranteed issue requirements it indirectly affected rates.

The Company covers approximately 1,347 lives in W. Va.

We have a PENDING ACTION regarding a Market Conduct Examination of a HMO:

The Company improperly discouraged issuance of small groups in several ways, including reducing commissions on max rated small groups. Although this issue primarily dealt with guaranteed issue requirements it indirectly affected rates.

The Company covers approximately 24,038 lives in W. Va.

There have been no hearings on health insurance rates as a result of Market Conduct Examinations or any other Market Conduct Actions.

b) Proposed Rate Review Enhancements for Health Insurance

The availability of additional funding will allow the West Virginia Offices of the Insurance Commissioner (OIC) to supplement and enhance its rate review process for health insurance products. Health insurance filings are complex and heavily reliant on actuarial projections and although WV's Rates and Forms staff is knowledgeable and experienced, they do not have the specialized expertise of a designated health actuary. The demographics and the fiscal constraints of the State have made it difficult to recruit and retain qualified actuarial personnel to the OIC and this additional level of review will be of great benefit to our citizens.

The OIC is proposing using the grant funding to enhance our rate review process by implementing the following additional services and deliverables: obtaining external actuarial services to review health insurers rate filings; obtaining external actuarial services to train our internal policy and rate analyst in "best practice" rate review procedures; obtaining external actuarial services to develop a manual of rate review guidelines; obtaining resources to develop SERFF for tracking required PPACA data; obtaining resources to develop SERFF for making non-confidential consumer friendly rate disclosures and/or rate filing information available publicly on the web; obtaining resources to develop SERFF to assist in the reporting of required rate increase patterns to the HHS Secretary; and obtaining resources to compare existing State and new Federal mandated insurer requirements and provide analysis and necessary steps to ensure that

West Virginia's health insurance rules and regulations continue to provide the citizens the protections intended.

The first objective to improve our rate review process is to obtain external qualified actuarial services to review our individual health filings, small group health filings and association health filings. Currently WV does not have any certified actuarial review of the rate filings. This will enhance our current review process by allowing a more comprehensive review of the trending being used, the ratios incurred, a detailed analysis of the administrative factors, adjustments for medical inflation and provide an overall more rigorous review process to achieve our goal of adequate, non-excessive and nondiscriminatory rates. As a result of these reviews we anticipate adjusting our filing requirements to include additional data elements which will strengthen our review process and provide a clearer picture of the drivers necessitating each request. Our office projects that we will average five rate filings a month necessitating this additional level of review. Based upon a \$300 to \$400 hourly rate for an actuary it is estimated that the cost for this service will approximately cost \$600,000 per year.

The second objective is to obtain external actuarial services for training and enhancing the skills of our current internal policy and rate analysts. Currently we have four internal staff members that review life and health filings. Our objective is to obtain qualified external actuarial services to train our internal analyst on "best practices" for the rate review process. Training would be required on the factors of the rate filing, benchmarks for the factors, trending factors, components of the medical loss ratio, how medical

inflation should be addressed, the financial position of the carrier and the impact of mandated benefits. Training sessions would be structured to provide onsite training and web-based sessions when appropriate. Each monthly session would address specific topics, for example the components of the medical loss ratio, as well as use active pending filings in a case study format. It is anticipated that the training could be performed in conjunction with our first objective stated above, leveraging the resources of the actuarial firm designate to assist with the individual filing reviews. Twelve sessions have been projected at an average cost of \$15,000 per session for a total estimate expenditure of \$180,000.

The third objective is to obtain external actuarial services to develop a manual of rate review guidelines. A reference document for staff is vital to ensure that rate reviews remain effective and consistent as the make-up and tenure of the division's personnel naturally transitions. A manual documenting the essential steps of the rate review process and establishing benchmarks for the various components of rates by product line will provide the office with a reference guide that is specifically written with a rate analyst in mind. Statute and rules will continue to dictate requirements and provide the framework for manual topics; however, the guide will go a step beyond to the level of detail necessary to improve an analyst's review of individual filings. It may be used as a general checklist for our rate reviews as well as a training guide for future insurance and policy analyst. It is anticipated that the guideline manual would be developed as a product of the training and actuarial rate review processes described above. The manual

would be the end-product of the actuarial partnership and would be due near the end of the fiscal year. It is budgeted at \$75,000.

The fourth, fifth and sixth objectives are IT related and will be achieved by leveraging the resources of SERFF. In order to accurately and timely report the data calls we are proposing using funding from the grant to develop SERFF in meeting many IT requirements as outlined in the grant. SERFF will be modified to meet the requirements defined in Section A.1(c)(1) and A.1(c)(2) on pages 15, 16 and 17 of the "Initial Grant Announcement". SERFF will also be modified to incorporate the submission of the federally mandated Rate Filing Disclosure Form and Justification that is required to be filed under provisions of the Affordable Care Act. The modification will also allow the Rate Filing Disclosure Form, or similar document, to be filed regardless of whether the rate request falls under the definition of 'unreasonable' to facilitate meeting the requirement that consumer friendly descriptions of rate filings be made available publicly. SERFF will also be leverage to make non-confidential health insurance filings or summary information through the web. Lastly SERFF will be modified to satisfy reporting requirements of the uniform template for data reporting, including basic trending reports. By leveraging SERFF the estimated cost for all these IT item upgrades for West Virginia is \$30,000 (\$19,000 projected SERFF and \$11,000 for in-house IT services and equipment support).

The seventh objective would be to obtain outside resources to perform a thorough analysis of the West Virginia Code, Rules and processes dealing with health insurance

regulation. Benchmark against what other states and the new Federal law changes; and recommend changes to remain in-step with the latest national standards. The analysis would include pricing of implementing legislative changes, recommendations on cleaning up non-uniform, state only, requirements (if determined no-longer of material benefit), with the goal of providing an efficient and robust health market for the citizens of West Virginia. The resources would also be available for pricing and analyzing proposed bills introduced by others during the legislative session to assist the Insurance Commissioner and Governor in providing assistance and recommendations on the various offerings. It is projected that \$115,000 would be allocated to provide these services.

c) Reporting to the Secretary on Rate Increase Patterns

The West Virginia Offices of the Insurance Commissioner attests that we will adhere to the reporting requirements of the HHS Secretary. Specifics are addressed in section (b) above.

d) Optional Data Center Funding

West Virginia is not applying for any grant funding for a separate data center this round.

**West Virginia Offices of the Insurance Commissioner
Rate Review Grant Work Plan and Timeline
July 2010**

	TIMEFRAME	RESPONSIBLE PERSON
Objective 1: Obtain external actuarial services for filing reviews		
Actions Steps		
1. Issue Request for Proposal for services	Aug. 2010	Riley, Gillespie, Marcum
2. Make Vendor selection and issue contract	Sept. 2010	Riley, Gillespie, Marcum, Kenny
3. Provide filings for review	Oct. 2010	Gillespie
4. Adjust internal review process as necessary based on actuarial reviews	Aug. 2011	Riley, Gillespie
Objective 2: Obtain external actuarial services for staff training		
Action Steps		
1. Issue Request for Proposal for services	Aug. 2010	Riley, Gillespie, Marcum
2. Make Vendor selection and issue contract	Sept. 2010	Riley, Gillespie, Marcum, Kenny
3. Provide filings and topics for training	Oct. 2010	Gillespie
4. Training sessions for internal staff	Oct 2010 - Sept 2011	Gillespie
5. Adjust internal review process as necessary based on actuarial input and training	Aug. 2011	Riley, Gillespie
Objective 3: Obtain external actuarial services develop rate review manual		
Action Steps		
1. Issue Request for Proposal for services	Aug. 2010	Riley, Gillespie, Marcum
2. Make Vendor selection and issue contract	Sept. 2010	Riley, Gillespie, Marcum, Kenny
3. Provide current process outline, code and rules	Oct. 2010	Gillespie
4. Manual developed	June 2011	Gillespie
5. Internal review and adoption of manual	July 2011	Riley, Gillespie
6. Adjust internal review process as necessary based on manual	Aug. 2011	Riley, Gillespie
Objective 4: IT resources develop SERFF for tracking PPACA rate data		
Action Steps		
1. Issue MOU and Contract for services	Sept. 2010	Riley, Gillespie, Marcum, Bean
2. Develop application requirements	Oct - Dec. 2010	SERFF, Gillespie, Bean
3. Develop data base	Oct - Dec. 2010	SERFF, Gillespie, Bean
4. Test data base	Oct - Dec. 2010	SERFF, Gillespie, Bean
5. Implement data base	Oct - Dec. 2010	SERFF, Gillespie, Bean
6. Adjust internal review process as necessary	Jan. 2011	Riley, Gillespie

Objective 5: IT resources develop SERFF for make filings and summaries web accessible		
Action Steps		
1. Issue MOU and Contract for services	Sept. 2010	Riley, Gillespie, Marcum, Bean
2. Develop requirements	Oct 2010 - Aug 2011	SERFF, Gillespie, Bean
3. Develop application	Oct 2010 - Aug 2011	SERFF, Gillespie, Bean
4. Test application	Oct 2010 - Aug 2011	SERFF, Gillespie, Bean
5. Implement application	Oct 2010 - Aug 2011	SERFF, Gillespie, Bean
6. Adjust internal processes as necessary	Aug. 2011	Riley, Gillespie
Objective 6: IT resources develop SERFF to assist in the reporting or required rate increase patterns to the HHS Secretary		
Action Steps		
1. Issue MOU and Contract for services	Sept. 2010	Riley, Gillespie, Marcum, Bean
2. Develop requirements	Oct 2010 - Aug 2011	SERFF, Gillespie, Bean
3. Develop system	Oct 2010 - Aug 2011	SERFF, Gillespie, Bean
4. Test application	Oct 2010 - Aug 2011	SERFF, Gillespie, Bean
5. Implement	Oct 2010 - Aug 2011	SERFF, Gillespie, Bean
6. Adjust internal processes as necessary	Aug. 2011	Riley, Gillespie
Objective 7: Obtain resources to compare and analyze federal and state statutes and identify possible conflicts, opportunities, and pricing of legislative changes		
1. Issue Request for Proposal for services	Nov. 2010	Riley, Murphy, Marcum, Bean
2. Make Vendor selection and issue contract	Dec. 2010	Riley, Murphy, Kenny
3. Provide current code and rules	Jan. 2011	Murphy
3. Provide services and Oversight by OIC	Jan. 2011 - Aug 2011	Murphy, Pickens
4. Complete review and develop recommendations	Jan. 2011 - Aug 2011	Murphy, Pickens
5. Internal review of findings and recommendations	July 2011	Riley, Murphy, Pickens, Kenny
6. Implement any necessary adjustments	Sept. 2011	Murphy, Pickens, Kenny

Titles:

Jane Cline - Insurance Commissioner
 Bill Kenny - Deputy Insurance Commissioner
 Mike Riley - Asst. Insurance Commissioner
 Mary Jane Pickens - General Council
 John Bean - Director, IT
 Tim Murphy - Associate General Council
 Tonya Gillespie - Director, Rates and Forms
 Vickie Marcum - Procurement Officer

Budget Narrative – West Virginia

Total = \$1,000,000

1) External Actuarial Services for Health Filing Reviews

Cost: \$600,000

- Enhance rate review by contracting with qualified Health actuarial firm/s to provide health filing rate reviews. Supplement existing reviews
- WV does not have an in-house actuary
- Services to be contracted with qualified actuarial firm/firms
- Review of Individual, Small Group, Association and Other Health Filings
- Est hourly rates of \$300 to \$400 (will be established via a formal bid process)
- If average 5 filing reviews a month, estimate total cost of \$600,000

2) Actuarial Training Program for Rates & Forms Staff

Cost: \$180,000

- Enhance rate review by strengthening staff knowledge
- Services to be contracted with qualified actuarial firm/firms
- Train staff on “best practices”
 - Benchmarking
 - Trending factors
 - Medical inflation
 - Financial position of the carrier
- Monthly training sessions
- Both in-house and web-based, when appropriate
- Anticipate 12 sessions
- Avg cost of \$15,000 or a total of \$180,000

3) Health Rate Review Manual for Rates and Forms staff

Cost: \$75,000

- Updated Rate Review Manual, ensuring efficient, complete and consistent level s of rate reviews
- Services to be contracted with qualified actuarial firm/firms
- Manual documenting essential steps of the rate review process
- Document specifically written for rate analysts
- Est cost \$75,000

4) IT resources to develop SERFF for tracking PPACA rate data

- 5) IT resources to develop SERFF for making filings and summaries web accessible
- 6) IT resources to develop SERFF for reporting of required rate increases patterns to the HHS Secretary

Cost: SERFF – \$19,000, OIC - \$11,000, Total = \$30,000

- Modify SERFF to address data collection and reporting requirements defined in Section A.1(c)(1) and A.1(c)(2) on pages 15, 16 and 17, such as:
 - a. State options to indicate premium review grant participation
 - b. Company profile changes to incorporate company type
 - c. State-maintained indicator for rate filing requests meeting the HHS threshold for 'unreasonable'.
 - d. Addition of field to indicate product types
 - e. Company-maintained product information including product name, HHS id, and product status that will allow the companies to track products and apply them to filings.
 - f. A new set of fields added to the Rate/Rule schedule items to provide HIPR data on a policy form basis.
 - g. Changes to the State API to accommodate retrieval of the data elements added above and to allow for updates of appropriate data elements via the State API.
- Incorporate the submission of a federally mandated Rate Filing Disclosure Form and Justification (currently being reviewed by the B Committee) that is required to be filed under provisions of the Affordable Care Act if a rate request falls under the definition of 'unreasonable'.
- Allow the Rate Filing Disclosure Form, or similar document, to be filed regardless of whether the rate request falls under the definition of 'unreasonable' to facilitate meeting the requirement that consumer friendly descriptions of rate filings be made available publicly.
- Additional SERFF training
- Make non-confidential available on the web via SERFF and via the WV Insurance Commissioner's website
- Modify to SERFF to satisfy reporting requirements of the uniform template for data reporting, including trending reports.
- SERFF has provided initial cost estimate of \$18,808 for WV's allocation of upgrades
- WV OIC estimates \$11,000 for IT hardware and software for upgrades and providing filing summaries online.

- 7) Analysis and comparison of federal and state statutes. Pricing of Legislative changes.

Cost: \$115,000

- Provide analysis of laws and rules to ensure WV's health insurance regulations provide the citizens the protection intended.
- Services to be contracted

Appendices

ARTICLE 16B. ACCIDENT AND SICKNESS RATES.

§33-16B-1. Filing and approval of accident and sickness rates.

Premium rate charges for any individual or group accident and sickness insurance policy, certificate or other evidence of insurance issued, endorsed or delivered in this state shall be filed with the Commissioner for a waiting period of sixty days before the charges become effective. At the expiration of sixty days the premium rate charges filed are deemed approved unless prior thereto the charges have been affirmatively approved or disapproved by the Commissioner.

The Commissioner shall disapprove accident and health insurance premium rates which are not in compliance with the requirements of this chapter or any rule promulgated by the Commissioner pursuant to section two of this article. The Commissioner shall send written notice of the disapproval to the insurer. The Commissioner may approve the premium rates before the sixty-day period expires by giving written notice of approval.

§33-16B-2. Ratemaking standards.

Premium rates charged for any individual accident and health insurance policy or for any group accident and health insurance policy issued pursuant to this chapter shall be reasonable in relation to the benefits available under the policy. The commissioner shall promulgate rules pursuant to chapter twenty-nine-a to establish minimum ratemaking standards in accordance with accepted actuarial principles and practices.

§33-16B-3. Exceptions.

This article does not apply to policies issued to group accident and health insurance plans upon which premiums are negotiated with the group policyholder and are experienced rated.

§33-16B-4. Authority of commissioner to promulgate rules and regulations regarding affiliate and subsidiary operating results.

The commissioner may as he deems necessary after notice and hearing promulgate rules and regulations in accordance with chapter twenty-nine-a of this code to define the commissioner's authority to consider the operating results of an insurer's affiliates and subsidiaries in the rate making and solvency determination of that insurer.

SECTIONS OF WEST VIRGINIA CODE APPLICABLE TO HMO's

§33-25A-8. Evidence of coverage; charges for health care services; review of enrollee records; cancellation of contract by enrollee.

(1) (a) Every enrollee is entitled to evidence of coverage in accordance with this section. The health maintenance organization or its designated representative shall issue the evidence of coverage.

(b) No evidence of coverage, or amendment thereto, shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage, or amendment thereto, has been filed with and approved by the commissioner.

(c) An evidence of coverage shall contain a clear, concise and complete statement of:

(i) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled;

(ii) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any copayments;

(iii) Where and in what manner information is available as to how services, including emergency and out-of-area services, may be obtained;

(iv) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates;

(v) A description of the health maintenance organization's method for resolving enrollee grievances; and

(vi) The following exact statement in bold print: "Each subscriber or enrollee, by acceptance of the benefits described in this evidence of coverage, shall be deemed to have consented to the examination of his or her medical records for purposes of utilization review, quality assurance and peer review by the health maintenance organization or its designee."

(d) Any subsequent approved change in an evidence of coverage shall be issued to each enrollee.

(e) A copy of the form of the evidence of coverage to be used in this state, and any amendment thereto, is subject to the filing and approval requirements of subdivision (b), subsection (1) of this section, unless the commissioner promulgates a rule dispensing with this requirement or unless it is subject to the jurisdiction of the commissioner under the laws governing health insurance or, hospital or medical service corporations, in

which event the filing and approval provisions of those laws apply. To the extent, however, that those provisions do not apply the requirements in subdivision (c), subsection (1) of this section, are applicable.

(2) Premiums may be established in accordance with actuarial principles: Provided, That premiums shall not be excessive, inadequate or unfairly discriminatory. A certification by a qualified independent actuary shall accompany a rate filing and shall certify that: The rates are neither inadequate nor excessive nor unfairly discriminatory; that the rates are appropriate for the classes of risks for which they have been computed; provide an adequate description of the rating methodology showing that the methodology follows consistent and equitable actuarial principles; and the rates being charged are actuarially adequate to the end of the period for which rates have been guaranteed. In determining whether the charges are reasonable, the commissioner shall consider whether the health maintenance organization has: (a) Made a vigorous, good faith effort to control rates paid to health care providers; (b) established a premium schedule, including copayments, if any, which encourages enrollees to seek out preventive health care services; (c) made a good faith effort to secure arrangements whereby basic services can be obtained by subscribers from local providers to the extent that the providers offer the services; and

(d) made a good faith effort to support community health assessments and efforts directed at community health needs.

(3) Rates are inadequate if the premiums derived from the rating structure, plus investment income, copayments, and revenues from coordination of benefits and subrogation, fees-for-service and reinsurance recoveries are not set at a level at least equal to the anticipated cost of medical and hospital benefits during the period for which the rates are to be effective, and the other expenses which would be incurred if other expenses were at the level for the current or nearest future period during which the health maintenance organization is projected to make a profit. For this analysis, investment income shall not exceed three percent of total projected revenues.

(4) The commissioner shall within a reasonable period approve any form if the requirements of subsection (1) of this section are met and any schedule of charges if the requirements of subsection (2) of this section are met. It is unlawful to issue the form or to use the schedule of charges until approved. If the commissioner disapproves of the filing, he or she shall notify the filer promptly. In the notice, the commissioner shall specify the reasons for his or her disapproval and the findings of fact and conclusions which support his or her reasons. A hearing will be granted by the commissioner within fifteen days after a request in writing, by the person filing, has been received by the commission. If the commissioner does not disapprove any form or schedule of charges within sixty days of the filing of the forms or charges, they shall be considered approved.

(5) The commissioner may require the submission of whatever relevant information in addition to the schedule of charges which he or she considers necessary in determining whether to approve or disapprove a filing made pursuant to this section.

(6) An individual enrollee may cancel a contract with a health maintenance organization at any time for any reason: Provided, That a health maintenance organization may require that the enrollee give thirty days advance notice: Provided, however, That an individual enrollee whose premium rate was determined pursuant to a group contract may cancel a contract with a health maintenance organization pursuant to the terms of that contract.

TITLE 114
LEGISLATIVE RULE
INSURANCE COMMISSIONER

SERIES 26
ACCIDENT AND SICKNESS RATE FILING

§114-26-1. General.

1.1. Scope. -- This legislative rule establishes requirements for information and data to be provided to the Insurance Commissioner with the filing of rates and rate adjustments for accident and sickness insurance policies. The purpose of this rule is to provide the Insurance Commissioner with the information necessary to ensure that rates for accident and sickness insurance are reasonable in relation to the benefits provided under the policy as required by W. Va. Code §§33-6-9(e) and 33-16B-2. This rule applies to all individual accident and sickness insurance policy forms and all group accident and sickness insurance policy forms which are delivered or issued for delivery in this State which are not negotiated for with the policyholder and experience rated.

1.2. Authority. -- W. Va. Code §§33-2-10, 33-6-9(e), 33-16B-2.

1.3. Filing Date. -- April 16, 2004.

1.4. Effective Date. -- April 16, 2004.

§114-26-2. Definitions.

2.1. A policy or policy form includes the contract effecting insurance, or the certificate thereof, and includes any riders, endorsements or amendments attached to the base contract.

2.2. An experience rated group, for purposes of this rule means a group eligible for group accident and sickness insurance pursuant to W. Va. Code §33-16-2 and whose premium rates are based on the historic and/or projected loss experience of the individual group standing alone.

2.3. A community rated group is a group eligible for group accident and sickness insurance pursuant to W. Va. Code §33-16-2 and

whose premium rates are based on the historic and/or projected loss experience of a pool of group policies.

§114-26-3. Rate Filing Requirements.

3.1. General Requirements.

a. Every policy, rider or endorsement form which is submitted to the Commissioner for approval shall be accompanied by a rate filing if such policy, rider, or endorsement form in any way involves a new product which has not been previously approved or in any way effects a rate change. A reduction in benefits while maintaining the same rate shall be considered a rate change. Any subsequent additions to rate schedules or changes in rates applicable to such forms shall also be filed for approval.

b. Each rate filing shall include the appropriate filing fee, filing abstract(s), a cover letter explaining the nature of the filing, and all relevant information describing the basis on which the rates were determined and the calculations of the anticipated loss ratio. Interest, at a rate consistent with that assumed in the determination of premiums, shall be used in the calculation of the loss ratio.

c. Information required pursuant to this rule shall be provided in a format prescribed by the Insurance Commissioner.

3.2. Filing of Rates for a New Policy Form.

All new policy forms shall be accompanied by a rate submission which shall include:

a. The policy form and application;

b. The rate sheets which indicate the rate structures at various benefit levels for the proposed policy form;

c. An actuarial memorandum containing the following information:

1. A description of the type of policy and benefits, renewability, general marketing method and issue age limits;

2. A description of how rates were determined including all calculations, formulas, and variables used in the determination of the proposed rate and a general description of, and the source of each assumption used;

3. The anticipated loss ratio, a description of how it was calculated, and minimum anticipated loss ratio presumed reasonable for this policy form.

d. Any other information relevant to the filing.

3.3. Adjustments to Approved Rates.

All filings for adjustments to approved rates shall include:

a. New rate sheets which provide a comparison of the revised premiums with the current premiums;

b. All current policy forms and related rate structures for policies that would be affected by the rate adjustment submission, along with the date of approval thereof, if the forms have been in effect for two (2) years or more;

c. The number of contracts and persons covered by the applicable policy forms in West Virginia for each of the five (5) years prior to the effective date of new rates that are requested;

d. The proposed effective date for all rate adjustments;

e. A statement of all rate increases, by yearly percentage, which have been received on the rate structure for the applicable policy in each of the five (5) years preceding the proposed effective date of the new rates. Such increases shall be shown both on a countrywide and a West Virginia basis;

f. An all-inclusive description of the benefits provided by the policy that is applicable to the requested rate adjustment. If different benefits are provided at different premium levels the differences should be indicated;

g. If applicable, a full description as to the information and representations, including negotiating procedures, provided to preferred providers which affect the program for which new rates are proposed and how such information and representations will affect the program and rates on an annual basis;

h. A description of the purpose for the rate adjustment and any changes in the text of the policy forms;

i. A breakdown of the losses associated with vintage years of policies. Losses should be separated by those losses associated with policies with a life of 1, 2, 3, 4, and more than four (4) years on a West Virginia and countrywide basis;

j. A breakdown of earned premiums separated in the manner noted in subdivision i of this subsection;

k. A breakdown of written premium separated in the same manner noted in subdivision i of this subsection;

l. All calculations, formulas and variables that were used in the determination of the proposed rates;

m. All data used in the formulation of trended losses;

n. All assumptions, formulas and calculations that were used to formulate trended losses and earned premiums submitted in support of rate adjustments;

o. The weighted average investment income yield earned on reserves of the company for each of the five (5) years prior to the proposed effective date of the new rates;

p. A disclosure as to the loss ratios realized for each of the five (5) years prior to the proposed effective date of new rates on a West

Virginia and countrywide basis;

q. A breakdown of the percentage of earned premiums that are associated with administrative costs, taxes, risk retention and profit, and other cost functions that are not loss coverage;

r. A disclosure of whether losses are reported on a policy year basis or a calendar year basis;

s. Any consideration given to mitigating a requested increase through benefit restructuring;

t. A breakdown as to the average age associated with the groups that are covered;

u. A description of the embedded stop loss provisions of the policy;

v. Any other information relevant to the filing.

3.4. Community Rated Groups.

All insurers providing group accident and sickness coverage must file for approval all formulas, indices, factors and any other variables used in calculation of community rated group coverage along with a narrative explanation of how these factors are used and the group rates calculated. Rates currently in effect for all community rated groups must be filed with the Commissioner. Any changes in the insurer's group rating factors or variables used in the community group rating plan must be filed for approval. Rate adjustments for individual groups in the community pool which correspond to approved changes in the rating plan or formula are to be filed for approval only at the request of the Commissioner. Any proposed changes in an approved community rating plan should be filed with all the relevant information required by subsections 3.1 through 3.3. of this rule.

§33-15-1a. Premium rate increase requests; loss ratio requirement.

To be eligible to make a premium rate increase request after the first day of July, one thousand nine hundred ninety-five, any insurer offering or which has in force accident and sickness insurance policies which are subject to the provisions of this article shall have a minimum anticipated loss ratio of sixty-five percent as to such policy form. In calculating its minimum anticipated loss ratio, an insurer shall include in its actual incurred claims the amount of premium taxes for the same experience period which are attributable to the policy forms affected by this section and which were paid to the state of West Virginia pursuant to the provisions of article three of this chapter.

§33-15-1b. Rates, individual major medical policies.

(a) No individual major medical coverage policy may be approved by the commissioner for use in this state unless:

(1) The premium rates for the policy, after adjustment for any difference in policy benefits, which include, but are not limited to, deductibles, copayments and levels of care management, do not exceed by more than thirty percent the premium rates charged by the same insurer on any and all other individual major medical policies for those individuals with similar characteristics and factors, which the insurer has had approved by the commissioner within a five-year period preceding the date of the new policy filing by the insurer;

(2) The insurer files with the commissioner the opinion of a qualified actuary or other person acceptable to the commissioner which states:

(A) That the policy premium rate is in compliance with subdivision (1) of this subsection; and

(B) That the anticipated loss ratio for the combined experience of the policy taken together with all other individual major medical coverage policies which the insurer has had approved by the commissioner within a five-year period preceding the date of the new policy filing is equal to or greater than the loss ratio requirements set forth in section one-a of this article.

(3) For a period of three years after the effective date of this section, an insurer may have one or more policy forms which exceed the one hundred thirty percent requirement of subdivision (2) of this subsection: *Provided*, That any rate schedule increase for such policy form shall not exceed thirty-three and one-third percent of the rate schedule increase for the lowest rate policy form. During the final twelve months of this three-year period, an insurer may request an extension of time for compliance from the commissioner based on extenuating circumstances.

(b) An initial individual major medical policy form may be disapproved by the commissioner if the commissioner determines that the rates proposed by the insurer for the policy form are set at a level substantially less than rates charged by other insurers for comparable insurance coverage.

(c) Nothing contained in this section may be construed to prevent the use of age, sex, area, industry, occupational, and avocational factors in setting premium rates or to prevent the use of different rates after approval by the commissioner for smokers and nonsmokers or for any other habit or habits of an insured person which have a statistically proven effect on the health of the person. Nothing contained in this section shall preclude the establishment of a substandard classification based upon the health condition of the insured: *Provided*, That the initial classification may not be changed adversely to the insured after the initial issuance of the policy.

(d) The commissioner has the right, upon application by an insurer, and for good cause shown, to grant relief from any requirement of this section.

CHAPTER 33. INSURANCE.

ARTICLE 6C. GUARANTEED LOSS RATIOS AS APPLIED TO INDIVIDUAL SICKNESS AND ACCIDENT INSURANCE POLICIES.

§33-6C-1. Loss ratio guarantees; definitions.

As used in this article:

- (a) "Commissioner" means the insurance commissioner of West Virginia;
- b) "Experience period" means, for any given rate filing for which a loss ratio guarantee is made, the period beginning on the first day of the calendar year during which the guaranteed rates first take effect and ending on the last day of the calendar year during which the insurer earns one million dollars in premiums on the form in West Virginia or, if the annual premium earned on the form in West Virginia is less than one million dollars, earns nationally;
- (c) "Form" means individual sickness and accident policy forms of any insurer offering such benefits, other than a form for a limited benefits policy or certificate as defined in section two, article sixteen-e of this chapter;
- (d) "Loss ratio" means the ratio of incurred claims to earned premium; and
- (e) "Successive experience period" means the experience period beginning on the first day following the end of the preceding experience period.

§33-6C-2. Insurance commissioner to establish guaranteed loss ratios; minimum rates; participation by insurer; calculation of ratios; minimum rate; application.

(a) The insurance commissioner shall establish a guaranteed loss ratio which may be implemented by any insurer offering individual sickness and accident insurance policies other than limited benefits accident and sickness insurance policies or certificates, which are subject to loss ratio requirements set forth in sections three and four, article sixteen-e of this chapter. The loss ratios shall be calculated by the commissioner and each individual insurer and shall be based upon studies and relevant information collected from various sources, including, but not limited to, the health care cost review authority and the national association of insurance commissioners' rate filing guidelines: **Provided,** That the guaranteed loss ratio shall not be less than sixty percent. The guaranteed loss ratio for each insurer shall be published by the insurance commissioner in the register maintained by the secretary of state.

(b) The guaranteed loss ratio shall be based upon experience periods during which the insurer earns one million dollars in premium in West Virginia: **Provided,** That if the annual earned premium volume in West Virginia is less than one million dollars, the loss ratio guarantee shall be based on such other actuarially sound methods as the commissioner may determine are appropriate, including, but not limited to, the actual nationwide loss ratios: **Provided, however,** That if the aggregate earned premium for all

states is less than one million dollars, the experience period will be extended until the end of the calendar year in which one million dollars of earned premium is attained.

(c) Any insurer may apply to the commissioner to operate on a guaranteed loss ratio basis. The insurance commissioner may review each application and, in his or her discretion, approve or reject the same. Any insurer approved by the commissioner shall be exempt from filing rate increase applications as required by the commissioner and other provisions of this chapter.

§33-6C-3. Duties of insurance commissioner; promulgation of rules.

(a) The insurance commissioner shall promulgate rules and regulations pursuant to chapter twenty-nine-a of this code establishing procedures for implementing the provisions of this article.

(b) The commissioner shall have the authority to examine the records and files of any insurer to determine compliance with the provisions of this article, the costs of which such examination shall be borne by the insurer.

(c) The insurance commissioner shall develop all forms, contracts or other documents to be used for the purposes outlined in this article.

§33-6C-4. Form of guarantee; requirements.

(a) Individual sickness and accident policy benefits under a policy form other than a limited benefits policy form or certificate shall be deemed reasonable in relation to the premium charged, as required by subdivision (e), section nine, article six of this chapter, if the premium rates are filed pursuant to a loss ratio guarantee which meets the requirements of this article. The insurance commissioner shall not withdraw approval of a form on the grounds that benefits are unreasonable in relation to premiums charged so long as the insurer complies with the terms of the loss ratio guarantee.

(b) Each insurer of individual sickness and accident policy benefits other than benefits under limited benefits policy forms or certificates shall execute and deliver to the insurance commissioner a loss ratio guarantee, to be provided by the commissioner, which guarantee shall be signed by an officer of the insurer.

(c) Each loss ratio guarantee shall contain, at a minimum, the following:

(1) A recitation of the anticipated lifetime and durational target loss ratios contained in the original actuarial memorandum filed with the policy form when it was originally approved;

(2) A guarantee that the actual West Virginia loss ratios for the experience period in which the new rates take effect, and for each experience period thereafter until new rates are filed, will meet or exceed the anticipated lifetime and durational target loss ratios contained in the original actuarial memorandum noted above;

(3) A guarantee that the actual West Virginia or, if applicable, national, loss ratio results for the experience period at issue will be independently audited at the insurer's expense;

that such audit will be completed in the second quarter of the year following the end of the experience period; and that the results of such audit will be reported to the insurance commissioner not later than the thirtieth day of June following the end of the experience period;

(4) A guarantee that if the actual loss ratio during an experience period is less than the anticipated loss ratio for that period, then West Virginia policyholders will receive a proportional refund based on premium earned, which refunds shall be calculated and paid pursuant to section thirty-nine of this article; and

(5) A guarantee that the insurer does not engage in any discriminatory practices prohibited by section four, article eleven of this chapter or any such practice which discriminates against any individual on the basis of his or her legal occupation, race, religion or residence.

§33-6C-5. Premium refunds; calculation of the same; payments.

(a) Refunds to West Virginia policyholders made pursuant to section four of this article and based upon annual earned premium volume in West Virginia shall be calculated by multiplying the anticipated loss ratio by the applicable earned premium during the experience period and subtracting from that result the actual incurred claims during the experience period.

(b) Refunds to West Virginia policyholders made pursuant to section four of this article and based upon national annual earned premium volume shall be calculated by:

(1) Multiplying the anticipated loss ratio by the applicable earned premium during the experience period and subtracting from that result the actual incurred claims during the experience period; and

(2) Multiplying the results of subsection (1) by the total earned premium during the experience period from all West Virginia policyholders eligible for refunds; and

(3) Dividing the results of subsection (2) by the total earned premium during that period in all states on the policy form.

(c) Refunds must be made to all West Virginia policyholders who are insured under the applicable policy form as of the last day of the experience period. Such refund shall include interest, at the current accident and health reserve interest rate established by the national association of insurance commissioners, from the end of the experience period until the date of payment. Payment shall be made during the third quarter of the year following the experience period for which a refund is determined to be due.

(d) Refunds of less than ten dollars shall be aggregated and held by the insurer in a policyholder's liability fund and shall be used to offset any future rate increases.

§33-6C-6. Disclosure of rating practices; renewability provisions.

Each insurer providing individual sickness and accident policy benefits shall make reasonable disclosure in solicitation and sales materials provided to individuals of the following:

- (a) The extent to which premium rates for individuals are established or adjusted according to the claim experience, health status or duration of coverage of the individual or his or her dependents;
- (b) Provisions concerning the insurer's right to change premium rates and factors, including case characteristics, which affect changes in premium rates;
- (c) A description of the class of insureds to which the individual is or will be included; and
- (d) Provisions relating to renewability of coverage.

§33-6C-7. Rejection of guarantees; notice; hearing.

- (a) The insurance commissioner may reject any loss ratio guarantee filed by an insurer within sixty days from the date on which it was filed for any of the following reasons:
 - (1) The insurer has demonstrated an inability to adequately monitor its loss ratios;
 - (2) The insurer has failed to take timely rate increases in accordance with sound actuarial principles during the three-year period prior to filing the loss ratio guarantee;
 - (3) The insurer has not complied with the terms of a previously filed loss ratio guarantee;
 - (4) The insurer has submitted false, misleading or fraudulent material or information to the commissioner;
 - (5) The insurer is impaired, insolvent or such other similar financial condition as defined in article ten or any other article of this chapter; or
 - (6) Such other criteria as the commissioner, by legislative rule or regulation, may determine is appropriate.
- (b) The insurance commissioner may reject or cancel any loss ratio guarantee filed by an insurer which had been previously approved if, upon review and investigation, the commissioner determines that the insurer has not complied with the provisions of the guarantee or this article.
- (c) In the event a newly submitted loss ratio guarantee is rejected, the commissioner shall, within sixty days after the date the loss ratio guarantee was filed, mail notice of the rejection to the insurer. In the event an existing or previously approved loss ratio guarantee is cancelled, the commissioner shall mail notice of the rejection or cancellation to the insurer within fifteen days of the decision to cancel. In either situation, the insurer may, within ten days of being notified of its rejection or cancellation, request a hearing before the commissioner, which hearing shall be held within forty-five days from the date the request is made.

**TITLE 114
LEGISLATIVE RULE
OFFICES OF THE INSURANCE COMMISSIONER**

**SERIES 31
GUARANTEED LOSS RATIOS AS APPLIED TO
INDIVIDUAL SICKNESS AND ACCIDENT INSURANCE POLICIES**

Section

- 114-31-1. General.
- 114-31-2. Application to Operate on a Guaranteed Loss Ratio Basis.
- 114-31-3. Guaranteed Loss Ratio Filings.
- 114-31-4. Annual Audit.
- 114-31-5. Rejection or Cancellation of Loss Ratio Guarantee.

Appendix A Application to Operate on a Guaranteed Loss Ratio Basis

**TITLE 114
LEGISLATIVE RULE
OFFICES OF THE INSURANCE COMMISSIONER**

**SERIES 31
GUARANTEED LOSS RATIOS AS APPLIED TO
INDIVIDUAL SICKNESS AND ACCIDENT INSURANCE POLICIES**

§114-31-1. General.

1.1. Scope. -- This legislative rule implements the provisions of Article 6C, Chapter thirty-three of the West Virginia Code. That article permits, but does not require, an insurer offering individual sickness and accident insurance policies to operate on the basis of a guaranteed loss ratio established by the Insurance Commissioner. Any insurer that is approved to operate on a guaranteed loss ratio basis is exempt from filing rate increase applications as would otherwise be required by the Commissioner.

1.2. Authority. -- W. Va. Code §§33-2-10 and 33-6C-3.

1.3. Filing Date. -- April 29, 2008.

1.4. Effective Date. -- April 29, 2008.

§114-31-2. Application to Operate on a Guaranteed Loss Ratio Basis.

2.1. In order to implement a guaranteed loss ratio as established by the Commissioner, an insurer offering individual sickness and accident insurance policies must make application to the Commissioner on the form described in subsection 2.2 of this rule. The Commissioner shall have the discretion to approve or reject any such application after reviewing the same. The application form is set forth in Appendix A to this rule.

2.2. Each application filed with the Commissioner pursuant to this rule must include a written loss ratio guarantee that at minimum contains the following information:

- a. Policy form number;
- b. The anticipated lifetime and durational target loss ratios contained in the original actuarial memorandum filed with the policy form when it was originally approved;
- c. A designation of the first calendar year in which the loss ratio guarantee is to be effective;
- d. A guarantee that the actual West Virginia or, if applicable, national loss ratios for each experience period shall meet or exceed the anticipated lifetime and durational target loss

ratios contained in the original actuarial memorandum described in subdivision b of this subsection;

e. The source and dates of data used by the insurer in determining lifetime and durational target loss ratios and credibility data;

f. A guarantee that the actual West Virginia, or, if applicable, national, loss ratio results for the experience period at issue will be independently audited as described more fully in Section 4 of this rule;

g. The name and qualifications of the independent auditor who will perform the annual audit described in Section 4 of this rule;

h. A guarantee that if the actual loss ratio during an experience period is less than the anticipated loss ratio for that period, then West Virginia policyholders shall receive proportional refunds based on premium earned, which refunds shall be calculated and paid pursuant to W. Va. Code §33-6C-5;

i. A sample calculation and illustration of the refund methodology used to comply with this rule;

j. A non-discrimination guarantee as required by W. Va. Code §33-6C-4(c)(5);
and

k. The signature of an officer of the insurer.

2.3. The Commissioner shall notify an insurer of the acceptance or rejection of an application to operate on a guaranteed loss ratio basis within sixty (60) days of the date that such an application is received.

§114-31-3. Guaranteed Loss Ratio Filings.

3.1. The initial filing of a loss ratio guarantee must include the policy form, schedule of rates and an actuarial memorandum which shall include information prescribed in the National Association of Insurance Commissioners' rate filing guidelines, durational and lifetime target loss ratios, and a projection of the actual loss ratio which shall include interest and lapse rates.

3.2. All rate increase filings shall include information prescribed in the National Association of Insurance Commissioners' rate filing guidelines, as well as the following:

- a. An outline of coverage;
- b. Any change in rate relationships;
- c. The cumulative, to-date loss ratios; and

- d. The projected lifetime loss ratios.

§114-31-4. Annual Audit.

4.1. An independent audit of the actual West Virginia, or, if applicable, national, loss ratio results for the experience period at issue shall be conducted and filed with the Commissioner on an annual basis. The audit must be conducted during the second quarter of the year following the end of the experience period and be filed with the Commissioner no later than June 30 of that year.

4.2. The audit must include at minimum:

- a. A statement of the durational and lifetime loss ratio guarantees;
- b. A statement of the earned premium and incurred claims for the audited experience period;
- c. A statement of the experience by duration of the most recent calendar year;
- d. A statement of claim reserves included in incurred claims;
- e. A statement that no active life reserves are included in the calculation of the actual loss ratio;
- f. A statement that no reinsurance premiums are included in the calculation of the actual loss ratio;
- g. A statement of refunds paid during any previous years; and
- h. A statement of any refunds due for the current experience period and the calculation of the refunds due.

§114-31-5. Rejection or Cancellation of Loss Ratio Guarantee.

5.1. The Commissioner may reject a loss ratio guarantee or cancel an existing loss ratio guarantee for any of the following reasons which shall be a non-exclusive list:

- a. The insurer has demonstrated an inability to adequately monitor its loss ratios;
- b. The insurer has failed to take timely rate increases in accordance with sound actuarial principles during the three-year period prior to filing the loss ratio guarantee;
- c. The insurer has not complied with the terms of a previously filed loss ratio guarantee;

d. The insurer has submitted false, misleading or fraudulent material or information to the Commissioner.

e. The insurer is impaired, insolvent, in hazardous financial condition or such other similar financial condition as defined in W. Va. Code §§33-10-1 et seq., 33-24-1 et seq., 33-34A-1 et seq., or any other article of this chapter;

f. The Commissioner determines that the insurer has not complied with the provisions of the guarantee or this article.

g. The insurer's data reflects a guaranteed loss ratio of less than sixty percent (60%);

h. The insurer has failed to comply with W. Va. Code §33-6-34, form and rate filing fee requirement or other department filing procedure;

i. The insurer fails to provide information, data, or documentation reasonably requested by the Commissioner;

j. The insurer violates any provision of W. Va. Code §33-1-1 et seq. or the rules promulgated thereunder;

k. The insurer refuses to permit the Commissioner to examine and copy such records as the Commissioner deems necessary to determine compliance with W. Va. Code §33-6C-1 et seq.

l. The insurer fails or refuses to pay the reasonable costs of the Commissioner arising out of the Commissioner's examination of the insurer's records to determine compliance with W. Va. Code §33-6C-1 et seq.

APPENDIX A

**INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA**

**GUARANTEED LOSS RATIOS
INDIVIDUAL SICKNESS AND ACCIDENT INSURANCE POLICIES**

INSTRUCTIONS: All questions must be answered; if no answer is applicable, enter the reason for such determination.

I. Policy form number: _____

II. Anticipated lifetime and durational target loss ratios contained in the original actuarial memorandum filed with the policy form when it was originally approved:

III. First calendar year in which the loss ratio guarantee is to be effective:

IV. Source and dates of data used in determining lifetime and durational target loss ratios and credibility data:

V. Name and qualifications of the independent auditor who will perform the annual audit:

VI. Attach a sample calculation and illustration of the refund methodology used to comply with the Insurance Commissioner's rule (Title 114, Series 31) entitled "Guaranteed Loss Ratios as Applied to Individual Accident and Sickness Insurance Policies."

VII. Guarantees:

(A) The actual West Virginia loss ratios for the experience period in which the new rates take effect, and for each experience period thereafter until new rates are filed, will meet or exceed the anticipated lifetime and durational target loss ratios contained in the original actuarial memorandum noted above.

(B) The actual West Virginia, or, if applicable, national, loss ratio results for the experience period at issue will be independently audited, at this company's expense, as described more fully in section 4 of this rule.

(C) If the actual loss ratio during an experience period is less than the anticipated loss ratio for that period, West Virginia policyholders shall receive proportional refunds based on premium earned, which refunds shall be calculated and paid pursuant to W. Va. Code §33-6C-5.

(D) This company does not engage in any discriminatory practices prohibited by W. Va. Code §33-11-4 [part of the West Virginia Unfair Trade Practices Act], or any such practice which discriminates against any individual on the basis of his or her legal occupation, race, religion or residence.

I hereby certify that the information and guarantees contained in this application are true and correct to the best of my knowledge and belief.

Company Officer's Signature: _____

(TITLE): _____

(DATE): _____

SERFF Tracking Number: MSBC-126277062 *State:* West Virginia
Filing Company: Mountain State Blue Cross Blue Shield *State Tracking Number:* 90824007
Company Tracking Number: IONI_20101
TOI: H151 Individual Health - *Sub-TOI:* H151.001 Health - Hospital/Surgical/Medical
Hospital/Surgical/Medical Expense Expense
Product Name: One on One
Project Name/Number: One on One First Quarter 2010 Rate Filing/IONI_20101

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved		10/26/2009	10/26/2009

SERFF Tracking Number: MSBC-126277062 **State:** West Virginia
Filing Company: Mountain State Blue Cross Blue Shield **State Tracking Number:** 90824007
Company Tracking Number: IONI_20101
TOI: H151 Individual Health - Hospital/Surgical/Medical Expense **Sub-TOI:** H151.001 Health - Hospital/Surgical/Medical Expense
Product Name: One on One
Project Name/Number: One on One First Quarter 2010 Rate Filing/IONI_20101

Disposition

Disposition Date: 10/26/2009
 Implementation Date: 01/01/2010
 Status: Approved
 Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Mountain State Blue Cross Blue Shield	0.200%	0.200%	\$46,323	5,829	\$30,198,000	10.000%	0.000%

SERFF Tracking Number: MSBC-126277062 **State:** West Virginia
Filing Company: Mountain State Blue Cross Blue Shield **State Tracking Number:** 90824007
Company Tracking Number: ION1_20101
TOI: H151 Individual Health - **Sub-TOI:** H151.001 Health - Hospital/Surgical/Medical
 Hospital/Surgical/Medical Expense Expense
Product Name: One on One
Project Name/Number: One on One First Quarter 2010 Rate Filing/ION1_20101

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Rate Abstract A&S		Yes
Supporting Document	Actuarial Memorandum LH		Yes
Rate	1st Qtr 2010 Rates		Yes

SERFF Tracking Number: MSBC-126277062 **State:** West Virginia
Filing Company: Mountain State Blue Cross Blue Shield **State Tracking Number:** 90824007
Company Tracking Number: ION1_20101
TOI: H151 Individual Health - Hospital/Surgical/Medical Expense **Sub-TOI:** H151.001 Health - Hospital/Surgical/Medical Expense
Product Name: One on One
Project Name/Number: One on One First Quarter 2010 Rate Filing/ION1_20101

Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: -2.000%
Effective Date of Last Rate Revision: 10/01/2009
Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Mountain State Blue Cross Blue Shield	0.200%	0.200%	\$46,323	5,829	\$30,198,000	10.000%	0.000%

EXHIBIT 1

MOUNTAIN STATE BLUE CROSS AND BLUE SHIELD
INDIVIDUAL PRODUCT -- REVENUE AND CONTRACT ENROLLMENT SUMMARY

Rate Effective: 1/1/2010
Line of Business: ONE ON ONE - Individual Products

Month	PREMIUM			PREMIUM PER CONTRACT	Current Rate Factor	Premium at Renewal Rates
	SB+	NBL	TOTAL			
05/01/2008	\$2,452,480	\$39,603	\$2,492,083	\$427.61	1.0370	\$2,584,362
06/01/2008	\$2,458,934	\$39,734	\$2,498,668	\$428.74	1.0345	\$2,584,877
07/01/2008	\$2,470,380	\$39,337	\$2,509,717	\$430.63	1.0312	\$2,588,060
08/01/2008	\$2,485,666	\$37,376	\$2,523,042	\$429.45	1.0280	\$2,593,561
09/01/2008	\$2,475,557	\$36,551	\$2,512,108	\$429.42	1.0241	\$2,572,659
10/01/2008	\$2,481,737	\$35,632	\$2,517,368	\$427.98	1.0207	\$2,569,433
11/01/2008	\$2,489,394	\$35,091	\$2,524,485	\$436.46	1.0171	\$2,567,563
12/01/2008	\$2,484,022	\$34,957	\$2,518,979	\$437.10	1.0139	\$2,553,894
01/01/2009	\$2,476,381	\$35,254	\$2,511,635	\$429.19	1.0073	\$2,529,870
02/01/2009	\$2,484,112	\$35,398	\$2,519,510	\$434.70	1.0011	\$2,522,204
03/01/2009	\$2,488,467	\$35,634	\$2,524,102	\$432.73	0.9953	\$2,512,129
04/01/2009	\$2,510,557	\$35,929	\$2,546,486	\$434.55	0.9922	\$2,526,748
TOTAL	\$29,757,687	\$440,496	\$30,198,183		1.0168	\$30,705,359

Note: Current Rate Factor reflects prior period rate increases.

	CONTRACTS		
	NBL	SBL+	TOTAL
200805	67	5761	5828
200806	67	5761	5828
200807	65	5763	5828
200808	63	5812	5875
200809	61	5789	5850
200810	59	5823	5882
200811	56	5728	5784
200812	54	5709	5763
200901	53	5799	5852
200902	51	5745	5796
200903	50	5783	5833
200904	50	5810	5860
TOTAL	696	69,283	69,979



ACTUARIAL MEMORANDUM - continued
MOUNTAIN STATE BLUE CROSS/BLUE SHIELD
INDIVIDUAL POLICY FILING

To the best of my knowledge and judgment, the following are true with respect to the MSBCBS filing for the Individual policies:

1. The rates and ratings factors are neither inadequate nor excessive nor unfairly discriminatory and are appropriate for the classes of risk for which they have been computed. Rates are developed based on consistent and equitable actuarial principles and are actuarially adequate to the end of the proposed rating period.
2. The assumptions used in developing the rating projections are reasonable, and are consistent with the Plan's business plan at the time of this filing.
3. This filing is intended to be in compliance with applicable laws and regulations in the State of West Virginia regarding the filing of rates.

A handwritten signature in cursive script that reads 'John W. Bauerlein'.

John W. Bauerlein
Member, American Academy of Actuaries
August 21, 2009



945 E. Paces Ferry Road NE
Suite 2500
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ACTUARIAL MEMORANDUM

MOUNTAIN STATE BLUE CROSS/BLUE SHIELD

INDIVIDUAL POLICY FILING

I, John W. Bauerlein, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings for Blue Cross/Blue Shield organizations. I have experience in establishing rates for indemnity and PPO plans and have no financial or employment interest in Mountain State Blue Cross/Blue Shield ("MSBCBS").

As a consulting actuary with Milliman, Inc. ("Milliman"), I have written this actuarial memorandum at the request of MSBCBS to discuss the rate filing for the Individual policies. The proposed rates included in this filing are projected to be effective for new individuals enrolling and currently enrolled members renewing on or after January 1, 2010. Rates are guaranteed for 12 months at date of sale for new business. Rates are also guaranteed for 12 months at renewal date for existing business. However, a member's rate can change to reflect the move to a new age band for both new business and renewals.

I have worked with Mr. Steve Hunt and Mr. Dean Banziger in reviewing the rating development supporting the proposed rates included in the rate filing discussed above and being submitted along with this memorandum. I discussed, in depth, the assumptions made and methodologies followed in completing the experience analysis of the existing enrollment for the MSBCBS Individual policies. I find the assumptions and methodologies used in the final rating projections to be reasonable and appropriate. My findings are conditional upon MSBCBS adjusting rates on a quarterly basis to reflect underlying cost trend.

The attached exhibits provide the basis for the proposed rate adjustment applicable for the MSBCBS Individual policy rates (as presented in the rate filing). While these exhibits were prepared under the direction of Mr. Steve Hunt, I have reviewed them in detail. Exhibit 1 provides a summary of the base policyholder and revenue data. Exhibit 2 provides the claims experience and rating projections. The claims experience reflects the exclusion of prescription drug rebates. In addition to the rate adjustment developed in Exhibit 2, MSBCBS plans to increase the premium rates on the Limited Benefit Plan by 10%.

12. Describe the stop loss provisions of the policy affected by this filing.

N/A

13. The amount of Annual Earned Premium entered in Section III Question No. 6 of this Rate Filing Abstract accounts for what proportion of the total annual written premium on a countrywide basis for this particular policy/contract? Please be specific in both total dollars and percentage-proportions in West Virginia.

100%

14. Has this proposed premium rate adjustment filing been submitted to any other state insurance departments? If "yes", give specific information as to which states, when filed, each state's proportionate share of the total annual written premium for this particular policy/contract, the status of said filing in each state, and any other pertinent information which may be helpful in our review. Please attach additional sheets if more space is needed.

No

CERTIFICATION: I hereby certify that the information contained in this Rate Filing Abstract is true and correct to the best of my knowledge.



(Signed)

(Title) Director, Actuarial & Underwriting

(Company) Highmark of West Virginia dba Mountain State Blue Cross Blue Shield

(Address) 700 Market Sq, Parkersburg, WV 26102

(Telephone) (304) 424-7741

- (b) Indicate minimum loss ratio for this type of policy.

60%

8. Address in narrative form the following requests for information:

- (a) Explain trending methods used. Provide trended loss data (by significant loss category) and provide a clear explanation of the trending methodology and mathematics. Provide all formulas and calculations used in formulation of the trended data.

Please see Actuarial Memorandum

- (b) Explain the manner in which credibility of data is considered in your ratemaking process. Show all formulas, applications and methodology used to formulate credibility measurements.

Please see Exhibits and Actuarial Memorandum

- (c) Explain your indicated rate level. Provide all mathematical formulas and calculations which show the complete delineation of the method used to calculate the indicated rate level.

Please see Exhibits

- (d) Explain the manner in which investment income is considered when a final rate level is selected. Provide a complete breakdown of the formulas, variables and methodology used to calculate investment income yield. Further, the weighted average investment income yield earned on reserves for the five years prior to the proposed effective date of new rates.

Investment Income is not used to reduce retention currently.

9. Was any consideration given to mitigating the proposed rate adjustment through benefit restructuring? If not, why not? If so, describe benefit changes proposed and effect on rate adjustment.

No

10. What is the average age of the policyholder group affected by this filing?

41

11. Are losses reported on a calendar year or policy year basis?

Calendar Year

6. Provide a summary of the developed data and experience in 5 above as follows:

	Earned Premiums at Current Level	Trended Incurred Losses	Adjusted Loss Ratio
(a) West Virginia			
5th Prior Year <u>2004</u>	<u>\$28,868,227</u>	<u>\$19,902,545</u>	<u>68.9%</u>
4th Prior Year <u>2005</u>	<u>\$32,150,728</u>	<u>\$22,583,852</u>	<u>70.2%</u>
3rd Prior Year <u>2006</u>	<u>\$34,268,949</u>	<u>\$23,530,822</u>	<u>68.7%</u>
2nd Prior Year <u>2007</u>	<u>\$34,347,037</u>	<u>\$25,208,216</u>	<u>73.39%</u>
1st Prior Year <u>2008</u>	<u>\$31,672,260</u>	<u>\$23,352,203</u>	<u>73.73%</u>
TOTAL	<u>\$161,307,201</u>	<u>\$114,577,638</u>	<u>71.03%</u>

(b) Countrywide

5th Prior Year _____	\$ _____	\$ _____	_____ %
4th Prior Year _____	\$ _____	\$ _____	_____ %
3rd Prior Year _____	\$ _____	\$ _____	_____ %
2nd Prior Year _____	\$ _____	\$ _____	_____ %
1st Prior Year _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	_____ %

7. (a) Provide a breakdown of the percentage of earned premium associated with each of the following areas of cost:

Commission and brokerage	7 _____ %
Taxes, License, Fees	0 _____ %
General Administrative	15 _____ %
Risk Retention	2 _____ %
Profit	2 _____ %
Other (describe)	_____ %
TOTAL EXPENSES	26 _____ %

5. Provide the following information:

	Earned Premiums	Incurred Losses	Loss Ratio
(a) West Virginia			
5th Prior Year <u>2004</u>	<u>\$24,656,733</u>	<u>\$16,859,420</u>	<u>68.4</u> %
4th Prior Year <u>2005</u>	<u>\$27,363,234</u>	<u>\$19,132,372</u>	<u>69.92</u> %
3rd Prior Year <u>2006</u>	<u>\$28,892,964</u>	<u>\$19,550,367</u>	<u>67.66</u> %
2nd Prior Year <u>2007</u>	<u>\$30,403,863</u>	<u>\$21,433,735</u>	<u>70.49</u> %
1st Prior Year <u>2008</u>	<u>\$30,158,672</u>	<u>\$20,471,818</u>	<u>67.87</u> %
TOTAL	<u>\$141,475,466</u>	<u>\$97,447,712</u>	<u>68.88</u> %

We used an incurred period of November of the prior year through October of the current year with claims paid through January of the next year. An incurred factor was applied to complete the claims.

(b) Countrywide

5th Prior Year _____	\$ _____	\$ _____	_____ %
4th Prior Year _____	\$ _____	\$ _____	_____ %
3rd Prior Year _____	\$ _____	\$ _____	_____ %
2nd Prior Year _____	\$ _____	\$ _____	_____ %
1st Prior Year _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	_____ %

2. Provide all policy forms affected by this proposed rate adjustment if the forms have been in effect in West Virginia for more than two years.

N/A

3. Number of West Virginia policies in force in each of the last five years.

	Number of Policies	Percent Change
5th Prior Year <u>2004</u>	<u>6,544</u>	<u>7%</u>
4th Prior Year <u>2005</u>	<u>6,344</u>	<u>-3%</u>
3rd Prior Year <u>2006</u>	<u>6,352</u>	<u>0%</u>
2nd Prior Year <u>2007</u>	<u>5,902</u>	<u>-7%</u>
1st Prior Year <u>2008</u>	<u>5,882</u>	<u>0%</u>

4. List all rate level changes for the last five years on the policy affected by this proposed premium rate adjustment.

Effective Date	Percent Adjustment
----------------	--------------------

(a) West Virginia

Rate increases are applied on quarterly basis. Adjustments shown are calendar year base rate increases. Increases shown are for medically screened contracts. Additional increases were applied for HIPAA eligibles.

5th Prior Year <u>2004</u>	<u>10.38%</u>
4th Prior Year <u>2005</u>	<u>11.45%</u>
3rd Prior Year <u>2006</u>	<u>12.53%</u>
2nd Prior Year <u>2007</u>	<u>5.06%</u>
1st Prior Year <u>2008</u>	<u>6.08%</u>

Effective Date	Percent Adjustment
----------------	--------------------

(b) Countrywide

5th Prior Year _____	<u>N/A</u>	_____
4th Prior Year _____	_____	_____
3rd Prior Year _____	_____	_____
2nd Prior Year _____	_____	_____
1st Prior Year _____	_____	_____



August 21, 2009

VIA SERFF

The Honorable Jane Cline
Commissioner of Insurance
State of West Virginia
1124 Smith Street
PO Box 50540
Charleston, WV 25305-0540

Re: Individual/Direct Pay Rate Filing
Traditional Policy Form #DPNB97
PPO Policy Form # DPSB97
Proposed Effective Date of 1/1/2010

Dear Commissioner Cline:

Enclosed for your review and approval is our rate filing for the Individual/Direct Pay products (products approved 6/7/97) to be effective January 1, 2010. We have requested no quarterly base rate increase, but a 10% increase in our Limited Benefits product rates.

This filing also includes four deductible options on our traditional (New Blue) and thirteen options on PPO products. The PPO product options include five standard deductibles (Super Blue Plus), five deductible options with modified benefits from the standards (Super Blue Plus 2008), two High Deductible Health Plans (HDHP), and one limited benefit plan (Limited Blue). The options are identical to those offered in the prior quarter.

These rates are calculated to consider the effects of the Health Insurance Portability and Accountability Act (HIPAA). They are calculated to assume required medical screening for non HIPAA eligible contracts with a discounted rate of 21% from the standard base rate. The rates for HIPAA eligibles are calculated to price at 235% above the standard base rate. The 235% adjustment is unchanged from the prior quarter. Under the federal law, these rating factors for guaranteed issues are allowable. Due to system rounding issues, filed rates may vary from quoted rates by \$.01.

Mountain State Blue Cross Blue Shield reviews One on One data on a quarterly basis. We use the most recent twelve months experience period with three months run out to determine a quarterly rate adjustment factor (RAF). We multiply this quarterly RAF by the past three quarterly RAF's to determine the rate increase for policies renewing in the next quarter.

If you have any questions, please feel free to contact me at (304) 424-7741.

Sincerely,

Rodney R Smith
Director, Actuarial & Underwriting

<i>SERFF Tracking Number:</i>	<i>MSBC-126277062</i>	<i>State:</i>	<i>West Virginia</i>
<i>Filing Company:</i>	<i>Mountain State Blue Cross Blue Shield</i>	<i>State Tracking Number:</i>	<i>90824007</i>
<i>Company Tracking Number:</i>	<i>ION1_20101</i>		
<i>TOI:</i>	<i>H151 Individual Health -</i>	<i>Sub-TOI:</i>	<i>H151.001 Health - Hospital/Surgical/Medical</i>
	<i>Hospital/Surgical/Medical Expense</i>		<i>Expense</i>
<i>Product Name:</i>	<i>One on One</i>		
<i>Project Name/Number:</i>	<i>One on One First Quarter 2010 Rate Filing/ION1_20101</i>		

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Rate Abstract A&S		
Comments:		
Attachment:		
RateAbstract201001.pdf		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Memorandum LH		
Comments:		
Attachment:		
ppo-memo 2.pdf		

EXHIBIT 2

MOUNTAIN STATE BLUE CROSS AND BLUE SHIELD
INDIVIDUAL PRODUCT -- BASE RATE CALCULATION SUMMARY

ONE ON ONE - Individual Products

EXPERIENCE PERIOD 05/01/08 THRU 04/30/09
RATING PERIOD: 01/01/10 THRU 12/31/10

	TOTAL
1 INCURRED CLAIMS	\$19,187,757
2 COMPLETED CLAIMS	\$19,289,368
3 INCOME @ CURRENT RATES	\$30,705,359
4 POOL DURATION ADJUSTMENT	0.00%
5 LOSS RATIO (#2/#3)	62.82%
6 EARNED INCOME	\$30,198,183
7 LOSS RATIO AS REPORTED FOR MINIMUM LOSS RATIO COMPARISON (#2/#6)	63.88%
8 CREDIBLE INCURRED CLAIMS (After adjusting for cancelled high claims and drug rebates)	\$19,289,368
9 POOLED INCURRED CLAIMS	\$0
10 ADJ'D INC'D CLAIMS (#8+#9)	\$19,289,368
10a ADJ'D LOSS RATIO (#10/#3)	62.82%
11 TREND ANNUAL	10.00%
# OF MONTHS	20.0
12 TOTAL	17.22%
13 PROJ'D INC CLAIMS (#10*(1+#12))	\$22,610,997
14 PROJ'D RETENTION	\$7,944,405
15 PROJ'D PREMIUM (#13+#14)	\$30,555,402
16 RATE ADJ FACTOR (#15/#3)	0%

**MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES**

EFFECTIVE: 01/01/2010

RATING FACTORS

STATEWIDE BASE RATE: \$729.20

PRODUCT ADJ FACTORS				
PRODUCT	DED	MEDICAL PRODUCT FCTRS	MATERNITY PRODUCT FCTRS	Factor Effective Date
NBL	250	1.10000	1.10000	10/01/2008
NBL	500	1.00070	1.00070	10/01/2008
NBL	1000	0.84478	0.84478	10/01/2008
NBL	1500	0.76117	0.76117	10/01/2008
LimBen	250	0.54736	0.54736	01/01/2010
SBL+	250	0.93910	1.00000	06/01/1997
SBL+	500	0.84318	0.90973	06/01/1997
SBL+	1000	0.72136	0.76798	06/01/1997
SBL+	2500	0.59690	0.63900	02/01/2001
SBL+	5000	0.52000	0.55361	10/01/2003
HDHP	3000	0.62330	0.62330	01/01/2007
HDHP	5000	0.49220	0.49220	01/01/2007
SB08	500	0.79277	0.90973	04/01/2008
SB08	1000	0.69146	0.76798	04/01/2008
SB08	1500	0.65866	0.69197	04/01/2008
SB08	2500	0.59365	0.63900	04/01/2008
SB08	5000	0.53495	0.55361	04/01/2008

MED UND FACTORS			
TYPE	RISK	FACTOR	Effective Date
MED SCREEN	RISK1	0.79	06/01/1997
GUAR ISSUE	RISK2	3.35	01/01/2007

AGE/SEX FACTORS		
AGE BAND	MALE ADULT	FEMALE ADULT
UNDER 25	0.47300	0.58374
25 TO 29	0.50320	0.72460
30 TO 34	0.55350	0.80513
35 TO 39	0.64410	0.90579
40 TO 44	0.76486	1.02654
45 TO 49	1.01646	1.20770
50 TO 54	1.40898	1.45930
55 TO 59	1.82160	1.72097
60 TO 64	2.27449	1.89204
65+	2.27449	1.89204
CHILD		0.47030
CHILDREN		0.95976
MATERNITY RIDER		0.60000

AREA FACTORS	
REGION	ALL PLANS
NORTH	0.96
SOUTH	1.00
EAST	0.77
CENTRAL	0.88

NETWORK FACTORS		
REGION	NBL	SBL+
NORTH	1.0000	0.8800
SOUTH	1.0000	0.9100
EAST	1.0000	0.9100
CENTRAL	1.0000	0.8900

**MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES**

EFFECTIVE: 01/01/2010

RATING AREA: NORTH WITH MEDICAL UNDERWRITING
BROOKE, HANCOCK, MARION, MARSHALL, MONONGALIA,
OHIO, TAYLOR, TYLER, WETZEL

RATES ARE CALCULATED FOR BILLING PURPOSES BY THE ZIP CODE. THE ZIP CODE WILL DETERMINE THE RATE REGARDLESS OF THE COUNTY IN WHI
YOU RESIDE. FOR EXAMPLE, ST ALBANS ZIP CODE CALCULATES TO KANAWHA COUNTY RATES EVEN THOUGH PART OF THE CITY IS IN PUTNAM COU

SUPER BLUE PLUS 2008

AGE BAND	\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$182.49	\$225.21	\$159.17	\$196.43	\$151.82	\$187.11	\$136.65	\$168.65	\$123.14	\$151.97
25 TO 29	\$194.14	\$279.56	\$169.33	\$243.83	\$161.30	\$232.27	\$145.38	\$209.34	\$131.00	\$188.64
30 TO 34	\$213.55	\$310.63	\$186.26	\$270.93	\$177.42	\$258.08	\$159.91	\$232.61	\$144.10	\$209.61
35 TO 39	\$248.50	\$349.46	\$216.74	\$304.81	\$206.46	\$290.35	\$186.09	\$261.69	\$167.68	\$235.81
40 TO 44	\$295.09	\$396.05	\$257.38	\$345.44	\$245.17	\$329.05	\$220.97	\$296.57	\$199.12	\$267.25
45 TO 49	\$392.16	\$465.94	\$342.05	\$406.40	\$325.82	\$387.12	\$293.66	\$348.91	\$264.63	\$314.41
50 TO 54	\$543.60	\$563.01	\$474.13	\$491.07	\$451.64	\$467.77	\$407.06	\$421.60	\$366.81	\$379.91
55 TO 59	\$702.79	\$663.97	\$612.98	\$579.12	\$583.90	\$551.65	\$526.27	\$497.20	\$474.24	\$448.04
60 TO 64	\$877.52	\$729.97	\$765.38	\$636.69	\$729.08	\$606.48	\$657.12	\$546.62	\$592.14	\$492.57
65+	\$877.52	\$729.97	\$765.38	\$636.69	\$729.08	\$606.48	\$657.12	\$546.62	\$592.14	\$492.57
CHILD		\$181.45		\$158.26		\$150.75		\$135.87		\$122.44
CHILDREN		\$370.29		\$322.97		\$307.65		\$277.28		\$249.86
MATERNITY RIDER		\$276.71		\$233.59		\$210.47		\$194.36		\$168.39

HDHP

AGE BAND	LIMITED BENEFITS		\$3,000 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$126.00	\$155.50	\$143.48	\$177.07	\$113.30	\$139.83
25 TO 29	\$134.04	\$193.02	\$152.64	\$219.80	\$120.53	\$173.57
30 TO 34	\$147.44	\$214.47	\$167.90	\$244.23	\$132.58	\$192.86
35 TO 39	\$171.58	\$241.28	\$195.38	\$274.76	\$154.28	\$216.97
40 TO 44	\$203.74	\$273.45	\$232.01	\$311.39	\$183.21	\$245.89
45 TO 49	\$270.76	\$321.71	\$308.33	\$366.34	\$243.48	\$289.29
50 TO 54	\$375.32	\$388.73	\$427.40	\$442.66	\$337.50	\$349.55
55 TO 59	\$485.24	\$458.43	\$552.56	\$522.03	\$436.34	\$412.23
60 TO 64	\$605.88	\$504.00	\$689.94	\$573.92	\$544.82	\$453.21
65+	\$605.88	\$504.00	\$689.94	\$573.92	\$544.82	\$453.21
CHILD		\$125.28		\$142.66		\$112.65
CHILDREN		\$255.66		\$291.13		\$229.90
MATERNITY RIDER		\$166.49		\$189.59		\$149.71

IF AN ADULT MALE OR FEMALE CHANGES AGE BAND, THEN THE NEW RATES WILL APPLY IN THE MONTH IN WHICH THE BIRTHDAY OCCURS.

IF AN INDIVIDUAL MOVES FROM ONE RATING AREA TO ANOTHER, THEN THE NEW AREA RATES WILL APPLY IN THE MONTH IN WHICH THE MOVE OCCUR
RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

**MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES**

EFFECTIVE: 01/01/2010

**RATING AREA: NORTH GUARANTEED ISSUE
BROOKE, HANCOCK, MARION, MARSHALL, MONONGALIA,
OHIO, TAYLOR, TYLER, WETZEL**

RATES ARE CALCULATED FOR BILLING PURPOSES BY THE ZIP CODE. THE ZIP CODE WILL DETERMINE THE RATE REGARDLESS OF THE COUNTY IN WHICH YOU RESIDE. FOR EXAMPLE, ST ALBANS ZIP CODE CALCULATES TO KANAWHA COUNTY RATES EVEN THOUGH PART OF THE CITY IS IN PUTNAM COUNTY.

SUPER BLUE PLUS 2008

AGE BAND	\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$773.84	\$955.02	\$674.95	\$832.97	\$642.94	\$793.46	\$579.48	\$715.15	\$522.18	\$644.43
25 TO 29	\$823.25	\$1,185.47	\$718.05	\$1,033.98	\$683.99	\$984.93	\$616.48	\$887.72	\$555.52	\$799.94
30 TO 34	\$905.55	\$1,317.22	\$789.82	\$1,148.89	\$752.36	\$1,094.39	\$678.10	\$986.37	\$611.05	\$888.84
35 TO 39	\$1,053.77	\$1,481.90	\$919.11	\$1,292.53	\$875.51	\$1,231.22	\$789.09	\$1,109.69	\$711.07	\$999.97
40 TO 44	\$1,251.34	\$1,679.46	\$1,091.43	\$1,464.83	\$1,039.65	\$1,395.35	\$937.04	\$1,257.63	\$844.39	\$1,133.27
45 TO 49	\$1,662.96	\$1,975.84	\$1,450.45	\$1,723.34	\$1,381.65	\$1,641.59	\$1,245.28	\$1,479.57	\$1,122.14	\$1,333.27
50 TO 54	\$2,305.14	\$2,387.47	\$2,010.56	\$2,082.37	\$1,915.19	\$1,983.59	\$1,726.16	\$1,787.81	\$1,555.48	\$1,611.03
55 TO 59	\$2,980.20	\$2,815.57	\$2,599.35	\$2,455.76	\$2,476.05	\$2,339.27	\$2,231.66	\$2,108.38	\$2,011.00	\$1,899.90
60 TO 64	\$3,721.15	\$3,095.44	\$3,245.61	\$2,699.87	\$3,091.65	\$2,571.80	\$2,786.51	\$2,317.96	\$2,510.98	\$2,088.76
65+	\$3,721.15	\$3,095.44	\$3,245.61	\$2,699.87	\$3,091.65	\$2,571.80	\$2,786.51	\$2,317.96	\$2,510.98	\$2,088.76
CHILD		\$769.43		\$671.10		\$639.27		\$576.17		\$519.20
CHILDREN		\$1,570.20		\$1,369.54		\$1,304.58		\$1,175.81		\$1,059.55
MATERNITY RIDER		\$1,173.38		\$990.55		\$892.51		\$824.19		\$714.05

HDHP

AGE BAND	LIMITED BENEFITS		\$3,000 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$534.29	\$659.38	\$608.42	\$750.87	\$480.45	\$592.93
25 TO 29	\$568.41	\$818.50	\$647.27	\$932.05	\$511.13	\$736.01
30 TO 34	\$625.22	\$909.46	\$711.97	\$1,035.64	\$562.22	\$817.81
35 TO 39	\$727.56	\$1,023.17	\$828.51	\$1,165.12	\$654.24	\$920.06
40 TO 44	\$863.97	\$1,159.56	\$983.84	\$1,320.44	\$776.91	\$1,042.71
45 TO 49	\$1,148.18	\$1,364.20	\$1,307.47	\$1,553.47	\$1,032.47	\$1,226.72
50 TO 54	\$1,591.56	\$1,648.40	\$1,812.37	\$1,877.10	\$1,431.17	\$1,482.28
55 TO 59	\$2,057.65	\$1,943.98	\$2,343.13	\$2,213.68	\$1,850.29	\$1,748.08
60 TO 64	\$2,569.23	\$2,137.22	\$2,925.68	\$2,433.73	\$2,310.31	\$1,921.84
65+	\$2,569.23	\$2,137.22	\$2,925.68	\$2,433.73	\$2,310.31	\$1,921.84
CHILD		\$531.24		\$604.95		\$477.71
CHILDREN		\$1,084.13		\$1,234.54		\$974.88
MATERNITY RIDER		\$705.99		\$803.94		\$634.84

IF AN ADULT MALE OR FEMALE CHANGES AGE BAND, THEN THE NEW RATES WILL APPLY IN THE MONTH IN WHICH THE BIRTHDAY OCCURS.

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RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES

EFFECTIVE: 01/01/2010

RATING AREA: SOUTH WITH MEDICAL UNDERWRITING
BOONE, CLAY, FAYETTE, GREENBRIER, KANAWHA, LINCOLN, LOGAN, MCDOWELL,
MERCER, MINGO, MONROE, NICHOLAS, RALEIGH, SUMMERS, WYOMING

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SUPER BLUE PLUS 2008

AGE BAND	\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$196.57	\$242.59	\$171.45	\$211.59	\$163.32	\$201.56	\$147.20	\$181.66	\$132.64	\$163.70
25 TO 29	\$209.12	\$301.13	\$182.40	\$262.65	\$173.75	\$250.19	\$156.60	\$225.50	\$141.11	\$203.20
30 TO 34	\$230.03	\$334.60	\$200.63	\$291.84	\$191.11	\$278.00	\$172.25	\$250.56	\$155.22	\$225.78
35 TO 39	\$267.68	\$376.43	\$233.47	\$328.33	\$222.40	\$312.75	\$200.45	\$281.89	\$180.63	\$254.01
40 TO 44	\$317.87	\$426.62	\$277.25	\$372.10	\$264.09	\$354.45	\$238.03	\$319.46	\$214.49	\$287.88
45 TO 49	\$422.43	\$501.90	\$368.44	\$437.77	\$350.97	\$417.00	\$316.33	\$375.84	\$285.05	\$338.68
50 TO 54	\$585.55	\$606.47	\$510.72	\$528.96	\$486.50	\$503.87	\$438.48	\$454.14	\$395.12	\$409.24
55 TO 59	\$757.03	\$715.21	\$660.29	\$623.81	\$628.97	\$594.22	\$566.89	\$535.57	\$510.84	\$482.62
60 TO 64	\$945.25	\$786.31	\$824.45	\$685.82	\$785.34	\$653.29	\$707.83	\$588.81	\$637.84	\$530.59
65+	\$945.25	\$786.31	\$824.45	\$685.82	\$785.34	\$653.29	\$707.83	\$588.81	\$637.84	\$530.59
CHILD		\$195.45		\$170.47		\$162.39		\$146.36		\$131.89
CHILDREN		\$398.86		\$347.89		\$331.39		\$298.68		\$269.15
MATERNITY RIDER		\$276.71		\$233.59		\$210.47		\$194.36		\$168.39

HDHP

AGE BAND	LIMITED BENEFITS		\$3,000 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$135.72	\$167.50	\$154.55	\$190.74	\$122.04	\$150.62
25 TO 29	\$144.39	\$207.92	\$164.42	\$236.76	\$129.84	\$186.96
30 TO 34	\$158.82	\$231.02	\$180.85	\$263.07	\$142.82	\$207.74
35 TO 39	\$184.82	\$259.91	\$210.46	\$295.96	\$166.19	\$233.71
40 TO 44	\$219.47	\$294.55	\$249.92	\$335.42	\$197.35	\$264.87
45 TO 49	\$291.66	\$346.54	\$332.13	\$394.61	\$262.27	\$311.61
50 TO 54	\$404.29	\$418.73	\$460.38	\$476.82	\$363.55	\$376.53
55 TO 59	\$522.69	\$493.81	\$595.20	\$562.32	\$470.01	\$444.05
60 TO 64	\$652.64	\$542.90	\$743.18	\$618.22	\$586.87	\$488.19
65+	\$652.64	\$542.90	\$743.18	\$618.22	\$586.87	\$488.19
CHILD		\$134.95		\$153.67		\$121.35
CHILDREN		\$275.39		\$313.60		\$247.64
MATERNITY RIDER		\$166.49		\$189.59		\$149.71

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RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

**MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES**

EFFECTIVE: 01/01/2010

RATING AREA: **SOUTH GUARANTEED ISSUE**

BOONE, CLAY, FAYETTE, GREENBRIER, KANAWHA, LINCOLN, LOGAN, MCDOWELL,
MERCER, MINGO, MONROE, NICHOLAS, RALEIGH, SUMMERS, WYOMING

RATES ARE CALCULATED FOR BILLING PURPOSES BY THE ZIP CODE. THE ZIP CODE WILL DETERMINE THE RATE REGARDLESS OF THE COUNTY IN WHICH YOU RESIDE. FOR EXAMPLE, ST ALBANS ZIP CODE CALCULATES TO KANAWHA COUNTY RATES EVEN THOUGH PART OF THE CITY IS IN PUTNAM COUNTY.

SUPER BLUE PLUS 2008

AGE BAND	\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$833.57	\$1,028.73	\$727.04	\$897.26	\$692.56	\$854.70	\$624.20	\$770.34	\$562.48	\$694.17
25 TO 29	\$886.79	\$1,276.96	\$773.46	\$1,113.78	\$736.77	\$1,060.94	\$664.05	\$956.23	\$598.39	\$861.68
30 TO 34	\$975.43	\$1,418.88	\$850.78	\$1,237.56	\$810.42	\$1,178.85	\$730.43	\$1,062.50	\$658.21	\$957.44
35 TO 39	\$1,135.10	\$1,596.27	\$990.04	\$1,392.28	\$943.08	\$1,326.24	\$850.00	\$1,195.34	\$765.95	\$1,077.14
40 TO 44	\$1,347.91	\$1,809.07	\$1,175.66	\$1,577.89	\$1,119.89	\$1,503.04	\$1,009.36	\$1,354.69	\$909.55	\$1,220.74
45 TO 49	\$1,791.31	\$2,128.33	\$1,562.39	\$1,856.35	\$1,488.28	\$1,768.29	\$1,341.39	\$1,593.76	\$1,208.75	\$1,436.17
50 TO 54	\$2,483.05	\$2,571.73	\$2,165.73	\$2,243.08	\$2,063.00	\$2,136.68	\$1,859.38	\$1,925.79	\$1,675.52	\$1,735.36
55 TO 59	\$3,210.21	\$3,032.87	\$2,799.97	\$2,645.29	\$2,667.15	\$2,519.81	\$2,403.90	\$2,271.10	\$2,166.20	\$2,046.54
60 TO 64	\$4,008.34	\$3,334.34	\$3,496.10	\$2,908.24	\$3,330.26	\$2,770.29	\$3,001.56	\$2,496.86	\$2,704.77	\$2,249.97
65+	\$4,008.34	\$3,334.34	\$3,496.10	\$2,908.24	\$3,330.26	\$2,770.29	\$3,001.56	\$2,496.86	\$2,704.77	\$2,249.97
CHILD		\$828.81		\$722.89		\$688.60		\$620.64		\$559.27
CHILDREN		\$1,691.39		\$1,475.24		\$1,405.26		\$1,266.56		\$1,141.32
MATERNITY RIDER		\$1,173.38		\$990.55		\$892.51		\$824.19		\$714.05

HDHP

AGE BAND	LIMITED BENEFITS		\$3,000 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$575.53	\$710.27	\$655.38	\$808.82	\$517.53	\$638.70
25 TO 29	\$612.28	\$881.67	\$697.22	\$1,003.99	\$550.57	\$792.82
30 TO 34	\$673.48	\$979.65	\$766.92	\$1,115.57	\$605.61	\$880.93
35 TO 39	\$783.72	\$1,102.13	\$892.45	\$1,255.04	\$704.74	\$991.06
40 TO 44	\$930.65	\$1,249.06	\$1,059.77	\$1,422.35	\$836.87	\$1,123.18
45 TO 49	\$1,236.79	\$1,469.48	\$1,408.38	\$1,673.36	\$1,112.15	\$1,321.40
50 TO 54	\$1,714.39	\$1,775.62	\$1,952.25	\$2,021.97	\$1,541.63	\$1,596.68
55 TO 59	\$2,216.46	\$2,094.01	\$2,523.96	\$2,384.53	\$1,993.09	\$1,882.99
60 TO 64	\$2,767.51	\$2,302.16	\$3,151.48	\$2,621.56	\$2,488.62	\$2,070.16
65+	\$2,767.51	\$2,302.16	\$3,151.48	\$2,621.56	\$2,488.62	\$2,070.16
CHILD		\$572.24		\$651.64		\$514.58
CHILDREN		\$1,167.80		\$1,329.82		\$1,050.12
MATERNITY RIDER		\$705.99		\$803.94		\$634.84

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MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES

EFFECTIVE: 01/01/2010

RATING AREA: EAST WITH MEDICAL UNDERWRITING

BARBOUR, BERKELEY, GRANT, HAMPSHIRE, HARDY, JEFFERSON, LEWIS, MINERAL, MORGAN,
PENDLETON, POCAHONTAS, PRESTON, RANDOLPH, TUCKER, UPSHUR, WEBSTER

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SUPER BLUE PLUS 2008

AGE BAND	\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$151.36	\$186.80	\$132.02	\$162.93	\$125.76	\$155.20	\$113.34	\$139.88	\$102.14	\$126.05
25 TO 29	\$161.03	\$231.87	\$140.45	\$202.24	\$133.79	\$192.65	\$120.58	\$173.63	\$108.66	\$156.47
30 TO 34	\$177.12	\$257.64	\$154.49	\$224.72	\$147.16	\$214.06	\$132.63	\$192.93	\$119.52	\$173.85
35 TO 39	\$206.11	\$289.85	\$179.77	\$252.81	\$171.25	\$240.82	\$154.34	\$217.05	\$139.08	\$195.59
40 TO 44	\$244.76	\$328.50	\$213.48	\$286.52	\$203.35	\$272.92	\$183.28	\$245.99	\$165.16	\$221.66
45 TO 49	\$325.27	\$386.47	\$283.70	\$337.08	\$270.24	\$321.09	\$243.57	\$289.40	\$219.49	\$260.78
50 TO 54	\$450.88	\$466.98	\$393.26	\$407.30	\$374.60	\$387.98	\$337.63	\$349.69	\$304.25	\$315.11
55 TO 59	\$582.92	\$550.71	\$508.42	\$480.34	\$484.31	\$457.55	\$436.51	\$412.39	\$393.34	\$371.61
60 TO 64	\$727.84	\$605.46	\$634.83	\$528.08	\$604.72	\$503.03	\$545.03	\$453.38	\$491.14	\$408.55
65+	\$727.84	\$605.46	\$634.83	\$528.08	\$604.72	\$503.03	\$545.03	\$453.38	\$491.14	\$408.55
CHILD		\$150.50		\$131.26		\$125.04		\$112.70		\$101.55
CHILDREN		\$307.13		\$267.88		\$255.17		\$229.98		\$207.24
MATERNITY RIDER		\$276.71		\$233.59		\$210.47		\$194.36		\$168.39

HDHP

AGE BAND	LIMITED BENEFITS		\$3,000 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$104.51	\$128.97	\$119.00	\$146.87	\$93.97	\$115.98
25 TO 29	\$111.18	\$160.09	\$126.60	\$182.31	\$99.97	\$143.96
30 TO 34	\$122.29	\$177.89	\$139.26	\$202.57	\$109.97	\$159.96
35 TO 39	\$142.31	\$200.13	\$162.05	\$227.89	\$127.97	\$179.96
40 TO 44	\$168.99	\$226.81	\$192.44	\$258.27	\$151.96	\$203.95
45 TO 49	\$224.58	\$266.83	\$255.74	\$303.85	\$201.95	\$239.94
50 TO 54	\$311.30	\$322.42	\$354.49	\$367.15	\$279.93	\$289.93
55 TO 59	\$402.47	\$380.24	\$458.31	\$432.99	\$361.91	\$341.92
60 TO 64	\$502.53	\$418.03	\$572.25	\$476.03	\$451.89	\$375.90
65+	\$502.53	\$418.03	\$572.25	\$476.03	\$451.89	\$375.90
CHILD		\$103.91		\$118.33		\$93.44
CHILDREN		\$212.05		\$241.47		\$190.68
MATERNITY RIDER		\$166.49		\$189.59		\$149.71

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RATING AREA: EAST GUARANTEED ISSUE

BARBOUR, BERKELEY, GRANT, HAMPSHIRE, HARDY, JEFFERSON, LEWIS, MINERAL, MORGAN,
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SUPER BLUE PLUS 2008

AGE BAND	\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$641.85	\$792.12	\$559.82	\$690.89	\$533.27	\$658.12	\$480.63	\$593.16	\$433.11	\$534.51
25 TO 29	\$682.83	\$983.26	\$595.57	\$857.61	\$567.32	\$816.93	\$511.32	\$736.30	\$460.76	\$663.49
30 TO 34	\$751.08	\$1,092.54	\$655.10	\$952.92	\$624.03	\$907.72	\$562.43	\$818.13	\$506.82	\$737.23
35 TO 39	\$874.03	\$1,229.13	\$762.33	\$1,072.06	\$726.17	\$1,021.20	\$654.50	\$920.41	\$589.78	\$829.40
40 TO 44	\$1,037.89	\$1,392.99	\$905.26	\$1,214.97	\$862.32	\$1,157.34	\$777.21	\$1,043.11	\$700.36	\$939.97
45 TO 49	\$1,379.31	\$1,638.81	\$1,203.04	\$1,429.39	\$1,145.98	\$1,361.58	\$1,032.87	\$1,227.19	\$930.74	\$1,105.85
50 TO 54	\$1,911.95	\$1,980.23	\$1,667.61	\$1,727.17	\$1,588.51	\$1,645.24	\$1,431.72	\$1,482.85	\$1,290.15	\$1,336.23
55 TO 59	\$2,471.86	\$2,335.31	\$2,155.97	\$2,036.87	\$2,053.70	\$1,940.25	\$1,851.00	\$1,748.75	\$1,667.98	\$1,575.83
60 TO 64	\$3,086.42	\$2,567.44	\$2,692.00	\$2,239.34	\$2,564.30	\$2,133.12	\$2,311.20	\$1,922.58	\$2,082.67	\$1,732.48
65+	\$3,086.42	\$2,567.44	\$2,692.00	\$2,239.34	\$2,564.30	\$2,133.12	\$2,311.20	\$1,922.58	\$2,082.67	\$1,732.48
CHILD		\$638.18		\$556.63		\$530.22		\$477.89		\$430.64
CHILDREN		\$1,302.37		\$1,135.93		\$1,082.05		\$975.25		\$878.82
MATERNITY RIDER		\$1,173.38		\$990.55		\$892.51		\$824.19		\$714.05

AGE BAND	LIMITED BENEFITS		HDHP \$3,000 DEDUCTIBLE		HDHP \$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$443.16	\$546.91	\$504.64	\$622.79	\$398.50	\$491.80
25 TO 29	\$471.45	\$678.88	\$536.86	\$773.07	\$423.94	\$610.47
30 TO 34	\$518.58	\$754.33	\$590.53	\$858.99	\$466.32	\$678.31
35 TO 39	\$603.46	\$848.64	\$687.19	\$966.38	\$542.65	\$763.12
40 TO 44	\$716.60	\$961.77	\$816.02	\$1,095.21	\$644.39	\$864.85
45 TO 49	\$952.33	\$1,131.50	\$1,084.45	\$1,288.49	\$856.36	\$1,017.48
50 TO 54	\$1,320.08	\$1,367.23	\$1,503.23	\$1,556.92	\$1,187.05	\$1,229.45
55 TO 59	\$1,706.67	\$1,612.39	\$1,943.45	\$1,836.09	\$1,534.68	\$1,449.90
60 TO 64	\$2,130.99	\$1,772.67	\$2,426.64	\$2,018.60	\$1,916.24	\$1,594.03
65+	\$2,130.99	\$1,772.67	\$2,426.64	\$2,018.60	\$1,916.24	\$1,594.03
CHILD		\$440.63		\$501.76		\$396.22
CHILDREN		\$899.21		\$1,023.96		\$808.59
MATERNITY RIDER		\$705.99		\$803.94		\$634.84

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MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES

EFFECTIVE: 01/01/2010

RATING AREA: CENTRAL WITH MEDICAL UNDERWRITING

BRAXTON, CABELL, CALHOUN, DODDRIDGE, GILMER, HARRISON, JACKSON, MASON,
PLEASANTS, PUTNAM, RITCHIE, ROANE, WAYNE, WIRT, WOOD

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SUPER BLUE PLUS 2008

AGE BAND	\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$169.18	\$208.79	\$147.56	\$182.11	\$140.56	\$173.47	\$126.69	\$156.35	\$114.16	\$140.89
25 TO 29	\$179.98	\$259.17	\$156.98	\$226.05	\$149.54	\$215.33	\$134.78	\$194.08	\$121.45	\$174.89
30 TO 34	\$197.98	\$287.98	\$172.68	\$251.18	\$164.48	\$239.26	\$148.25	\$215.65	\$133.59	\$194.32
35 TO 39	\$230.38	\$323.98	\$200.94	\$282.58	\$191.41	\$269.18	\$172.52	\$242.61	\$155.46	\$218.62
40 TO 44	\$273.57	\$367.17	\$238.61	\$320.25	\$227.29	\$305.06	\$204.86	\$274.95	\$184.60	\$247.76
45 TO 49	\$363.57	\$431.97	\$317.11	\$376.77	\$302.06	\$358.89	\$272.25	\$323.47	\$245.33	\$291.49
50 TO 54	\$503.96	\$521.96	\$439.56	\$455.26	\$418.71	\$433.66	\$377.38	\$390.86	\$340.07	\$352.21
55 TO 59	\$651.55	\$615.56	\$568.29	\$536.89	\$541.33	\$511.42	\$487.90	\$460.95	\$439.66	\$415.37
60 TO 64	\$813.54	\$676.74	\$709.57	\$590.26	\$675.91	\$562.26	\$609.20	\$506.77	\$548.96	\$456.66
65+	\$813.54	\$676.74	\$709.57	\$590.26	\$675.91	\$562.26	\$609.20	\$506.77	\$548.96	\$456.66
CHILD		\$168.22		\$146.72		\$139.76		\$125.97		\$113.51
CHILDREN		\$343.29		\$299.42		\$285.21		\$257.06		\$231.64
MATERNITY RIDER		\$276.71		\$233.59		\$210.47		\$194.36		\$168.39

HDHP

AGE BAND	LIMITED BENEFITS		\$3,000 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$116.81	\$144.16	\$133.02	\$164.16	\$105.04	\$129.63
25 TO 29	\$124.27	\$178.94	\$141.51	\$203.77	\$111.75	\$160.91
30 TO 34	\$136.69	\$198.83	\$155.65	\$226.42	\$122.92	\$178.79
35 TO 39	\$159.06	\$223.69	\$181.13	\$254.72	\$143.03	\$201.15
40 TO 44	\$188.89	\$253.51	\$215.09	\$288.68	\$169.85	\$227.96
45 TO 49	\$251.02	\$298.25	\$285.85	\$339.63	\$225.72	\$268.19
50 TO 54	\$347.96	\$360.38	\$396.23	\$410.38	\$312.89	\$324.07
55 TO 59	\$449.85	\$425.00	\$512.27	\$483.97	\$404.52	\$382.17
60 TO 64	\$561.70	\$467.25	\$639.63	\$532.08	\$505.09	\$420.16
65+	\$561.70	\$467.25	\$639.63	\$532.08	\$505.09	\$420.16
CHILD		\$116.14		\$132.26		\$104.44
CHILDREN		\$237.02		\$269.90		\$213.13
MATERNITY RIDER		\$166.49		\$189.59		\$149.71

IF AN ADULT MALE OR FEMALE CHANGES AGE BAND, THEN THE NEW RATES WILL APPLY IN THE MONTH IN WHICH THE BIRTHDAY OCCURS.

IF AN INDIVIDUAL MOVES FROM ONE RATING AREA TO ANOTHER, THEN THE NEW AREA RATES WILL APPLY IN THE MONTH IN WHICH THE MOVE OCCUR
RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

**MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES**

EFFECTIVE: 01/01/2010

RATING AREA: **CENTRAL GUARANTEED ISSUE**

BRAXTON, CABELL, CALHOUN, DODDRIDGE, GILMER, HARRISON, JACKSON, MASON,
PLEASANTS, PUTNAM, RITCHIE, ROANE, WAYNE, WIRT, WOOD

RATES ARE CALCULATED FOR BILLING PURPOSES BY THE ZIP CODE. THE ZIP CODE WILL DETERMINE THE RATE REGARDLESS OF THE COUNTY IN WHICH YOU RESIDE. FOR EXAMPLE, ST ALBANS ZIP CODE CALCULATES TO KANAWHA COUNTY RATES EVEN THOUGH PART OF THE CITY IS IN PUTNAM COUNTY.

SUPER BLUE PLUS 2008

AGE BAND	\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$717.42	\$885.38	\$625.74	\$772.24	\$596.06	\$735.61	\$537.22	\$663.00	\$484.10	\$597.44
25 TO 29	\$763.22	\$1,099.03	\$665.69	\$958.58	\$634.11	\$913.11	\$571.53	\$822.99	\$515.01	\$741.61
30 TO 34	\$839.52	\$1,221.17	\$732.23	\$1,065.12	\$697.50	\$1,014.59	\$628.65	\$914.45	\$566.49	\$824.03
35 TO 39	\$976.93	\$1,373.85	\$852.09	\$1,198.28	\$811.67	\$1,141.44	\$731.56	\$1,028.78	\$659.22	\$927.05
40 TO 44	\$1,160.09	\$1,557.00	\$1,011.84	\$1,358.02	\$963.85	\$1,293.60	\$868.71	\$1,165.92	\$782.82	\$1,050.64
45 TO 49	\$1,541.71	\$1,831.77	\$1,344.69	\$1,597.68	\$1,280.90	\$1,521.89	\$1,154.48	\$1,371.68	\$1,040.32	\$1,236.05
50 TO 54	\$2,137.06	\$2,213.38	\$1,863.96	\$1,930.53	\$1,775.54	\$1,838.95	\$1,600.29	\$1,657.45	\$1,442.06	\$1,493.56
55 TO 59	\$2,762.89	\$2,610.27	\$2,409.82	\$2,276.69	\$2,295.51	\$2,168.70	\$2,068.94	\$1,954.65	\$1,864.36	\$1,761.37
60 TO 64	\$3,449.81	\$2,869.73	\$3,008.95	\$2,503.00	\$2,866.22	\$2,384.27	\$2,583.32	\$2,148.94	\$2,327.88	\$1,936.46
65+	\$3,449.81	\$2,869.73	\$3,008.95	\$2,503.00	\$2,866.22	\$2,384.27	\$2,583.32	\$2,148.94	\$2,327.88	\$1,936.46
CHILD		\$713.32		\$622.17		\$592.65		\$534.16		\$481.34
CHILDREN		\$1,455.71		\$1,269.68		\$1,209.45		\$1,090.08		\$982.29
MATERNITY RIDER		\$1,173.38		\$990.55		\$892.51		\$824.19		\$714.05

HDHP

AGE BAND	LIMITED BENEFITS		\$3,000 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$495.33	\$611.30	\$564.06	\$696.11	\$445.42	\$549.70
25 TO 29	\$526.96	\$758.81	\$600.07	\$864.09	\$473.86	\$682.35
30 TO 34	\$579.64	\$843.15	\$660.05	\$960.12	\$521.22	\$758.18
35 TO 39	\$674.51	\$948.56	\$768.09	\$1,080.16	\$606.54	\$852.97
40 TO 44	\$800.98	\$1,075.01	\$912.10	\$1,224.16	\$720.26	\$966.68
45 TO 49	\$1,064.46	\$1,264.73	\$1,212.14	\$1,440.19	\$957.19	\$1,137.27
50 TO 54	\$1,475.51	\$1,528.21	\$1,680.22	\$1,740.23	\$1,326.82	\$1,374.20
55 TO 59	\$1,907.61	\$1,802.23	\$2,172.27	\$2,052.27	\$1,715.37	\$1,620.61
60 TO 64	\$2,381.89	\$1,981.38	\$2,712.35	\$2,256.27	\$2,141.85	\$1,781.71
65+	\$2,381.89	\$1,981.38	\$2,712.35	\$2,256.27	\$2,141.85	\$1,781.71
CHILD		\$492.51		\$560.84		\$442.87
CHILDREN		\$1,005.08		\$1,144.52		\$903.79
MATERNITY RIDER		\$705.99		\$803.94		\$634.84

IF AN ADULT MALE OR FEMALE CHANGES AGE BAND, THEN THE NEW RATES WILL APPLY IN THE MONTH IN WHICH THE BIRTHDAY OCCURS.

IF AN INDIVIDUAL MOVES FROM ONE RATING AREA TO ANOTHER, THEN THE NEW AREA RATES WILL APPLY IN THE MONTH IN WHICH THE MOVE OCCURS.

RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

**MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES**

EFFECTIVE: 01/01/2010

RATING AREA: **NORTH WITH MEDICAL UNDERWRITING**
BROOKE, HANCOCK, MARION, MARSHALL, MONONGALIA,
OHIO, TAYLOR, TYLER, WETZEL

RATES ARE CALCULATED FOR BILLING PURPOSES BY THE ZIP CODE. THE ZIP CODE WILL DETERMINE THE RATE REGARDLESS OF THE COUNTY IN WHICH YOU RESIDE. FOR EXAMPLE, ST ALBANS ZIP CODE CALCULATES TO KANAWHA COUNTY RATES EVEN THOUGH PART OF THE CITY IS IN PUTNAM COU

SUPER BLUE PLUS

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$216.17	\$266.78	\$194.09	\$239.53	\$166.05	\$204.93	\$137.40	\$169.57	\$119.70	\$147.72
25 TO 29	\$229.97	\$331.16	\$206.49	\$297.34	\$176.65	\$254.38	\$146.17	\$210.49	\$127.34	\$183.37
30 TO 34	\$252.96	\$367.96	\$227.13	\$330.38	\$194.31	\$282.65	\$160.79	\$233.88	\$140.07	\$203.75
35 TO 39	\$294.37	\$413.97	\$264.30	\$371.69	\$226.12	\$317.99	\$187.10	\$263.12	\$163.00	\$229.22
40 TO 44	\$349.56	\$469.15	\$313.86	\$421.23	\$268.51	\$360.38	\$222.18	\$298.20	\$193.56	\$259.78
45 TO 49	\$464.55	\$551.95	\$417.10	\$495.57	\$356.84	\$423.97	\$295.27	\$350.82	\$257.23	\$305.63
50 TO 54	\$643.94	\$666.94	\$578.17	\$598.81	\$494.63	\$512.30	\$409.29	\$423.91	\$356.56	\$369.30
55 TO 59	\$832.52	\$786.53	\$747.48	\$706.19	\$639.49	\$604.16	\$529.15	\$499.92	\$460.98	\$435.52
60 TO 64	\$1,039.50	\$864.71	\$933.32	\$776.39	\$798.48	\$664.22	\$660.71	\$549.62	\$575.59	\$478.81
65+	\$1,039.50	\$864.71	\$933.32	\$776.39	\$798.48	\$664.22	\$660.71	\$549.62	\$575.59	\$478.81
CHILD		\$214.94		\$192.98		\$165.10		\$136.62		\$119.02
CHILDREN		\$438.63		\$393.83		\$336.93		\$278.80		\$242.88
MATERNITY RIDER		\$304.16		\$276.71		\$233.59		\$194.36		\$168.39

NEW BLUE

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$287.74	\$355.11	\$261.76	\$323.05	\$220.98	\$272.71	\$199.11	\$245.72
25 TO 29	\$306.11	\$440.79	\$278.48	\$401.00	\$235.09	\$338.52	\$211.82	\$305.02
30 TO 34	\$336.71	\$489.78	\$306.31	\$445.57	\$258.59	\$376.14	\$232.99	\$338.92
35 TO 39	\$391.82	\$551.02	\$356.45	\$501.28	\$300.91	\$423.17	\$271.13	\$381.29
40 TO 44	\$465.29	\$624.47	\$423.28	\$568.10	\$357.33	\$479.58	\$321.96	\$432.12
45 TO 49	\$618.34	\$734.68	\$562.52	\$668.36	\$474.87	\$564.22	\$427.88	\$508.38
50 TO 54	\$857.12	\$887.73	\$779.75	\$807.59	\$658.25	\$681.76	\$593.10	\$614.29
55 TO 59	\$1,108.13	\$1,046.91	\$1,008.10	\$952.41	\$851.02	\$804.01	\$766.80	\$724.44
60 TO 64	\$1,383.64	\$1,150.98	\$1,258.73	\$1,047.08	\$1,062.61	\$883.93	\$957.44	\$796.45
65+	\$1,383.64	\$1,150.98	\$1,258.73	\$1,047.08	\$1,062.61	\$883.93	\$957.44	\$796.45
CHILD		\$286.10		\$260.27		\$219.72		\$197.97
CHILDREN		\$583.85		\$531.14		\$448.39		\$404.01
MATERNITY RIDER		\$365.00		\$332.05		\$280.31		\$252.57

IF AN ADULT MALE OR FEMALE CHANGES AGE BAND, THEN THE NEW RATES WILL APPLY IN THE MONTH IN WHICH THE BIRTHDAY OCCURS.

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RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

**MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES**

EFFECTIVE: 01/01/2010

RATING AREA: NORTH GUARANTEED ISSUE

BROOKE, HANCOCK, MARION, MARSHALL, MONONGALIA,
OHIO, TAYLOR, TYLER, WETZEL

RATES ARE CALCULATED FOR BILLING PURPOSES BY THE ZIP CODE. THE ZIP CODE WILL DETERMINE THE RATE REGARDLESS OF THE COUNTY IN WHICH YOU RESIDE. FOR EXAMPLE, ST ALBANS ZIP CODE CALCULATES TO KANAWHA COUNTY RATES EVEN THOUGH PART OF THE CITY IS IN PUTNAM COUNTY.

SUPER BLUE PLUS

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$916.68	\$1,131.30	\$823.05	\$1,015.75	\$704.14	\$868.99	\$582.65	\$719.06	\$507.59	\$626.42
25 TO 29	\$975.21	\$1,404.29	\$875.60	\$1,260.85	\$749.10	\$1,078.69	\$619.85	\$892.58	\$539.99	\$777.58
30 TO 34	\$1,072.69	\$1,560.35	\$963.13	\$1,400.98	\$823.98	\$1,198.57	\$681.81	\$991.77	\$593.97	\$864.00
35 TO 39	\$1,248.28	\$1,755.43	\$1,120.78	\$1,576.13	\$958.85	\$1,348.42	\$793.41	\$1,115.77	\$691.20	\$972.02
40 TO 44	\$1,482.31	\$1,989.45	\$1,330.91	\$1,786.25	\$1,138.62	\$1,528.18	\$942.17	\$1,264.51	\$820.79	\$1,101.60
45 TO 49	\$1,969.92	\$2,340.54	\$1,768.71	\$2,101.48	\$1,513.17	\$1,797.86	\$1,252.09	\$1,487.67	\$1,090.78	\$1,296.01
50 TO 54	\$2,730.62	\$2,828.15	\$2,451.72	\$2,539.28	\$2,097.50	\$2,172.41	\$1,735.61	\$1,797.59	\$1,512.01	\$1,566.01
55 TO 59	\$3,530.29	\$3,335.27	\$3,169.70	\$2,994.60	\$2,711.75	\$2,561.95	\$2,243.88	\$2,119.92	\$1,954.80	\$1,846.81
60 TO 64	\$4,408.00	\$3,666.80	\$3,957.76	\$3,292.27	\$3,385.96	\$2,816.62	\$2,801.76	\$2,330.65	\$2,440.80	\$2,030.39
65+	\$4,408.00	\$3,666.80	\$3,957.76	\$3,292.27	\$3,385.96	\$2,816.62	\$2,801.76	\$2,330.65	\$2,440.80	\$2,030.39
CHILD		\$911.45		\$818.35		\$700.12		\$579.32		\$504.69
CHILDREN		\$1,860.03		\$1,670.05		\$1,428.76		\$1,182.25		\$1,029.94
MATERNITY RIDER		\$1,289.81		\$1,173.38		\$990.55		\$824.19		\$714.05

NEW BLUE

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$1,220.16	\$1,505.83	\$1,110.01	\$1,369.89	\$937.06	\$1,156.45	\$844.32	\$1,041.99
25 TO 29	\$1,298.06	\$1,869.19	\$1,180.88	\$1,700.45	\$996.89	\$1,435.50	\$898.22	\$1,293.43
30 TO 34	\$1,427.82	\$2,076.93	\$1,298.93	\$1,889.44	\$1,096.54	\$1,595.04	\$988.01	\$1,437.18
35 TO 39	\$1,661.53	\$2,336.59	\$1,511.54	\$2,125.66	\$1,276.03	\$1,794.46	\$1,149.73	\$1,616.86
40 TO 44	\$1,973.05	\$2,648.08	\$1,794.93	\$2,409.03	\$1,515.26	\$2,033.68	\$1,365.29	\$1,832.40
45 TO 49	\$2,622.08	\$3,115.40	\$2,385.38	\$2,834.17	\$2,013.71	\$2,392.57	\$1,814.41	\$2,155.77
50 TO 54	\$3,634.63	\$3,764.44	\$3,306.52	\$3,424.61	\$2,791.33	\$2,891.02	\$2,515.06	\$2,604.89
55 TO 59	\$4,699.03	\$4,439.45	\$4,274.84	\$4,038.68	\$3,608.77	\$3,409.41	\$3,251.60	\$3,071.97
60 TO 64	\$5,867.32	\$4,880.74	\$5,337.66	\$4,440.14	\$4,505.99	\$3,748.32	\$4,060.02	\$3,377.34
65+	\$5,867.32	\$4,880.74	\$5,337.66	\$4,440.14	\$4,505.99	\$3,748.32	\$4,060.02	\$3,377.34
CHILD		\$1,213.19		\$1,103.68		\$931.71		\$839.50
CHILDREN		\$2,475.81		\$2,252.32		\$1,901.38		\$1,713.20
MATERNITY RIDER		\$1,547.77		\$1,408.05		\$1,188.66		\$1,071.02

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RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES

EFFECTIVE: 01/01/2010

RATING AREA: SOUTH WITH MEDICAL UNDERWRITING
BOONE, CLAY, FAYETTE, GREENBRIER, KANAWHA, LINCOLN, LOGAN, MCDOWELL,
MERCER, MINGO, MONROE, NICHOLAS, RALEIGH, SUMMERS, WYOMING

RATES ARE CALCULATED FOR BILLING PURPOSES BY THE ZIP CODE. THE ZIP CODE WILL DETERMINE THE RATE REGARDLESS OF THE COUNTY IN WHICH YOU RESIDE. FOR EXAMPLE, ST ALBANS ZIP CODE CALCULATES TO KANAWHA COUNTY RATES EVEN THOUGH PART OF THE CITY IS IN PUTNAM COUNTY

SUPER BLUE PLUS

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$232.86	\$287.37	\$209.07	\$258.02	\$178.87	\$220.74	\$148.01	\$182.66	\$128.94	\$159.12
25 TO 29	\$247.72	\$356.72	\$222.42	\$320.28	\$190.29	\$274.01	\$157.46	\$226.73	\$137.17	\$197.52
30 TO 34	\$272.49	\$396.36	\$244.65	\$355.88	\$209.31	\$304.46	\$173.19	\$251.93	\$150.88	\$219.47
35 TO 39	\$317.09	\$445.92	\$284.70	\$400.37	\$243.57	\$342.53	\$201.54	\$283.43	\$175.58	\$246.91
40 TO 44	\$376.54	\$505.36	\$338.08	\$453.74	\$289.23	\$388.19	\$239.33	\$321.21	\$208.50	\$279.83
45 TO 49	\$500.40	\$594.55	\$449.29	\$533.82	\$384.38	\$456.70	\$318.06	\$377.90	\$277.08	\$329.21
50 TO 54	\$693.64	\$718.41	\$622.79	\$645.03	\$532.81	\$551.84	\$440.88	\$456.63	\$384.08	\$397.80
55 TO 59	\$896.77	\$847.23	\$805.17	\$760.69	\$688.84	\$650.79	\$569.99	\$538.51	\$496.56	\$469.13
60 TO 64	\$1,119.72	\$931.45	\$1,005.36	\$836.31	\$860.10	\$715.48	\$711.71	\$592.03	\$620.02	\$515.76
65+	\$1,119.72	\$931.45	\$1,005.36	\$836.31	\$860.10	\$715.48	\$711.71	\$592.03	\$620.02	\$515.76
CHILD		\$231.53		\$207.88		\$177.85		\$147.16		\$128.20
CHILDREN		\$472.49		\$424.23		\$362.94		\$300.32		\$261.63
MATERNITY RIDER		\$304.16		\$276.71		\$233.59		\$194.36		\$168.39

NEW BLUE

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$299.73	\$369.90	\$272.67	\$336.51	\$230.19	\$284.08	\$207.40	\$255.96
25 TO 29	\$318.87	\$459.16	\$290.08	\$417.71	\$244.88	\$352.63	\$220.65	\$317.73
30 TO 34	\$350.74	\$510.19	\$319.08	\$464.13	\$269.36	\$391.82	\$242.70	\$353.04
35 TO 39	\$408.15	\$573.98	\$371.31	\$522.16	\$313.45	\$440.80	\$282.43	\$397.18
40 TO 44	\$484.67	\$650.49	\$440.92	\$591.77	\$372.22	\$499.57	\$335.38	\$450.12
45 TO 49	\$644.11	\$765.29	\$585.96	\$696.20	\$494.66	\$587.73	\$445.70	\$529.56
50 TO 54	\$892.84	\$924.72	\$812.24	\$841.24	\$685.68	\$710.17	\$617.82	\$639.88
55 TO 59	\$1,154.30	\$1,090.54	\$1,050.10	\$992.09	\$886.48	\$837.51	\$798.75	\$754.62
60 TO 64	\$1,441.29	\$1,198.94	\$1,311.18	\$1,090.71	\$1,106.88	\$920.76	\$997.33	\$829.63
65+	\$1,441.29	\$1,198.94	\$1,311.18	\$1,090.71	\$1,106.88	\$920.76	\$997.33	\$829.63
CHILD		\$298.02		\$271.11		\$228.87		\$206.22
CHILDREN		\$608.18		\$553.27		\$467.07		\$420.84
MATERNITY RIDER		\$365.00		\$332.05		\$280.31		\$252.57

IF AN ADULT MALE OR FEMALE CHANGES AGE BAND, THEN THE NEW RATES WILL APPLY IN THE MONTH IN WHICH THE BIRTHDAY OCCURS.

IF AN INDIVIDUAL MOVES FROM ONE RATING AREA TO ANOTHER, THEN THE NEW AREA RATES WILL APPLY IN THE MONTH IN WHICH THE MOVE OCCURS.
RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES

EFFECTIVE: 01/01/2010

RATING AREA: SOUTH GUARANTEED ISSUE
BOONE, CLAY, FAYETTE, GREENBRIER, KANAWHA, LINCOLN, LOGAN, MCDOWELL,
MERCER, MINGO, MONROE, NICHOLAS, RALEIGH, SUMMERS, WYOMING

RATES ARE CALCULATED FOR BILLING PURPOSES BY THE ZIP CODE. THE ZIP CODE WILL DETERMINE THE RATE REGARDLESS OF THE COUNTY IN WHICH YOU RESIDE. FOR EXAMPLE, ST ALBANS ZIP CODE CALCULATES TO KANAWHA COUNTY RATES EVEN THOUGH PART OF THE CITY IS IN PUTNAM COUNTY.

SUPER BLUE PLUS

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$987.43	\$1,218.61	\$886.57	\$1,094.14	\$758.48	\$936.06	\$627.62	\$774.56	\$546.76	\$674.77
25 TO 29	\$1,050.47	\$1,512.67	\$943.18	\$1,358.16	\$806.91	\$1,161.94	\$667.69	\$961.46	\$581.67	\$837.60
30 TO 34	\$1,155.48	\$1,680.78	\$1,037.46	\$1,509.10	\$887.57	\$1,291.07	\$734.43	\$1,068.32	\$639.81	\$930.68
35 TO 39	\$1,344.62	\$1,890.92	\$1,207.28	\$1,697.78	\$1,032.85	\$1,452.49	\$854.65	\$1,201.88	\$744.54	\$1,047.04
40 TO 44	\$1,596.71	\$2,142.99	\$1,433.62	\$1,924.11	\$1,226.50	\$1,646.12	\$1,014.88	\$1,362.10	\$884.13	\$1,186.62
45 TO 49	\$2,121.95	\$2,521.18	\$1,905.21	\$2,263.67	\$1,629.95	\$1,936.62	\$1,348.73	\$1,602.48	\$1,174.97	\$1,396.03
50 TO 54	\$2,941.37	\$3,046.42	\$2,640.94	\$2,735.25	\$2,259.38	\$2,340.07	\$1,869.56	\$1,936.33	\$1,628.70	\$1,686.87
55 TO 59	\$3,802.75	\$3,592.68	\$3,414.34	\$3,225.72	\$2,921.04	\$2,759.68	\$2,417.06	\$2,283.54	\$2,105.66	\$1,989.34
60 TO 64	\$4,748.20	\$3,949.80	\$4,263.21	\$3,546.37	\$3,647.28	\$3,034.00	\$3,017.99	\$2,510.53	\$2,629.18	\$2,187.09
65+	\$4,748.20	\$3,949.80	\$4,263.21	\$3,546.37	\$3,647.28	\$3,034.00	\$3,017.99	\$2,510.53	\$2,629.18	\$2,187.09
CHILD		\$981.79		\$881.51		\$754.15		\$624.04		\$543.64
CHILDREN		\$2,003.58		\$1,798.94		\$1,539.03		\$1,273.49		\$1,109.43
MATERNITY RIDER		\$1,289.81		\$1,173.38		\$990.55		\$824.19		\$714.05

NEW BLUE

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$1,271.00	\$1,568.57	\$1,156.26	\$1,426.97	\$976.10	\$1,204.63	\$879.50	\$1,085.41
25 TO 29	\$1,352.15	\$1,947.07	\$1,230.09	\$1,771.31	\$1,038.43	\$1,495.32	\$935.65	\$1,347.32
30 TO 34	\$1,487.31	\$2,163.47	\$1,353.05	\$1,968.16	\$1,142.23	\$1,661.50	\$1,029.18	\$1,497.06
35 TO 39	\$1,730.76	\$2,433.95	\$1,574.52	\$2,214.23	\$1,329.19	\$1,869.23	\$1,197.64	\$1,684.23
40 TO 44	\$2,055.26	\$2,758.42	\$1,869.72	\$2,509.41	\$1,578.40	\$2,118.41	\$1,422.18	\$1,908.75
45 TO 49	\$2,731.33	\$3,245.21	\$2,484.77	\$2,952.26	\$2,097.61	\$2,492.26	\$1,890.01	\$2,245.60
50 TO 54	\$3,786.07	\$3,921.29	\$3,444.29	\$3,567.30	\$2,907.64	\$3,011.48	\$2,619.86	\$2,713.42
55 TO 59	\$4,894.83	\$4,624.42	\$4,452.96	\$4,206.96	\$3,759.14	\$3,551.47	\$3,387.09	\$3,199.97
60 TO 64	\$6,111.79	\$5,084.10	\$5,560.06	\$4,625.15	\$4,693.74	\$3,904.50	\$4,229.19	\$3,518.06
65+	\$6,111.79	\$5,084.10	\$5,560.06	\$4,625.15	\$4,693.74	\$3,904.50	\$4,229.19	\$3,518.06
CHILD		\$1,263.74		\$1,149.66		\$970.53		\$874.48
CHILDREN		\$2,578.97		\$2,346.16		\$1,980.60		\$1,784.58
MATERNITY RIDER		\$1,547.77		\$1,408.05		\$1,188.66		\$1,071.02

IF AN ADULT MALE OR FEMALE CHANGES AGE BAND, THEN THE NEW RATES WILL APPLY IN THE MONTH IN WHICH THE BIRTHDAY OCCURS.

IF AN INDIVIDUAL MOVES FROM ONE RATING AREA TO ANOTHER, THEN THE NEW AREA RATES WILL APPLY IN THE MONTH IN WHICH THE MOVE OCCURS.

RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES

EFFECTIVE: 01/01/2010

RATING AREA: EAST WITH MEDICAL UNDERWRITING

BARBOUR, BERKELEY, GRANT, HAMPSHIRE, HARDY, JEFFERSON, LEWIS, MINERAL, MORGAN,
PENDLETON, POCAHONTAS, PRESTON, RANDOLPH, TUCKER, UPSHUR, WEBSTER

RATES ARE CALCULATED FOR BILLING PURPOSES BY THE ZIP CODE. THE ZIP CODE WILL DETERMINE THE RATE REGARDLESS OF THE COUNTY IN WHI
YOU RESIDE. FOR EXAMPLE, ST ALBANS ZIP CODE CALCULATES TO KANAWHA COUNTY RATES EVEN THOUGH PART OF THE CITY IS IN PUTNAM COU

SUPER BLUE PLUS

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$179.30	\$221.28	\$160.99	\$198.68	\$137.73	\$169.97	\$113.96	\$140.65	\$99.28	\$122.53
25 TO 29	\$190.75	\$274.67	\$171.26	\$246.62	\$146.52	\$210.99	\$121.24	\$174.58	\$105.62	\$152.09
30 TO 34	\$209.81	\$305.20	\$188.38	\$274.03	\$161.17	\$234.44	\$133.36	\$193.99	\$116.18	\$169.00
35 TO 39	\$244.16	\$343.36	\$219.22	\$308.29	\$187.55	\$263.75	\$155.19	\$218.24	\$135.20	\$190.12
40 TO 44	\$289.93	\$389.13	\$260.32	\$349.38	\$222.71	\$298.91	\$184.28	\$247.33	\$160.54	\$215.47
45 TO 49	\$385.31	\$457.80	\$345.95	\$411.04	\$295.97	\$351.66	\$244.91	\$290.98	\$213.35	\$253.49
50 TO 54	\$534.10	\$553.17	\$479.55	\$496.67	\$410.26	\$424.92	\$339.48	\$351.60	\$295.74	\$306.30
55 TO 59	\$690.51	\$652.37	\$619.98	\$585.73	\$530.41	\$501.11	\$438.89	\$414.65	\$382.35	\$361.23
60 TO 64	\$862.19	\$717.21	\$774.12	\$643.96	\$662.28	\$550.92	\$548.01	\$455.87	\$477.41	\$397.14
65+	\$862.19	\$717.21	\$774.12	\$643.96	\$662.28	\$550.92	\$548.01	\$455.87	\$477.41	\$397.14
CHILD		\$178.28		\$160.07		\$136.94		\$113.31		\$98.72
CHILDREN		\$363.81		\$326.65		\$279.46		\$231.24		\$201.45
MATERNITY RIDER		\$304.16		\$276.71		\$233.59		\$194.36		\$168.39

NEW BLUE

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$230.79	\$284.82	\$209.96	\$259.11	\$177.24	\$218.74	\$159.70	\$197.09
25 TO 29	\$245.53	\$353.55	\$223.36	\$321.64	\$188.56	\$271.52	\$169.90	\$244.65
30 TO 34	\$270.07	\$392.85	\$245.69	\$357.38	\$207.41	\$301.70	\$186.88	\$271.84
35 TO 39	\$314.28	\$441.96	\$285.90	\$402.06	\$241.36	\$339.42	\$217.47	\$305.83
40 TO 44	\$373.20	\$500.88	\$339.51	\$455.66	\$286.61	\$384.67	\$258.24	\$346.59
45 TO 49	\$495.96	\$589.27	\$451.19	\$536.08	\$380.89	\$452.55	\$343.19	\$407.76
50 TO 54	\$687.48	\$712.04	\$625.42	\$647.76	\$527.97	\$546.83	\$475.72	\$492.71
55 TO 59	\$888.81	\$839.71	\$808.58	\$763.91	\$682.59	\$644.88	\$615.03	\$581.06
60 TO 64	\$1,109.79	\$923.18	\$1,009.61	\$839.84	\$852.30	\$708.99	\$767.95	\$638.82
65+	\$1,109.79	\$923.18	\$1,009.61	\$839.84	\$852.30	\$708.99	\$767.95	\$638.82
CHILD		\$229.47		\$208.76		\$176.23		\$158.79
CHILDREN		\$468.30		\$426.02		\$359.64		\$324.05
MATERNITY RIDER		\$365.00		\$332.05		\$280.31		\$252.57

IF AN ADULT MALE OR FEMALE CHANGES AGE BAND, THEN THE NEW RATES WILL APPLY IN THE MONTH IN WHICH THE BIRTHDAY OCCURS.

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RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES

EFFECTIVE: 01/01/2010

RATING AREA: EAST

GUARANTEED ISSUE

BARBOUR, BERKELEY, GRANT, HAMPSHIRE, HARDY, JEFFERSON, LEWIS, MINERAL, MORGAN,
PENDLETON, POCAHONTAS, PRESTON, RANDOLPH, TUCKER, UPSHUR, WEBSTER

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SUPER BLUE PLUS

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$760.32	\$938.33	\$682.66	\$842.49	\$584.03	\$720.77	\$483.27	\$596.41	\$421.01	\$519.57
25 TO 29	\$808.87	\$1,164.75	\$726.25	\$1,045.78	\$621.32	\$894.69	\$514.12	\$740.33	\$447.89	\$644.95
30 TO 34	\$889.72	\$1,294.20	\$798.84	\$1,162.01	\$683.43	\$994.13	\$565.51	\$822.60	\$492.66	\$716.63
35 TO 39	\$1,035.35	\$1,456.01	\$929.60	\$1,307.29	\$795.30	\$1,118.42	\$658.08	\$925.45	\$573.30	\$806.22
40 TO 44	\$1,229.47	\$1,650.10	\$1,103.89	\$1,481.56	\$944.40	\$1,267.51	\$781.46	\$1,048.82	\$680.78	\$913.70
45 TO 49	\$1,633.90	\$1,941.31	\$1,467.01	\$1,743.02	\$1,255.06	\$1,491.20	\$1,038.52	\$1,233.91	\$904.73	\$1,074.94
50 TO 54	\$2,264.85	\$2,345.74	\$2,033.52	\$2,106.15	\$1,739.72	\$1,801.86	\$1,439.56	\$1,490.97	\$1,254.10	\$1,298.89
55 TO 59	\$2,928.12	\$2,766.36	\$2,629.04	\$2,483.80	\$2,249.20	\$2,124.95	\$1,861.14	\$1,758.32	\$1,621.36	\$1,531.79
60 TO 64	\$3,656.11	\$3,041.35	\$3,282.68	\$2,730.70	\$2,808.40	\$2,336.18	\$2,323.86	\$1,933.11	\$2,024.47	\$1,684.06
65+	\$3,656.11	\$3,041.35	\$3,282.68	\$2,730.70	\$2,808.40	\$2,336.18	\$2,323.86	\$1,933.11	\$2,024.47	\$1,684.06
CHILD		\$755.98		\$678.76		\$580.70		\$480.51		\$418.60
CHILDREN		\$1,542.76		\$1,385.18		\$1,185.05		\$980.59		\$854.26
MATERNITY RIDER		\$1,289.81		\$1,173.38		\$990.55		\$824.19		\$714.05

NEW BLUE

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$978.67	\$1,207.80	\$890.32	\$1,098.77	\$751.60	\$927.57	\$677.21	\$835.76
25 TO 29	\$1,041.16	\$1,499.25	\$947.17	\$1,363.91	\$799.59	\$1,151.39	\$720.45	\$1,037.44
30 TO 34	\$1,145.23	\$1,665.87	\$1,041.85	\$1,515.49	\$879.52	\$1,279.36	\$792.47	\$1,152.74
35 TO 39	\$1,332.69	\$1,874.14	\$1,212.38	\$1,704.96	\$1,023.48	\$1,439.31	\$922.18	\$1,296.85
40 TO 44	\$1,582.55	\$2,123.98	\$1,439.69	\$1,932.24	\$1,215.37	\$1,631.18	\$1,095.08	\$1,469.74
45 TO 49	\$2,103.13	\$2,498.81	\$1,913.27	\$2,273.24	\$1,615.16	\$1,919.04	\$1,455.31	\$1,729.11
50 TO 54	\$2,915.28	\$3,019.39	\$2,652.11	\$2,746.82	\$2,238.88	\$2,318.84	\$2,017.29	\$2,089.34
55 TO 59	\$3,769.02	\$3,560.80	\$3,428.78	\$3,239.36	\$2,894.54	\$2,734.63	\$2,608.06	\$2,463.98
60 TO 64	\$4,706.08	\$3,914.76	\$4,281.25	\$3,561.36	\$3,614.18	\$3,006.46	\$3,256.48	\$2,708.91
65+	\$4,706.08	\$3,914.76	\$4,281.25	\$3,561.36	\$3,614.18	\$3,006.46	\$3,256.48	\$2,708.91
CHILD		\$973.08		\$885.24		\$747.31		\$673.35
CHILDREN		\$1,985.81		\$1,806.54		\$1,525.07		\$1,374.13
MATERNITY RIDER		\$1,547.77		\$1,408.05		\$1,188.66		\$1,071.02

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RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

**MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES**

EFFECTIVE: 01/01/2010

RATING AREA: **CENTRAL WITH MEDICAL UNDERWRITING**

BRAXTON, CABELL, CALHOUN, DODDRIDGE, GILMER, HARRISON, JACKSON, MASON,
PLEASANTS, PUTNAM, RITCHIE, ROANE, WAYNE, WIRT, WOOD

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SUPER BLUE PLUS

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$200.41	\$247.33	\$179.94	\$222.07	\$153.94	\$189.98	\$127.38	\$157.21	\$110.97	\$136.95
25 TO 29	\$213.21	\$307.01	\$191.43	\$275.65	\$163.77	\$235.83	\$135.52	\$195.14	\$118.06	\$170.00
30 TO 34	\$234.52	\$341.13	\$210.56	\$306.29	\$180.14	\$262.04	\$149.06	\$216.83	\$129.86	\$188.89
35 TO 39	\$272.91	\$383.78	\$245.03	\$344.58	\$209.63	\$294.80	\$173.46	\$243.94	\$151.11	\$212.51
40 TO 44	\$324.07	\$434.94	\$290.97	\$390.52	\$248.93	\$334.10	\$205.98	\$276.45	\$179.45	\$240.84
45 TO 49	\$430.67	\$511.70	\$386.68	\$459.44	\$330.82	\$393.06	\$273.74	\$325.24	\$238.47	\$283.34
50 TO 54	\$596.98	\$618.31	\$536.01	\$555.15	\$458.57	\$474.94	\$379.45	\$393.00	\$330.56	\$342.37
55 TO 59	\$771.81	\$728.17	\$692.98	\$654.70	\$592.86	\$560.11	\$490.57	\$463.47	\$427.37	\$403.76
60 TO 64	\$963.70	\$801.66	\$865.27	\$719.78	\$740.26	\$615.78	\$612.54	\$509.54	\$533.62	\$443.89
65+	\$963.70	\$801.66	\$865.27	\$719.78	\$740.26	\$615.78	\$612.54	\$509.54	\$533.62	\$443.89
CHILD		\$199.27		\$178.91		\$153.06		\$126.66		\$110.34
CHILDREN		\$406.65		\$365.11		\$312.36		\$258.47		\$225.17
MATERNITY RIDER		\$304.16		\$276.71		\$233.59		\$194.36		\$168.39

NEW BLUE

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$263.76	\$325.51	\$239.95	\$296.13	\$202.56	\$249.99	\$182.52	\$225.25
25 TO 29	\$280.60	\$404.06	\$255.27	\$367.59	\$215.50	\$310.31	\$194.17	\$279.60
30 TO 34	\$308.65	\$448.97	\$280.79	\$408.44	\$237.04	\$344.80	\$213.58	\$310.67
35 TO 39	\$359.17	\$505.10	\$326.75	\$459.50	\$275.84	\$387.91	\$248.54	\$349.51
40 TO 44	\$426.51	\$572.43	\$388.01	\$520.76	\$327.55	\$439.62	\$295.13	\$396.11
45 TO 49	\$566.81	\$673.45	\$515.64	\$612.66	\$435.30	\$517.20	\$392.22	\$466.01
50 TO 54	\$785.69	\$813.76	\$714.77	\$740.30	\$603.40	\$624.95	\$543.68	\$563.10
55 TO 59	\$1,015.79	\$959.67	\$924.09	\$873.04	\$780.11	\$737.01	\$702.90	\$664.07
60 TO 64	\$1,268.33	\$1,055.07	\$1,153.84	\$959.82	\$974.06	\$810.27	\$877.65	\$730.08
65+	\$1,268.33	\$1,055.07	\$1,153.84	\$959.82	\$974.06	\$810.27	\$877.65	\$730.08
CHILD		\$262.26		\$238.58		\$201.41		\$181.47
CHILDREN		\$535.19		\$486.88		\$411.02		\$370.34
MATERNITY RIDER		\$365.00		\$332.05		\$280.31		\$252.57

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MOUNTAIN STATE BLUE CROSS BLUE SHIELD, INC
INDIVIDUAL POLICY RATES

EFFECTIVE: 01/01/2010

RATING AREA: **CENTRAL** **GUARANTEED ISSUE**
BRAXTON, CABELL, CALHOUN, DODDRIDGE, GILMER, HARRISON, JACKSON, MASON,
PLEASANTS, PUTNAM, RITCHIE, ROANE, WAYNE, WIRT, WOOD

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SUPER BLUE PLUS

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$2,500 DEDUCTIBLE		\$5,000 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$849.84	\$1,048.81	\$763.04	\$941.68	\$652.80	\$805.63	\$540.17	\$666.63	\$470.57	\$580.75
25 TO 29	\$904.10	\$1,301.89	\$811.76	\$1,168.91	\$694.48	\$1,000.03	\$574.65	\$827.49	\$500.62	\$720.88
30 TO 34	\$994.47	\$1,446.58	\$892.90	\$1,298.82	\$763.90	\$1,111.17	\$632.10	\$919.46	\$550.66	\$801.00
35 TO 39	\$1,157.26	\$1,627.43	\$1,039.05	\$1,461.21	\$888.93	\$1,250.10	\$735.56	\$1,034.41	\$640.80	\$901.15
40 TO 44	\$1,374.23	\$1,844.39	\$1,233.86	\$1,656.00	\$1,055.60	\$1,416.75	\$873.47	\$1,172.31	\$760.94	\$1,021.28
45 TO 49	\$1,826.28	\$2,169.88	\$1,639.74	\$1,948.24	\$1,402.83	\$1,666.77	\$1,160.80	\$1,379.19	\$1,011.25	\$1,201.51
50 TO 54	\$2,531.52	\$2,621.93	\$2,272.95	\$2,354.12	\$1,944.56	\$2,014.01	\$1,609.05	\$1,666.52	\$1,401.76	\$1,451.82
55 TO 59	\$3,272.87	\$3,092.07	\$2,938.58	\$2,776.24	\$2,514.02	\$2,375.14	\$2,080.27	\$1,965.35	\$1,812.26	\$1,712.15
60 TO 64	\$4,086.58	\$3,399.43	\$3,669.18	\$3,052.21	\$3,139.06	\$2,611.24	\$2,597.47	\$2,160.71	\$2,262.83	\$1,882.34
65+	\$4,086.58	\$3,399.43	\$3,669.18	\$3,052.21	\$3,139.06	\$2,611.24	\$2,597.47	\$2,160.71	\$2,262.83	\$1,882.34
CHILD		\$844.99		\$758.68		\$649.07		\$537.08		\$467.89
CHILDREN		\$1,724.40		\$1,548.27		\$1,324.58		\$1,096.04		\$954.84
MATERNITY RIDER		\$1,289.81		\$1,173.38		\$990.55		\$824.19		\$714.05

NEW BLUE

AGE BAND	\$250 DEDUCTIBLE		\$500 DEDUCTIBLE		\$1,000 DEDUCTIBLE		\$1,500 DEDUCTIBLE	
	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT	MALE ADULT	FEMALE ADULT
UNDER 25	\$1,118.48	\$1,380.34	\$1,017.51	\$1,255.73	\$858.97	\$1,060.08	\$773.96	\$955.16
25 TO 29	\$1,189.89	\$1,713.43	\$1,082.48	\$1,558.75	\$913.82	\$1,315.88	\$823.37	\$1,185.64
30 TO 34	\$1,308.83	\$1,903.85	\$1,190.68	\$1,731.98	\$1,005.16	\$1,462.12	\$905.68	\$1,317.41
35 TO 39	\$1,523.07	\$2,141.88	\$1,385.58	\$1,948.52	\$1,169.69	\$1,644.92	\$1,053.92	\$1,482.12
40 TO 44	\$1,808.63	\$2,427.41	\$1,645.36	\$2,208.28	\$1,388.99	\$1,864.20	\$1,251.52	\$1,679.70
45 TO 49	\$2,403.57	\$2,855.79	\$2,186.59	\$2,597.99	\$1,845.90	\$2,193.19	\$1,663.21	\$1,976.13
50 TO 54	\$3,331.74	\$3,450.73	\$3,030.98	\$3,139.23	\$2,558.72	\$2,650.10	\$2,305.48	\$2,387.81
55 TO 59	\$4,307.45	\$4,069.49	\$3,918.60	\$3,702.13	\$3,308.04	\$3,125.30	\$2,980.64	\$2,815.98
60 TO 64	\$5,378.37	\$4,474.01	\$4,892.85	\$4,070.13	\$4,130.49	\$3,435.96	\$3,721.69	\$3,095.89
65+	\$5,378.37	\$4,474.01	\$4,892.85	\$4,070.13	\$4,130.49	\$3,435.96	\$3,721.69	\$3,095.89
CHILD		\$1,112.09		\$1,011.70		\$854.07		\$769.54
CHILDREN		\$2,269.50		\$2,064.62		\$1,742.93		\$1,570.43
MATERNITY RIDER		\$1,547.77		\$1,408.05		\$1,188.66		\$1,071.02

IF AN ADULT MALE OR FEMALE CHANGES AGE BAND, THEN THE NEW RATES WILL APPLY IN THE MONTH IN WHICH THE BIRTHDAY OCCURS.

IF AN INDIVIDUAL MOVES FROM ONE RATING AREA TO ANOTHER, THEN THE NEW AREA RATES WILL APPLY IN THE MONTH IN WHICH THE MOVE OCCURS.

RATES COULD DIFFER BY CENTS ON BILLING STATEMENT OR QUOTE DUE TO ROUNDING.

WEST VIRGINIA CODE SECTIONS APPLICABLE TO SMALL GROUP RATING

§33-16D-5. Premium rates for small employers; classes; maximum rates; eligibility for rate increases.

(a) Premium rates for health benefit plans subject to this article shall be subject to the following provisions:

(1) The index rate for a rating period for any class of business shall not exceed the index rate for any other class of business by more than twenty percent; *Provided*, That this subdivision shall not apply to a class of business if all of the following apply:

(A) The class of business is one for which the carrier does not reject, and never has rejected, small employers included within the definition of employers eligible for the class of business or otherwise eligible employees and dependents who enroll on a timely basis, based upon their claim experience or health status;

(B) The carrier does not involuntarily transfer, and never has involuntarily transferred, a health benefit plan into or out of the class of business; and

(C) The class of business is currently available for purchase.

(2) For a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage, or the rates which could be charged to such employers under the rating system for that class of business, shall not vary from the index rate by more than thirty percent of the index rate.

(3) The percentage increase in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

(A) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a class of business for which the small employer carrier is not issuing new policies, the carrier shall use the percentage change in the base premium rate;

(B) An adjustment, not to exceed fifteen percent annually and adjusted pro rata for rating periods of less than one year, due to the claim experience, health status or duration of coverage of the employees or dependents of the small employer as determined from the carrier's rate manual for the class of business; and

(C) Any adjustment due to change in coverage or change in the case characteristics of the small employer as determined from the carrier's rate manual for the class of business.

(4) In the case of health benefit plans issued prior to the effective date of this article, a premium rate for a rating period may exceed the ranges described in subdivision (1) or (2) of this subsection for a period of five years following the effective date of this article.

In that case, the percentage increase in the premium rate charged to a small employer in such a class of business for a new rating period may not exceed the sum of the following:

(A) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a class of business for which the small employer carrier is not issuing new policies, the carrier shall use the percentage change in the base premium rate; and

(B) Any adjustment due to change in coverage or change in the case characteristics of the small employer as determined from the carrier's rate manual for the class of business.

(b) Nothing in this section is intended to affect the use by a small employer carrier of legitimate rating factors other than claim experience, health status or duration of coverage in the determination of premium rates. Small employer carriers shall apply rating factors, including case characteristics, consistently with respect to all small employers in a class of business.

(c) Adjustments in rates for claim experience, health status and duration of coverage may not be charged to individual employees or dependents. Any such adjustment shall be applied uniformly to the rates charged for all employees and dependents of the small employer.

(d) A small employer carrier shall utilize industry as a case characteristic in establishing premium rates: *Provided*, That the highest rate factor associated with any industry classification shall not exceed the lowest rate factor associated with any industry classification by more than fifteen percent.

(e) Small employer carriers shall apply rating factors, including case characteristics, consistently with respect to all small employers in a class of business. Rating factors shall produce premiums for identical groups which differ only by amounts attributable to plan design and do not reflect differences due to the nature of the groups assumed to select particular health benefit plans.

(f) A small employer carrier may not involuntarily transfer a small employer into or out of a class of business. A small employer carrier may not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, claim experience, health status or duration since issue.

(g) To be eligible to make a rate increase request after the first day of July, one thousand nine hundred ninety-three, a carrier shall have a minimum anticipated loss ratio of seventy-three percent. In calculating its minimum anticipated loss ratio, an insurer shall include in its actual incurred claims the amount of premium taxes for the same experience period which are attributable to the policy forms or certificates affected by this section and which were paid to the state of West Virginia pursuant to the provisions

of article three of this chapter.

(h) All insurance carriers subject to this article, effective the first day of July, one thousand nine hundred ninety-three, shall be prohibited from distinguishing more than four classes of business within its small group insurance coverage.

(i) If any health benefit plan is provided by a carrier through a bona fide association of small employers not in the business of selling insurance and with not fewer than two hundred cumulative employees, and if such association is rated on the basis of the number of employees and not on the basis of the individual small employers, such association or group is exempt from the provisions of this article.

§33-16D-9. Maintenance of records.

(a) Each small employer carrier shall maintain at its principal place of business a complete and detailed description of its rating practices and renewal underwriting practices, including information and documentation which demonstrate that its rating methods and practices are based upon commonly accepted actuarial principles.

(b) Each small employer carrier shall file each first day of March with the commissioner an actuarial certification that the carrier is in compliance with the provisions of section five of this article and that the rating methods of the carrier are actuarially sound. A copy of such certification shall be retained by the carrier at its principal place of business.

(c) A small employer carrier shall make the information and documentation described in subsection (a) of this section available to the commissioner upon request.

§33-16D-16. Authorization of uninsured small group health benefit plans.

(a) Upon filing with and approval by the commissioner, any carrier licensed pursuant to this chapter which accesses a health care provider network to deliver services may offer a health benefit plan and rates associated with the plan to a small employer subject to the conditions of this section and subject to the provisions of this article. The health benefit plan is subject to the following conditions:

(1) The health benefit plan may be offered by the carrier only to small employers which have not had a health benefit plan covering their employees for at least six consecutive months before the effective date of this section. After the passage of six months from the effective date of this section, the health benefit plan under this section may be offered by carriers only to small employers which have not had a health benefit plan covering their employees for twelve consecutive months;

(2) If a small employer covered by a health benefit plan offered pursuant to this section no longer meets the definition of a small employer as a result of an increase in eligible employees, that employer shall remain covered by the health benefit plan until the next annual renewal date;

(3) The small employer shall pay at least fifty percent of its employees' premium amount for individual employee coverage;

(4) The commissioner shall promulgate emergency rules under the provisions of article three, chapter twenty-nine-a of this code on or before September 1, 2004, to place additional restrictions upon the eligibility requirements for health benefit plans authorized by this section in order to prevent manipulation of eligibility criteria by small employers and otherwise implement the provisions of this section;

(5) Carriers must offer the health benefit plans issued pursuant to this section through one of their existing networks of health care providers;

(A) The West Virginia Health Care Authority shall, on or before May 1, 2004, and each year thereafter, by regular mail, provide a written notice to all known in-state health care providers that:

(i) Informs the health care provider regarding the provisions of this section; and

(ii) Notifies the health care provider that if the health care provider does not give written refusal to the West Virginia Health Care Authority within thirty days from receipt of the notice or the health care provider has not previously filed a written notice of refusal to participate, the health care provider must participate with and accept the products and provider reimbursements authorized pursuant to this section;

(B) The carrier's network of health care providers, as well as any health care provider which provides health care goods or services to beneficiaries of any departments or divisions of the state, as identified in article twenty-nine-d, chapter sixteen of this code, shall accept the health care provider reimbursement rates set pursuant to this section unless the health care provider gives written refusal to the West Virginia Health Care Authority between May 1 and June 1 that the provider will not participate in this program for the next calendar year. Notwithstanding any provision of this code to the contrary, health care providers may not be mandated to participate in this program except under the opt-out provisions of subdivision (5), subsection (a) of this section and therefore the health care provider shall annually have the ability to file with the West Virginia Health Care Authority written notice that the health care provider will not participate with products issued pursuant to this section. Once a health care provider has filed a notice of refusal with the West Virginia Health Care Authority, the notice shall remain effective

until rescinded by the provider and the provider shall not be required to renew the notice each year;

(C) The West Virginia Health Care Authority is responsible for receiving the responses, if any, from the health care providers that have elected not to participate and for providing a list to the commissioner of those health care providers that have elected not to participate;

(D) Those health care providers that do not file a notice of refusal shall be considered to have accepted participation in this program and to accept Public Employees Insurance Agency health care provider reimbursement rates for their services as set by this section;

(E) Health care provider reimbursement rates used by the carrier for a health benefit plan offered pursuant to this section shall have no effect on provider rates for other products offered by the carrier and most-favored-nation clauses do not apply to the rates;

(6) With respect to the health benefit plans authorized by this section, the carrier shall reimburse network health care providers at the same health care provider reimbursement rates in effect for the managed care and health maintenance organization plans offered by the West Virginia Public Employees Insurance Agency. Beginning in the year 2004, and in each year thereafter, the health care provider reimbursement rates set under this section may not be lowered from the level of the rates in effect on the July 1 of that year for the managed care and health maintenance plans offered by the Public Employees Insurance Agency. While it is the intent of this paragraph to govern rates for plans offered pursuant to this section for annual periods, this paragraph in no way prevents the Public Employees Insurance Agency from making provider reimbursement rate adjustments to Public Employees Insurance Agency plans during the course of each year. If there is a dispute regarding the determination of appropriate rates pursuant to this section, the Director of the Public Employees Insurance Agency shall, in his or her sole discretion, specify the appropriate rate to be applied;

(A) The health care provider reimbursement rates as authorized by this section shall be accepted by the health care provider as payment in full for services or products provided to a person covered by a product authorized by this section;

(B) Except for the health care provider rates authorized under this section, a carrier's payment methodology, including copayments and deductibles and other conditions of coverage, remains unaffected by this section;

(C) The provisions of this section do not require the Public Employees Insurance Agency to give carriers access to the purchasing networks of the Public Employees Insurance Agency. The Public Employees Insurance Agency may enter into agreements with carriers offering health benefit plans under this section to permit the carrier, at its

- election, to participate in drug purchasing arrangements pursuant to article sixteen-c, chapter five of this code, including the multistate drug purchasing program. This paragraph provides authorization of the agreements pursuant to section four of said article;
- (7) Carriers may not underwrite products authorized by this section more strictly than other small group policies governed by this article;
- (8) With respect to health benefit plans authorized by this section, a carrier shall have a minimum anticipated loss ratio of seventy-seven percent to be eligible to make a rate increase request after the first year of providing a health benefit plan under this section;
- (9) Products authorized under this section are exempt from the premium taxes assessed under sections fourteen and fourteen-a, article three of this chapter;
- (10) A carrier may elect to nonrenew any health benefit plan to an eligible employer if, at any time, the carrier determines, by applying the same network criteria which it applies to other small employer health benefit plans, that it no longer has an adequate network of health care providers accessible for that eligible small employer. If the carrier makes a determination that an adequate network does not exist, the carrier has no obligation to obtain additional health care providers to establish an adequate network;
- (11) Upon thirty days' advance notice to the commissioner, a carrier may, at any time, elect to nonrenew all health benefit plans issued pursuant to this section. If a carrier nonrenews all its business issued pursuant to this section for any reason other than the adequacy of the provider network, the carrier may not offer this health benefit plan to any eligible small employer for a period of at least two years after the last eligible small employer is nonrenewed; and
- (12) The Insurance Commissioner may not approve any health benefit plan issued pursuant to this section until it has obtained any necessary federal governmental authorizations or waivers. The Insurance Commissioner shall apply for and obtain all necessary federal authorizations or waivers.
- (b) Health benefit plans authorized by this section are not intended to violate the prohibition set out in subsection (a), section four of this article.
- (c) The commissioner shall appoint a policy advisory committee to provide advice to the commissioner regarding providing health insurance to uninsureds and to monitor the effectiveness of this section. The committee shall contain members the commissioner considers appropriate, but shall have members representing at least the following interest groups: Labor, hospital providers, physician providers, private business, local government, insurance carriers and the uninsured.

(d) Carriers offering health benefit plans pursuant to this section shall annually or before December 1 of each year report in a form acceptable to the commissioner the number of health benefit plans written by the carrier and the number of individuals covered under the health benefit plans.

(e) To the extent that provisions of this section differ from those contained elsewhere in this chapter, the provisions of this section control.

SERFF Tracking Number: MSBC-126228595 State: West Virginia
Filing Company: Mountain State Blue Cross Blue Shield State Tracking Number: 90714015
Company Tracking Number: 2TO50_2010_1
TOI: H04 Health - Blanket Accident/Sickness Sub-TOI: H04.000 Health - Blanket Accident/Sickness
Product Name: Small Group
Project Name/Number: 2010 Small Group Benefit Enhancements/2to50_2010_1

Filing at a Glance

Company: Mountain State Blue Cross Blue Shield

Product Name: Small Group

TOI: H04 Health - Blanket Accident/Sickness

Sub-TOI: H04.000 Health - Blanket

Accident/Sickness

Filing Type: Rate

SERFF Tr Num: MSBC-126228595 State: West Virginia

SERFF Status: Closed-Approved State Tr Num: 90714015

Co Tr Num: 2TO50_2010_1 State Status: Approved

Author:

Date Submitted: 07/14/2009

Reviewer(s):

Disposition Date: 09/02/2009

Disposition Status: Approved

Implementation Date Requested: 01/01/2010

Implementation Date: 01/01/2010

State Filing Description:

General Information

Project Name: 2010 Small Group Benefit Enhancements

Project Number: 2to50_2010_1

Requested Filing Mode: Review & Approval

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 01/01/2008

Domicile Status Comments: West Virginia is domicile state. Products previously approved effective 1/1/2008

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 09/02/2009

Market Type: Group

Group Market Size: Small

Group Market Type: Employer

Explanation for Other Group Market Type:

State Status Changed: 09/02/2009

Deemer Date: 09/14/2009

Submitted By:

PPACA: Pre-PPACA Submission

Filing Description:

Created By: Dean Banziger

Corresponding Filing Tracking Number:

Enclosed is a complete rate filing for enhancements to current small group benefit options.

Company and Contact

Filing Contact Information

700 Market Sq

304-424-9895 [Phone]

SERFF Tracking Number: MSBC-126228595 State: West Virginia
 Filing Company: Mountain State Blue Cross Blue Shield State Tracking Number: 90714015
 Company Tracking Number: 2TO50_2010_I
 TOI: H04 Health - Blanket Accident/Sickness Sub-TOI: H04.000 Health - Blanket Accident/Sickness
 Product Name: Small Group
 Project Name/Number: 2010 Small Group Benefit Enhancements/2to50_2010_I

Parkersburg, WV 26102 304-424-9818 [FAX]

Filing Company Information

Mountain State Blue Cross Blue Shield CoCode: 54828 State of Domicile: West Virginia
 700 Market Sq Group Code: Company Type: Accident/Health
 Parkersburg, WV 26102 Group Name: State ID Number:
 (304) 242-9895 ext. [Phone] FEIN Number: 55-0624615

Filing Fees

Fee Required? Yes
 Fee Amount: \$75.00
 Retaliatory? No
 Fee Explanation: Standard Filing Fee
 Per Company: Yes

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Mountain State Blue Cross Blue Shield	\$75.00	07/14/2009	29185091

SERFF Tracking Number: MSBC-126228595 **State:** West Virginia
Filing Company: Mountain State Blue Cross Blue Shield **State Tracking Number:** 90714015
Company Tracking Number: 2TO50_2010_1
TOI: H04 Health - Blanket Accident/Sickness **Sub-TOI:** H04.000 Health - Blanket Accident/Sickness
Product Name: Small Group
Project Name/Number: 2010 Small Group Benefit Enhancements/2to50_2010_1

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Fred Holliday (LH)	09/02/2009	09/02/2009

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Revised Actuarial Memorandum	Note To Reviewer	Dean Banziger	09/01/2009	09/01/2009
Small Group 2010 Rate Filing - 2 Additional Benefit Options	Note To Reviewer	Dean Banziger	08/28/2009	08/28/2009

SERFF Tracking Number: MSBC-126228595 *State:* West Virginia
Filing Company: Mountain State Blue Cross Blue Shield *State Tracking Number:* 90714015
Company Tracking Number: 2TO50_2010_1
TOI: H04 Health - Blanket Accident/Sickness *Sub-TOI:* H04.000 Health - Blanket Accident/Sickness
Product Name: Small Group
Project Name/Number: 2010 Small Group Benefit Enhancements/2to50_2010_1

Disposition

Disposition Date: 09/02/2009

Implementation Date: 01/01/2010

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: MSBC-126228595 **State:** West Virginia
Filing Company: Mountain State Blue Cross Blue Shield **State Tracking Number:** 90714015
Company Tracking Number: 2T050_2010_1
TOI: H04 Health - Blanket Accident/Sickness **Sub-TOI:** H04.000 Health - Blanket Accident/Sickness
Product Name: Small Group
Project Name/Number: 2010 Small Group Benefit Enhancements/2to50_2010_1

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Rate Abstract A&S		Yes
Supporting Document	Actuarial Memorandum LH		Yes

SERFF Tracking Number: MSBC-126228595 *State:* West Virginia
Filing Company: Mountain State Blue Cross Blue Shield *State Tracking Number:* 90714015
Company Tracking Number: 2T050_2010_1
TOI: H04 Health - Blanket Accident/Sickness *Sub-TOI:* H04.000 Health - Blanket Accident/Sickness
Product Name: Small Group
Project Name/Number: 2010 Small Group Benefit Enhancements/2to50_2010_1

Note To Reviewer

Created By:

Dean Banziger on 09/01/2009 07:32 AM

Last Edited By:

Submitted On:

09/02/2009 07:21 AM

Subject:

Revised Actuarial Memorandum

Comments:

Per the reviewer's request, we have corrected the Out of Network Coinsurance Maximum on the Base Plan. Should anyone have additional questions please contact me.

Thank you,

Dean Banziger
Actuarial and Underwriting
Mountain State Blue Cross and Blue Shield
E-mail: dean.banziger@msbcbs.com
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Fax: (304) 424-9818



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milliman.com

ACTUARIAL MEMORANDUM

MOUNTAIN STATE BLUE CROSS/BLUE SHIELD

SMALL GROUP POLICY FILING

I, Rachel W. Killian, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings for Blue Cross/Blue Shield organizations. I have experience in establishing rates for PPO plans and have no financial or employment interest in Mountain State Blue Cross/Blue Shield ("MSBCBS").

As a consulting actuary with Milliman, Inc. ("Milliman"), I have written this actuarial memorandum at the request of MSBCBS to discuss the rate filing for the introduction of new product variations for the Super Blue Plus policies. The proposed rating factors for the new products are projected to be effective for new groups enrolling and currently enrolled groups renewing on or after January 1, 2010. Rates are guaranteed for 12 months at date of sale for new business. Rates are also guaranteed for 12 months at renewal date for existing business.

MSBCBS is adding 20 new plan designs, which are explained in detail in the attached exhibit. These new plan designs include the following changes:

- Out-of-network deductible has increased to three times the in-network deductible.
- Out-of-network coinsurance maximum has changed to three times the in-network coinsurance maximum.
- Preventive services are covered in full after applicable copayments.
- Prescription drug coverage includes \$5,000 member coinsurance maximum.

I estimated the actuarial relationship between a currently offered plan and the 20 new plan designs. This relationship reflects actuarial judgment and estimated cost differences evaluated using a proprietary model developed by Milliman.

The attached exhibit provides rate relativities and resulting product adjustment factors produced from the rating development along with high level summaries of the plan designs of both the current and the new plans.



ACTUARIAL MEMORANDUM - continued

MOUNTAIN STATE BLUE CROSS/BLUE SHIELD

SMALL GROUP POLICY FILING

To the best of my knowledge and judgment, the following are true with respect to the MSBCBS filing for the Small Group policies:

1. The rating factors are neither inadequate nor excessive nor unfairly discriminatory and are appropriate for the classes of risk for which they have been computed. The rating factors are developed based on consistent and equitable actuarial principles and are actuarially adequate to the end of the proposed rating period.
2. The assumptions used in developing the rate relativities are reasonable, and are consistent with the Plan's business plan at the time of this filing.
3. This filing is intended to be in compliance with applicable laws and regulations in the State of West Virginia regarding the filing of rates.

Rachel W. Killian

Rachel W. Killian
Member, American Academy of Actuaries
August 31, 2009

Mountain State Blue Cross Blue Shield
Exhibit 1
Benefit Design Changes
Effective 1/1/2010

Option	Individual Deductible		Family Deductible		Coinsurance Maximum		Coinsurance Options	Preventive Care Services		Rx Options	Rate Relativity	Rating Factors
	In-Network	OON	In-Network	OON	In-Network	OON		In-Network	OON			
Base Plan	\$500	\$500	\$1,000	\$1,000	\$3,000	\$2,500	80%/60%	Subject to coinsurance after copay	Subject to coinsurance after copay	50% with \$10 min copay	1.0000	0.7593
1	\$500	\$1,500	\$1,000	\$3,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	1.0606	0.8053
2	\$500	\$1,500	\$1,000	\$3,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	1.0019	0.7607
3	\$500	\$1,500	\$1,000	\$3,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	1.0013	0.7603
4	\$500	\$1,500	\$1,000	\$3,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.9426	0.7157
5	\$1,000	\$3,000	\$2,000	\$6,000	\$3,000	\$9,000	80%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.9755	0.7407
6	\$1,000	\$3,000	\$2,000	\$6,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.9180	0.6970
7	\$1,000	\$3,000	\$2,000	\$6,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.9304	0.7064
8	\$1,000	\$3,000	\$2,000	\$6,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.8728	0.6627
9	\$1,500	\$4,500	\$3,000	\$9,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.9086	0.6899
10	\$1,500	\$4,500	\$3,000	\$9,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.8522	0.6470
11	\$1,500	\$4,500	\$3,000	\$9,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.8688	0.6597
12	\$1,500	\$4,500	\$3,000	\$9,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.8124	0.6168
13	\$2,500	\$7,500	\$5,000	\$15,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.8114	0.6161
14	\$2,500	\$7,500	\$5,000	\$15,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.7567	0.5746
15	\$2,500	\$7,500	\$5,000	\$15,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.7724	0.5865
16	\$2,500	\$7,500	\$5,000	\$15,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.7177	0.5450
17	\$5,000	\$15,000	\$10,000	\$30,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.6488	0.4926
18	\$5,000	\$15,000	\$10,000	\$30,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.5970	0.4533
19	\$5,000	\$15,000	\$10,000	\$30,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.6279	0.4768
20	\$5,000	\$15,000	\$10,000	\$30,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.5761	0.4375

SERFF Tracking Number: MSBC-126228595 *State:* West Virginia
Filing Company: Mountain State Blue Cross Blue Shield *State Tracking Number:* 90714015
Company Tracking Number: 2TO50_2010_1
TOI: H04 Health - Blanket Accident/Sickness *Sub-TOI:* H04.000 Health - Blanket Accident/Sickness
Product Name: Small Group
Project Name/Number: 2010 Small Group Benefit Enhancements/2to50_2010_1

Note To Reviewer

Created By:

Dean Banzlger on 08/28/2009 07:54 AM

Last Edited By:

Submitted On:

09/02/2009 07:21 AM

Subject:

Small Group 2010 Rate Filing - 2 Additional Benefit Options

Comments:

The two additional benefit factors are highlighted on page 4 of the exhibits attachment. The two new options have no flat copays on office and ER visits. Instead the options have a 20% coinsurance on these benefits that do not apply to the deductible or out of pocket max. Thank you.

**Manual Rating Worksheet
2 to 9 Size Employee Groups**

A distinct rate is determined for each member of the group with the following formula:

		Medical (including Drug)
1.	Base Rate (from Exhibit A)	\$0.00
2.	Product Adjustment Factor (from Exhibit B)	\$0.00
3.	Area Adjustment Factor (from Exhibit C)	\$0.00
4.	Network Adjustment Factor (from Exhibit D)	\$0.00
5.	Age/Sex Adjustment Factor (from Exhibit F)	\$0.00
6.	Duration Adjustment Factor (from Exhibit G)	\$0.00
7.	Adjusted Member Rate (Product of 1 through 6)	\$0.00

**Manual Rating Worksheet
10 to 50 Size Employee Groups**

	Adult Medical Rate (including Drug)	Child Medical Rate	Children Medical Rate
1. Base Rate (from Exhibit A)	\$0.00	\$0.00	\$0.00
2. Product Adjustment Factor (from Exhibit B)	0.0000	0.0000	0.0000
3. Area Adjustment Factor (from Exhibit C)	0.0000	0.0000	0.0000
4. Network Adjustment Factor (from Exhibit D)	0.0000	0.0000	0.0000
5. Industry Adjustment Factor (from Exhibit E)	0.0000	0.0000	0.0000
6. Age/Gender Adjustment Factor (from Exhibit F)	0.0000 ¹	0.4660	0.9510
7. Experience Adjustment Factor (from Exhibit G)	0.0000	0.0000	0.0000
8. Adjusted Rate (Product of 1 through 7)	\$0.00 A	\$0.00 B	\$0.00 C

10 to 50 Rates by Contract Type:

Employee Only (A)	\$0.00
Employee and Spouse (2 * A)	\$0.00
Employee and One Child (A + B)	\$0.00
Employee and Two or More Children (A + C)	\$0.00
Employee and Family (2 * A + C)	\$0.00

¹This is the average Age/Gender Adjustment Factor for all employees and spouses on the group

Exhibit A

Small Group Quarterly Base Rate History
SMALL GROUP QUARTERLY BASE RATE HISTORY

QUARTER	GROUP SIZE 2-9			GROUP SIZE 10-50		
	BASE RATE	INCREASES		BASE RATE	INCREASES	
		QTRRLY	YEARLY		QTRRLY	YEARLY
1ST 96	\$ 211.93	2.00%	20.03%	\$ 201.37	2.00%	20.31%
2ND 96	\$ 216.16	2.00%	18.85%	\$ 203.39	1.00%	17.98%
3RD 96	\$ 229.13	6.00%	12.49%	\$ 215.59	6.00%	11.66%
4TH 96	\$ 229.13	0.00%	10.28%	\$ 215.59	0.00%	9.20%
1ST 97	\$ 233.73	2.01%	10.29%	\$ 222.08	3.01%	10.28%
2ND 97	\$ 233.73	0.00%	8.13%	\$ 222.08	0.00%	9.19%
3RD 97	\$ 240.74	3.00%	5.07%	\$ 230.96	4.00%	7.13%
4TH 97	\$ 245.55	2.00%	7.17%	\$ 240.20	4.00%	11.42%
1ST 98	\$ 245.55	0.00%	5.06%	\$ 247.41	3.00%	11.41%
2ND 98	\$ 245.55	0.00%	5.06%	\$ 247.41	0.00%	11.41%
3RD 98	\$ 248.01	1.00%	3.02%	\$ 252.36	2.00%	9.27%
4TH 98	\$ 252.97	2.00%	3.02%	\$ 254.88	1.00%	6.11%
1ST 99	\$ 258.03	2.00%	5.08%	\$ 259.98	2.00%	5.08%
2ND 99	\$ 263.19	2.00%	7.18%	\$ 267.78	3.00%	8.23%
3RD 99	\$ 268.45	2.00%	8.24%	\$ 270.46	1.00%	7.17%
4TH 99	\$ 268.45	0.00%	6.12%	\$ 270.46	0.00%	6.11%
1ST00	\$ 276.50	3.00%	7.16%	\$ 278.57	3.00%	7.15%
2ND00	\$ 282.03	2.00%	7.16%	\$ 284.14	2.00%	6.11%
3RD00	\$ 287.67	2.00%	7.16%	\$ 292.66	3.00%	8.21%
4TH00	\$ 293.42	2.00%	9.30%	\$ 298.51	2.00%	10.37%
1ST01	\$ 308.09	5.00%	11.42%	\$ 313.44	5.00%	12.52%
2ND01	\$ 317.33	3.00%	12.52%	\$ 322.84	3.00%	13.62%
3RD01	\$ 323.68	2.00%	12.52%	\$ 335.75	4.00%	14.72%
4TH01	\$ 326.92	1.00%	11.42%	\$ 349.18	4.00%	16.97%
1ST02	\$ 326.92	0.00%	6.11%	\$ 370.13	6.00%	18.09%
2ND02	\$ 326.92	0.00%	3.02%	\$ 388.64	5.00%	20.38%
3RD02	\$ 336.73	3.00%	4.03%	\$ 396.41	2.00%	18.07%
4TH02	\$ 350.20	4.00%	7.12%	\$ 408.30	3.00%	16.93%
1ST03	\$ 367.71	5.00%	12.48%	\$ 420.55	3.00%	13.62%
2ND03	\$ 382.42	4.00%	16.98%	\$ 424.76	1.00%	9.29%
3RD03	\$ 390.06	2.00%	15.84%	\$ 433.25	2.00%	9.29%
4TH03	\$ 390.06	0.00%	11.38%	\$ 441.91	2.00%	8.23%
1ST04	\$ 393.96	1.00%	7.14%	\$ 433.07	-2.00%	2.98%
2ND04	\$ 401.84	2.00%	5.08%	\$ 446.06	3.00%	5.01%
3RD04	\$ 413.90	3.00%	6.11%	\$ 468.36	5.00%	8.10%
4TH04	\$ 418.04	1.00%	7.17%	\$ 477.73	2.00%	8.11%
1ST05	\$ 430.58	3.00%	9.30%	\$ 496.84	4.00%	14.73%
2ND05	\$ 447.80	4.00%	11.44%	\$ 526.65	6.00%	18.07%
3RD05	\$ 460.34	2.80%	11.22%	\$ 542.98	3.10%	15.93%
4TH05	\$ 468.17	1.70%	11.99%	\$ 546.78	0.70%	14.45%
1ST06	\$ 488.77	4.40%	13.51%	\$ 569.20	4.10%	14.56%
2ND06	\$ 501.48	2.60%	11.99%	\$ 583.43	2.50%	10.78%
3RD06	\$ 514.97	2.69%	11.87%	\$ 599.12	2.69%	10.34%
4TH06	\$ 532.99	3.50%	13.85%	\$ 624.28	4.20%	14.17%
1ST07	\$ 544.18	2.10%	11.34%	\$ 644.26	3.20%	13.19%
2ND07	\$ 548.53	0.80%	9.38%	\$ 660.37	2.50%	13.19%

Exhibit A

Small Group Quarterly Base Rate History

3RD07	\$ 554.02	1.00%	7.58%	\$ 660.37	0.00%	10.22%
4TH07	\$ 554.02	0.00%	3.95%	\$ 660.37	0.00%	5.78%
1ST08	\$ 554.02	0.00%	1.81%	\$ 660.37	0.00%	2.50%
2ND08	\$ 556.79	0.50%	1.51%	\$ 660.37	0.00%	0.00%
3RD08	\$ 567.93	2.00%	2.51%	\$ 686.78	4.00%	4.00%
4TH08	\$ 567.93	0.00%	2.51%	\$ 686.78	0.00%	4.00%
1ST09	\$ 577.02	1.60%	4.15%	\$ 700.52	2.00%	6.08%
2ND09	\$ 588.56	2.00%	5.71%	\$ 714.53	2.00%	8.20%
3RD09	\$ 590.91	0.40%	4.05%	\$ 728.82	2.00%	6.12%
4TH09	\$ 602.73	2.00%	6.13%	\$ 736.11	1.00%	7.18%

Exhibit B

Product Adjustment Factors
Effective 1/1/2010

Product Type	Deductible ¹	Network Maximum Out of Pocket ²	Adjustment Factor	
			2 to 9 employees	10 to 50 employees
High Deductible Health Plan	\$3,000	\$0	0.5898	0.5898
High Deductible Health Plan	\$5,000	\$0	0.4801	0.4801
Limited Benefit Plan	\$250	No Max	0.5574	0.5574
Super Blue Plus 2004	\$1,000	\$1,000	0.7428	0.7428
Super Blue Plus 2004	\$3,000	\$1,000	0.5571	0.5571
Super Blue Plus 2004	\$5,000	\$1,000	0.455	0.455
Super Blue Plus 2000	\$100	\$1,000	0.9285	0.9285
Super Blue Plus 2000	\$250	\$1,000	0.8991	0.8991
Super Blue Plus 2000	\$500	\$1,000	0.8558	0.8558
Super Blue Plus 2000	\$1,000	\$1,000	0.7765	0.7765
Super Blue Plus 2000	\$2,500	\$2,000	0.6057	0.6057
Super Blue Plus 2008 50% Rx	\$500	\$3,000	0.7593	0.7593
Super Blue Plus 2008 50% Rx	\$1,000	\$3,000	0.6823	0.6823
Super Blue Plus 2008 50% Rx	\$1,500	\$3,000	0.6223	0.6223
Super Blue Plus 2008 50% Rx	\$2,500	\$3,000	0.5409	0.5409
Super Blue Plus 2008 50% Rx	\$5,000	\$3,000	0.3802	0.3802
Super Blue Plus 2008 50% Rx	\$500	\$4,500	0.7054	0.7054
Super Blue Plus 2008 50% Rx	\$1,000	\$4,500	0.6419	0.6419
Super Blue Plus 2008 50% Rx	\$1,500	\$4,500	0.5861	0.5861
Super Blue Plus 2008 50% Rx	\$2,500	\$4,500	0.5108	0.5108
Super Blue Plus 2008 50% Rx	\$5,000	\$4,500	0.3605	0.3605
Super Blue Plus 2008 30% Rx	\$500	\$3,000	0.7936	0.7936
Super Blue Plus 2008 30% Rx	\$1,000	\$3,000	0.7138	0.7138
Super Blue Plus 2008 30% Rx	\$1,500	\$3,000	0.6517	0.6517
Super Blue Plus 2008 30% Rx	\$2,500	\$3,000	0.5674	0.5674
Super Blue Plus 2008 30% Rx	\$5,000	\$3,000	0.3999	0.3999
Super Blue Plus 2008 30% Rx	\$500	\$4,500	0.7378	0.7378
Super Blue Plus 2008 30% Rx	\$1,000	\$4,500	0.6718	0.6718
Super Blue Plus 2008 30% Rx	\$1,500	\$4,500	0.6142	0.6142
Super Blue Plus 2008 30% Rx	\$2,500	\$4,500	0.536	0.536
Super Blue Plus 2008 30% Rx	\$5,000	\$4,500	0.3794	0.3794
Super Blue Plus 2010 50% Rx	\$500	\$3,000	0.7607	0.7607
Super Blue Plus 2010 50% Rx	\$1,000	\$3,000	0.697	0.697
Super Blue Plus 2010 50% Rx	\$1,500	\$3,000	0.647	0.647
Super Blue Plus 2010 50% Rx	\$2,500	\$3,000	0.5746	0.5746
Super Blue Plus 2010 50% Rx	\$5,000	\$3,000	0.4533	0.4533
Super Blue Plus 2010 50% Rx	\$500	\$4,500	0.7157	0.7157
Super Blue Plus 2010 50% Rx	\$1,000	\$4,500	0.6627	0.6627
Super Blue Plus 2010 50% Rx	\$1,500	\$4,500	0.6168	0.6168
Super Blue Plus 2010 50% Rx	\$2,500	\$4,500	0.545	0.545
Super Blue Plus 2010 50% Rx	\$5,000	\$4,500	0.4375	0.4375
Super Blue Plus 2010 30% Rx	\$500	\$3,000	0.8053	0.8053
Super Blue Plus 2010 30% Rx	\$1,000	\$3,000	0.7407	0.7407
Super Blue Plus 2010 30% Rx	\$1,500	\$3,000	0.6899	0.6899

Exhibit B

Product Adjustment Factors

Super Blue Plus 2010 30% Rx	\$2,500	\$3,000	0.6161	0.6161
Super Blue Plus 2010 30% Rx	\$5,000	\$3,000	0.4926	0.4926
Super Blue Plus 2010 30% Rx	\$500	\$4,500	0.7603	0.7603
Super Blue Plus 2010 30% Rx	\$1,000	\$4,500	0.7064	0.7064
Super Blue Plus 2010 30% Rx	\$1,500	\$4,500	0.6597	0.6597
Super Blue Plus 2010 30% Rx	\$2,500	\$4,500	0.5865	0.5865
Super Blue Plus 2010 30% Rx	\$5,000	\$4,500	0.4768	0.4768
Super Blue Plus 2010 30% Rx No Medical Copays	\$1,000	\$3,000	0.7576	0.7576
Super Blue Plus 2010 30% Rx No Medical Copays	\$2,500	\$3,000	0.6324	0.6324

¹The listed deductible applies to single contracts. When the contract covers the employee and one or more dependents, the maximum deductible applied to the contract is twice the listed deductible. The deductible excludes drug coverage for Super Blue Plus and Super Blue Select products.

²The Maximum Out of Pocket is the maximum amount an employee with no dependents would pay in coinsurance after they reached their deductible. When the contract covers the employee and one or more dependents, the maximum Out of Pocket applied to the contract is twice the listed amount. The maximum out of pocket excludes drug coverage for Super Blue Plus and Super Blue Select products, fixed dollar copays, and other benefits described in the certificate book.

Exhibit C

Area Adjustment Factors
Effective 1/1/2010

County Name	Area Assignment	Adjustment Factor
BARBOUR	East	0.77
BERKELEY	East	0.77
BOONE	South	1.00
BRAXTON	Central	0.88
BROOKE	North	0.96
CABELL	Central	0.88
CALHOUN	Central	0.88
CLAY	South	1.00
DODDRIDGE	Central	0.88
FAYETTE	South	1.00
GILMER	Central	0.88
GRANT	East	0.77
GREENBRIER	South	1.00
HAMPSHIRE	East	0.77
HANCOCK	North	0.96
HARDY	East	0.77
HARRISON	Central	0.88
JACKSON	Central	0.88
JEFFERSON	East	0.77
KANAWHA	South	1.00
LEWIS	East	0.77
LINCOLN	South	1.00
LOGAN	South	1.00
MARION	North	0.96
MARSHALL	North	0.96
MASON	Central	0.88
MCDOWELL	South	1.00
MERCER	South	1.00
MINERAL	East	0.77
MINGO	South	1.00
MONONGALIA	North	0.96
MONROE	South	1.00
MORGAN	East	0.77
NICHOLAS	South	1.00
OHIO	North	0.96
PENDLETON	East	0.77
PLEASANTS	Central	0.88
POCAHONTAS	East	0.77
PRESTON	East	0.77
PUTNAM	Central	0.88
RALEIGH	South	1.00
RANDOLPH	East	0.77
RITCHIE	Central	0.88
ROANE	Central	0.88
SUMMERS	South	1.00
TAYLOR	North	0.96
TUCKER	East	0.77

Exhibit C

Area Adjustment Factors
Effective 1/1/2010

County Name	Area Assignment	Adjustment Factor
TYLER	North	0.96
UPSHUR	East	0.77
WAYNE	Central	0.88
WEBSTER	East	0.77
WETZEL	North	0.96
WIRT	Central	0.88
WOOD	Central	0.88
WYOMING	South	1.00

Exhibit D

Network Adjustment Factors
Effective 1/1/2010

Area Assignment	Super Blue Plus
Central	0.8900
East	0.9100
North	0.8800
South	0.9100

Exhibit E

Industry Adjustment Factors
Effective 1/1/2010

SIC Starting Code	SIC Ending Code	Adjustment Factor
111	291	1.05
711	762	1.09
781	783	1.09
811	971	1.09
1011	1499	1.09
1521	1542	1.05
1611	1611	1.05
1622	1629	1.05
1711	1761	1.05
1771	1799	1.05
2011	2015	1.00
2021	2099	1.00
2111	2111	1.00
2121	2141	1.00
2211	2299	1.00
2311	2399	1.00
2411	2411	1.09
2421	2439	1.09
2441	2599	1.00
2611	2631	1.00
2641	2649	1.09
2652	2657	1.00
2671	2679	1.00
2711	2796	0.95
2812	2869	1.00
2873	2891	1.00
2892	2892	1.09
2893	2899	1.00
2911	2999	1.09
3011	3069	1.00
3081	3089	1.00
3111	3199	1.00
3211	3399	1.00
3411	3479	1.00
3482	3489	1.05
3491	3499	1.05
3511	3569	1.00
3571	3599	0.95
3612	3613	0.95
3621	3629	0.95
3631	3639	0.95
3641	3679	0.95
3691	3699	0.95
3711	3799	1.00
3812	3873	0.95
3911	3965	0.95

Exhibit E

Industry Adjustment Factors
Effective 1/1/2010

SIC Starting Code	SIC Ending Code	Adjustment Factor
3991	3999	0.95
4011	4013	1.09
4111	4111	1.09
4119	4119	1.09
4121	4121	1.09
4131	4173	1.09
4212	4214	1.05
4215	4215	1.09
4221	4231	1.05
4311	4311	1.09
4412	4499	1.00
4512	4513	0.95
4522	4581	0.95
4612	4619	1.05
4724	4731	1.00
4741	4741	1.05
4783	4789	1.00
4812	4899	0.95
4911	4941	1.00
4952	4959	1.09
4961	4971	1.05
5012	5065	0.95
5072	5078	0.95
5082	5088	0.95
5091	5092	1.00
5093	5093	1.05
5094	5149	1.05
5153	5172	1.00
5181	5182	1.05
5191	5193	1.00
5194	5194	1.05
5196	5196	1.00
5198	5199	1.00
5211	5271	1.00
5311	5399	1.05
5411	5499	1.00
5511	5521	1.05
5531	5531	1.00
5541	5541	1.05
5551	5599	1.00
5611	5722	0.95
5731	5736	1.05
5812	5812	1.09
5813	5813	1.09
5912	5912	1.00
5921	5921	1.09

Exhibit E

Industry Adjustment Factors
Effective 1/1/2010

SIC Starting Code	SIC Ending Code	Adjustment Factor
5932	5932	1.09
5941	5949	0.95
5961	5963	1.05
5983	5984	1.09
5989	5989	1.09
5992	5999	1.05
6011	6163	0.95
6211	6211	1.09
6221	6399	1.00
6411	6411	0.95
6512	6519	1.00
6531	6531	1.00
6541	6553	1.00
6712	6726	0.95
6732	6733	1.09
6792	6799	0.95
7011	7041	1.05
7211	7221	1.05
7231	7241	1.00
7251	7298	1.09
7299	7299	1.09
7311	7312	0.95
7313	7338	0.95
7342	7342	1.05
7349	7349	1.09
7352	7363	0.95
7371	7379	0.95
7381	7381	0.95
7382	7389	1.00
7513	7519	1.00
7521	7521	1.05
7532	7549	1.05
7622	7699	1.05
7812	7829	1.09
7832	7833	1.00
7841	7841	1.00
7911	7922	1.05
7929	7933	1.05
7941	7948	1.09
7991	7999	1.09
8011	8049	1.00
8051	8059	1.09
8062	8069	1.05
8071	8082	1.05
8092	8099	1.09
8111	8111	1.09

Exhibit E

Industry Adjustment Factors
Effective 1/1/2010

SIC Starting Code	SIC Ending Code	Adjustment Factor
8211	8244	0.95
8249	8249	0.95
8299	8299	0.95
8322	8331	1.00
8351	8351	1.00
8361	8361	1.09
8399	8399	1.05
8412	8422	0.95
8611	8621	1.09
8631	8631	1.05
8641	8641	1.09
8651	8651	1.09
8661	8748	1.09
8811	8811	1.09
8911	8999	0.95
9111	9999	1.09

Exhibit F

Age/Gender Adjustment Factors
Effective 1/1/2010
2 to 9 Employee Groups

Age Bands	Male Employee	Female Employee	Male Spouse	Female Spouse
0 to 24	0.390	0.877	0.390	1.132
25 to 29	0.456	1.191	0.456	1.556
30 to 34	0.521	1.171	0.521	1.413
35 to 39	0.630	1.141	0.630	1.240
40 to 44	0.726	1.206	0.726	1.227
45 to 49	0.857	1.282	0.857	1.282
50 to 54	1.160	1.410	1.160	1.410
55 to 59	1.551	1.725	1.551	1.725
60 to 64	2.155	1.963	2.155	1.963
65 +	2.098	1.921	2.098	1.921

One Child	0.466
Two or More Children	0.951

10 to 50 Employee Groups

Age Bands	Male Employee (Single)	Female Employee (Single)	Male Employee (Married)	Female Employee (Married)	Male Spouse	Female Spouse
0 to 24	0.390	0.820	0.390	1.085	0.390	1.132
25 to 29	0.456	1.089	0.456	1.332	0.456	1.556
30 to 34	0.521	1.089	0.521	1.237	0.521	1.413
35 to 39	0.630	1.108	0.630	1.162	0.630	1.240
40 to 44	0.726	1.199	0.726	1.210	0.726	1.227
45 to 49	0.857	1.282	0.857	1.282	0.857	1.282
50 to 54	1.160	1.410	1.160	1.410	1.160	1.410
55 to 59	1.551	1.725	1.551	1.725	1.551	1.725
60 to 64	2.155	1.963	2.155	1.963	2.155	1.963
65 +	2.098	1.921	2.098	1.921	2.098	1.921

One Child	0.466
Two or More Children	0.951

Exhibit G

Experience Adjustment Factors
Effective 1/1/2010

Prospects

Medical Underwriting	Adjustment Factor
Tier 1	0.700
Tier 2	0.800
Tier 3	0.900
Tier 4	1.000
Tier 5	1.100
Tier 6	1.200
Tier 7	1.300

Renewals

Durational Adjustment		
	Medical Underwriting	Adjustment Factor
2 to 9 Employees	All	1.150
10 to 50 Employees	All	None

Experience Adjustment¹

2 to 9 Employees	None
------------------	------

	Loss Ratio Range		First Year Renewals	Other Than First Year
10 to 50 Employees	0.00%	Up to but not including:	30.00%	-5.00%
10 to 50 Employees	30.00%	Up to but not including:	55.00%	0.00%
10 to 50 Employees	55.00%	Up to but not including:	70.00%	5.00%
10 to 50 Employees	70.00%	Up to but not including:	80.00%	10.00%
10 to 50 Employees	80.00%	Up to but not including:	90.00%	15.00%
10 to 50 Employees	90.00%	Or Higher		15.00%

¹The renewal experience adjustment is added to the current experience adjustment factor to determine renewal rates. Experience factor and duration factor adjustments will not increase rates in excess of 15%. Mountain State Blue Cross and Blue Shield reserves the right to manually over-ride these standard experience and duration factor adjustments due to marketing pressures to retain groups. Manual adjustments will always decrease the calculated rate.

Exhibit H

Commission

Effective 4/1/09

Products	Group Size	
	2 to 9	10 to 50
WV Small Business Plan	\$15.00	\$15.00
All other products originally effective 3/1/2003 or later	\$30.00	\$30.00
All other products originally effective prior to 3/1/2003	Varies by Group ¹	

¹The commission will be periodically adjusted to reflect cost of living changes.

SERFF Tracking Number: MSBC-126228595 State: West Virginia
Filing Company: Mountain State Blue Cross Blue Shield State Tracking Number: 90714015
Company Tracking Number: 2T050_2010_I
TOI: H04 Health - Blanket Accident/Sickness Sub-TOI: H04.000 Health - Blanket Accident/Sickness
Product Name: Small Group
Project Name/Number: 2010 Small Group Benefit Enhancements/2to50_2010_I

Supporting Document Schedules

Item Status: Status
Date:

Satisfied - Item: Rate Abstract A&S

Comments:

Attachments:

DOI_Letter&RateAbstract_2010_V1.pdf

ExhibitsV1.pdf

Item Status: Status
Date:

Satisfied - Item: Actuarial Memorandum LH

Comments:

Attachment:

Actuarial Memorandum_20090713.pdf



July 14, 2009

VIA OVERNIGHT

The Honorable Jane Cline
Commissioner of Insurance
State of West Virginia
1124 Smith Street
PO Box 50540
Charleston, WV 25305-0540

Re: Small Group Rate Filing

Dear Commissioner Cline:

Enclosed for your review and approval is our rating plan for small employer groups. The rating plan will go into effect on January 1, 2010.

The prospective rating plan remains virtually unchanged from our current process. The purpose of re-filing is to clarify our current procedures, and introduce new products. We will continue to send you quarterly updates when we increase our small group base rates (please see the Rating Formula for complete explanation of base rates) or other rating factors.

MSBCBS is introducing 20 new PPO benefit options effective 1/1/2010. The new products will be marketed as "Super Blue Plus 2010." Please see the attached exhibits for brief benefit information, and the factors used to determine rates.

Due to the similarity in product design, we will no longer offer SB+ 2008 products to new small groups. Existing groups with these benefits can keep them or convert to other products at their renewal time. This change is also effective January 1, 2010.

We feel that these changes are essential for Mountain State Blue Cross Blue Shield to remain competitive in the market place. We also feel these changes equitably distribute the cost of health care premiums and provide our customers with lower cost options.

I am available to meet with you and your staff at your convenience to discuss this formula filing.

Thank you for your consideration of this filing.

Sincerely,

Rodney R Smith
Director, Actuarial & Underwriting

Enclosure

APPENDIX D

INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA

ACCIDENT AND SICKNESS INSURANCE
RATE FILING ABSTRACT

INSTRUCTIONS: Respond to each statement. If the answer is "no" or "not applicable," so state and enter the reason for such determination. USE A SEPARATE ABSTRACT FOR EACH POLICY FORM AFFECTED OR FOR EACH PROPOSED PREMIUM RATE ADJUSTMENT. If this filing is a combination rate and form filing, then Appendix A/Accident and Sickness Insurance Form Filing Abstract ASA-F-2004 must also be completed.

I. GENERAL INFORMATION

1. Date filed: July 14, 2009 Proposed effective date: January 1, 2010

2. Company name(s): Mountain State Blue Cross and Blue Shield

Part of group: No

3. Policy/Contract affected:

(a) Department ID Number: _____
(If form has previously been approved.)

(b) Form number: H04.000

(c) Date of approval: January 1, 2008
(If over 2 years provide copies of all forms affected.)

(d) Type of policy: Small Employer Group Rate

4. Average, Current and Proposed Premium Rate Levels - Indicate mode for each (i.e. monthly, quarterly, annually)

Please see attached exhibits

Current rate: Single _____ Family _____

Proposed rate: Single _____ Family _____

II. DATA FOR NEW POLICY FORM - (USE SEPARATE SHEETS FOR RESPONSE IF NECESSARY)

1. Indicate anticipated loss ratio and how calculated.

Our anticipated loss ratio on our small group products (excluding WV Small Business Plan) is 80% before commission based on earned income and completed claims.

2. Describe how rates were determined indicating all calculations, formula and variables used and a general description and source of each assumption used.

Please see attached exhibits.

3. Provide the policy form, applications and any riders or endorsements that may be attached to the base policy.
In separate filings.
4. Describe the marketing method to be used for this form.
In separate filings.

III. ADJUSTMENTS TO APPROVED RATES

1. Provide rate sheets which compare revised premiums with current premiums at all benefit levels.
See Exhibit A in Rate Manual
2. Provide all policy forms affected by this proposed rate adjustment if the forms have been in effect in West Virginia for more than two years.
N/A
3. Number of West Virginia policies in force in each of the last five years.

	Number of Policies	Percent Change
5 th Prior Year 2004	5636	9%
4 th Prior Year 2005	5410	-4%
3 rd Prior Year 2006	4850	-11%
2 nd Prior Year 2007	4624	-5%
1 st Prior Year 2008	4533	-2%

4. List all rate level changes for the last five years on the policy affected by this proposed premium rate adjustment.

	Effective Date	Percent Adjustment
(a) West Virginia		
5 th Prior Year 1998	_____	_____
4 th Prior Year 1999	_____	_____
3 rd Prior Year 2000	_____	_____
2 nd Prior Year 2001	_____	_____
1 st Prior Year 2002	_____	_____

*Rate increases vary based on the group's experience. See Exhibit A of Rate Manual for base rate changes and Exhibit G for Duration and Experience adjustments.

Effective Date

Percent Adjustment

(b) Countrywide

Only sold in WV.

5th Prior Year	_____	_____	_____
4th Prior Year	_____	_____	_____
3rd Prior Year	_____	_____	_____
2nd Prior Year	_____	_____	_____
1st Prior Year	_____	_____	_____

5. Provide the following information:

Earned Premiums

Incurred Losses

Loss Ratio

(a) West Virginia

5 th Prior Year 2004	<u>\$133,148,080</u>	<u>\$103,817,480</u>	<u>78%</u>
4 th Prior Year 2005	<u>\$141,835,380</u>	<u>\$110,436,820</u>	<u>78%</u>
3 rd Prior Year 2006	<u>\$160,385,206</u>	<u>\$129,456,438</u>	<u>81%</u>
2 nd Prior Year 2007	<u>\$163,475,586</u>	<u>\$129,096,785</u>	<u>79%</u>
1 st Prior Year 2008	<u>\$159,725,655</u>	<u>\$120,155,998</u>	<u>75%</u>

(b) Countrywide

Only sold in WV.

5th Prior Year	\$ _____	\$ _____	_____ %
4th Prior Year	\$ _____	\$ _____	_____ %
3rd Prior Year	\$ _____	\$ _____	_____ %
2nd Prior Year	\$ _____	\$ _____	_____ %
1st Prior Year	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	_____ %

6. Provide a summary of the developed data and experience in 5 above as follows:

	Earned Premiums at Current Level	Trended Incurred Losses	Adjusted Loss Ratio
(a) West Virginia			
5th Prior Year <u>2004</u>	\$ <u>127,050,773</u>	\$ <u>96,958,730</u>	<u>76%</u>
4th Prior Year <u>2005</u>	\$ <u>150,949,214</u>	\$ <u>116,293,548</u>	<u>77%</u>
3rd Prior Year <u>2006</u>	\$ <u>168,151,673</u>	\$ <u>131,990,016</u>	<u>76%</u>
2nd Prior Year <u>2007</u>	\$ <u>182,008,660</u>	\$ <u>139,694,980</u>	<u>77%</u>
1st Prior Year <u>2008</u>	\$ <u>156,159,350</u>	\$ <u>129,487,190</u>	<u>83%</u>
TOTAL	\$ <u>784,319,670</u>	\$ <u>614,424,470</u>	<u>78%</u>

*Based on 4th Quarter Base Rate calculation for each calendar year

(b) Countrywide

5th Prior Year _____	\$ _____	\$ _____	_____ %
4th Prior Year _____	\$ _____	\$ _____	_____ %
3rd Prior Year _____	\$ _____	\$ _____	_____ %
2nd Prior Year _____	\$ _____	\$ _____	_____ %
1st Prior Year _____	\$ _____	\$ _____	_____ %
TOTAL	\$ _____	\$ _____	_____ %

7. (a) Provide a breakdown of the percentage of earned premium associated with each of the following areas of cost:

Commission and brokerage	_____ %
Taxes, License, Fees	_____ %
General Administrative	_____ %
Risk Retention	_____ %
Profit	_____ %
Other (describe)	_____ %
TOTAL EXPENSES	_____ %

(b) Indicate minimum loss ratio for this type of policy. 73%

8. Address in narrative form the following requests for information:

- (a) Explain trending methods used. Provide trended loss data (by significant loss category) and provide a clear explanation of the trending methodology and mathematics. Provide all formulas and calculations used in formulation of the trended data.

See Exhibits

- (b) Explain the manner in which credibility of data is considered in your ratemaking process. Show all formulas, applications and methodology used to formulate credibility measurements.

See Exhibits

- (c) Explain your indicated rate level. Provide all mathematical formulas and calculations which show the complete delineation of the method used to calculate the indicated rate level.

See Exhibits

- (d) Explain the manner in which investment income is considered when a final rate level is selected. Provide a complete breakdown of the formulas, variables and methodology used to calculate investment income yield. Further, the weighted average investment income yield earned on reserves for the five years prior to the proposed effective date of new rates.

Investment Income is used to reduce retention if appropriate.

9. Was any consideration given to mitigating the proposed rate adjustment through benefit restructuring? If not, why not? If so, describe benefit changes proposed and effect on rate adjustment.

Yes, this is how we came up with the 20 new products this year. Existing groups still have the option to retain their existing benefits without changing.

10. What is the average age of the policyholder group affected by this filing?

45

11. Are losses reported on a calendar year or policy year basis?

Calendar year

12. Describe the stop loss provisions of the policy affected by this filing.

No stop loss applies to the policies other than negotiated reimbursements of organ and bone marrow transplants through the Blue Cross and Blue Shield Association.

13. The amount of Annual Earned Premium entered in Section III Question No. 6 of this Rate Filing Abstract accounts for what proportion of the total annual written premium on a countrywide basis for this particular policy/contract? Please be specific in both total dollars and percentage-proportions in West Virginia.

100% of these policies are written in West Virginia.

14. Has this proposed premium rate adjustment filing been submitted to any other state insurance departments? If "yes", give specific information as to which states, when filed, each state's proportionate share of the total annual written premium for this particular policy/contract, the status of said filing in each state, and any other pertinent information which may be helpful in our review. Please attach additional sheets if more space is needed.

No

CERTIFICATION: I hereby certify that the information contained in this Rate Filing Abstract is true and correct to the best of my knowledge.



(Signed) _____

(Title) Director of Actuarial and Underwriting

(Company) Mountain State Blue Cross and Blue Shield

(Address) 700 Market Sq, Parkersburg, WV 26102

(Telephone) (304) 424-7750

Exhibit A

Small Group Quarterly Base Rate History
SMALL GROUP QUARTERLY BASE RATE HISTORY

QUARTER	GROUP SIZE 2-9			GROUP SIZE 10-50		
	BASE RATE	INCREASES		BASE RATE	INCREASES	
		QTRTRY	YEARLY		QTRTRY	YEARLY
1ST 96	\$ 211.93	2.00%	20.03%	\$ 201.37	2.00%	20.31%
2ND 96	\$ 216.16	2.00%	18.85%	\$ 203.39	1.00%	17.98%
3RD 96	\$ 229.13	6.00%	12.49%	\$ 215.59	6.00%	11.66%
4TH 96	\$ 229.13	0.00%	10.28%	\$ 215.59	0.00%	9.20%
1ST 97	\$ 233.73	2.01%	10.29%	\$ 222.08	3.01%	10.28%
2ND 97	\$ 233.73	0.00%	8.13%	\$ 222.08	0.00%	9.19%
3RD 97	\$ 240.74	3.00%	5.07%	\$ 230.96	4.00%	7.13%
4TH 97	\$ 245.55	2.00%	7.17%	\$ 240.20	4.00%	11.42%
1ST 98	\$ 245.55	0.00%	5.06%	\$ 247.41	3.00%	11.41%
2ND 98	\$ 245.55	0.00%	5.06%	\$ 247.41	0.00%	11.41%
3RD 98	\$ 248.01	1.00%	3.02%	\$ 252.36	2.00%	9.27%
4TH 98	\$ 252.97	2.00%	3.02%	\$ 254.88	1.00%	6.11%
1ST 99	\$ 258.03	2.00%	5.08%	\$ 259.98	2.00%	5.08%
2ND 99	\$ 263.19	2.00%	7.18%	\$ 267.78	3.00%	8.23%
3RD 99	\$ 268.45	2.00%	8.24%	\$ 270.46	1.00%	7.17%
4TH 99	\$ 268.45	0.00%	6.12%	\$ 270.46	0.00%	6.11%
1ST00	\$ 276.50	3.00%	7.16%	\$ 278.57	3.00%	7.15%
2ND00	\$ 282.03	2.00%	7.16%	\$ 284.14	2.00%	6.11%
3RD00	\$ 287.67	2.00%	7.16%	\$ 292.66	3.00%	8.21%
4TH00	\$ 293.42	2.00%	9.30%	\$ 298.51	2.00%	10.37%
1ST01	\$ 308.09	5.00%	11.42%	\$ 313.44	5.00%	12.52%
2ND01	\$ 317.33	3.00%	12.52%	\$ 322.84	3.00%	13.62%
3RD01	\$ 323.68	2.00%	12.52%	\$ 335.75	4.00%	14.72%
4TH01	\$ 326.92	1.00%	11.42%	\$ 349.18	4.00%	16.97%
1ST02	\$ 326.92	0.00%	6.11%	\$ 370.13	6.00%	18.09%
2ND02	\$ 326.92	0.00%	3.02%	\$ 388.64	5.00%	20.38%
3RD02	\$ 336.73	3.00%	4.03%	\$ 396.41	2.00%	18.07%
4TH02	\$ 350.20	4.00%	7.12%	\$ 408.30	3.00%	16.93%
1ST03	\$ 367.71	5.00%	12.48%	\$ 420.55	3.00%	13.62%
2ND03	\$ 382.42	4.00%	16.98%	\$ 424.76	1.00%	9.29%
3RD03	\$ 390.06	2.00%	15.84%	\$ 433.25	2.00%	9.29%
4TH03	\$ 390.06	0.00%	11.38%	\$ 441.91	2.00%	8.23%
1ST04	\$ 393.96	1.00%	7.14%	\$ 433.07	-2.00%	2.98%
2ND04	\$ 401.84	2.00%	5.08%	\$ 446.06	3.00%	5.01%
3RD04	\$ 413.90	3.00%	6.11%	\$ 468.36	5.00%	8.10%
4TH04	\$ 418.04	1.00%	7.17%	\$ 477.73	2.00%	8.11%
1ST05	\$ 430.58	3.00%	9.30%	\$ 496.84	4.00%	14.73%
2ND05	\$ 447.80	4.00%	11.44%	\$ 526.65	6.00%	18.07%
3RD05	\$ 460.34	2.80%	11.22%	\$ 542.98	3.10%	15.93%
4TH05	\$ 468.17	1.70%	11.99%	\$ 546.78	0.70%	14.45%
1ST06	\$ 488.77	4.40%	13.51%	\$ 569.20	4.10%	14.56%
2ND06	\$ 501.48	2.60%	11.99%	\$ 583.43	2.50%	10.78%
3RD06	\$ 514.97	2.69%	11.87%	\$ 599.12	2.69%	10.34%
4TH06	\$ 532.99	3.50%	13.85%	\$ 624.28	4.20%	14.17%
1ST07	\$ 544.18	2.10%	11.34%	\$ 644.26	3.20%	13.19%
2ND07	\$ 548.53	0.80%	9.38%	\$ 660.37	2.50%	13.19%

Exhibit A

Small Group Quarterly Base Rate History

3RD07	\$ 554.02	1.00%	7.58%	\$ 660.37	0.00%	10.22%
4TH07	\$ 554.02	0.00%	3.95%	\$ 660.37	0.00%	5.78%
1ST08	\$ 554.02	0.00%	1.81%	\$ 660.37	0.00%	2.50%
2ND08	\$ 556.79	0.50%	1.51%	\$ 660.37	0.00%	0.00%
3RD08	\$ 567.93	2.00%	2.51%	\$ 686.78	4.00%	4.00%
4TH08	\$ 567.93	0.00%	2.51%	\$ 686.78	0.00%	4.00%
1ST09	\$ 577.02	1.60%	4.15%	\$ 700.52	2.00%	6.08%
2ND09	\$ 588.56	2.00%	5.71%	\$ 714.53	2.00%	8.20%
3RD09	\$ 590.91	0.40%	4.05%	\$ 728.82	2.00%	6.12%
4TH09	\$ 602.73	2.00%	6.13%	\$ 736.11	1.00%	7.18%

Exhibit B

Product Adjustment Factors
Effective 1/1/2010

Product Type	Deductible ¹	Network Maximum Out of Pocket ²	Adjustment Factor	
			2 to 9 employees	10 to 50 employees
High Deductible Health Plan	\$3,000	\$0	0.5898	0.5898
High Deductible Health Plan	\$5,000	\$0	0.4801	0.4801
Limited Benefit Plan	\$250	No Max	0.5574	0.5574
Super Blue Plus 2004	\$1,000	\$1,000	0.7428	0.7428
Super Blue Plus 2004	\$3,000	\$1,000	0.5571	0.5571
Super Blue Plus 2004	\$5,000	\$1,000	0.455	0.455
Super Blue Plus 2000	\$100	\$1,000	0.9285	0.9285
Super Blue Plus 2000	\$250	\$1,000	0.8991	0.8991
Super Blue Plus 2000	\$500	\$1,000	0.8558	0.8558
Super Blue Plus 2000	\$1,000	\$1,000	0.7765	0.7765
Super Blue Plus 2000	\$2,500	\$2,000	0.6057	0.6057
Super Blue Plus 2008 50% Rx	\$500	\$3,000	0.7593	0.7593
Super Blue Plus 2008 50% Rx	\$1,000	\$3,000	0.6823	0.6823
Super Blue Plus 2008 50% Rx	\$1,500	\$3,000	0.6223	0.6223
Super Blue Plus 2008 50% Rx	\$2,500	\$3,000	0.5409	0.5409
Super Blue Plus 2008 50% Rx	\$5,000	\$3,000	0.3802	0.3802
Super Blue Plus 2008 50% Rx	\$500	\$4,500	0.7054	0.7054
Super Blue Plus 2008 50% Rx	\$1,000	\$4,500	0.6419	0.6419
Super Blue Plus 2008 50% Rx	\$1,500	\$4,500	0.5861	0.5861
Super Blue Plus 2008 50% Rx	\$2,500	\$4,500	0.5108	0.5108
Super Blue Plus 2008 50% Rx	\$5,000	\$4,500	0.3605	0.3605
Super Blue Plus 2008 30% Rx	\$500	\$3,000	0.7936	0.7936
Super Blue Plus 2008 30% Rx	\$1,000	\$3,000	0.7138	0.7138
Super Blue Plus 2008 30% Rx	\$1,500	\$3,000	0.6517	0.6517
Super Blue Plus 2008 30% Rx	\$2,500	\$3,000	0.5674	0.5674
Super Blue Plus 2008 30% Rx	\$5,000	\$3,000	0.3999	0.3999
Super Blue Plus 2008 30% Rx	\$500	\$4,500	0.7378	0.7378
Super Blue Plus 2008 30% Rx	\$1,000	\$4,500	0.6718	0.6718
Super Blue Plus 2008 30% Rx	\$1,500	\$4,500	0.6142	0.6142
Super Blue Plus 2008 30% Rx	\$2,500	\$4,500	0.536	0.536
Super Blue Plus 2008 30% Rx	\$5,000	\$4,500	0.3794	0.3794
Super Blue Plus 2010 50% Rx	\$500	\$3,000	0.7607	0.7607
Super Blue Plus 2010 50% Rx	\$1,000	\$3,000	0.697	0.697
Super Blue Plus 2010 50% Rx	\$1,500	\$3,000	0.647	0.647
Super Blue Plus 2010 50% Rx	\$2,500	\$3,000	0.5746	0.5746
Super Blue Plus 2010 50% Rx	\$5,000	\$3,000	0.4533	0.4533
Super Blue Plus 2010 50% Rx	\$500	\$4,500	0.7157	0.7157
Super Blue Plus 2010 50% Rx	\$1,000	\$4,500	0.6627	0.6627
Super Blue Plus 2010 50% Rx	\$1,500	\$4,500	0.6168	0.6168
Super Blue Plus 2010 50% Rx	\$2,500	\$4,500	0.545	0.545
Super Blue Plus 2010 50% Rx	\$5,000	\$4,500	0.4375	0.4375
Super Blue Plus 2010 30% Rx	\$500	\$3,000	0.8053	0.8053
Super Blue Plus 2010 30% Rx	\$1,000	\$3,000	0.7407	0.7407
Super Blue Plus 2010 30% Rx	\$1,500	\$3,000	0.6899	0.6899

Exhibit B

Product Adjustment Factors

Super Blue Plus 2010 30% Rx	\$2,500	\$3,000	0.8161	0.8161
Super Blue Plus 2010 30% Rx	\$5,000	\$3,000	0.4926	0.4926
Super Blue Plus 2010 30% Rx	\$500	\$4,500	0.7603	0.7603
Super Blue Plus 2010 30% Rx	\$1,000	\$4,500	0.7064	0.7064
Super Blue Plus 2010 30% Rx	\$1,500	\$4,500	0.6597	0.6597
Super Blue Plus 2010 30% Rx	\$2,500	\$4,500	0.5865	0.5865
Super Blue Plus 2010 30% Rx	\$5,000	\$4,500	0.4768	0.4768

¹The listed deductible applies to single contracts. When the contract covers the employee and

²The Maximum Out of Pocket is the maximum amount an employee with no dependents would

Exhibit C

Area Adjustment Factors
Effective 1/1/2010

County Name	Area Assignment	Adjustment Factor
BARBOUR	East	0.77
BERKELEY	East	0.77
BOONE	South	1.00
BRAXTON	Central	0.88
BROOKE	North	0.96
CABELL	Central	0.88
CALHOUN	Central	0.88
CLAY	South	1.00
DODDRIDGE	Central	0.88
FAYETTE	South	1.00
GILMER	Central	0.88
GRANT	East	0.77
GREENBRIER	South	1.00
HAMPSHIRE	East	0.77
HANCOCK	North	0.96
HARDY	East	0.77
HARRISON	Central	0.88
JACKSON	Central	0.88
JEFFERSON	East	0.77
KANAWHA	South	1.00
LEWIS	East	0.77
LINCOLN	South	1.00
LOGAN	South	1.00
MARION	North	0.96
MARSHALL	North	0.96
MASON	Central	0.88
MCDOWELL	South	1.00
MERCER	South	1.00
MINERAL	East	0.77
MINGO	South	1.00
MONONGALIA	North	0.96
MONROE	South	1.00
MORGAN	East	0.77
NICHOLAS	South	1.00
OHIO	North	0.96
PENDLETON	East	0.77
PLEASANTS	Central	0.88
POCAHONTAS	East	0.77
PRESTON	East	0.77
PUTNAM	Central	0.88
RALEIGH	South	1.00
RANDOLPH	East	0.77
RITCHIE	Central	0.88
ROANE	Central	0.88
SUMMERS	South	1.00
TAYLOR	North	0.96
TUCKER	East	0.77

Exhibit C

Area Adjustment Factors
Effective 1/1/2010

County Name	Area Assignment	Adjustment Factor
TYLER	North	0.96
UPSHUR	East	0.77
WAYNE	Central	0.88
WEBSTER	East	0.77
WETZEL	North	0.96
WIRT	Central	0.88
WOOD	Central	0.88
WYOMING	South	1.00

Exhibit D

Network Adjustment Factors
Effective 1/1/2010

Area Assignment	Super Blue Plus
Central	0.8900
East	0.9100
North	0.8800
South	0.9100

Exhibit E

Industry Adjustment Factors
Effective 1/1/2010

SIC Starting Code	SIC Ending Code	Adjustment Factor
111	291	1.05
711	762	1.09
781	783	1.09
811	971	1.09
1011	1499	1.09
1521	1542	1.05
1611	1611	1.05
1622	1629	1.05
1711	1761	1.05
1771	1799	1.05
2011	2015	1.00
2021	2099	1.00
2111	2111	1.00
2121	2141	1.00
2211	2299	1.00
2311	2399	1.00
2411	2411	1.09
2421	2439	1.09
2441	2599	1.00
2611	2631	1.00
2641	2649	1.09
2652	2657	1.00
2671	2679	1.00
2711	2796	0.95
2812	2869	1.00
2873	2891	1.00
2892	2892	1.09
2893	2899	1.00
2911	2999	1.09
3011	3069	1.00
3081	3089	1.00
3111	3199	1.00
3211	3399	1.00
3411	3479	1.00
3482	3489	1.05
3491	3499	1.05
3511	3569	1.00
3571	3599	0.95
3612	3613	0.95
3621	3629	0.95
3631	3639	0.95
3641	3679	0.95
3691	3699	0.95
3711	3799	1.00
3812	3873	0.95
3911	3965	0.95

Exhibit E

Industry Adjustment Factors
Effective 1/1/2010

SIC Starting Code	SIC Ending Code	Adjustment Factor
3991	3999	0.95
4011	4013	1.09
4111	4111	1.09
4119	4119	1.09
4121	4121	1.09
4131	4173	1.09
4212	4214	1.05
4215	4215	1.09
4221	4231	1.05
4311	4311	1.09
4412	4499	1.00
4512	4513	0.95
4522	4581	0.95
4612	4619	1.05
4724	4731	1.00
4741	4741	1.05
4783	4789	1.00
4812	4899	0.95
4911	4941	1.00
4952	4959	1.09
4961	4971	1.05
5012	5065	0.95
5072	5078	0.95
5082	5088	0.95
5091	5092	1.00
5093	5093	1.05
5094	5149	1.05
5153	5172	1.00
5181	5182	1.05
5191	5193	1.00
5194	5194	1.05
5196	5196	1.00
5198	5199	1.00
5211	5271	1.00
5311	5399	1.05
5411	5499	1.00
5511	5521	1.05
5531	5531	1.00
5541	5541	1.05
5551	5599	1.00
5611	5722	0.95
5731	5736	1.05
5812	5812	1.09
5813	5813	1.09
5912	5912	1.00
5921	5921	1.09

Exhibit E

Industry Adjustment Factors
Effective 1/1/2010

SIC Starting Code	SIC Ending Code	Adjustment Factor
5932	5932	1.09
5941	5949	0.95
5961	5963	1.05
5983	5984	1.09
5989	5989	1.09
5992	5999	1.05
6011	6163	0.95
6211	6211	1.09
6221	6399	1.00
6411	6411	0.95
6512	6519	1.00
6531	6531	1.00
6541	6553	1.00
6712	6726	0.95
6732	6733	1.09
6792	6799	0.95
7011	7041	1.05
7211	7221	1.05
7231	7241	1.00
7251	7298	1.09
7299	7299	1.09
7311	7312	0.95
7313	7338	0.95
7342	7342	1.05
7349	7349	1.09
7352	7363	0.95
7371	7379	0.95
7381	7381	0.95
7382	7389	1.00
7513	7519	1.00
7521	7521	1.05
7532	7549	1.05
7622	7699	1.05
7812	7829	1.09
7832	7833	1.00
7841	7841	1.00
7911	7922	1.05
7929	7933	1.05
7941	7948	1.09
7991	7999	1.09
8011	8049	1.00
8051	8059	1.09
8062	8069	1.05
8071	8082	1.05
8092	8099	1.09
8111	8111	1.09

Exhibit E

Industry Adjustment Factors
Effective 1/1/2010

SIC Starting Code	SIC Ending Code	Adjustment Factor
8211	8244	0.95
8249	8249	0.95
8299	8299	0.95
8322	8331	1.00
8351	8351	1.00
8361	8361	1.09
8399	8399	1.05
8412	8422	0.95
8611	8621	1.09
8631	8631	1.05
8641	8641	1.09
8651	8651	1.09
8661	8748	1.09
8811	8811	1.09
8911	8999	0.95
9111	9999	1.09

Exhibit F

Age/Gender Adjustment Factors
Effective 1/1/2010
2 to 9 Employee Groups

Age Bands	Male Employee	Female Employee	Male Spouse	Female Spouse
0 to 24	0.390	0.877	0.390	1.132
25 to 29	0.456	1.191	0.456	1.556
30 to 34	0.521	1.171	0.521	1.413
35 to 39	0.630	1.141	0.630	1.240
40 to 44	0.726	1.206	0.726	1.227
45 to 49	0.857	1.282	0.857	1.282
50 to 54	1.160	1.410	1.160	1.410
55 to 59	1.551	1.725	1.551	1.725
60 to 64	2.155	1.963	2.155	1.963
65 +	2.098	1.921	2.098	1.921

One Child	0.466
Two or More Children	0.951

10 to 50 Employee Groups

Age Bands	Male Employee (Single)	Female Employee (Single)	Male Employee (Married)	Female Employee (Married)	Male Spouse	Female Spouse
0 to 24	0.390	0.820	0.390	1.085	0.390	1.132
25 to 29	0.456	1.089	0.456	1.332	0.456	1.556
30 to 34	0.521	1.089	0.521	1.237	0.521	1.413
35 to 39	0.630	1.108	0.630	1.162	0.630	1.240
40 to 44	0.726	1.199	0.726	1.210	0.726	1.227
45 to 49	0.857	1.282	0.857	1.282	0.857	1.282
50 to 54	1.160	1.410	1.160	1.410	1.160	1.410
55 to 59	1.551	1.725	1.551	1.725	1.551	1.725
60 to 64	2.155	1.963	2.155	1.963	2.155	1.963
65 +	2.098	1.921	2.098	1.921	2.098	1.921

One Child	0.466
Two or More Children	0.951

Exhibit G

Experience Adjustment Factors
Effective 1/1/2010

Prospects

Medical Underwriting	Adjustment Factor
Tier 1	0.700
Tier 2	0.800
Tier 3	0.900
Tier 4	1.000
Tier 5	1.100
Tier 6	1.200
Tier 7	1.300

Renewals

Durational Adjustment

	Medical Underwriting	Adjustment Factor
2 to 9 Employees	All	1.150
10 to 50 Employees	All	None

Experience Adjustment¹

2 to 9 Employees	None
------------------	------

	Loss Ratio Range			First Year Renewals	Other Than First Year
10 to 50 Employees	0.00%	Up to but not including:	30.00%	-5.00%	-10.00%
10 to 50 Employees	30.00%	Up to but not including:	55.00%	0.00%	-5.00%
10 to 50 Employees	55.00%	Up to but not including:	70.00%	5.00%	0.00%
10 to 50 Employees	70.00%	Up to but not including:	80.00%	10.00%	5.00%
10 to 50 Employees	80.00%	Up to but not including:	90.00%	15.00%	10.00%
10 to 50 Employees	90.00%	Or Higher		15.00%	15.00%

¹The renewal experience adjustment is added to the current experience adjustment factor to determine renewal rates. Experience factor and duration factor adjustments will not increase rates in excess of 15%. Mountain State Blue Cross and Blue Shield reserves the right to manually over-ride these standard experience and duration factor adjustments due to marketing pressures to retain groups. Manual adjustments will always decrease the calculated rate.

Exhibit H

Commission

Effective 4/1/09

Products	Group Size	
	2 to 9	10 to 50
WV Small Business Plan	\$15.00	\$15.00
All other products originally effective 3/1/2003 or later	\$30.00	\$30.00
All other products originally effective prior to 3/1/2003	Varies by Group ¹	

¹The commission will be periodically adjusted to reflect cost of living changes.



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ACTUARIAL MEMORANDUM
MOUNTAIN STATE BLUE CROSS/BLUE SHIELD
SMALL GROUP POLICY FILING

I, Rachel W. Killian, am a member of the American Academy of Actuaries and meet its qualification standards for preparing rate filings for Blue Cross/Blue Shield organizations. I have experience in establishing rates for PPO plans and have no financial or employment interest in Mountain State Blue Cross/Blue Shield ("MSBCBS").

As a consulting actuary with Milliman, Inc. ("Milliman"), I have written this actuarial memorandum at the request of MSBCBS to discuss the rate filing for the introduction of new product variations for the Super Blue Plus policies. The proposed rating factors for the new products are projected to be effective for new groups enrolling and currently enrolled groups renewing on or after January 1, 2010. Rates are guaranteed for 12 months at date of sale for new business. Rates are also guaranteed for 12 months at renewal date for existing business.

MSBCBS is adding 20 new plan designs, which are explained in detail in the attached exhibit. These new plan designs include the following changes:

- Out-of-network deductible has increased to three times the in-network deductible.
- Out-of-network coinsurance maximum has changed to three times the in-network coinsurance maximum.
- Preventive services are covered in full after applicable copayments.
- Prescription drug coverage includes \$5,000 member coinsurance maximum.

I estimated the actuarial relationship between a currently offered plan and the 20 new plan designs. This relationship reflects actuarial judgment and estimated cost differences evaluated using a proprietary model developed by Milliman.

The attached exhibit provides rate relativities and resulting product adjustment factors produced from the rating development along with high level summaries of the plan designs of both the current and the new plans.



Milliman

Actuarial Memorandum
Mountain State BCBS
Small Group Policy Filing
July 13, 2009
Page 2

ACTUARIAL MEMORANDUM - continued

MOUNTAIN STATE BLUE CROSS/BLUE SHIELD

SMALL GROUP POLICY FILING

To the best of my knowledge and judgment, the following are true with respect to the MSBCBS filing for the Small Group policies:

1. The rating factors are neither inadequate nor excessive nor unfairly discriminatory and are appropriate for the classes of risk for which they have been computed. The rating factors are developed based on consistent and equitable actuarial principles and are actuarially adequate to the end of the proposed rating period.
2. The assumptions used in developing the rate relativities are reasonable, and are consistent with the Plan's business plan at the time of this filing.
3. This filing is intended to be in compliance with applicable laws and regulations in the State of West Virginia regarding the filing of rates.

Rachel W. Killian

Rachel W. Killian
Member, American Academy of Actuaries
July 13, 2009

Mountain State Blue Cross Blue Shield
Exhibit 1
Benefit Design Changes
Effective 1/1/2010

Option	Individual Deductible		Family Deductible		Coinsurance Maximum		Coinsurance Options	Preventive Care Services		Rx Options	Rate Relativity	Rating Factors
	In-Network	OON	In-Network	OON	In-Network	OON	IN/OON	In-Network	OON			
Base Plan	\$500	\$500	\$1,000	\$1,000	\$3,000	\$10,500	80%/60%	Subject to coinsurance after copay	Subject to coinsurance after copay	50% with \$10 min copay	1.0000	0.7593
1	\$500	\$1,500	\$1,000	\$3,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	1.0606	0.8053
2	\$500	\$1,500	\$1,000	\$3,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	1.0019	0.7607
3	\$500	\$1,500	\$1,000	\$3,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	1.0013	0.7603
4	\$500	\$1,500	\$1,000	\$3,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.9426	0.7157
5	\$1,000	\$3,000	\$2,000	\$6,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.9755	0.7407
6	\$1,000	\$3,000	\$2,000	\$6,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.9180	0.6970
7	\$1,000	\$3,000	\$2,000	\$6,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.9304	0.7064
8	\$1,000	\$3,000	\$2,000	\$6,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.8728	0.6627
9	\$1,500	\$4,500	\$3,000	\$9,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.9086	0.6899
10	\$1,500	\$4,500	\$3,000	\$9,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.8522	0.6470
11	\$1,500	\$4,500	\$3,000	\$9,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.8688	0.6597
12	\$1,500	\$4,500	\$3,000	\$9,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.8124	0.6168
13	\$2,500	\$7,500	\$5,000	\$15,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.8114	0.6161
14	\$2,500	\$7,500	\$5,000	\$15,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.7567	0.5746
15	\$2,500	\$7,500	\$5,000	\$15,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.7724	0.5865
16	\$2,500	\$7,500	\$5,000	\$15,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.7177	0.5450
17	\$5,000	\$15,000	\$10,000	\$30,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.6488	0.4926
18	\$5,000	\$15,000	\$10,000	\$30,000	\$3,000	\$9,000	80%/60%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.5970	0.4533
19	\$5,000	\$15,000	\$10,000	\$30,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	70% with \$10 min copay and \$5000 coinsurance limit	0.6279	0.4768
20	\$5,000	\$15,000	\$10,000	\$30,000	\$4,500	\$13,500	70%/50%	Covered in full after copay	Covered in full after copay	50% with \$10 min copay and \$5000 coinsurance limit	0.5761	0.4375

Job Descriptions and Time Allocation

Project Manager – Tonya Gillespie, Director, Rates and Forms (20%)

Assist in the development of contracts for services and consultations, coordinate work of consultants and Rates and Forms Team to maximize efficiency and ensure completion of stated objectives.

Financial Contact – Cheri Harpold, Director, Financial Accounting (15%)

Assist in the development of contracts for services and consultations, manage grant funding and complete required financial disclosures.

West Virginia

Tonya Childress Gillespie, CPA



Summary: Manager of operating unit, experienced in management, operations, accounting and project management. Strong organizational skills, cooperative and dependable.

Professional Experience:

West Virginia Offices of the Insurance Commissioner 2005 – present
Director, Rates and Forms
Manage the Rates and Forms Division that is responsible for reviewing and making a final disposition on rate, rule and form filings for all the life and health and property and casualty filings for the State of West Virginia. Assisted in the transition to an open workers compensation market from a monopolistic state fund.

West Virginia Workers Compensation Commission 1995– 2005
Director, Rating Services
Managed the Rating Services Department that was responsible for the medical provider reimbursement fees and the employer premium rates. Was project manager for the implementation of Electronic Data Management Services Project. This project eliminated the use paper documents and implemented the use of electronic documents.

Westfalia Mining Progress, Inc. 1989 - 1995
Controller
Managed the Financial Accounting Department and was responsible for preparing monthly and annual financial statements, annual external audit, payroll, tax returns, international wire transfers and all general ledger activities and transactions.

Education:

Bachelor of Science Degree in Business Administration (Accounting and Management)
West Virginia State University, 1989

Professional Designation:

Certified Public Accountant, West Virginia License WV003580

CHERI ANN HARPOLD, C.P.A.

(b)(6)

Home: (b)(6)

Work: (304) 558-6279 x 1245

PROFESSIONAL EMPLOYMENT:

8/2006-present State of West Virginia Offices of the Insurance Commissioner, 1124 Smith Street, Charleston, West Virginia 25301

Director of Financial Accounting

Responsibilities include:

- Supervising the daily operations of the Financial Accounting Unit which includes Financial Accounting, Auditing, Budget, Accounts Payable, and Financial Reporting Sections
- Overseeing the agency's independent audit which includes providing financial data for testing, preparing the trial balance for the various funds, assisting in writing the management response, and answering to any findings or compliance issues
- Conducting regularly scheduled meetings with program (non-financial) management regarding the financial status of their operational units
- Ensuring that all agency operations are within the parameters of the approved state and federal budgets and are in compliance with state and federal regulations
- Responding to fiscal note requests received by the agency from the State Legislature
- Overseeing the training and development of the financial accounting staff
- Compiling the agency's budget including preparation of the appropriations request for the State Budget Office
- Producing automated crystal reports that retrieve the agency's fiscal data from an off-site database warehouse and present the information in proper financial reporting format

1/2006-7/2006 WORKFORCE West Virginia, 112 California Avenue, Charleston, West Virginia 25305

Assistant Director of Accounting Services

Responsibilities included:

- Supervising the daily operations of the Accounting Services Unit which includes the Financial Accounting, Accounts Payable, Payroll, Auditing, Budget, and Financial Management Sections
- Overseeing the agency's independent audit which includes providing financial data for testing, preparing the trial balance for the General Fund and the Enterprise Trust Fund, assisting in writing the management response, and answering to any findings or compliance issues
- Conducting regularly scheduled meetings with program (non-financial) management regarding the financial status of their operational units
- Ensuring that all agency operations are within the parameters of the approved state and federal budgets and are in compliance with state and federal regulations
- Responding to fiscal note requests received by the agency from the State Legislature
- Overseeing the maintenance of all grant budget information on the statewide automated accounting system
- Maintaining and administering the agency's cost allocation system, distributing all indirect costs to grant programs during month-end processing
- Developing Divisional Budget to Actual Reports to be distributed monthly to cost center managers and responding to any questions from management
- Overseeing the training and development of the financial staff
- Compiling the agency's budget including preparation of the appropriations request for the State Budget Office

10/2003-1/2006 WV Workers' Compensation Commission, 4700 MacCorkle Avenue, SE, Charleston, West Virginia 25304

Workers' Compensation Financial Specialist II

Responsibilities included:

- Overseeing the monthly closing process of the time distribution system and the allocation of personal services and benefits including preparing the WVFIMS (WV Financial Information Management System) entries
- Researching entries in WVFIMS to ensure proper organization coding
- Consulting multiple cost center manager personnel on their budgetary parameters, potential cost overruns, and fiscal needs
- Producing automated crystal reports that retrieve the commission's fiscal data from an off-site database warehouse and present the information in proper financial reporting format
- Assisting in the coordinating and presentation of annual budget training

- Continuously working with the MIS Division to improve the budget package which is stored on the intranet
- Reviewing the budget packages and preparing the budget notes summarizing the packages
- Running, reviewing, and distributing budget to actual reports which are distributed to the directors and cost center managers
- Updating budget packages year round based on the current staffing patterns so that the budget information remains up-to-date all year long
- Performing detailed financial analysis and analytical review using WVFIMS accounting system

8/1998-9/2003

WV Bureau of Employment Programs, 112 California Avenue, Charleston, West Virginia 25305

Financial Reporting Specialist II

Responsibilities included:

- Preparing the annual trial balance, financial statements, required footnotes/disclosures, procedural narratives, and related schedules for the annual financial and single audits
- Assisting the contracted CPA's with any additional audit requests and questions
- Keeping abreast of current GASB (Governmental Accounting Standards Board) pronouncements and updating financial statements to reflect these changes
- Preparing corrective action plans for the audit findings and submitting them to FARS (Financial Accounting and Reporting Section) of the State of West Virginia
- Preparing and submitting the SEFA (Schedule of Expenditures of Federal Awards) to FARS annually which consists of progressing the various federal grants by CFDA number
- Continuously working with the MIS Division to improve the budget package which is stored on the intranet
- Teaching the annual budget training to various cost center managers
- Reviewing the budget packages and preparing the budget notes summarizing the packages
- Running, reviewing, and distributing budget to actual reports which are distributed to the directors and cost center managers
- Updating budget packages year round based on the current staffing patterns so that the budget information remains up-to-date all year long
- Serving as a financial liaison for three divisions in BEP by assisting its cost center managers in preparing their budgets and investigating any budget parameters
- Preparing various legislative reports/graphs and responding to the Legislative session's fiscal note requests in a timely manner
- Performing detailed financial analysis and analytical review using WVFIMS accounting system
- Preparing RFP's (Request for Proposals) for audit and actuarial services
- Serving as back-up for the daily maintenance of the trust fund system
- Use of Access and Crystal reporting tools
- Participating on work teams to facilitate the Bureau's progress and automation

12/2001-5/2002

Financial Reporting Specialist III (Acting)

Responsibilities included:

- Duties as listed above in the WVBEP FRS II description plus the following:
- Supervision of professional staff responsible for budgetary, audit, and legislative functions (the Financial Management & Audit section)
- Coordinating, updating, and managing Bureau-wide internal budgeting process which required interaction with senior management
- Working with commissioner and senior managers to finalize the budget requests
- Preparing budget improvement requests
- Monitoring the monthly budget to actual comparison reporting process

1/1993-7/1998

One Valley Bancorp, Inc., One Valley Square, PO Box 1793, Charleston, West Virginia 25326

Financial Accountant II

Responsibilities included:

- Documenting, preparing, and filing in a timely manner required regulatory reports including the call report which was submitted quarterly to the FDIC
- Compiling the consolidated call report for One Valley Bancorp which incorporated all of the branches' information in to one report with some consolidating adjusting entries required
- Keeping abreast of the changes in the reporting requirements of these regulatory reports and adjusting the reports accordingly
- Assisting in the monthly and annual closing process of the bank
- Daily analysis of the general ledger which included investigating significant fluctuations and follow-up procedures
- Serving as back-up for the daily maintenance of the general ledger system
- Automating several schedules of the call report by mapping the general ledger accounts through the M&I Data Systems program

9/1990-1/1993 Suttle & Stalnaker, CPAs, 1411 Virginia Street East, Charleston, West Virginia, 25301

Staff Accountant

Client base of non-profit, for-profit, and government entities

Responsibilities included:

- Planning and performing financial audits, including the preparation of financial statements and footnotes
- Identifying and communicating recommendations for improvement of accounting procedures and internal controls
- Writing procedural narratives for the workpapers and updating them annually always looking for ways to automate or improve the procedures
- Conducting interviews with the various client personnel and reviewing board minutes to verify my understanding of internal controls and to see if there were any material subsequent events that needed to be included in the financial statements
- Reviewing invoices received after the balance sheet date to ensure that all appropriate material liabilities were recorded in the financial statements
- Tracing amounts from the client's trial balance to its supporting documentation and, in some cases where there was no trial balance available, actually preparing the trial balance for the client
- Reconciling various cash accounts and sending cash confirmations to banks to verify the existence of the cash accounts and to confirm their balance as of the balance sheet date

Professional Training included:

- Working in conjunction with Deloitte Touche on the Statewide Single Audit
- Working on Statewide Cost Allocation Plan

OTHER EMPLOYMENT:

10/1986-9/1990 Collections Supervisor/Computer Operator. Steven A. Artz, M.D., 1201 Washington Street East,
11/1982-4/1986 Charleston, West Virginia 25301

4/1986-9/1986 Financial Counselor/Collections. Raleigh Community Hospital, 3400 Wake Forest Road, Raleigh, North
Carolina 27611

EDUCATION: West Virginia State College, Institute, West Virginia 25112
Bachelor of Business Administration, December 1985

Marshall University, Huntington, West Virginia 25701
Major: Accounting, May 1990

CERTIFICATION: May 1998, License Number WV3969