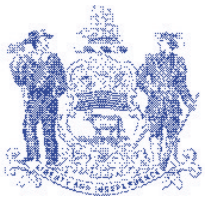
Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

Information about Rate Filing Process

Information on rate filings is being posted at www.delawareinsurance.com to provide Delaware residents the opportunity to review the information and provide comments to the Department of Insurance.

Anyone wishing to comment may do so by emailing rate@state.de.us. Comments need to be submitted by July 28, 2014.

It is important to remember that the Delaware Insurance Commissioner reviews and approves or disapproves rates that are filed—not premiums that an individual pays for coverage.

- The rate is the base amount filed by the carrier.
- The premium that an individual pays includes the base rate plus whatever adjustments are permitted under the law.
    - Health Insurers may adjust the base rate for age, tobacco use, family size and geographic rating area.
    - In Delaware, Qualified Health Plans (QHPs) offered on the Marketplace are barred from making an adjustment for rating area as the certification standard for QHP statewide requires health insurers to operate statewide and to have one rating area.

These rate filings are currently requests for approval. The rate review process is not complete; therefore, the final rates approved or the plans themselves may differ from what is posted now.

The final approved rate decision will be posted after the Department has performed its actuarial review and Commissioner's decision has been made.

Some fees and taxes that may affect the issuer's rate

Federal Taxes

Tax Description	Amount	Effective in 2015	Comments
Health Insurance Tax Annual tax apportioned among health insurers based on relative market share	2014: $8 billion 2015: $11.3 billion 2016: $11.3 billion 2017: $13.9 billion 2018: $14.3 billion After 2018: Increases based on premium	yes	Health insurers pay. May affect premiums

	growth		
Transitional Reinsurance Tax Per capita charge to fund the Transitional Reinsurance Program for a three-year period:	2014: $12 billion 2015: $8 billion 2016: $5 billion	yes Fee scheduled to end in 2016	Health insurers and plan administrators on behalf of self-funded employer health plans Pay May affect premiums
Comparative Effectiveness (PCORI) Tax To fund the Patient Centered Outcome Research Institute	$ $2 per covered life. Plan/policy years that end after September 30, 2012	Yes Fee scheduled to end in 2019	Health Insurers and self-funded employer plans Health Insurers pays. May affect premium
Exchange Fees	3.5% of premium (subject to adjustment) (Proposed federally facilitated exchange fee for 2014; will vary annually; *see* 77 Fed. Reg. 73,201) (State exchange fees will vary among states	yes	Health insurers pay to exchanges May affect premium
Branded Prescription Drugs Tax to help fund the ACA	Annual fee on manufacturers and importers of brand name prescription drugs based on relative market share	yes	Manufacturers and importers of brand name prescription drugs Expected to be added to the cost of pharmaceuticals
Tax on High-Cost Insurance Plans Tax to help fund the ACA	40% of the value of employer-sponsored health coverage that exceeds per employee threshold amounts, $10,200 self only, $27,500 other than self only, will be subject to federal income tax (indexed for inflation	No Not effective until 2018	Health insurers and self-funded employer plans