



AMERICAN ACADEMY
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NEWS RELEASE

FOR IMMEDIATE RELEASE
May 14, 2014

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Actuaries Shed Light on 2015 Health Insurance Premium Changes

WASHINGTON—An issue brief published today by the American Academy of Actuaries, the public policy and professionalism voice of the U.S. actuarial profession, examines the major factors that may underlie health insurance premium changes for the 2015 plan year, including ongoing implementation of Affordable Care Act (ACA) provisions.

“Premiums are currently being filed for 2015, but much of the uncertainty that insurers faced when developing their rates for 2014 still exists,” said Academy Senior Health Fellow Cori Uccello, co-author of “[Drivers of 2015 Health Insurance Premiums](#).” “Although insurers will have some information regarding the risk profile of their 2014 enrollees, such as their distribution by age and gender, available health status information is still very limited.”

The issue brief, developed by the Academy’s Health Practice Council, explores the major drivers of 2015 premium changes, including:

- *How the composition of 2014 enrollment compares to what insurers projected.* When assessing the enrollee risk profile, experience inside and outside the health insurance marketplaces must be combined.
- *Whether the state allowed renewals of non-ACA compliant plans.* Premiums may be higher in states that did allow renewals, especially if they had large, heavily underwritten individual markets in place prior to 2014.
- *State- and insurer-specific experience with health insurance enrollment.* Enrollment outreach efforts and ease of enrollment through the insurance marketplaces may have affected the enrollee risk profile.

(MORE)

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- *The reduction in the ACA transitional reinsurance program.* The reduction in program funds, from \$10 billion in 2014 to \$6 billion in 2015, along with a possible increase in the enrollment in the individual market, will reduce the per-enrollee reinsurance insurance subsidy, thereby increasing premiums.
- *Insurers' assumptions regarding how fast underlying health care spending will grow.*

Read the issue brief and learn more by visiting the “Health” section under the “Public Policy” tab at www.actuary.org.

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The American Academy of Actuaries is an 18,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

Media Only: To set up an interview with Academy Senior Health Fellow Cori Uccello, contact David Mendes, assistant director of communications, public affairs, at mendes@actuary.org or 202.384.2075.