Appendix E: **Presentations from Public Hearings**

DEPARTMENT OF
Professional &
Financial Regulation
STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

Section 1332 Waiver Amendment Application

MAINE BUREAU OF INSURANCE

MARCH 2021

Section 1332 Waiver

- Section 1332 of the Affordable Care Act (ACA) allows a state to apply to the federal government for a waiver of certain ACA provisions to pursue innovative strategies to provide access to quality, affordable health insurance.

- A waiver must meet four guardrails:
  - Provide coverage that is at least as comprehensive as would be provided absent the waiver;
  - Must not result in changes in coverage, premiums, and cost-sharing protections that reduce the affordability of coverage;
  - Provide coverage to at least as many residents as would be covered absent the waiver; and
  - Must not increase federal spending that would occur absent the waiver.

Maine's Current 1332 Waiver

- Maine currently has a 1332 waiver that allows the Maine Guaranteed Access Reinsurance Association (MGARA) to operate a reinsurance program for the individual health insurance market.
- Through this waiver, Maine receives federal pass-through funding to support the MGARA reinsurance program.
  - Federal pass-through funds are generated from the reduction in premium tax credits paid as a result of the reinsurance program lowering individual premiums from what they would have been absent reinsurance.
- Since this waiver became effective on January 1, 2019, average premium rates for the individual market have moderated each year: 1.1% in 2019, -0.5% in 2020, and -12.5% in 2021.

MGARA Reinsurance

- MGARA is governed by Title 24-A, Chapter 54-A of the Maine Revised Statutes.

- MGARA currently reinsures individual policies covering high-risk individuals using a prospective model:
  - A carrier cedes a policy to MGARA for reinsurance when the carrier identifies an individual has one of eight specified medical conditions.
  - The carrier pays MGARA a premium for ceded policies, and in return, MGARA pays a portion of the carrier's claims if the claims exceed the specified attachment point.

- In addition to the federal funds from the 1332 waiver, MGARA assesses Maine's fully-insured and self-insured commercial health insurance markets $4.00 per covered person per month.

Public Law 2019, Chapter 653

- In 2020, the Maine Legislature enacted PL 2019, Chapter 653 to allow the state to:
  - pool the individual and small group markets into a single risk pool; and
  - seek federal approval of an amendment to its 1332 waiver in order to extend the MGARA reinsurance program to the pooled market and transition to a retrospective reinsurance model.
- The purpose of this law is to address the decline of the small group market in Maine by extending the positive premium impacts that MGARA reinsurance has had on the individual market to the small group market.
  - From March 2017 to March 2020, there was an 18% reduction in small group membership from 61,200 to 50,200.
  - The average annual premium rate increase for the small group market was 11% in 2019, 8.8% in 2020, and 5.5% in 2021.

Proposed 1332 Waiver Amendment

- The proposed 1332 waiver amendment would extend MGARA reinsurance to a pooled individual and small group market and transition the program to a retrospective claims cost-based model, beginning January 1, 2022.
- The retrospective model would reimburse carriers for a portion of the costs of covered individuals whose claims exceed the designated attachment point.
  - The current process requiring carriers to prospectively identify high-risk individuals for reinsurance based on health conditions would no longer be required.
- Maine would continue to receive federal pass-through funding to support the MGARA reinsurance program in the amount of federal savings that would be generated from the resulting reduction in premium tax credits.
- The goal is to bring increased certainty and stability to small group insurance through a positive effect on premium levels by spreading risk across the broader health insurance market.

Actuarial & Economic Analyses

- Gorman Actuarial performed actuarial and economic analyses for the proposed 1332 waiver amendment for 2022 through 2031.

- Gorman modeled the reinsurance program to reimburse carriers 50% of claims costs between $90,000 and $250,000. (These parameters may be adjusted.)

- Gorman estimated that pooling the markets and applying a retrospective reinsurance program will:
  - lower the average individual market premium by **6.6%**, as compared to the baseline of no section 1332 waiver and no reinsurance program;
  - lower the average small group market premium by **4.2%**, as compared to the same baseline; and
  - generate **$21.6 million** in net federal savings in 2022 – the amount of pass-through funding that will be used to support the MGARA reinsurance program.

- Gorman demonstrated that the proposed waiver amendment meets the four guardrails pertaining to comprehensiveness, affordability, scope, and federal deficit neutrality.

MGARA Results

During years of operation in 2019-2021 MGARA:

MGARA	Federal Pass Through	Premium	Assessment	Total Funds	Claims and Expenses
2019	$62.3	$44.9	$24.9	$132.1	$106.4
2020	$26.3	$39.2	$27.3	$93.3	$81.5 ($70.2 YTD)
2021	$30.7	$39.3*	$27.3*	$91.3*	$80.9*
2022 Gorman Projected	$21.6*	$0.0	$24.1*	$45.7*	$45.7

- Kept premium increases about 8-19% lower than they otherwise would have been for 2021.

*indicates estimates or projections

Implementation Contingencies

Going forward, implementation is contingent upon two things:

- Federal approval of the proposed 1332 waiver amendment application; and
- Adoption of rules to implement the pooled market by the Superintendent of Insurance.
  - The state is in the process of developing a rule to implement the pooled market.
  - The rule will establish the necessary conditions and procedures for implementing the pooled market and extending MGARA reinsurance to small group health insurance.
  - The state anticipates formally proposing the rule and initiating the state's rulemaking process in March of 2021.

Timeline

End Date	Milestone
Section 1332 Waiver Application Process	
March 12, 2021	Publish draft section 1332 waiver application on state website and notify the public.
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July 2021	Target to receive approval from the Departments for the section 1332 waiver.
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March 2021	File proposed rule to implement pooled market with state authority.
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September 2021	MGARA submits amended Plan of Operation to the Bureau of Insurance.
September 2021	Bureau of Insurance approves amended Plan of Operation.
Year One Implementation	
January 1, 2022	Pooled market and retrospective reinsurance program begins.

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  - The state is in the process of developing a rule to implement the pooled market.
  - The rule will establish the necessary conditions and procedures for implementing the pooled market and extending MGARA reinsurance to small group health insurance.
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Section 1332 Waiver Amendment Application

MAINE BUREAU OF INSURANCE

MARCH 2021 (updated March 29, 2021)

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- A waiver must meet four guardrails:
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- Through this waiver, Maine receives federal pass-through funding to support the MGARA reinsurance program.
  - Federal pass-through funds are generated from the reduction in premium tax credits paid as a result of the reinsurance program lowering individual premiums from what they would have been absent reinsurance.

- Since this waiver became effective on January 1, 2019, average premium rates for the individual market have moderated each year: 1.1% in 2019, -0.5% in 2020, and -12.5% in 2021.

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- In addition to the federal funds from the 1332 waiver, MGARA assesses Maine's fully-insured and self-insured commercial health insurance markets $4.00 per covered person per month.

Public Law 2019, Chapter 653

- In 2020, the Maine Legislature enacted PL 2019, Chapter 653 to allow the state to:
  - pool the individual and small group markets into a single risk pool; and
  - seek federal approval of an amendment to its 1332 waiver in order to extend the MGARA reinsurance program to the pooled market <u>and</u> transition to a retrospective reinsurance model.

- The purpose of this law is to address the decline of the small group market in Maine by extending the positive premium impacts that MGARA reinsurance has had on the individual market to the small group market.
  - From March 2017 to March 2020, there was an 18% reduction in small group membership from 61,200 to 50,200.
  - The average annual premium rate increase for the small group market was 11% in 2019, 8.8% in 2020, and 5.5% in 2021.

Proposed 1332 Waiver Amendment

- As originally drafted, the 1332 waiver amendment proposed to extend MGARA reinsurance to a pooled individual and small group market and transition the program to a retrospective claims cost-based model, beginning January 1, 2022.
  - Maine is now delaying the pooling of the individual and small group markets until 2023. Therefore, the proposal to extend MGARA reinsurance to a pooled individual and small group market is delayed until 2023.
  - Maine still intends to proceed with the proposal to transition MGARA reinsurance to a retrospective model beginning January 1, 2022.
- The retrospective model would reimburse carriers for a portion of the costs of covered individuals whose claims exceed the designated attachment point.
  - The current process requiring carriers to prospectively identify high-risk individuals for reinsurance based on health conditions would no longer be required.
- Maine would continue to receive federal pass-through funding to support the MGARA reinsurance program in the amount of federal savings that would be generated from the resulting reduction in premium tax credits.

Actuarial & Economic Analyses

- Gorman Actuarial performed actuarial and economic analyses for the 1332 waiver amendment as originally proposed for 2022 through 2031.

- Gorman modeled the reinsurance program to reimburse carriers 50% of claims costs between $90,000 and $250,000. (These parameters may be adjusted.)

- Gorman estimated that pooling the markets and applying a retrospective reinsurance program for 2022 would:
  - lower the average individual market premium by **6.6%**, as compared to the baseline of no section 1332 waiver and no reinsurance program;
  - lower the average small group market premium by **4.2%**, as compared to the same baseline; and
  - generate **$21.6 million** in net federal savings in 2022 – the amount of pass-through funding that will be used to support the MGARA reinsurance program.

- Gorman demonstrated that the waiver amendment as originally proposed met the four guardrails pertaining to comprehensiveness, affordability, scope, and federal deficit neutrality.

MGARA Results

During years of operation in 2019-2021 MGARA:

MGARA	Federal Pass Through	Premium	Assessment	Total Funds	Claims and Expenses
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- Kept premium increases about 8-19% lower than they otherwise would have been for 2021.

*indicates estimates or projections

Implementation Contingencies

Going forward, implementation is contingent upon two things:

- Federal approval of the proposed 1332 waiver amendment application.
  - Gorman will update the actuarial and economic analyses due to the pooled market delay until 2023.
- Adoption of rules to implement the pooled market for 2023 by the Superintendent of Insurance.
  - The state is in the process of developing a rule to implement the pooled market.
  - The rule will establish the necessary conditions and procedures for implementing the pooled market and extending MGARA reinsurance to small group health insurance.

Timeline

Original timeline modified due to pooled market delay until 2023; subject to further modification.

End Date	Milestone
Section 1332 Waiver Application Process	
March 12, 2021	Publish draft section 1332 waiver application on state website and notify the public.
March 12, 2021	Begin public comment period and tribal consultation.
March 22, 2021	Conduct first public hearing virtually.
March 29, 2021	Conduct second public hearing virtually.
April 12, 2021	End public comment period and tribal consultation.
April 16, 2021	Submit final section 1332 waiver application to the Departments.
July 2021	Target to receive approval from the Departments for the section 1332 waiver.
Legal Authority and Governance	
April 2021	File proposed rule to implement pooled market in 2023 with state authority.
August 2021	File final adopted rule to implement pooled market in 2023 with state authority.
Design	
September 2021	MGARA submits amended Plan of Operation to the Bureau of Insurance.
September 2021	Bureau of Insurance approves amended Plan of Operation.
Implementation	
January 1, 2022	Retrospective reinsurance program begins.
January 1, 2023	Pooled market with reinsurance program extended to the pooled market begins.

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ACA Section 1332 Waiver Innovation Application Update

Maine Bureau of Insurance

JANUARY 2022

Leveraging a merged market and the Maine Guaranteed Access Reinsurance Association (MGARA) using a Section 1332 Waiver

Authorized by LD 2007 PL 653

Purpose –

- To stabilize and reduce premiums in individual and small group health insurance market by providing reinsurance to insurers in the pooled market.

Funding –

- Merging small group and individual markets and reinsurance reduces individual APTC to provide pass through funds. $4 per person per month assessment on all market segments.

MGARA –

- Changed from prospective to retrospective model.

Deferred the pooled market under 24-A M.R.S. § 2792 from 2022 to 2023.

The pooled market to be adopted based on the Federal Government approving the state innovation waiver amendment that extends reinsurance to the pooled market and based on projections that both average individual premium rates and average small group premium rates would be the same or lower than they would have been absent the provisions of this section and MGARA.

2021 LD 1725 Public Law c. 361

Rule 856 COMBINATION OF THE INDIVIDUAL AND SMALL BUSINESS HEALTH INSURANCE RISK POOLS

Public hearing for the proposed rule held on October 12, 2021

Comment deadline was October 25, 2021

Finalized January 24, 2022

Today’s public forum is being held under Rule 856,§ 4(1)(C), and we encourage public input on the expected impact of the pooled market and the reinsurance program, and any suggestions for additional or alternate initiatives to improve the stability and affordability of the small group market.

The Proposal

Pooling the markets reduces rates in the individual market but increase rates in the small group market. The reduction in individual market rates would lower federal spending for Premium Tax Credits (PTC).

The second component of the waiver is the establishment of a reinsurance program that would reduce premiums across the newly-pooled individual and small group market.

Pooling the markets is expected to lower the average individual market premium by 8.1% compared to the baseline. In the small group market, the average premium is projected to decrease 6.0% compared to the baseline.

For the purpose of this actuarial analysis, based on the checklist for Section 1332 waiver applications issued by CMS, the baseline estimate excludes the premium reductions associated with Maine's current Section 1332 waiver and assumes there is no reinsurance program in the individual market.

American Rescue Plan Act (ARPA)

Effective on March 11, 2021, American Rescue Plan Act (ARPA) provides a significant increase in premium subsidies for the purchase of health plans offered on the Affordable Care Act's (ACA) exchanges.

For Calendar Years 2021 and 2022, ARPA reduces the percentage of annual income that individuals and families with income below 400% of the federal poverty level (FPL) are expected to pay for the second lowest cost Silver plan (SCLSP); and the second change expands premium subsidies to individuals and families with income that exceeds 400% FPL.

Because of the increase in premium tax credits, additional pass-through funds were issued as part of the current 1332 waiver to Maine in the amount of $8,562,238 announced on September 7, 2021. This additional funding was not planned when the rates for 2022 plans were approved it so it is anticipated that those funds will be applied to 2023 merged market claims through MGARA.

Maine Section 1332 Waiver Application:

Pooling Individual & Small Group Markets and Overlaying a Reinsurance Program

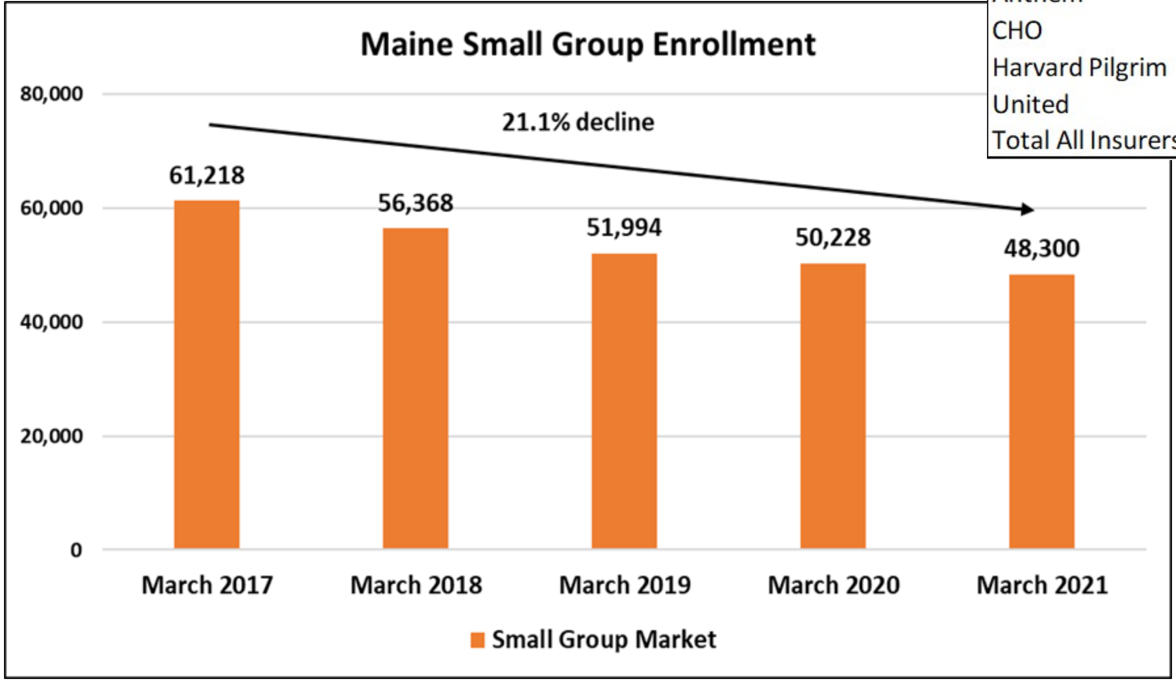
January 28, 2022

Bela Gorman FSA, MAAA
Jenn Smagula FSA, MAAA
Gorman Actuarial, Inc.

Background

Small Group Market Enrollment and Rate Chang

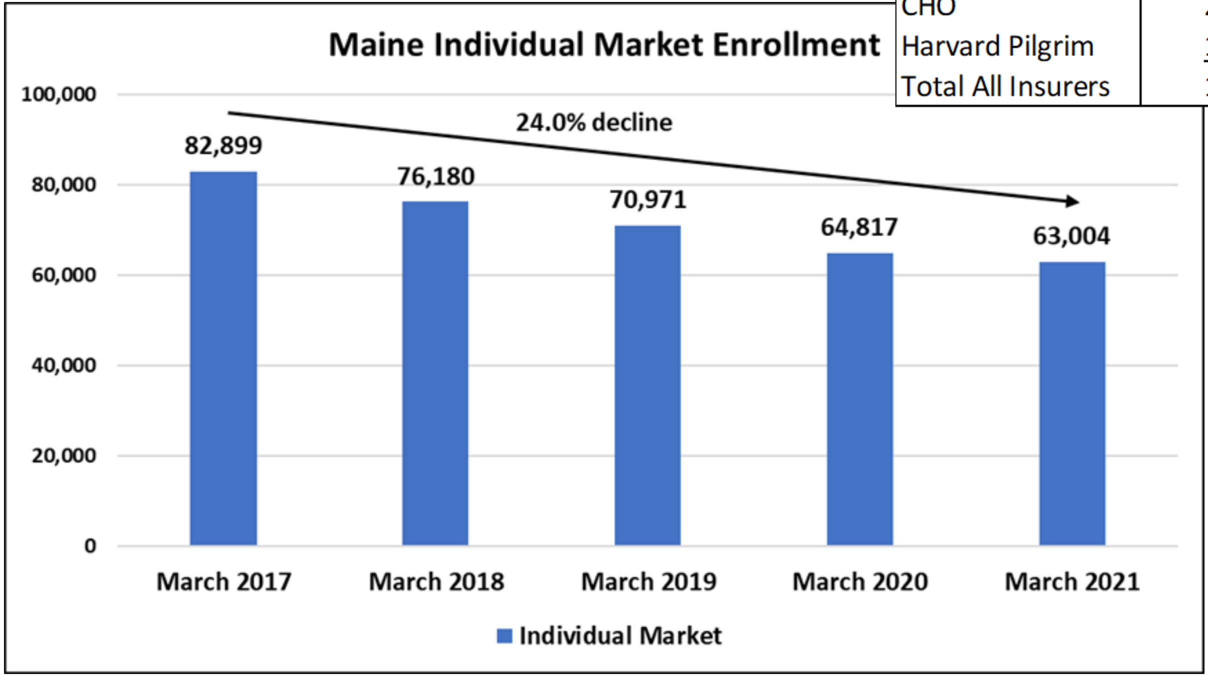
Small Group Market Average Rate Changes				
	2019	2020	2021	2022
Aetna	8.4%	19.9%	7.6%	-10.1%
Anthem	10.9%	8.1%	4.9%	2.4%
CHO	7.2%	9.7%	3.6%	2.1%
Harvard Pilgrim	14.7%	8.2%	7.2%	2.8%
United	3.6%	12.1%	-4.7%	11.3%
Total All Insurers	11.0%	8.8%	5.5%	3.2%



- 21% decline in small group market enrollment between March 2017 and March 2021
- Cumulative average rate change of 31% between 2019 and 2022
- 18.3% increase in claim costs between 2017 and 2019

Individual Market Enrollment and Rate Changes

Individual Market Average Rate Changes				
	2019	2020	2021	2022
Anthem	-4.9%	-1.5%	-11.9%	-2.9%
CHO	2.2%	3.9%	-12.9%	-5.4%
Harvard Pilgrim	1.9%	-6.9%	-13.0%	1.1%
Total All Insurers	1.1%	-0.5%	-12.5%	-2.4%



- 24% decline in individual market enrollment between March 2017 and March 2021 (some of this due to MaineCare expansion)
- Cumulative average rate change of -14% between 2019 and 2022
- 5.5% increase in claim costs between 2017 and 2019

Background Summary

- Maine individual and small group market enrollment declining
- Both markets are small, which can lead to volatility in claims and premiums from year to year
- Small group market enrollment less than individual market with just under 50K enrollees compared to 63K in the individual market
- Claims costs for small group market increasing at a much higher rate than individual market
- Concerns that if the small group market continues to shrink this may lead to even higher premium increases and further reduction in membership.
- Individual market has been stabilized due to MaineCare expansion and the MGARA program

Spring 2019: Maine Bureau of Insurance (ME BOI) engaged Gorman Actuarial (GA) to explore policy options for both markets

History of Actuarial Analysis

Spring 2019

ME BOI Engages GA

Feb 2020

GA Presents Policy Option: Pool Individual & Small Group Market and overlay a Retrospective Reinsurance Program to Health Coverage, Insurance, and Financial Services Committee (HCIFS)

Sept 2020

GA Report on Policy Options and Presentation at Public Hearing

Feb 2021

Initial Section 1332 Waiver Actuarial & Economic Report Completed (assumed start date of Jan 2022)

Dec 2021

Revised Section 1332 Waiver Actuarial & Economic Report Completed (assumed start date of Jan 2023)

Data Sources and Modeling

Data Sources

Insurer Data

- Premium
- Claims
- Membership
- Demographics
- Risk Adjustment

Insurer Rate Filings

- Historical rate changes
- MGARA reinsurance assumptions
- Premium rates including Second Lowest Cost Silver (SLCS) plans
- Rating Factors

CMS Reports

- Tax Credits
- Enrollment by income category

ME BOI Reports

- 940 & 945 Reports
- Enrollment by income category

Insurer Actuarial/Finance Interviews

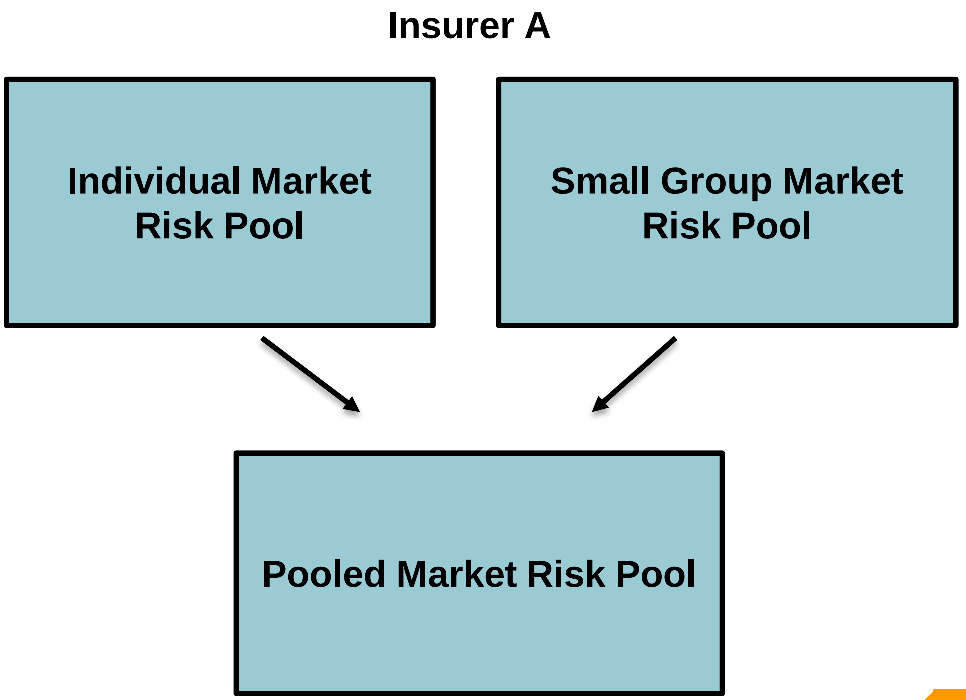
- Reinsurance assumptions
- Select network assumptions
- Data Validation
- Overall modeling approach

Modeling and Methodology: Pooling Markets

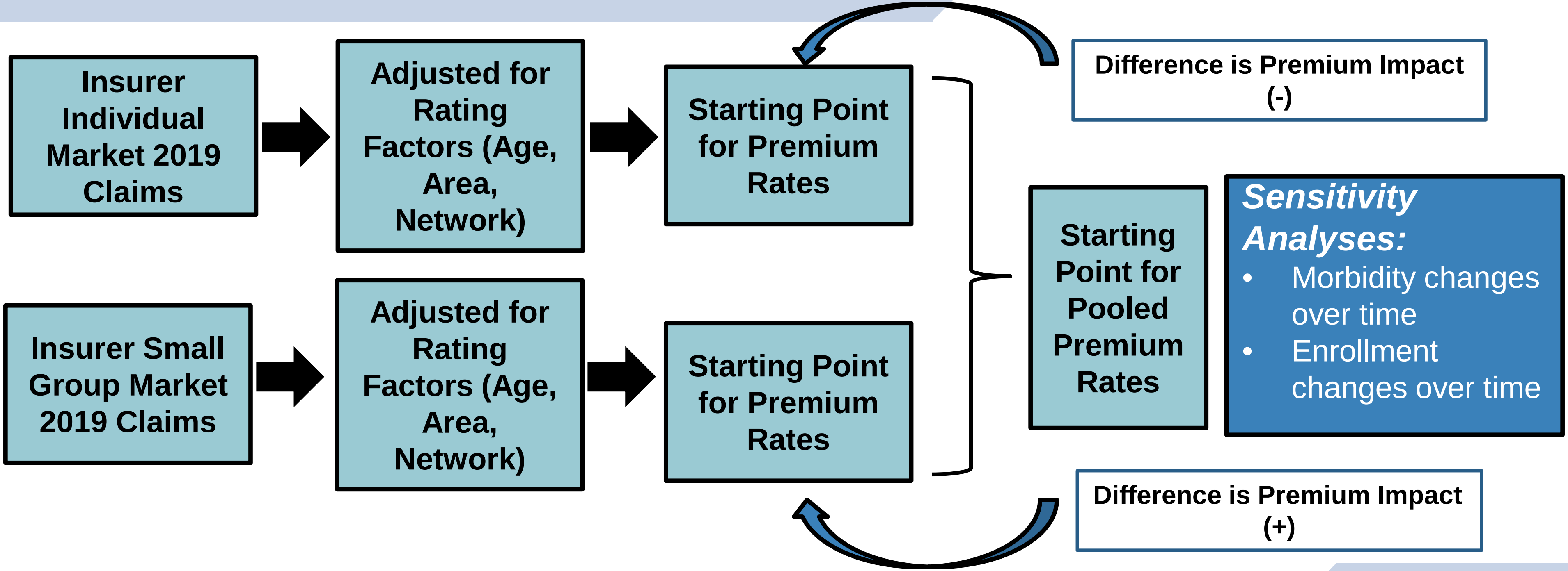
What is a risk pool?

It is how insurers segregate their business when establishing premium rates.

Pooled market base rates are based on each insurer's combined individual/small group pool



Modeling and Methodology: Pooling Markets



2023 Reinsurance Modeling Approach

A. Calculate APTC under the <u>baseline or no reinsurance</u>

—

B. Calculate APTC with <u>proposed policy</u> (pooled market & reinsurance)

C = A – B
Federal Funding through a 1332 Waiver
$22.8 million

+

D. 2021 ARPA Funds
$8.6 million

+

E. $4 PMPM Assessment
$26.7 million

=

F = C+ D + E
Total Value of Proposed Reinsurance Program

$58.0 million which translates to Premium Reductions in 2023 of 8.0% in the Individual Market and 6.0% in the Small Group Market

- Iterative process: Target the reinsurance assumption so that total value of the reinsurance program (F) equals the value of the pass through funding plus ARPA funds plus the assessment (C + D + E)
- GA modeling approach is to maximize federal funding
- The more the individual market premiums decrease in B, the more federal pass through funding

SLCS = second lowest cost silver plan
APTC = advanced premium tax credits

See Table 1 of Section 1332 Actuarial & Economic Report for these figures.

2024 Reinsurance Modeling Approach

A. Calculate APTC under the <u>baseline or no reinsurance</u>

–

B. Calculate APTC with <u>proposed policy</u> (pooled market & reinsurance)

C = A – B
Federal Funding through a 1332 Waiver
$18.0 million

+

D. $4 PMPM Assessment
$26.7 million

=

E = C+ D
Total Value of Proposed Reinsurance Program

$44.7 million which translates to Premium Reductions in 2024 of 6.1% in the Individual Market and 3.9% in the Small Group Market

See Table 1 of Section 1332 Actuarial & Economic Report for these figures.

American Rescue Plan Act (ARPA)

American Rescue Plan Act Signed into Law March 2021

Temporarily Expands APTC's for 2021 and 2022

Sensitivity Analysis performed if ARPA were extended to 2023+: *0.3% to 0.7% additional premium reductions in 2023*

Maine receives an additional $8.6 million in pass through funds as result of ARPA for 2021

Additional pass through funds in 2022 due to ARPA <u>not</u> used in modeling (unknown at this time)

$8.6 million in funds are included in the modeling for 2023

2024 modeling results assumed no additional pass through funds due to ARPA

Modeled Reinsurance Parameters

2023 Parameters

55% of claim costs between $90,000 and $275,000

Insurer responsible for claims $275,000+

2024+ Parameters

45% of claim costs between $90,000 and $240,000

Insurer responsible for claims $240,000+

- MGARA in consultation with the ME BOI will establish final reinsurance parameters on an annual basis
- There are multiple coinsurance percentages and thresholds that can be established which would meet the total funding available

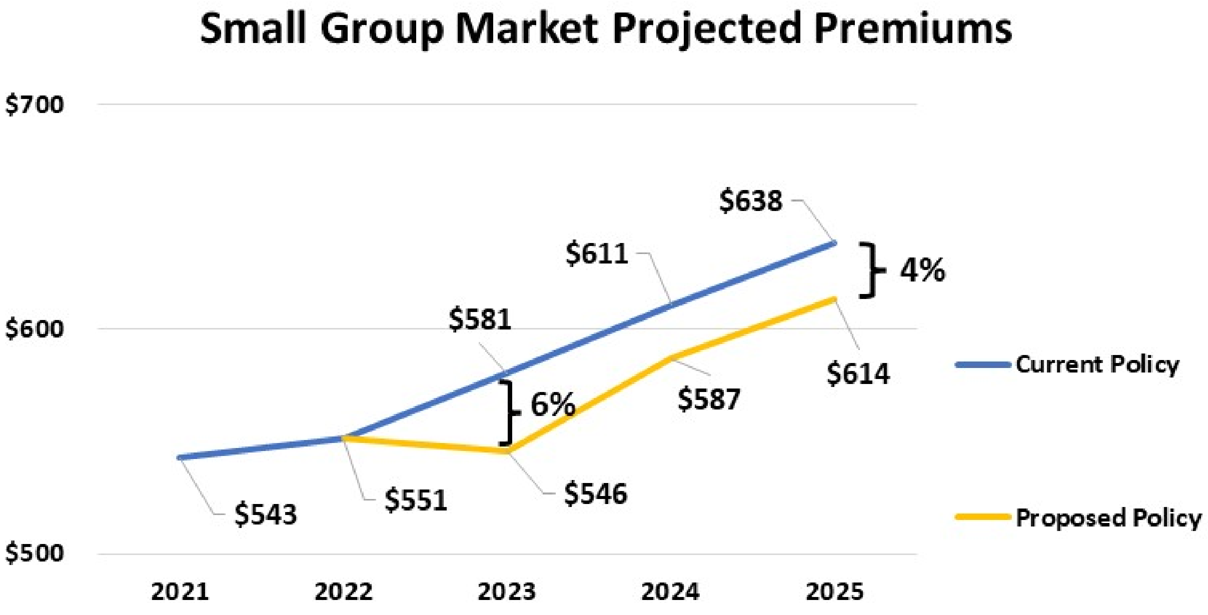
Summary of Differences from Section 1332 Repo

	Report as of February 2021	Report as of December 2021
Program Start Date for Pooled Markets with Reinsurance Program	2022	2023
Data	Medical Claims: 2019 Premium Yields: 2019 Rate Filing Assumptions: 2021 Enrollment Data: 2020	Medical Claims: 2019 Premium Yields: 2020 Rate Filing Assumptions: 2022 Enrollment Data: 2021
Individual Market Premium Reduction (compared to Baseline- no reinsurance program)	2022: 6.6%	2023*: 8.0%; 2024: 6.1%
Small Group Market Premium Reduction	2022: 4.2%	2023*: 6.0%; 2024: 3.9%

*December 2021 report assumes $8.6m in 2021 ARPA Funds will be used in addition to federal funding and $4 PMPM assessment to fund 2023 reinsurance program

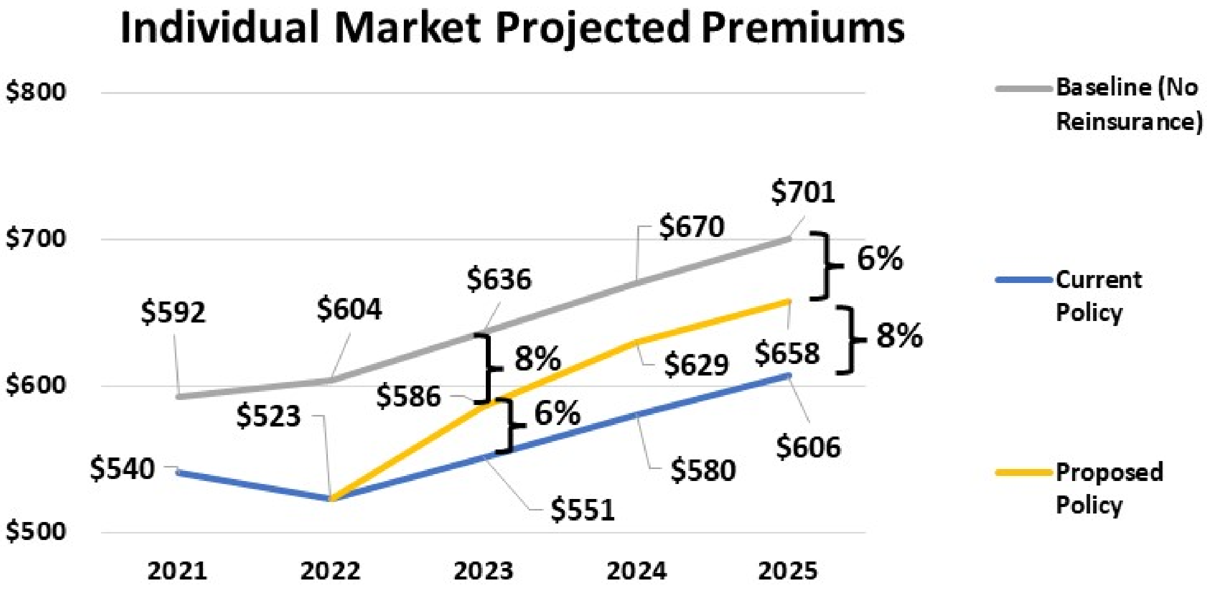
Premium and Enrollment Changes

Small Group Market Premium PMPM Res



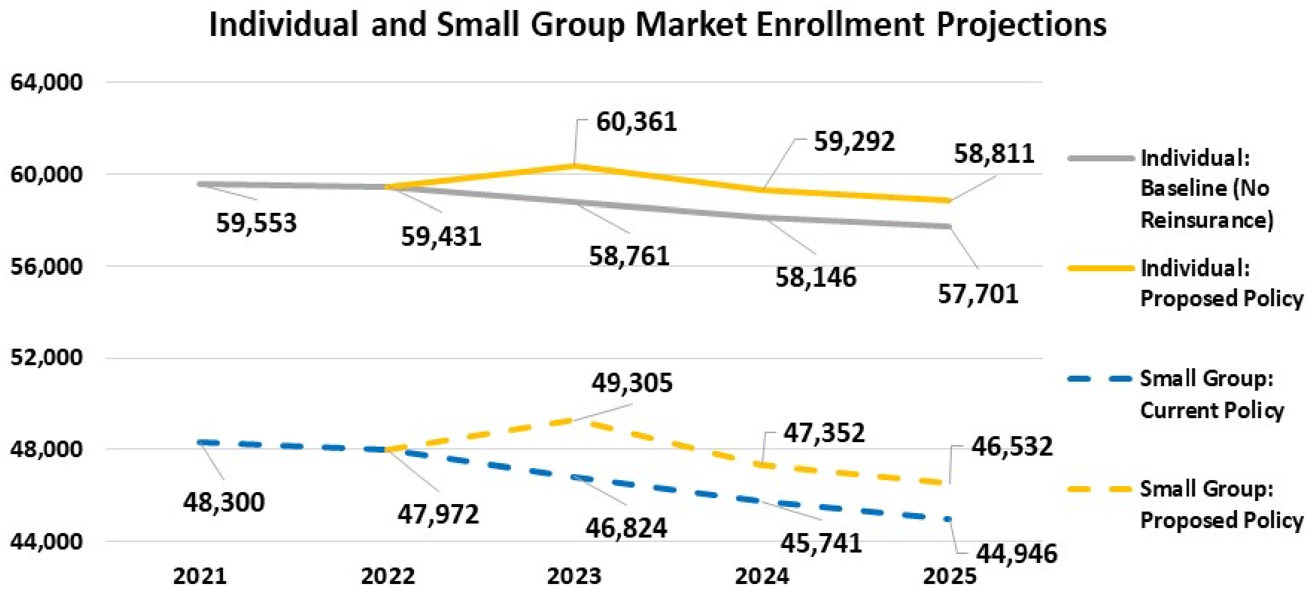
- Blue line: Small Group Market with no intervention (Current Policy)
- Yellow line: Small Group Market with policy changes (Proposed Policy) which combines individual and small group markets into one rating pool and overlays retrospective reinsurance program
- GA projects a 6% decrease in the small group market rates as a result of the proposed policy in 2023 and 4% in 2024 and beyond

Individual Market Premium PMPM Results



- Gray Line: Individual Market with no MGARA program or pooled market in place.
- Blue line: Individual Market rates with current MGARA (Current Policy)
- Yellow line: Individual Market with policy changes (Proposed Policy) which combines individual and small group markets into one rating pool and overlays retrospective reinsurance program
- GA projects an 8% decrease in the individual market rates as a result of the proposed policy compared to the baseline (no reinsurance) in 2023 and 6% in 2024 and beyond
- GA projects a 6% increase in rates compared to the current policy in 2023 and 8% in 2024 and beyond

Enrollment Projections



- Using the projected premiums from the pooled market and reinsurance modeling, GA developed enrollment projections using three different models that generated a range of enrollment results for the individual non-subsidized and small group markets
- Average of the results used in projections
- Morbidity assumptions also developed from this modeling (assuming healthier enrollees will leave the market as premiums increase)

Section 1332 Waiver - Overall Results

- **Policy:** Pool the Individual and Small Group Markets and Overlay a Reinsurance Program on the Pooled Market starting in 2023
- **Funding Sources:** Federal Pass-through Funding and $4 PMPM state assessment. In addition, for 2023 assumed the use of $8.6 million in 2021 ARPA funds.
- **Premium Reductions:** In 2023, 8.0% in the individual market and 6.0% in the small group market compared to a baseline with no waiver (no reinsurance.) In 2024, 6.1% in the individual market and 3.9% in the small group market compared to a baseline with no waiver (no reinsurance.)
- **Enrollment:** With the waiver, individual market enrollment projected to be 2.7% higher and small group market enrollment 5.3% higher in 2023 compared to the no waiver scenario. In 2024, individual market enrollment will be 2.0% higher and small group market enrollment will be 3.5% higher.

Disclosures and Limitations

Limitations and Data Reliance

Gorman Actuarial prepared this presentation for use by the Maine BOI. While we understand that this document may be distributed to third parties, Gorman Actuarial assumes no duty or liability to any third parties who receive the information herein. This report should only be distributed in its entirety.

Users of this report must possess a reasonable level of expertise and understanding of health care, health insurance markets and financial modeling so as not to misinterpret the information presented. The report addresses certain provisions of the Affordable Care Act, but is not intended to act as an official or comprehensive interpretation of the legislation itself.

Analysis in this report was based on data provided by the Maine BOI, insurers in the Maine health insurance markets, and other public sources. Gorman Actuarial has not audited this information for accuracy. We have performed a limited review of the data for reasonableness and consistency. If the underlying data are inaccurate or incomplete, the results of this analysis may likewise be inaccurate or incomplete.

The results presented in this report are estimates based on complex actuarial models. Differences between our estimates and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. Actual experience will most likely not conform exactly to the assumptions used in this analysis. Actual results will differ from projected results to the extent that actual experience deviates from expected experience.

The report contains statements that attempt to provide some prospective context to current or past trends. These statements are based on the understanding of the existing and proposed regulatory environment as of January 2022. If subsequent changes are made, these statements may not appropriately represent the expected future state.

While GA performed scenario testing considering potential changes due to COVID-19, the testing was not exhaustive. Actual results may differ due to the wide range of possible outcomes due to the impact of COVID-19 on health care expenses and the economy.

Qualifications

This study includes results based on actuarial analyses conducted by Jennifer Smagula and Bela Gorman, both of whom are members of the American Academy of Actuaries and Fellows of the Society of Actuaries. They both meet the qualification standards for performing the actuarial analyses presented in this report.