USAble Mutual Insurance Company

2026 Individual On-Exchange and Off-Exchange Rate Filing (Revised September 23, 2025)

URRT Part II, Rate Increase Justification

Scenario #1:
Expanded Tax Credits Under the American Rescue Plan Act (ARPA) are Not Extended and Federal Cost-Sharing Reductions (CSRs) are Not Appropriated by Congress

USAble Mutual Insurance Company (UMIC) proposes an average premium rate increase of 16.85% for its Affordable Care Act (ACA) individual On-Exchange and Off-Exchange policies issued on or after January 1, 2026. UMIC is requesting a 16.85% average rate increase weighted across all renewing plans, which ranges from 11.49% to 52.17%. The 16.85% is based on the Arkansas Department of Human Services (DHS) paying premiums that have not been loaded with the 1.46 cost-sharing reduction (CSR) load, as mandated by Arkansas Insurance Department (AID) Bulletin No. 4-2025.

As of the 2026 plan year filing, UMIC has 106,042 individuals currently enrolled in their On-Exchange and Off-Exchange products.

Historically, UMIC's individual On-Exchange and Off-Exchange plans have exceeded the 80% Medical Loss Ratio (MLR) threshold required by the Federal Government. Thus, UMIC has not been required to issue any rebates to members for these policies.

As of the most recent MLR filing period for plan year 2023 (encompassing plan years 2021 – 2023), UMIC's individual product MLR was 84.0%. This calculation was based on adjusted claims and quality expenses of $3,047,598,608 and adjusted premium and taxes of $3,628,265,953. The MLR for plan year 2023 included individual grandfathered and transitional plan policies, in addition to ACA individual On-Exchange and Off-Exchange policies.

The requested 16.85% average premium rate increase for 2026 will help ensure that UMIC's individual On-Exchange and Off-Exchange premium rates are competitive and achieve UMIC's product strategy in the ACA Individual market. UMIC remains committed to ensuring access to health insurance for all Arkansans and believes this requested premium rate increase will help UMIC further that outcome.

There are several factors contributing to the requested premium rate increase. The first factor is claims trend, which impacts both medical and prescription drug costs and utilization. Claims trend continues to be impacted by the number of new prescription drugs made available in the market and the addition of new medical technologies and procedures, which drive health care costs, inflation, and increase utilization.

Plan benefit changes were made for the 2026 individual On-Exchange and Off-Exchange plan year in order to maintain compliance with Federal actuarial value standards. Benefits were also adjusted to maintain plan designs that are competitive in the market and appealing to Arkansas consumers.

Another major impact for the 2026 requested rate filing were laws passed during the 2025 Arkansas legislative session that take effect as early as August 1, 2025. These newly passed laws mandated or expanded numerous coverage benefits, some of which included reductions in cost-sharing amounts to members. As a result of legislative bills that were passed and signed into law, UMIC expects medical costs and utilization rates to increase when the laws are implemented. These increases were taken into account when calculating premiums.

As considered in the prior filings for plan years 2018 through 2025, UMIC factored in premium loads to help offset the non-payment of Federal cost-sharing reductions (CSRs) for eligible On-Exchange silver plans. This year, UMIC is applying a "CSR load for On-Marketplace Silver plans" of 1.46, as mandated by AID in Bulletin No 4-2025.[1]

The 2026 plan year rate filing is contingent upon the status of the ACA statutes and regulations, including any regulatory guidance, court decisions, or otherwise at the Federal and State levels. Any changes in these areas have the potential to greatly impact the 2026 plan year premium rates. Changes include, but are not limited to, any legislative or regulatory amendments, court decisions, or actions by Congress, the Health and Human Services Secretary or the Centers for Medicare and Medicaid Services director. This includes Congressional action related to (1) the expected termination of enhanced premium tax subsidies that were instituted by the American Rescue Plan Act [ARPA] and (2) the potential appropriation of CSR funds.

UMIC continues its commitment of meeting the needs of its members while offering rates that are competitive in the On-Exchange and Off-Exchange markets. It offers tools and resources members need to navigate the complexities of healthcare purchases and decision-making, such as maintaining additional customer service representatives with expanded hours to help customers understand their options.

Some of the benefits UMIC customers receive include the following:

- **Savings on Prescriptions.** A variety of ways to save money on prescriptions, including mail order services.
- **Plan Options.** There is no one-size-fits-all health insurance plan; therefore, UMIC offers a variety of plans with diverse benefits and costs from which people can choose.
- **Toll-free Telephone Support.** A toll-free line is available for customers to speak with a representative who will help find the most cost-effective health plan for their needs.
- **Personalized Treatment Plans.** Personalized treatment plans are available for customers with long-term medical conditions such as high blood pressure and

[1] Arkansas Insurance Department, "Bulletin No. 4-2025." Published March 7, 2025. https://portal.insurance.arkansas.gov/LegalPubsPublic/Documents/Bulletins/bulletin_4-2025.pdf

diabetes. UMIC has a dedicated medical and support staff to help members manage their chronic conditions and assist them with their ongoing treatment.

UMIC believes the requested premium rate increase of 16.85% is necessary to support its On-Exchange and Off-Exchange individual products. If the proposed premium rate increase results in an MLR of less than the prescribed federal requirements, UMIC will be required to issue rebates to individuals insured by these policies.