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February 18, 2014

Senator Jim Hendren
Representative Harold Copenhaver
State and Public School Life and Health Insurance
Legislative Task Force
State Capitol
Little Rock, AR 72201

RE: Activity Update February 18, 2014

Gentlemen:

In the weeks since your last meeting we have been working with Collier and EBD to obtain the necessary data to provide the Task Force with requested analysis. We believe we have collected the majority of the data that will be needed and have incorporated this into our pricing model. Our part of this process will be to provide the Task Force with actuarial pricing analysis of suggested changes that come from the Task Force and from the analysis provided by Collier.

We are including some analysis that shows the effects of various levels of Per Employee Funding by employer entity. The three graphs and associated data are following this letter.

1. Participation by Per Employee Funding (PEF) level. This general summary of total participation by PEF. There is a marked increase in participation for employers who contribute over \$200 per month.
2. Group Makeup by Per Employee Funding Level. As expected, there is a much higher tendency to elect Gold coverage at higher funding levels and the election of no coverage or Bronze plan at the \$150 minimum PEF. Cost effect of any proposed changes in coverage and deductibles.
3. Relative Plan Adoption by Per Employee Funding Level. This is a graph based on the same information, but organized to better illustrate the relative elections made by participants.

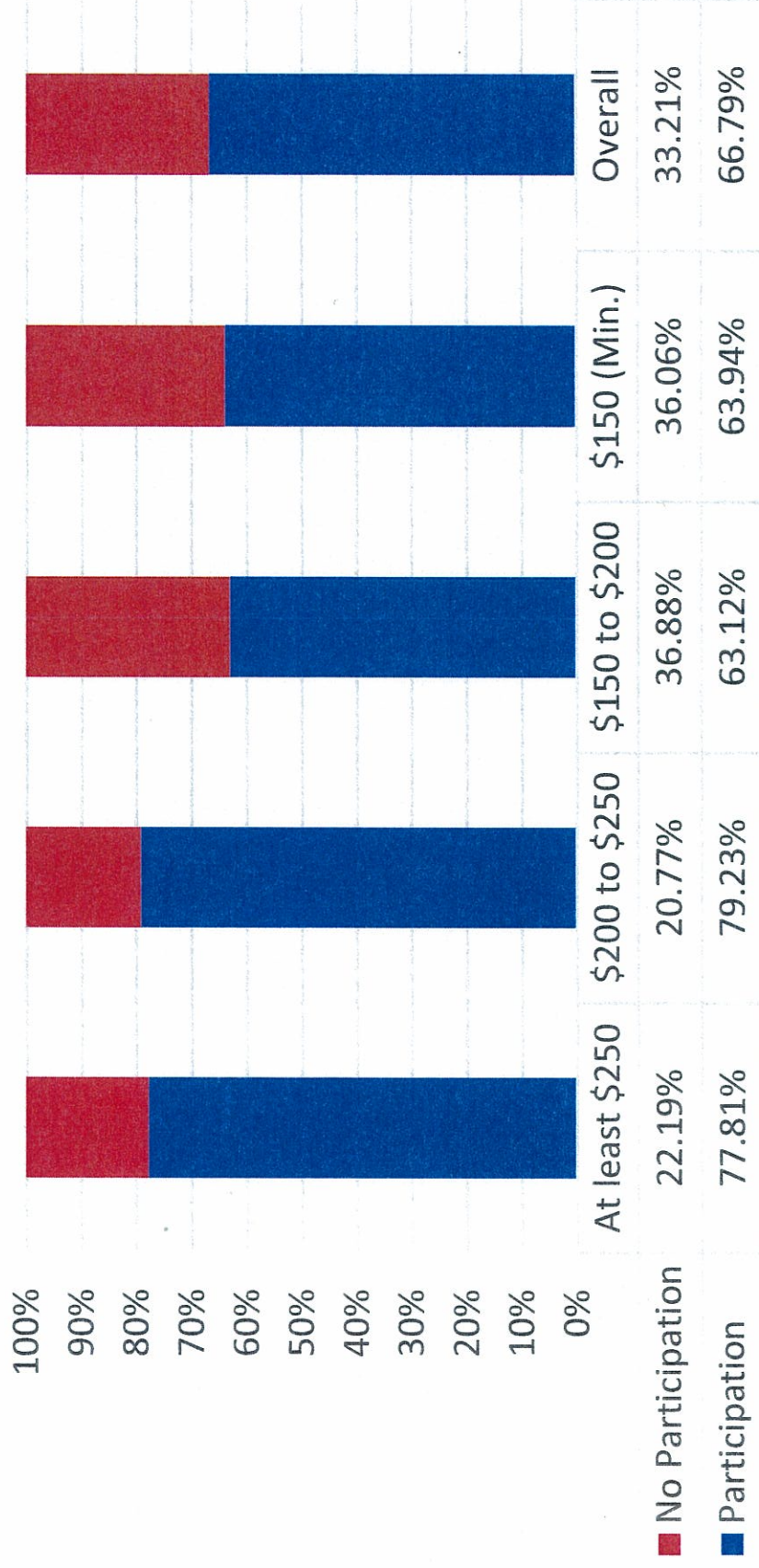
We look forward to continuing our work on this project. We await the various options that will be proposed for us to price. We will continue in contact with Collier as they begin to find options to price.

Sincerely,

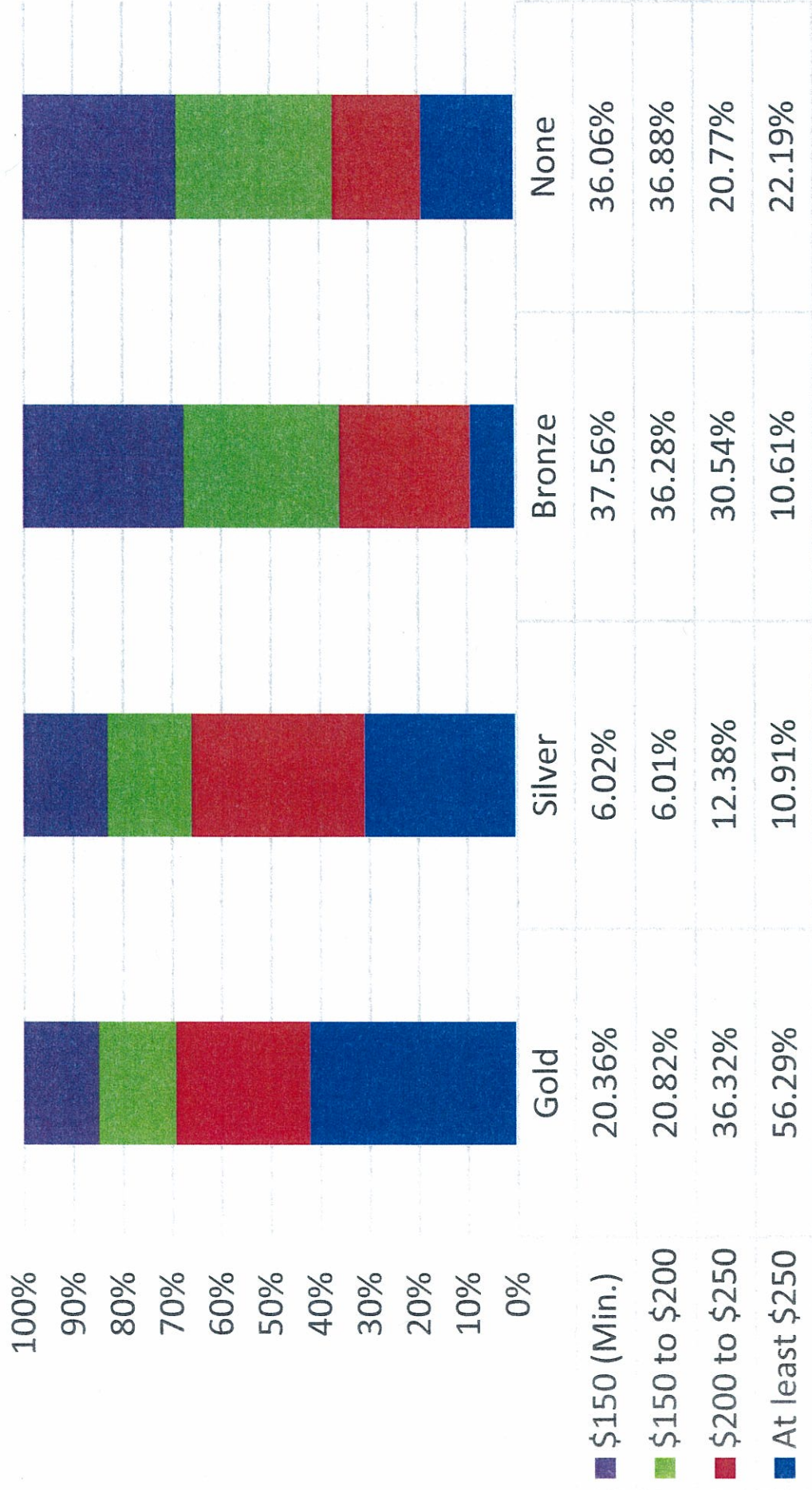


Jody Carreiro, A.S.A., M.A.A.A.
Actuary

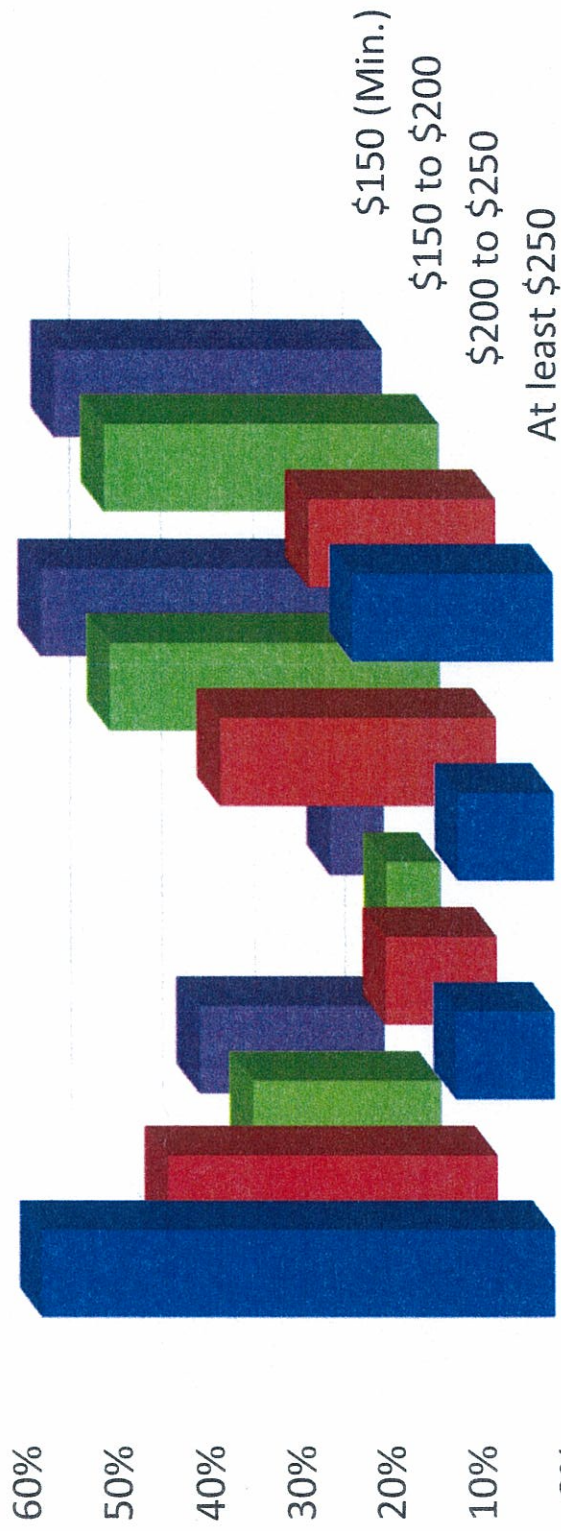
Participation by Per Employee Funding Level



Group Makeup by Per Employee Funding Level



Relative Plan Adoption by Per Employee Funding Level



	Gold	Silver	Bronze	None
At least \$250	56.29%	10.91%	10.61%	22.19%
\$200 to \$250	36.32%	12.38%	30.54%	20.77%
\$150 to \$200	20.82%	6.01%	36.28%	36.88%
\$150 (Min.)	20.36%	6.02%	37.56%	36.06%