# Part II – Written Description Justifying the Rate Increase

# UnitedHealthcare Insurance Company

# Missouri Individual Rate Filing

# Effective January 1, 2026

Qualified Health Plan Issuers are required to provide a justification for the requested rate increase in Missouri. Below is justification for the rate increase effective January 1, 2026, for UnitedHealthcare Insurance Company (UHIC) individual medical plans offered in Missouri that are fully compliant with the Patient Protection and Affordable Care Act (ACA).

**Scope and Range for the Rate Increase:**

The overall average rate change is +14.9%, and the rate change by plan varies from +9.3% to +19.2%. The most significant factors underlying the average rate change are described below:

- Medical and pharmacy costs are increasing and we are changing our premium rates to reflect this increase.
- Expected changes in market morbidity in addition to the estimated impact as healthier members leave the market if the enhanced premium tax credits expire.
- Changes in non-claims expenses.

The actual rate change for an individual depends on plan selection, location, age, family size, and tobacco usage.

**Components of Premium:**

Premiums are calculated using estimated medical and pharmacy claims, benefit designs, and other non-claims expenses. These are described below:

- Medical and pharmacy claims: UHIC estimates the cost of claims that its members will have in 2026. Consistent with ACA requirements, the estimated costs built into each plan is based on UHIC's average health status.
- Benefit design: each plan has a different set of benefits including deductible, copayment, and out-of-pocket maximum. These benefits impact plan premiums.
- Non-claims expenses: in addition to the medical and pharmacy claims paid by UHIC, there are additional costs that UHIC pays to support each plan. These include administrative expenses, overhead, taxes and fees.

**Financial Experience:**

UHIC first offered individual ACA products in 2023. Below is a summary of historical membership and claims information:

| Year | Average Members | Premium Per Member Per Month (PMPM) | Claims PMPM | Estimated Medical Loss Ratio (MLR) | MLR Rebates |
|---|---|---|---|---|---|
| 2023 | 13,688 | $593.34 | $460.32 | 83% | $0 |
| 2024 | 38,525 | $608.38 | $441.67 | 82% | $0 |

UHIC claims and non-claim expenses as a percent of premium in 2026 are estimated to equal 81.0% and 15.0%, respectively. UHIC is not expected to be required to pay MLR rebates in 2025 or 2026.