

AvMed, Inc.

Part III Actuarial Memorandum Individual Rate Filing Effective January 1, 2026

June 10, 2025

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Principal and Consulting Actuary



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Exhibit 1. General Information

DOCUMENT OVERVIEW

This document contains the Part III Actuarial Memorandum for AvMed, Inc.'s (AvMed) individual medical block of business, effective January 1, 2026. This Actuarial Memorandum is submitted in conjunction with the Part I Unified Rate Review Template (URRT).

The purpose of this Actuarial Memorandum is to provide certain information related to the submission, including support for the values entered into the Part I URRT, which supports compliance with the market rating rules and reasonableness of applicable rate increases.

This information is intended for use by the Florida Office of Insurance Regulation (OIR), the Center for Consumer Information and Insurance Oversight (CCIIO), and their subcontractors to assist in the review of AvMed's individual rate filing. However, we recognize that this certification may become a public document. Milliman makes no representations, or warranties regarding the contents of this Actuarial Memorandum to other users. Likewise, other users of this Actuarial Memorandum should not place reliance upon this Actuarial Memorandum that would result in the creation of any duty or liability for Milliman under any theory of law.

The information in this Actuarial Memorandum was prepared in accordance with the Part III Actuarial Memorandum instructions, with considerations related to Actuarial communications in accordance with Actuarial Standards of Practice (ASOP) 41, Actuarial Communications, specifically sections 3.1.1 (Form and Content) and 3.3 (Specific Circumstances), as well as Precept 8 from the Code of Professional Conduct, "Control of Work Product." Additional detail that may be needed to support the review of AvMed's individual rate filing by OIR, CCIIO, and their subcontractors can be made available upon request.

The premium rates developed and supported by this Actuarial Memorandum assume that Cost Share Reductions (CSR) will not be funded in 2026, as is consistent with current regulations and guidance. We apply the impact of CSR subsidy non-payment to be a single factor applied across silver on-exchange plans only in the single risk pool using the premium adjustment prescribed by the OIR in its May 16, 2025 email to carriers. At the time of this rate filing submission, we acknowledge there is uncertainty regarding whether the enhanced premium tax credit subsidies introduced through the American Rescue Plan Act (ARPA) will or will not be extended beyond 2025. As instructed by OIR, we prepared this set of rate filing materials assuming that these enhanced premium subsidies will expire at the end of 2025 and will not be applicable in 2026. The expiration versus extension of these subsidies could have a material impact on morbidity, enrollment, and other factors related to the Individual market. We have incorporated various premium rate adjustments to reflect the estimated financial impact of these subsidies expiring. A reasonable range of expected impacts, from which final assumptions were determined, are derived using Milliman internal research that incorporates data from CMS reports, proprietary Milliman datasets, and other publicly available information. The potential range of impact will evolve as new information becomes available and new actions are taken by the authorities and other stakeholders. Future modifications in legislation, regulation, sub-regulatory guidance, and / or court decisions regarding the funding of CSR payments, ARPA enhanced premium subsidies or other aspects of health insurance programs may affect the extent to which the premium rates are either excessive or deficient. AvMed reserves the right to file revised rates in the event of changes to the regulatory environment in which they were developed.

COMPANY IDENTIFYING INFORMATION

Company Legal Name: AvMed, Inc.
State: Florida
HIOS Issuer ID: 19898
Market: Individual
Effective Date: January 1, 2026

COMPANY CONTACT INFORMATION

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Exhibit 2. Proposed Rate Changes

This submission is for the following rate revisions and new benefit plans, effective January 1, 2026:

- Rate revisions to existing AvMed individual medical ACA-compliant products, as presented by HIOS Plan ID in the applicable line item of Worksheet 2 in the URRT. The average proposed rate change across all plans from the most recently approved rates effective January 1, 2025, is an increase of 22.9%. The cumulative average rate change over the past 12 months is the same, since the most recently approved rates were effective January 1, 2025.
- Proposed premiums for new individual benefit plans to be available for sale effective January 1, 2026.

To the extent that current membership in terminating plans are proposed to be mapped into another plan, the applicable rate change is illustrated in the URRT and included in the previously noted average.

IMPACT OF ARPA ENHANCED PREMIUM SUBSIDIES

As instructed by OIR, we prepared this set of rate filing materials assuming the ARPA enhanced premium subsidies will expire at the end of 2025 and not be available in 2026. As detailed in this actuarial memorandum, we apply adjustments to projected 2026 membership and to overall market morbidity due to the expected disenrollments resulting from expiration of the enhanced subsidies. OIR also requested payers provide the projected rate impact if the enhanced subsidies were to continue. The impact to rates if the enhanced subsidies were to continue is a decrease of 7.3% from the filed rates. This change reflects a removal of the market morbidity increase and shifts in the mix of business resulting from expected disenrollments (e.g., age, metallic mix, etc.) due to expiration of the ARPA enhanced subsidies, as well as changes in the applicable exchange fee under the “enhanced subsidies continue” scenario. Please see Exhibit 5 for additional discussion of expected changes due to the expiration of ARPA enhanced premium subsidies.

REASON FOR RATE CHANGES

The proposed rate changes reflect consideration for the impact of a number of factors, including:

- 2024 experience and emerging 2025 membership.
- Anticipated medical and pharmacy cost and utilization trends.
- Consideration for anticipated changes in the average morbidity of the AvMed covered population and general marketplace, including any impact from expiration of the ARPA enhanced premium subsidies.
- Changes in demographic mix of business.
- Benefit changes.
- Changes to projected non-benefit expenses and risk margin.

Rate changes vary by benefit plan and / or rating area to reflect a combination of the following:

- Benefit changes.
- The anticipated impact of fixed cost-sharing parameters and deductible leveraging given increasing medical costs (i.e., paid to allowed).
- Changes related to the non-funding of CSR subsidies, including reflecting historical experience, changes in member mix, and changes to the premium rate adjustment applicable to on-exchange Silver plans to account for CSR funding, as prescribed by OIR.
- Updates to rating area factors reflecting considerations for recent experience and a review of other marketplace area relativities to help further evaluate costs in the delivery of care.

Exhibit 3. Experience and Current Period Premium, Claims, and Enrollment

PAID THROUGH DATE

Incurred claims presented in Worksheet 1, Section I of the URRT for the experience period from January 1, 2024 through December 31, 2024 are based on claims paid through February 28, 2025.

CURRENT DATE

The reported date for current enrollment and premium in URRT Worksheet 2, Section II is March 1, 2025.

EXPERIENCE PERIOD PREMIUM

Earned premiums presented in Worksheet 1, Section I of the URRT are calculated as follows:

- Collected premium – Change in Unearned Premium + Change in Due and Unpaid Premium

In accordance with the URRT instructions, the amounts included in Worksheet 1, Section I of the URRT do not reflect any MLR rebates. AvMed does not anticipate the payment of any MLR rebates for calendar year 2024.

ALLOWED AND INCURRED CLAIMS DURING THE EXPERIENCE PERIOD

Table 1 provides a breakdown of the allowed and incurred claims during the experience period, as presented in Worksheet 1, Section I of the URRT.

Table 1 AvMed, Inc. Summary Of Allowed and Incurred Claims			
Item	Processor	Allowed Claims	Incurred Claims
Processed Claims (Fee-for-Service)	Issuer	\$117,694,021	\$101,875,227
	External	\$0	\$0
Incurred but Not Paid Claims (Fee-for-Service)	N/A	\$7,889,307	\$6,342,922
Capitated Claims	N/A	\$12,025,750	\$12,025,750
Total		\$137,609,077	\$120,243,899

Processed fee-for-service (FFS) allowed and paid claims reflect the applicable values from AvMed's claim payment system for claims incurred during the experience period and paid through February 28, 2025 for those services covered on an FFS basis (i.e., not capitated). These amounts are adjusted to reflect prescription drug rebates.

Total allowed claims were calculated as a combination of the following:

- [Allowed Claims Incurred and Processed (FFS) * Completion Factor] + [Capitation PMPM * Member Months]

Total incurred claims were calculated as a combination of the following:

- [Paid Claims Incurred and Processed (FFS) * Completion Factor] + [Capitation PMPM * Member Months] – [State Reinsurance]

Incurred but Not Paid Claims (FFS) are calculated as follows, for allowed and paid values, respectively:

- [Allowed Claims Incurred and Processed (FFS) * Completion Factor] – Allowed Claims Incurred and Processed (FFS)
- [Paid Claims Incurred and Processed (FFS) * Completion Factor] – Paid Claims Incurred and Processed (FFS)

Completion factors are developed by AvMed using generally accepted actuarial development methods for estimating claim liabilities. Consideration is given for liabilities calculated using a claim cost, or loss ratio method for recent incurrence months prior to the valuation date that have less data available (e.g., one to three months).

Exhibit 4. Benefit Categories

Each claim processed on a fee-for-service basis during the experience period is assigned to the applicable benefit category in Worksheet 1, Section II of the URRT. The categorization methodology looks at detailed claims records and assigns the applicable category based on the combination of a number of items including specialty codes, place of service, form types, facility type, DRG codes, provider types, and types of service indicators. Core drivers for assignment in each service category are as follows:

- Inpatient – DRG
- Outpatient – Procedure and revenue codes
- Professional – Procedure code
- Prescription Drugs – NDC code

The Inpatient and Outpatient categories contain only facility costs with no related professional fees. The Professional category reflects non-facility provider costs (i.e., Primary and Assistant Surgeons, Anesthesia, etc.). Prescription drug costs are net of rebates.

The capitation line item reflects the negotiated capitation rates for applicable services.

Exhibit 5. Projection Factors

TREND FACTORS (COST / UTILIZATION)

This section includes a description of trend factors used to project the experience period allowed claims to the projection period, and supporting information related to the development of those factors.

The utilization and cost trend factors shown in Worksheet 1, Section II reflect annual allowed claim trends of 5.9% for medical services and 13.1% for prescription drugs. Trends were developed based on a combination of the Milliman *Health Cost Guidelines*[™] (HCGs), and general industry knowledge regarding recent trends in medical and prescription drug inflation. Annual trends are projected to be comparable in Year 1 and Year 2, as illustrated in the URRT.

ADJUSTMENTS TO TRENDED EHB ALLOWED CLAIMS PMPM

This section includes a description of adjustment factors (other than trend) that are applied to the experience period claims in order to develop projected essential health benefit (EHB) allowed claims, and supporting information related to the development of those factors.

MORBIDITY ADJUSTMENT

The expiration of the ARPA enhanced premium subsidies at the end of 2025 is expected to result in increased average statewide morbidity in 2026 as consumers either lose access to subsidies (for those at or above 400% of the Federal Poverty Level) or face higher net premiums due to less generous subsidies. We anticipate the remaining risk pool in 2026 to have greater healthcare needs, on average, as healthier consumers are more likely to lapse coverage. We expect the AvMed population to be impacted similarly and apply a morbidity adjustment of 1.077 to reflect anticipated changes in statewide average morbidity

The Demographic Shift factor in Worksheet 1, Section II of the URRT includes the impact of expected changes in age, gender, and geographic mix between 2024 and 2026. The following outline the expected impact of each change:

- Adjustments to reflect the difference in geographic mix between 2024 and that expected in 2026. The impact of the geographic mix change based on allowed cost relationships results in a cost decrease of 2.2% (factor of 0.978).
- Adjustments to reflect the difference in age / gender mix between 2024 and that expected in 2026. The 2026 expected distribution is based on emerging 2025 membership, adjusted to reflect assumed disenrollments resulting from expiration of ARPA enhanced premium subsidies. The impact of the age / gender mix change results in a cost increase of 2.9% (factor of 1.029).

The resulting factor of 1.007 shown in the URRT is the composite result of the factors listed above ($0.978 * 1.029$).

PLAN DESIGN CHANGES

The “Plan Design Changes” factor in Worksheet 1, Section II of the URRT includes a decrease of 0.2% in expected allowed costs due to the impact of benefit changes and membership mix by plan on the average cost of services between the experience and projection periods.

OTHER ADJUSTMENTS

The “Other” factor in Worksheet 1, Section II of the URRT includes the following adjustments for changes between 2024 and 2026:

- Changes in the impact of negotiated provider reimbursement arrangements and mix of business.
- The mix of members with CSR plans.
- Adjustments to reflect expected 2026 capitation rates in projected costs.

Table 2 provides a summary of the build-up of these components into the “Other” factor in Worksheet 1, Section II of the URRT.

Table 2 AvMed, Inc. Other Allowed Adjustments Buildup	
Component	Factor
Network Impacts	0.989
CSR Induced Utilization Adjustment	1.009
Capitation Adjustment	1.002
Total	1.000

Exhibit 6. Manual Rate Adjustments

AvMed's individual experience is considered to be fully credible for purposes of rate development, as discussed in Exhibit 7. As such, a manual rate was not developed and zeroes have been entered into the credibility manual rate section of the URRT, in accordance with URRT instructions.

Exhibit 7. Credibility of Experience

AvMed's individual experience in aggregate is considered to be fully credible for purposes of rate development. As shown in Section 1 of the URRT, there are over 168,000 member months included in the experience data, which supports assigning 100% credibility for the purposes of rate development. As such, a 100% credibility factor to the projected experience is assigned.

Exhibit 8. Establishing the Index Rate

The index rate is developed based on the single risk pool for AvMed Florida individual plans, established in accordance with the requirements in 45 CFR part 156, §156.80(d). The single risk pool reflects covered lives in all non-grandfathered products sold in the Florida individual market by AvMed. There are no grandfathered or transitional members in the AvMed individual risk pool for 2024.

EXPERIENCE PERIOD INDEX RATE PMPM

The experience period Index Rate is equal to the experience period total allowed claims PMPM minus the total non-EHB allowed claims PMPM as illustrated in Table 3.

Table 3 AvMed, Inc. Experience Index Rate Development		
Annotation	Component	Amount
(1)	Allowed Claims – Worksheet 1, Section 1	\$137,609,077
(2)	Non-EHB Allowed Claims	\$80,442
(3) = (1) - (2)	Allowed EHB Claims	\$137,528,635
(4)	Member Months	168,669
(5) = (3) / (4)	Index Rate (round to whole dollar)	\$815.38

The segmentation of the index rate into cost by service category is illustrated in Worksheet 1, Section II of the URRT.

PROJECTED INDEX RATE

The projected index rate is developed by applying projection factors to the experience period index rate. These projection factors and their development are described in Exhibit 5. Table 4 illustrates the projected index rate development.

Table 4 AvMed, Inc. Projected Index Rate Development		
Annotation	Component	Amount PMPM
(1)	2024 EHB Allowed Claims PMPM	\$815.38
(2)	Trend (two years)	1.139
(3) = (1) * (2)	Trended EHB Allowed Claims PMPM	\$928.74
(4)	Morbidity Adjustment	1.077
(5)	Demographic Shift	1.007
(6)	Plan Design Changes	0.998
(7)	Other	1.000
(8) = (3) * (4) * (5) * (6) * (7)	Projection Period Index Rate PMPM	\$1,006.04

Worksheet 1, Section II of the URRT includes a similar illustration to that shown in Table 4.

Exhibit 9. Development of the Market-Wide Adjusted Index Rate

The Market-wide Adjusted Index Rate (MAIR) is calculated as the Index Rate adjusted for all allowable market-wide modifiers as defined in the market rating rules, 45 CFR Part 156, §156.80(d)(1). Table 5 illustrates the MAIR development.

Table 5 AvMed, Inc. Market-Wide Adjusted Index Rate Development	
2026 Index Rate PMPM	\$1,006.04
Market Adjustments (Paid Basis)	
+ Net Reinsurance	\$0.00
+ Net Risk Adjustment Payment	(\$78.78)
+ Exchange User Fees	\$12.11
Paid-to-Allowed Ratio	0.804
Market Adjustments (Allowed Basis)	
+ Net Reinsurance	\$0.00
+ Net Risk Adjustment Payment	(\$97.99)
+ Exchange User Fees	\$15.06
Market Adjusted Index Rate PMPM	\$923.12

Worksheet 1, Section II of the URRT includes a similar illustration to that shown in Table 5.

The adjustments applied to the Index Rate in developing the MAIR and their development are described below.

REINSURANCE

There are no federal or state reinsurance programs expected to impact AvMed expected costs in 2026 at the time of this filing.

RISK ADJUSTMENT PAYMENT / CHARGE

AvMed estimates it will receive 2026 risk adjustment transfers of \$78.78 PMPM, developed based on a review of historical risk adjustment patterns for both AvMed and the Florida statewide individual ACA market. The composite expected risk adjustment transfer payment is allocated proportionally to all plans as a percent of premium.

For purposes of developing the MAIR, we restate the expected risk adjustment transfer to an allowed basis by dividing it by the paid to allowed ratio of 0.804, for a final projected allowed-basis estimate of \$97.99, as illustrated in Table 5.

The estimates of relative risk and risk transfer amounts are highly dependent on the population that enrolls with AvMed, as well as with other insurers in the state. Based on current regulatory guidance, we assume that the high-cost enrollee risk pooling program will be cost neutral for AvMed, and as such, do not make an explicit adjustment for this program in the 2026 risk adjustment transfer estimate.

EXCHANGE USER FEES

The exchange user fee is applied as an adjustment to the projected index rate for calculating the MAIR. Specifically, exchange business is projected to be about 55% of AvMed's 2026 individual membership, as determined based on emerging 2025 membership and assumed disenrollments resulting from expiration of ARPA enhanced premium subsidies. The resulting percent of premium value of 1.33% reflects an allocation of anticipated exchange fees of 2.5% of exchange premium across all projected individual enrollment. This results in an expected cost of \$12.11 PMPM.

For purposes of developing the MAIR, we restate the expected exchange user fees to an allowed basis by dividing it by the paid to allowed ratio of 0.804, for a final projected allowed-basis estimate of \$15.06, as illustrated in Table 5.

PAID TO ALLOWED RATIO

Table 6 provides an illustration of the development of the average paid to allowed ratio.

Table 6 AvMed, Inc. Paid to Allowed Ratio Development	
Component	Amount
Projected Weighted Average Paid Claim PMPM by Plan	\$809.25
Projected Weighted Average Allowed Claim PMPM by Plan	\$1,006.54
Paid to Allowed Ratio	0.804

The weighted average in both the numerator and denominator was developed based on projected member months by plan, as presented in Worksheet 2, Section IV of the URRT.

Exhibit 10. Plan Adjusted Index Rate

Plan adjusted index rates reflect the MAIR adjusted for allowable plan level modifiers defined in the market rating rules, 45 CFR Part 156, §156.80(d)(2). This is summarized as follows:

Market Adjusted Index Rate

- x (1) Plan actuarial value and cost sharing value factor
- x (2) Plan provider network, delivery system characteristics, and utilization management practices factor
- x (3) Benefits provided by the plan that are in addition to EHB
- x (4) Distribution and administrative costs, excluding user exchange fees
- x (5) With respect to catastrophic plans, the expected impact of the specific eligibility categories for those plans

The applicable adjustment factors for each plan, and the calculation of the plan adjusted index rates, are illustrated in Worksheet II, Section III of the URRT.

The following provides additional detail regarding the development of the MAIR adjustment factors.

ACTUARIAL VALUE AND COST SHARING DESIGN OF THE PLAN

The impact of each plan's actuarial value and cost sharing includes the expected impact of each plan's cost-sharing amounts on the member's utilization of services, excluding expected differences in the morbidity of the members assumed to select the plan. In other words, these adjustments are based only on utilization expectations related to the comparative richness of each benefit plan and not on the people who select such a plan. The *HCGs* were used to estimate the value of cost-sharing and relative utilization of services for each plan. Our pricing models assume the same demographic and risk characteristics for each plan, thereby excluding expected differences in the morbidity of members assumed to select the plan.

The *HCGs* provide a flexible, but consistent basis for the determination of claim costs for a wide variety of health benefit plans. These rating structures are used to anticipate future claim levels, evaluate past experience, and establish interrelationships between different health coverages.

The *HCGs* are developed as a result of Milliman's continuing research on health care costs. They were first developed in 1954 and have been updated and expanded annually since then. These guidelines are continually monitored as we use them in measuring the experience or evaluating the rates of our clients and as we compare them to other data sources.

The *HCGs* are a cooperative effort of all Milliman health actuaries and represent a combination of their experience, research, and judgment. An extensive amount of data is used in developing these guidelines, including published and unpublished data. In most instances, cost assumptions are based upon our evaluation of several data sources and, hence, are not specifically attributable to a single source. Since these guidelines are a proprietary document of Milliman, they are only available for release to specific clients that lease these guidelines and to Milliman consulting health actuaries.

The AV and cost sharing design values reflect full plan liability for CSR plans. Note, for purposes of developing final premium rate relativities, we use the OIR prescribed CSR load, applied to on-exchange Silver plans only.

SUPPLEMENTAL INFORMATION FROM THE INSURANCE STANDARDS BULLETIN SERIES MEMO

The following provides supplemental information related to CSR funding, as requested in the Insurance Standards Bulletin Series dated May 2, 2025. The OIR prescribes that the impact of CSR subsidy non-payment should be spread across on-exchange silver plans only in the single risk pool.

- AvMed estimates CSR payments of \$5,864,160 in 2024. As is the case for many payers, AvMed does not explicitly adjudicate its CSR claims separately from standard metallic cost sharing, so we use a reasonable and practicable approach to estimate the CSR payments based on a comparison of actual payments for CSR variants to that expected for a standard Silver plan.
- Based on the assumption that CSR subsidies will not be funded, we apply a premium adjustment of 38.75% across all on-exchange silver plans to cover the expected CSR costs, as prescribed by the OIR.

- AvMed expects the actual 2026 CSR shortfall impact to be approximately 13.2% across all on-exchange Silver plans, resulting in total CSR claims of approximately \$5,689,202. We estimate this impact by evaluating the expected AVs including CSR variants compared to the expected AVs for standard plan designs only (i.e., the portion of claims AvMed would be responsible for if CSR subsidies were still in effect). The differential between these AVs is the estimated actual CSR shortfall payment

Attachment A illustrates the calculation of estimated 2024 CSR payments and the 2026 estimated CSR payments.

PROVIDER NETWORK, DELIVERY SYSTEM CHARACTERISTICS AND UTILIZATION MANAGEMENT PRACTICES

The value of each provider network was determined based on the anticipated cost impact for the network of a given plan as compared to other network options.

BENEFITS IN ADDITION TO EHBS

HIOS Product IDs 19898FL022, 19898FL023, 19898FL032, 19898FL033, 19898FL034, 19898FL037, and 19898FL039 do not include additional non-EHB benefits. As such, the adjustment factor for these plans is 1.000.

HIOS Product IDs 19898FL035 and 19898FL038 include additional non-EHB benefits of adult dental preventive services and adult vision eye exams. These items are paid on a capitated basis, so the non-EHB adjustment factor varies slightly by plan.

ADMINISTRATIVE COSTS, EXCLUDING EXCHANGE USER FEES AND REINSURANCE FEES

Overall administrative expenses are expected to equal 16.4% of premium in 2026.

TAXES AND FEES

Table 7 provides a breakdown of projected taxes and fees that are used to modify the MAIR in developing a plan-adjusted index rate.

Table 7 AvMed, Inc. Projected Taxes And Fees	
Item	% Premium
Health Insurer Fee	0.00%
Risk Adjustment Fee	0.02%
PCORI Fee	0.03%
Total	0.06%

Under current regulations, the health insurer fee (HIF) sunset in 2021, thus, we assume no HIF for AvMed in 2026. We assume a Patient Centered Outcomes Research Institute (PCORI) fee of \$0.31 PMPM and a risk adjustment fee of \$0.20 PMPM, consistent with the final 2026 Benefit and Payment Parameter notice.

PROFIT AND RISK MARGIN

The Profit and Risk Margin target of 2.0% of premium in was determined based on corporate targets and considerations around expected risks in the ACA market and federal and state MLR requirements.

CATASTROPHIC ADJUSTMENT

AvMed will not offer a catastrophic plan in 2026. As such, there are no adjustment factors for catastrophic plans.

Exhibit 11. Calibration

AGE CURVE CALIBRATION

To develop the age calibration factor, we premium-weighted the CMS federal age curve factors on a projected premium basis. The age curve calibration is applied to all plans. The weighted average age curve calibration factor is 0.6223. The calibration to the age curve complies with the rating rules specified in 45 CFR Part 147, §147.102.

Attachment B provides an illustration for the development of the age calibration factor. The aggregate age factor is approximately equal to the age 48 adult factor, as shown in Attachment B. Note, AvMed applies a 0.000 age factor for children ages 0 to 20 that are beyond the three oldest children on the plan under 21, consistent with the applicable rating rules.

GEOGRAPHIC FACTOR CALIBRATION

AvMed applies geographic rating area factors to its plans as shown in Worksheet 3 of the URRT. Attachment B provides an illustration for the development of the geographic calibration factor.

Geographic rating area factors are developed based on historical rating area factors with consideration for recent experience and a review of other marketplace area relativities to help further evaluate costs in the of delivery of care. They do not include differences for population morbidity by geographic area.

TOBACCO FACTOR CALIBRATION

Proposed AvMed premiums include a tobacco surcharge of 1.200 for tobacco users ages 21 and older. The Plan Adjusted Index Rate does not include the expected premiums to be collected through the tobacco surcharge, resulting in a tobacco calibration factor of 0.998, as shown in Attachment B.

Exhibit 12. Consumer Adjusted Premium Rate Development

Attachment C provides an illustration for the development of consumer adjusted premium rates for sample insured members.

Exhibit 13. Projected Loss Ratios

The projected federal loss ratio is 82.7% for 2026. This loss ratio is calculated consistently with the Federal MLR methodology, according to the National Association of Insurance Commissioners, as prescribed by 211 CMR 147.00. Table 8 illustrates this calculation.

Table 8 AvMed, Inc. Medical Loss Ratio – Federal Calculation		
Component	Amount PMPM	Annotation
Incurred Claims	\$809.25	(1)
Risk Adjustment Paid (Received)	(\$78.78)	(2)
Quality Improvement / Health IT	\$12.13	(3)
Reinsurance Recoveries	\$0.00	(4)
MLR Numerator	\$742.60	(5) = (1) + (2) + (3) + (4)
Premium	\$910.93	(6)
Taxes and Fees	\$12.63	(7)
MLR Denominator	\$898.30	(8) = (6) - (7)
Federal MLR	82.7%	(9) = (5) / (8)

Exhibit 14. AV Metal Values

The AV Metal Values included in Worksheet 2, Section I of the URRT for renewing plans were developed using the 2026 CMS Actuarial Value (AV) calculator, except for benefits that deviate substantially from the parameters of the AV Calculator. An acceptable alternative method outlined in CFR 156.135(b)(2) was used to estimate a fit of the plan designs into the parameters of AV Calculator. Actuarial certifications related to use of an alternate approach, as required by 45 CFR 156.135, are included with this filing.

Terminated plans included in the 2024 experience period illustrate their historical AV.

Exhibit 15. Membership Projections

Membership projections, as presented in Worksheet 2, Section IV of the URRT were developed by AvMed based on consideration for the following:

- Emerging 2025 membership
- Projected new sales activity and procurement of membership in existing and new areas
- Adjustments to reflect assumed disenrollments resulting from expiration of ARPA enhanced premium subsidies

The portion of projected enrollment that will be eligible for CSR subsidies is estimated to be approximately 39% of individuals purchasing Silver coverage. This assumption and the distribution of members by CSR plan were developed based on emerging 2025 membership and assumed disenrollments resulting from expiration of ARPA enhanced premium subsidies.

Attachment D provides a summary of projected membership for Silver plans by CSR subsidy level.

Exhibit 16. Plan Type

The applicable plan type for each plan has been noted in Worksheet 2, Section I of the URRT. They are all consistent with the available options in the drop-down box in Worksheet 2.

Exhibit 17. Terminated Plans and Products

Attachment E provides a listing of plans from the experience period that were terminated prior to January 1, 2026.

Note, to the extent a terminating plan was available during the experience period but did not have any membership in the experience period, it is not included in Worksheet II of the URRT.

Exhibit 18. Effective Rate Review

Not applicable.

Exhibit 19. Reliance

In preparing the Part I Unified Rate Review Template (URRT) and Part III Actuarial Memorandum, I have relied on information provided to me by the management of AvMed and its affiliates. If the underlying data or information is inaccurate or incomplete, the contents of the URRT and Part III Actuarial Memorandum along with many of our conclusions may likewise be inaccurate or incomplete.

I performed a limited review of the data used directly in the analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of the assignment.

A data reliance letter is attached to this memorandum.

Exhibit 20. Actuarial Certification

This memorandum may be considered a statement of actuarial opinion. I, Margaret A. Chance, Principal and Consulting Actuary with the firm of Milliman, Inc., am a member of the American Academy of Actuaries, and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. This filing is prepared on behalf of AvMed, Inc.

I certify to the best of my knowledge and judgment:

1. The projected index rate is:
 - In compliance with all applicable State and Federal Statutes and Regulations (45 CFR 156.80 and 147.102).
 - Developed in compliance with the applicable Actuarial Standards of Practice.
 - Reasonable in relation to the benefits provided and the population anticipated to be covered.
 - Neither excessive, nor deficient based on my best estimates of the 2026 individual market.
2. The index rate and only the allowable modifiers as described in 45 CFR 156.80(d)(1) and 45 CFR 156.80(d)(2) were used to generate plan level rates.
3. The geographic rating factors reflect only differences in the costs of delivery (which can include unit cost and provider practice pattern differences) and do not include differences for population morbidity by geographic area.
4. The CMS Actuarial Value Calculator was used to determine the AV Metal Values shown in Worksheet 2, Section I of the Part I Unified Rate Review Template for all plans.

The Part I Unified Rate Review Template (URRT) does not demonstrate the process used to develop proposed premium rates. It is representative of information required by Federal regulation to be provided in support of the review of rate increases, for certification of qualified health plans, and for certification that the index rate is developed in accordance with Federal regulation and used consistently and only adjusted by the allowable modifiers.

The 2026 plan year premium rates in this Actuarial Memorandum are contingent upon the status of the ACA statutes and regulations including any regulatory guidance, court decisions, or otherwise. Changes have the potential to greatly impact the 2026 plan year premium rates provided in this Actuarial Memorandum. Changes include, but are not limited to, any legislative or regulatory amendments, court decisions, or decisions by Congress, the Health and Human Services Secretary or the Centers for Medicare and Medicaid Services director.

Milliman has developed certain models to estimate the values included in this filing. The intent of the models was to estimate 2026 rates for individual policies offered in the ACA market. We reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

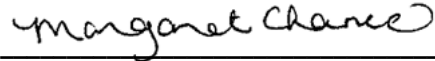
The information provided in this Actuarial Memorandum is in support of the items presented in the URRT and does not provide an actuarial opinion regarding the process used to develop proposed premium rates. It does certify that rates were developed in accordance with applicable regulations, as noted.

The premium rates developed and supported by this Actuarial Memorandum assume that Cost Share Reductions (CSR) will not be funded in 2026, as is consistent with current regulations and guidance. With the discontinuance of CSR funding, full liability for these costs will be AvMed's responsibility. The additional premium needed to fund these additional CSR benefits has been reflected in only silver plan premiums offered through the exchange using the premium load prescribed by the OIR in its May 16, 2025 email to carriers. If these provisions materially change, then these rates may no longer be appropriate and will need to be withdrawn and refiled.

At the time of this rate filing submission, we acknowledge there is uncertainty regarding whether the ARPA enhanced premium tax credit subsidies will or will not be extended beyond 2025. As instructed by the OIR, we have prepared this set of rate filing materials assuming that these enhanced premium tax credits will expire at the end of 2025 and will not be applicable in 2026. The expiration versus extension of these subsidies could have a material impact on morbidity, enrollment, and other factors related to the Individual market. We have incorporated various premium rate adjustments to reflect the estimated financial impact of these subsidies expiring. A reasonable range of expected impacts, from which final assumptions were determined, are derived using Milliman internal research that includes data from CMS reports, proprietary Milliman datasets, and other publicly available information. The potential range of impact will evolve as new information becomes available and new actions are taken by the authorities and other stakeholders. If

subsequent information becomes available that would materially affect this rate filing submission, we would likely pursue opportunities to revise our pricing assumptions and resubmit this rate filing. Milliman expresses no opinion with regard to the future status of these programs.

Differences between the projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.



Name: Margaret A. Chance, FSA, MAAA
Title: Principal and Consulting Actuary
Date: June 10, 2025

ATTACHMENTS

Attachment A
AvMed, Inc.
Individual Medical 2026
2026 CSR Load Development and Estimated 2024 CSR Payments

Component	Variant						Total
	01	02	03	04	05	06	
2024 Silver Distribution	13.4%	0.0%	0.0%	12.8%	24.8%	49.0%	100%
Benefit Actuarial Value	75%	100%	100%	78%	92%	97%	
Silver Non-CSR Actuarial Value	75%	75%	75%	75%	75%	75%	
2024 CSR Shortfall Adjustment	0.0%	25.4%	25.4%	4.2%	18.7%	22.9%	16.4%
2024 Total On-Exchange Silver Incurred Claims							\$41,658,390
2024 CSR Shortfall Dollars							\$5,864,160
2026 Projected CSR Distribution	21.2%	0.0%	0.0%	6.2%	20.2%	52.4%	100%
Benefit Actuarial Value	77%	100%	100%	79%	90%	95%	
Silver Non-CSR Actuarial Value	77%	77%	77%	77%	77%	77%	
2026 CSR Shortfall Adjustment	0.0%	22.9%	22.9%	2.9%	14.4%	19.2%	13.2%
2026 Total On-Exchange Silver Incurred Claims							\$48,909,190
2026 CSR Shortfall Dollars							\$5,689,202

Attachment B
AvMed, Inc.
Individual Medical Business
Development of Calibration Factors

Age Calibration			Tobacco Calibration			Geographic Calibration				
Att Age	CMS Factor	Member Distribution	Tobacco Factor	Tobacco Distribution	Non-Tobacco Distribution	County	Rating Area	Rating Area Factor	Member Distribution	
0-20 ¹	0.000	0.9%	1.000	0.0%	0.9%	Alachua	1	0.875	3.6%	
0-14	0.765	15.0%	1.000	0.0%	15.0%	Baker	2	1.050	0.0%	
15	0.833	1.0%	1.000	0.0%	1.0%	Bradford	4	1.129	0.0%	
16	0.859	1.0%	1.000	0.0%	1.0%	Broward	6	0.788	23.9%	
17	0.885	1.1%	1.000	0.0%	1.1%	Clay	10	0.932	0.6%	
18	0.913	1.0%	1.000	0.0%	1.0%	Columbia	12	1.108	0.1%	
19	0.941	1.0%	1.000	0.0%	1.0%	Duval	15	0.929	6.8%	
20	0.970	1.2%	1.000	0.0%	1.2%	Hillsborough	28	0.925	1.7%	
21	1.000	1.2%	1.200	0.0%	1.2%	Lake	34	0.910	0.3%	
22	1.000	1.1%	1.200	0.0%	1.1%	Lee	35	1.247	0.1%	
23	1.000	1.0%	1.200	0.0%	1.0%	Marion	41	0.913	0.6%	
24	1.000	1.0%	1.200	0.0%	1.0%	Miami-Dade	43	0.990	30.7%	
25	1.004	0.9%	1.200	0.0%	0.9%	Nassau	45	1.187	0.3%	
26	1.024	1.3%	1.200	0.0%	1.3%	Orange	48	0.840	3.9%	
27	1.048	1.1%	1.200	0.0%	1.1%	Osceola	49	0.825	1.0%	
28	1.087	1.1%	1.200	0.0%	1.1%	Palm Beach	50	0.774	17.3%	
29	1.119	1.2%	1.200	0.0%	1.2%	Pasco	51	0.825	3.1%	
30	1.135	1.2%	1.200	0.0%	1.2%	Pinellas	52	0.925	3.0%	
31	1.159	1.3%	1.200	0.0%	1.3%	Seminole	57	0.930	1.1%	
32	1.183	1.3%	1.200	0.0%	1.3%	St. Johns	58	0.969	1.7%	
33	1.198	1.3%	1.200	0.0%	1.3%	Suwannee	61	1.157	0.1%	
34	1.214	1.3%	1.200	0.0%	1.3%	Union	63	1.395	0.0%	
35	1.222	1.2%	1.200	0.0%	1.1%					
36	1.230	1.5%	1.200	0.0%	1.5%			Aggregate Factor	0.879	100.0%
37	1.238	1.5%	1.200	0.0%	1.5%			Geographic Calibration Factor	1.1374	= 1 / Aggregate Factor
38	1.246	1.5%	1.200	0.0%	1.5%					
39	1.262	1.7%	1.200	0.0%	1.7%					
40	1.278	1.7%	1.200	0.0%	1.7%					
41	1.302	1.6%	1.200	0.0%	1.6%					
42	1.325	1.7%	1.200	0.0%	1.7%					
43	1.357	1.7%	1.200	0.0%	1.7%					
44	1.397	1.8%	1.200	0.0%	1.8%					
45	1.444	1.8%	1.200	0.0%	1.8%					
46	1.500	1.8%	1.200	0.0%	1.8%					
47	1.563	1.9%	1.200	0.0%	1.9%					
48	1.635	1.8%	1.200	0.0%	1.8%					
49	1.706	2.0%	1.200	0.0%	2.0%					
50	1.786	1.9%	1.200	0.0%	1.9%					
51	1.865	2.0%	1.200	0.0%	2.0%					
52	1.952	2.1%	1.200	0.0%	2.0%					
53	2.040	2.0%	1.200	0.0%	2.0%					
54	2.135	2.2%	1.200	0.0%	2.2%					
55	2.230	2.2%	1.200	0.0%	2.2%					
56	2.333	2.1%	1.200	0.0%	2.0%					
57	2.437	2.3%	1.200	0.0%	2.2%					
58	2.548	2.3%	1.200	0.0%	2.2%					
59	2.603	2.4%	1.200	0.0%	2.4%					
60	2.714	2.8%	1.200	0.0%	2.8%					
61	2.810	2.7%	1.200	0.0%	2.7%					
62	2.873	3.1%	1.200	0.0%	3.0%					
63	2.952	3.1%	1.200	0.0%	3.1%					
64+	3.000	3.4%	1.200	0.0%	3.4%					
<i>1Children that cannot be rated</i>										
Aggregate Factor	1.607	100.0%	1.002	0.7%	99.3%					
Age Calibration Factor	0.6223	= 1 / Aggregate Factor	0.9982	= 1 / Aggregate Factor						
Age 47 factor	1.563									
Age 48 factor	1.635									
Avg Adult Age	47.6									
Nearest Age	48.0									

Attachment C
AvMed, Inc.
Individual Medical Business
Sample Calculations of Consumer Adjusted Premium Rates

	Sample 1	Sample 2
	AvMed Entrust Platinum 25	AvMed Entrust Bronze 650
	19898FL0340020	19898FL0340017
	35	45
	Orange	Palm Beach
	No	No
	Jan-26	Jan-26
(1)	Market Adjusted Index Rate	\$923.12
		\$923.12
	<u>Allowable Factors</u>	
	AV Cost Share	1.347
	Network	0.921
	Non-EHB Benefits	1.000
	<u>Catastrophic</u>	<u>1.000</u>
(2)	Total	1.241
		0.666
	Administrative Expense	16.42%
	Taxes and Fees	0.06%
	<u>Profit & Risk Margin</u>	<u>2.00%</u>
(3)	Total	18.48%
		18.48%
(4) = (1) * (2) / [1.000 - (3)]	Plan Adjusted Index Rate	\$1,405.01
		\$753.72
	<u>Calibration Factors</u>	
	Age	0.622
	Geographic Area	1.137
	<u>Tobacco</u>	<u>0.998</u>
(5)	Total Product	0.707
		0.707
	<u>Consumer Rating Factors</u>	
	Individual/Family (n/a)	1.000
	Geographic Area	0.840
	Age	1.222
	<u>Tobacco</u>	<u>1.000</u>
(6)	Total Product	1.026
		1.117
(7) = (4) * (5) * (6)	Consumer Adjusted Premium Rate	\$1,018.72
		\$594.85

Attachment D
 AvMed, Inc.
 Individual Medical Business
 Projected Enrollment (Member Months) by Subsidy Level (Silver Plans)

Plan Name	HIOS ID	70%	73%	87%	94%	Zero Cost Sharing	Low Cost Sharing	Total
Engage LS500-IN26	19898FL0220004	7,967	0	0	0	0	0	7,967
Engage LS550-IN26	19898FL0220020	1,396	0	0	0	0	0	1,396
Engage LS300-IN26	19898FL0220027	5,581	0	0	0	0	0	5,581
Empower MS500-IN26	19898FL0230004	11,781	0	0	0	0	0	11,781
Empower MS400-IN26	19898FL0230005	9,714	0	0	0	0	0	9,714
Empower MS300-IN26	19898FL0230026	11,795	0	0	0	0	0	11,795
Engage HSAQ LS350-IN26	19898FL0320001	48	0	0	0	0	0	48
Empower HSAQ MS350-IN26	19898FL0330001	1,344	0	0	0	0	0	1,344
AvMed Entrust Silver 350	19898FL0340003	280	64	209	544	0	0	1,098
AvMed Entrust Silver 550	19898FL0340005	2,210	103	337	877	0	0	3,528
AvMed Entrust Silver 350	19898FL0340013	674	194	634	1,647	1	0	3,150
AvMed Entrust Silver 550	19898FL0340015	3,444	437	1,431	3,721	2	0	9,036
AvMed Entrust Silver 350	19898FL0340023	92	27	88	229	0	0	436
AvMed Entrust Silver 550	19898FL0340025	437	60	196	509	0	0	1,203
AvMed Entrust Silver 350	19898FL0340033	123	36	117	305	0	0	581
AvMed Entrust Silver 550	19898FL0340035	449	96	313	814	0	0	1,672
AvMed Entrust Silver 350	19898FL0340043	174	50	165	429	0	0	819
AvMed Entrust Silver 550	19898FL0340045	685	148	484	1,259	1	0	2,576
AvMed Entrust Silver 550 Off Exchange	19898FL0340076	48	0	0	0	0	0	48
AvMed Entrust Silver 550 Off Exchange	19898FL0340077	48	0	0	0	0	0	48
AvMed Entrust Silver 550 Off Exchange	19898FL0340078	48	0	0	0	0	0	48
AvMed Entrust Silver 550 Off Exchange	19898FL0340079	48	0	0	0	0	0	48
AvMed Entrust Silver 550 Off Exchange	19898FL0340080	48	0	0	0	0	0	48
AvMed Entrust Silver Standard	19898FL0340081	432	125	411	1,068	1	0	2,036
AvMed Entrust Silver Standard	19898FL0340082	1,530	445	1,455	3,783	2	0	7,215
AvMed Entrust Silver Standard	19898FL0340083	199	58	189	492	0	0	939
AvMed Entrust Silver Standard	19898FL0340084	373	108	355	922	1	0	1,758
AvMed Entrust Silver Standard	19898FL0340085	565	164	537	1,397	1	0	2,665
AvMed Entrust Silver 350 Dental+Vision	19898FL0350003	171	46	152	394	0	0	764
AvMed Entrust Silver 550 Dental+Vision	19898FL0350005	224	58	190	494	0	0	966
AvMed Entrust Silver 350 Dental+Vision	19898FL0350013	1,150	331	1,082	2,813	2	0	5,377
AvMed Entrust Silver 550 Dental+Vision	19898FL0350015	1,418	409	1,337	3,477	2	0	6,643
AvMed Entrust Silver 350 Dental+Vision	19898FL0350023	142	41	135	351	0	0	669
AvMed Entrust Silver 550 Dental+Vision	19898FL0350025	200	58	190	494	0	0	942
AvMed Entrust Silver 350 Dental+Vision	19898FL0350033	174	51	166	431	0	0	822
AvMed Entrust Silver 550 Dental+Vision	19898FL0350035	240	70	228	594	0	0	1,132
AvMed Entrust Silver 350 Dental+Vision	19898FL0350043	222	64	211	548	0	0	1,046
AvMed Entrust Silver 550 Dental+Vision	19898FL0350045	421	122	400	1,040	1	0	1,983
AvMed Entrust Plus Silver 2550	19898FL0370006	15	0	0	0	0	0	15
AvMed Entrust Plus Silver 2550	19898FL0370007	19	0	0	0	0	0	19
AvMed Entrust Plus Silver 2550	19898FL0370008	3	0	0	0	0	0	3
AvMed Entrust Plus Silver 2550	19898FL0370009	4	0	0	0	0	0	4
AvMed Entrust Plus Silver 2550	19898FL0370010	7	0	0	0	0	0	7
AvMed Entrust Plus Silver 4080	19898FL0370011	15	0	0	0	0	0	15
AvMed Entrust Plus Silver 4080	19898FL0370012	19	0	0	0	0	0	19
AvMed Entrust Plus Silver 4080	19898FL0370013	3	0	0	0	0	0	3
AvMed Entrust Plus Silver 4080	19898FL0370014	4	0	0	0	0	0	4
AvMed Entrust Plus Silver 4080	19898FL0370015	7	0	0	0	0	0	7
AvMed Entrust Plus Silver 2550 Dental+Vision	19898FL0380006	15	0	0	0	0	0	15
AvMed Entrust Plus Silver 2550 Dental+Vision	19898FL0380007	19	0	0	0	0	0	19
AvMed Entrust Plus Silver 2550 Dental+Vision	19898FL0380008	3	0	0	0	0	0	3
AvMed Entrust Plus Silver 2550 Dental+Vision	19898FL0380009	4	0	0	0	0	0	4
AvMed Entrust Plus Silver 2550 Dental+Vision	19898FL0380010	7	0	0	0	0	0	7
AvMed Entrust Plus Silver 4080 Dental+Vision	19898FL0380011	15	0	0	0	0	0	15
AvMed Entrust Plus Silver 4080 Dental+Vision	19898FL0380012	19	0	0	0	0	0	19
AvMed Entrust Plus Silver 4080 Dental+Vision	19898FL0380013	3	0	0	0	0	0	3
AvMed Entrust Plus Silver 4080 Dental+Vision	19898FL0380014	4	0	0	0	0	0	4
AvMed Entrust Plus Silver 4080 Dental+Vision	19898FL0380015	7	0	0	0	0	0	7
AvMed Entrust Plus HSAQ Silver 3500	19898FL0390001	15	0	0	0	0	0	15
AvMed Entrust Plus HSAQ Silver 3500	19898FL0390002	19	0	0	0	0	0	19
AvMed Entrust Plus HSAQ Silver 3500	19898FL0390003	3	0	0	0	0	0	3
AvMed Entrust Plus HSAQ Silver 3500	19898FL0390004	4	0	0	0	0	0	4
AvMed Entrust Plus HSAQ Silver 3500	19898FL0390005	7	0	0	0	0	0	7
Total		66,136	3,365	11,014	28,632	16	0	109,162

Attachment E
 AvMed, Inc.
 Individual Medical Business
 Summary of Terminated Plans

Plan Name	Initial HIOS ID	Metal	Exchange	Year Available	Year Terminated	Mapping
AvMed Entrust Silver 300	19898FL0340002	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500	19898FL0340004	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 300	19898FL0340012	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500	19898FL0340014	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 300	19898FL0340022	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500	19898FL0340024	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 300	19898FL0340032	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500	19898FL0340034	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 300	19898FL0340042	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500	19898FL0340044	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 300 Dental+Vision	19898FL0350002	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500 Dental+Vision	19898FL0350004	Silver	No	2024	2025	Terminated
AvMed Entrust Bronze 625 Dental+Vision	19898FL0350006	Bronze	No	2024	2025	Terminated
AvMed Entrust Silver 300 Dental+Vision	19898FL0350012	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500 Dental+Vision	19898FL0350014	Silver	No	2024	2025	Terminated
AvMed Entrust Bronze 625 Dental+Vision	19898FL0350016	Bronze	No	2024	2025	Terminated
AvMed Entrust Silver 300 Dental+Vision	19898FL0350022	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500 Dental+Vision	19898FL0350024	Silver	No	2024	2025	Terminated
AvMed Entrust Bronze 625 Dental+Vision	19898FL0350026	Bronze	No	2024	2025	Terminated
AvMed Entrust Silver 300 Dental+Vision	19898FL0350032	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500 Dental+Vision	19898FL0350034	Silver	No	2024	2025	Terminated
AvMed Entrust Bronze 625 Dental+Vision	19898FL0350036	Bronze	No	2024	2025	Terminated
AvMed Entrust Silver 300 Dental+Vision	19898FL0350042	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500 Dental+Vision	19898FL0350044	Silver	No	2024	2025	Terminated
AvMed Entrust Bronze 625 Dental+Vision	19898FL0350046	Bronze	No	2024	2025	Terminated
AvMed Entrust Silver 500 - Off Exchange	19898FL0340009	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500 - Off Exchange	19898FL0340019	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500 - Off Exchange	19898FL0340029	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500 - Off Exchange	19898FL0340039	Silver	No	2024	2025	Terminated
AvMed Entrust Silver 500 - Off Exchange	19898FL0340049	Silver	No	2024	2025	Terminated

RELIANCE LETTER



June 9, 2025

Margaret Chance, FSA, MAAA
Principal and Consulting Actuary
Milliman, Inc.
71 South Wacker Drive, 31st floor
Chicago, IL 60606

RE: 2026 Individual Pricing – AvMed, Inc.

Dear Margaret:

I, Eric Johnson, Chief Actuary for AvMed, Inc., (AvMed) am a member of the American Academy of Actuaries. I hereby affirm the data sources, assumptions, and information identified below and provided to Milliman, Inc. were prepared under my direction, and that, to the best of my knowledge, are accurate and complete. I also affirm that all relevant information that affects the actuarial items examined has been provided to you, and I have disclosed all items of which I am aware that would have a material impact on the rate projections and premium rate development process for 2026.

The information provided includes:

1. Benefit plan designs for individual that AvMed intends to offer in 2026.
2. Product name, product ID, and plan name, as will be submitted into SERFF for each benefit plan.
3. Projected membership for 2026 and guidance regarding plan, geographic and demographic mix relative to current values.
4. Historical claim experience, premium and membership for existing products, including membership information for early 2025.
5. Information regarding anticipated administrative expenses.
6. Assumptions and background for AvMed's target profit and risk margins.
7. Information regarding geographic rating area factors to be used for 2026 pricing.
8. The Florida rating regions in which AvMed intend to offer individual products in 2026.
9. Historical trend analyses and guidance on appropriate trend factors.
10. Information regarding provider network arrangements including 2024 network adjustments and projected 2026 network adjustments.
11. Information regarding capitation arrangements and PMPM amounts for capitated services.
12. Estimated 2024 and 2026 AvMed risk adjustment transfer payment / receipts, along with background on development and additional guidance
13. Confirmation that AvMed expects there are no Federal Medical Loss Ratio rebates to be paid for plan year 2024.
14. Confirmation of no expected reimbursements from HHS for individual Cost Sharing Reduction plan members in 2024.



Margaret Chance
Milliman, Inc.
June 9, 2025

15. Federal Actuarial Values as calculated by the 2026 Federal AV calculator. Confirmation of alternate approach methodology used in the AV calculator, as needed.
16. Guidance and information, including rate filing instructions from the Florida Office of Insurance and Regulation (OIR) and the prescribed CSR adjustment required by the OIR.
17. Confirmation that AvMed will apply the prescribed CSR load to cover the discontinuance of CSR funding to on-exchange Silver plans only, in accordance with OIR instructions.
18. Expectations around the impact to AvMed and the overall individual marketplace, from the expiration of ARPA enhanced premium subsidies at the end of 2025. Confirmation of the final assumptions to be used within a reasonable range of potential impact estimates.
19. Other information provided by AvMed in various phone calls, emails, and other correspondence.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Johnson", is written over a light blue horizontal line.

Eric Johnson, PhD, ASA
Chief Actuary
AvMed, Inc.