

## **Part II Written Description Justifying the Rate Increase**

For Individual ACA plans effective January 1, 2026, Paramount is proposing an overall average increase of 36.63% for existing plans, potentially impacting up to 2,263 total members. This rate increase is based on actuarial projections, and results may differ from these projections as actual experience deviates from the rating assumptions.

Items impacting the proposed rate increase include:

- 6.3% in experience period claim costs
- Changes in demographics and morbidity of the risk pool
- An increase in Paramount's projected risk adjustment transfer payment
- Changes in the negotiated contracts between Paramount and providers.

The projected loss ratio is 86.0%, which satisfies the federal minimum loss ratio requirement of 80.0%.