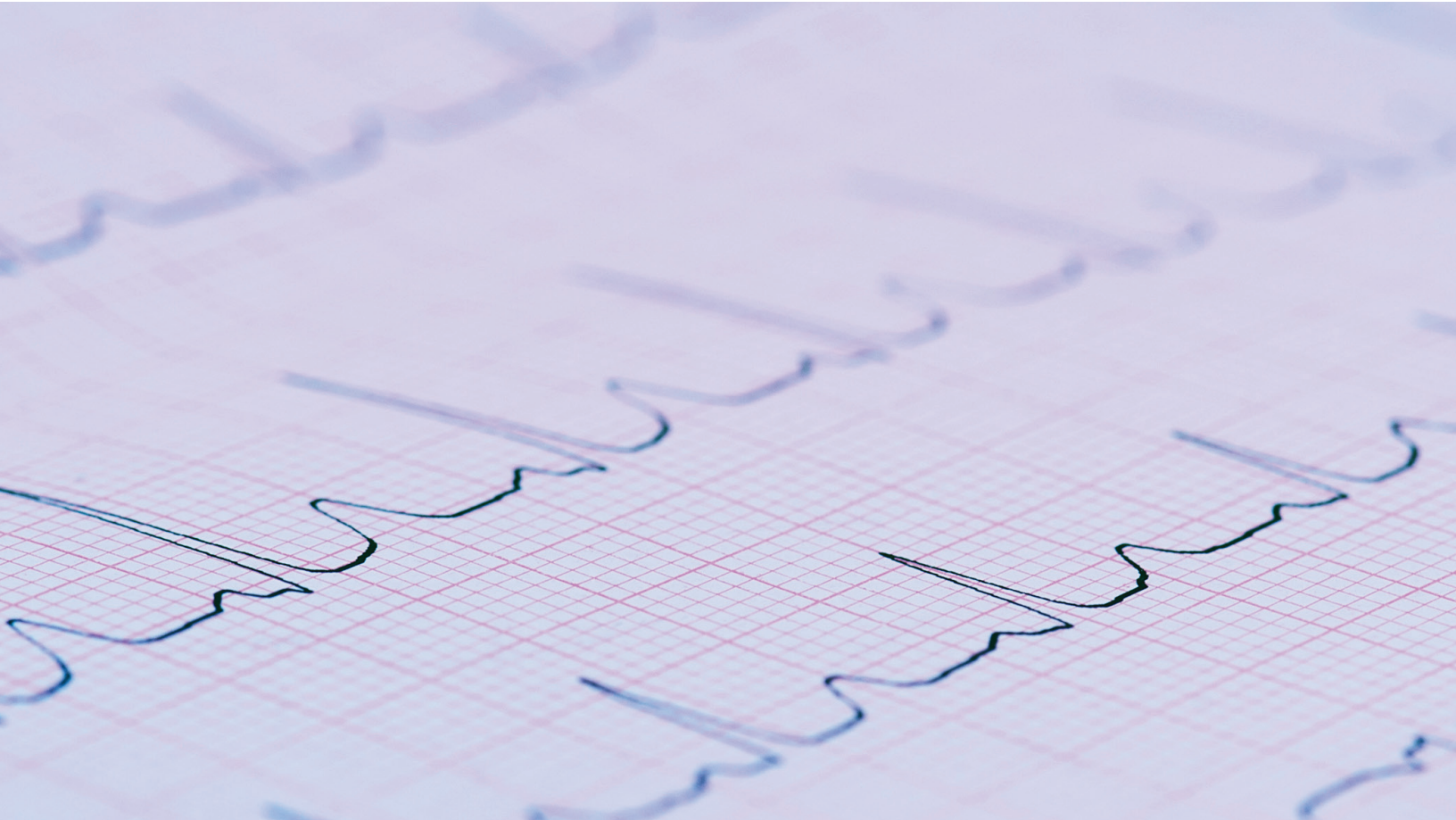


Health Actuarial Consulting for Insurance Companies



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Perr&Knight provides a complete array of actuarial services to life & health and property & casualty insurance companies, of all sizes, who write supplemental health products. The types of actuarial consulting engagements available through Perr&Knight range from complete outsourcing to one-off project work. Regardless of the nature of the relationship, our wide range of actuarial services and extensive expertise make us valuable to our insurance company clients.

Perr & Knight's supplemental health actuarial expertise includes but is not limited to the following products:

- Accident/Sickness Expense
- Hospital Confinement/Fixed Indemnity
- Critical Illness/Specified Disease
- Short Term Disability
- Accidental Death & Dismemberment
- Gap Medical

In addition, because Perr&Knight employs Fellows and Associates of the Society of Actuaries and the Casualty Actuarial Society, our actuarial expertise extends to hybrid products that contain components which are considered life & health and components that are considered property & casualty coverages such as Travel Insurance, Debt Protection and Provider Excess Stop Loss.

Perr&Knight's actuarial consultants provide our clients with the following comprehensive array of supplemental health actuarial services.

- **MARKET ANALYSIS.** Through our competitive intelligence consulting practice, Perr&Knight's actuaries have access to industry rate filings including an extensive in-house database containing several hundred thousand filings. Our actuaries can easily and quickly access these competitor filings in order help our clients understand the market for their particular supplemental health products including identifying primary competitors, comparing competitor product offerings and prices, and explaining recent trends. Our actuaries are experienced at extracting key information from competitor rate filings in order to create meaningful and accurate product comparisons.
- **INITIAL PRODUCT PRICING.** Perr&Knight's actuaries are skilled at developing rating manuals for our clients' new supplemental health insurance products. We know how to develop health rates based on company experience for similar programs, competitor rating plans, or industry data which produce adequate premiums that cover expected losses, expenses and a desired profit load.
- **IMPLEMENTATION SUPPORT.** Perr&Knight helps improve our clients' chances of success with new supplemental health products by reviewing their operations for consistency with product design. Our actuarial consultants have the experience and expertise needed to review underwriting procedures, claims processes and data capture to ensure they are properly aligned with product needs.
- **EXPERIENCE ANALYSIS.** Perr&Knight's actuaries are skilled at monitoring and analyzing historical policy and claim experience in order to project future loss levels and provide recommendations regarding actions that can be taken to achieve target profit levels, including changes in rate level, plan design or underwriting.

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- **RATE FILING SUPPORT.** Our actuaries improve our clients' speed to market by helping companies efficiently file supplemental health rates in all jurisdictions. In addition, our actuaries have a deep knowledge of the various state regulations and Department of Insurance ("DOI") policies that pertain to supplemental health rates and rules. Our actuaries use this knowledge to develop and submit complete, compliant rate support in order to avoid excessive DOI interrogatories and speed up the filing approval process.
- **RESERVING AND VALUATION.** Perr&Knight's actuaries have extensive experience analyzing IBNR, open claim and premium deficiency reserves for all supplemental health lines of business. We use generally accepted actuarial methods to produce actuarial central estimates and ranges of loss reserves. Our analyses consider reserves on both a gross and net of reinsurance basis.

All actuarial analysis is subject to our peer review and technical review processes to ensure that our recommendations and results are based on accurate and thoughtful calculations.

PERR&KNIGHT'S COMPETITIVE EDGE

Perr&Knight has distinguished itself as the only firm of its kind offering a complete array of actuarial consulting, competitive intelligence and regulatory compliance services in all states and for all lines of supplemental health and property & casualty business. Our actuaries' ability to leverage the knowledge and information available through our companion services distinguishes us from other actuarial firms.

Through our competitive intelligence consulting practice, Perr&Knight's actuarial consultants have exclusive access to our extensive in-house database containing hundreds of thousands of commercial carrier rate filings. Our actuaries can obtain competitor rates and industry loss statistics from these filings in order to create meaningful and accurate rate comparisons, develop initial rate levels, compile support for rate filings, or to supplement an entity's historical data for use in rate or reserve analyses. We have the knowledge and expertise to adjust industry data as necessary to make it appropriate for use with a particular insurance company.

Perr&Knight's actuaries work closely with our regulatory compliance analysts who submit thousands of rate filings each year. Through this collaboration, our actuaries have developed extensive experience supporting initial rates and rate level changes for all lines of business in all U.S. jurisdictions. Our experience includes successfully supporting the most complicated types of filings in the most difficult states.

ABOUT US

Perr&Knight is a leading provider of insurance support services and a strategic resource that companies utilize to reduce their fixed costs while increasing the efficiency and value of their insurance operations. Perr&Knight's insurance support services include Actuarial Consulting, Competitive Intelligence, Data Services, Insurance Technology and Regulatory Compliance.

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