

Consumer Justification Narrative

InStil Health Insurance Company Rate Change (effective 1/1/2026) for Individual Health Plans

Scope and range of the rate increase:

Depending on the plan selected, approximately 4,000 members currently enrolled in an InStil Individual health plan will see an adjustment to premiums effective January 1st, 2026. The average premium increase across all plans is projected at 20.6%.

Financial experience of the product:

InStil first wrote Individual health insurance effective January 1st, 2025. As a result, there is no experience in policy year 2024 to consider. The rate adjustment effective January 1, 2026, is needed to cover future changes in medical costs as well as regulatory policy and fee changes in the Individual market. If, in 2026, paid claims are significantly less than anticipated, rebates will be paid to Individual ACA members.

Changes in medical service costs:

InStil will likely pay more claims in 2026 for the following reasons:

- Hospitals and doctors charging more for services.
- More individuals seeking treatment.
- Higher drug costs.
- Increases in ACA marketplace morbidity due to the impact of enhanced Advanced Premium Tax Credit (APTC) subsidies expiring in 2025.

Changes in benefits:

Changes to deductibles, copayments, and out-of-pocket maximums to some products were implemented to limit the amount of the necessary rate change without sacrificing coverage.

Administrative costs and anticipated margins:

Administrative costs were set based on internal corporate estimates of normal operating costs. Taxes and fees also apply and are increasing in 2026 due to changes in the federally-prescribed exchange user fee. Per-member administrative expenses are projected to increase as a result of anticipated enrollment reductions due to the expiration of enhanced APTC subsidies in 2025.

InStil Health Insurance Company is working hard to find ways to lower these costs through intense review of current practices.