

This chart illustrates Blue Cross Blue Shield of North Dakota’s (BCBS) rate increases requested and approved since 2001 and what the financial results were for BCBS.

Year	Rate increases				Financial results		
	Group		Individual		Annual underwriting gain	Annual net income	Total surplus
	Requested	Approved	Requested	Approved			
2001	14.8%	12.5%	0.0%	0.0%	\$17.0	\$23.8	\$137.3
2002	13.8%	11.9%	10.9%	10.2%	\$17.0	\$17.7	\$137.2
2003	11.2%	9.9%	10.5%	8.9%	\$21.2	\$26.6	\$187.8
2004	10.8%	8.5%	8.5%	4.2%	\$6.5	\$18.6	\$200.6
2005	6.0%	6.0%	13.2%	10.4%	\$30.3	\$38.5	\$222.7
2006	10.8%	7.0%	4.2%	2.9%	\$-17.1 ¹	\$3.9 ¹	\$233.3
2007	17.3%	9.9%	10.0%	9.4%	-\$3.1	\$18.0	\$236.3
2008	14.9%	0.0%	14.8%	0.0%	-\$9.0	\$8.8	\$195.8
2009 ²	11.4%	7.9%	0.0%	0.0%	\$8.6	\$9.3	\$215.7
2010	19.6% ³	9.7% ³	26.5% ⁴	12.2%	\$10.0	\$18.9	\$258.0
2011	9.1% ⁶	3.5% ⁶	23.7% ⁵	14.0%	\$25.8	\$22.9	\$279.2
2012			9.3%	8.1%			

1. Reflects \$26.5 million premium refund
2. BCBS revised its request downward from 14.9% to 11.4%; 7.9% was ultimately approved on May 15, 2009, effective for policies renewing on or after July 1, 2009.
3. Beginning in 2010, BCBS is submitting quarterly rate increases for its group block of business. In quarter 1, 3.2% was requested and 0.8% was approved; in quarter 2, 4.0% was requested and 1.5% was approved; in quarter 3, 3.5% was requested and 1.7% was approved; in quarter 4, 7.7% was requested and 5.4% was approved. The numbers shown are an accumulation of the four quarterly increases in 2010.
4. In a letter to the Department, BCBS revised its request downward from 26.5% to 13.1%; 12.2% was ultimately approved.
5. In a letter to the Department, BCBS revised its request downward from 23.7% to 16.7%; 14.0% was ultimately approved.
6. BCBS is submitting quarterly rate increases for its group block of business. In quarter 1, 3.0% was requested and 1.9% was approved; in quarter 2, 2.6% was requested and 1.4% was approved; in quarter 3, 2.2% was requested and 0.2% was approved; and in quarter 4, 1.0% was requested and 0.0% was approved.

All monetary amounts in millions.

The chart above illustrates the requested and approved annual rate increases for Blue Cross Blue Shield of North Dakota (BCBS) since 2001, as well as the company’s underwriting gains, net income and surplus.

- An underwriting gain is determined by subtracting all claims and expenses from the year’s premium payments. Any amount remaining is an underwriting gain (for example, in 2010 BCBS realized a \$10 million dollar underwriting gain).
- Net income is the company’s profit.
- Surplus is the buildup of past gains or losses. It is set aside to provide for unexpected losses.

How to read this chart

Example: In 2003, BCBS requested a 10.5% rate increase for individual policies. The Insurance Department approved an 8.9% increase. BCBS had an underwriting gain of \$6.5 million and a net income of \$18.6 million the following year.

NOTE: The group rate increases approved, unless otherwise noted, are effective on January 1 of the following year shown for 2001–2009. Beginning in 2010, BCBS is submitting quarterly rate increases for its group block of business. The individual rate increases are now effective on May 1 of the year shown.