**EXHIBIT 13b: NARRATIVE SUMMARY**

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Affinity Health Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAIC Code:</td>
<td>15017</td>
</tr>
<tr>
<td>SERFF Tracking #:</td>
<td>AFHP-131011449</td>
</tr>
<tr>
<td>Market Segment:</td>
<td>Individual</td>
</tr>
</tbody>
</table>

Affinity Health Plan, Inc. is requesting an average rate increase of 23.7% across all its individual products effective January 1, 2018. The rate changes vary by plan due to changes in cost sharing parameters (e.g. deductible, coinsurance, copays). The requested rate increase impacts 4,484 subscribers and 6,353 members.

The following are the main drivers of the premium rate increase.

1. Payments into the permanent risk adjustment program. The risk adjustment transfer was introduced with the Affordable Care Act (ACA) and was designed to equalize the amount of risk assumed by each carrier in the marketplace. In general, within each state the health status of each carrier’s block of business is compared to the statewide average, and carriers with higher risk scores will receive subsidies from those with lower risk scores (and vice versa). The estimated transfer payment in 2018 is expected to be lower than 2017, which reduces the overall rate increase.

2. Anticipated changes in demographic mix.

3. Higher administrative costs in 2018 due to emerging information regarding operating costs and membership. Affinity is targeting an 83.4% loss ratio, which exceeds the New York state minimum of 82%.

4. Anticipated changes due to medical/prescription drug price inflation and increased medical/prescription drug utilization.

5. Unfavorable 2016 claims experience. The incurred claims in 2016 were higher than expected.

The table below summarizes the components of the rate increase:

<table>
<thead>
<tr>
<th>Rate Increase Driver</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Adjustment</td>
<td>-9.7%</td>
</tr>
<tr>
<td>Demographics</td>
<td>7%</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>3.2%</td>
</tr>
<tr>
<td>Trend 2016 to 2017</td>
<td>4.5%</td>
</tr>
<tr>
<td>Unfavorable 2016 Claim Experience</td>
<td>18.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23.7%</strong></td>
</tr>
</tbody>
</table>

*Total is multiplicative: multiply (1 plus each change) and subtract 1"
**EXHIBIT 13a: NUMERICAL SUMMARY AND RATE INDICATION CALCULATION**

**NUMERICAL SUMMARY**

<table>
<thead>
<tr>
<th>Company</th>
<th>JHfg</th>
<th>NAIC Code:</th>
<th>2017</th>
<th>SERFF Tracking #:</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
</table>

1. Please complete the Numerical Summary below as well as the Narrative Summary (a separate attachment) for each market segment for which a rate filing is being submitted.
2. The purpose of the Numerical Summary is to provide a written explanation to the company’s policyholders to help them understand the reasons why a rate increase is needed.
3. The purpose of the Numerical Summary is to provide a clear and simple overview of the requested rate adjustment.
4. The company should submit these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
5. Once reviewed by DFS, these Summaries must be posted to a location on its website that is publicly available and accessible without the need for a user ID/password.
6. This exhibit must be submitted as an Excel file and as a PDF file.
7. Premium Rates for 2018 should be consistent with the Premium Rates reflected in Exhibit 23.

### Average 2017 and 2018 Premium Rates:

- **2017 Weighted Average Base Premium Rates**
  - Platinum: $672.41
  - Gold: $578.89
  - Silver: $487.42
  - Bronze: $461.88
  - Catastrophic: $213.61

- **2018 Weighted Average Base Premium Rates**
  - Platinum: $833.47
  - Gold: $704.96
  - Silver: $601.86
  - Bronze: $592.46
  - Catastrophic: $222.13

### Weighted Average Annual Percentage Requested Adjustments:

- **2017 to 2018**
  - Requested Rate Adjustment: 23.54%

- **2018 to Present**
  - Requested Rate Adjustment: 20.70%

### Average Medical Loss Ratios (MLR) for All Policies Impacted (Ratios of Incurred Claims to Earned Premiums)

- **2014**
  - MLR: 0.8769854
- **2015**
  - MLR: 0.9067401
- **2016**
  - MLR: 1.1084792

### Claim Trend Rates and Average Ratios to Earned Premiums

- **2016**
  - Annual Claim Trend Rates: 3.78%
  - Expense Ratios: 0.1312594
  - Pre Tax Profit Ratios: 0.0050000

- **2017**
  - Annual Claim Trend Rates: 3.79%
  - Expense Ratios: 0.1477216
  - Pre Tax Profit Ratios: 0.0200000

- **2018**
  - Annual Claim Trend Rates: 3.79%
  - Expense Ratios: 0.1486869
  - Pre Tax Profit Ratios: 0.0200000

*If product was not offered in a particular year, indicate "N/A" in the applicable box.*

**Updated by DFS 4/6/2017**