EXHIBIT 13b: NARRATIVE SUMMARY

Company Name: Independent Health Benefits Corporation
NAIC Code: 47034
SERFF Tracking #: NDPD-132363012
Market Segment: Individual

Summary
Independent Health Benefits Corporation (IHBC) is requesting premium rate decreases for its community-rated Individual Market products effective January 1, 2021. As described in more detail below, IHBC is seeking an overall rate change of -3.67% in 2021, primarily due to lower claim trends and the permanent repeal of the Health Insurance Tax (HIT).

These proposed rate adjustments will be submitted to the New York State Department of Financial Services on or about May 18, 2020. You will be notified of the final approved premium adjustment at least 60 days prior to your effective date of renewal.

Based on membership as of March 2020, 3,484 policyholders and 4,795 members may be affected by this proposed rate adjustment.

Claim Expense Trends
Premium rates tend to rise each year because of normal inflation of health care claim costs. Moreover, in addition to cost increases, utilization of healthcare services also tends to rise as new technologies, services and prescription drugs are introduced to the marketplace.

For 2021, IHBC is projecting an overall claim expense trend of 5.75%. All else being equal, this would require a corresponding premium rate increase to keep pace with costs. However, because of other factors, IHBC is requesting a rate change lower than the overall claim expense trend.

How Your Premium Dollars are Spent
In 2021, IHBC projects that approximately 85.16% of every premium dollar will be spent on paying claim expenses. This is above the statutory minimum requirement of 82.0%. The remainder of each premium dollar will be used to cover ACA fees, administrative expenses, and contributions to reserves:

(1) ACA Taxes & Fees. The provision included in the 2021 premium rates is as follows:
  - Risk Adjustment User Fee: $0.19 Per Member, Per Month
  - PCORI Fee: $0.23 Per Member, Per Month
➢ For example, if a member is enrolled in a plan for the entire year, then IHBC is required to pay the following amounts:
   ▪ Risk Adjustment User Fee = $2.28 ($0.19 per month for 12 months)
   ▪ PCORI Fee = $2.76 ($0.23 per month for 12 months)

➢ How the ACA Taxes & Fees changed from last year:
   ▪ The Risk Adjustment User Fee increased $0.01 Per Member, Per Month
   ▪ The PCORI Fee returned due to the reauthorization of this initiative
   ▪ Due to the repeal of the Health Insurance Tax, 2021 premium rates are 2% lower than they would be if the Health Insurance Tax was not repealed

(2) Administrative Expenses. In 2021, approximately 13.26% of every premium dollar will be spent on administrative expenses, which cover (among other things) activities such as customer service and claims processing and payment. State-mandated assessments used to fund the operations of the Department of Financial Services (DFS), which regulates insurance carriers in New York State, as well as the New York State Department of Health, which oversees the health plan marketplace, are also included as part of administrative expenses.

IHBC generates income from invested funds and uses this income to subsidize some of its administrative expenses. The use of these invested funds is included in the 13.26% number referenced above.

(3) Contribution to Reserves. All insurance carriers in New York must maintain sufficient cash reserves to meet solvency requirements. In 2021, 1.5% of each premium dollar will be earmarked for contribution to these “rainy day” funds. This is consistent with what was used in 2020 premium rates. As noted above, these funds are invested in safe, relatively liquid securities whose returns are used to minimize or offset administrative expenses that would otherwise increase premiums.

Risk Adjustment
The ACA introduced several provisions, commonly referred to as the “3Rs” (reinsurance, risk adjustment, and risk corridors), designed to help level the playing field among insurers and promote competition based on quality and efficiency. Under the risk adjustment provision, insurance carriers which cover a population that is less risky than the overall insured population in their region must pay a certain portion of their premium receipts into a fund, from which carriers that cover higher-risk populations receive disbursements. IHBC received money from this fund for years 2014 through 2018 for the Individual Market and projects to continue being a receiver through 2021. IHBC expects to receive approximately 19-20% of revenue required for the Individual Market from this fund for 2021. Without these funds, the overall rate change would have been about 19%.
EXHIBIT 13a: NUMERICAL SUMMARY AND RATE INDICATION CALCULATION

NUMERICAL SUMMARY

Company: IHBC
NAIC Code: 135858
SERFF Tracking #: NDPS-132363012
Market Segment: Individual

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 Narrative Summary must be in plain English and should clearly and simply explain the reasons for the requested rate adjustment. (This should be included in the provided blank template "2021 Exhibit 13b - Narrative Summary.docx")
3. The purpose of the Narrative Summary is to provide a written explanation to the company’s policyholders to help them understand the reasons why a rate increase is needed.
4. The purpose of the Numerical Summary is to provide a clear and simple overview of the requested rate adjustment.
5. These Summaries (with the exception of the Rate Indication Calculation Section) will be public documents and will be posted on DFS’s website and furnished by DFS to the public upon request.
6. The company should submit these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
7. A draft of these Summaries and of the Initial Notice must be included in a “Prior Approval Pre-filing” submitted to DFS via SERFF.
8. 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.
9. Links should be provided on key pages of the company’s website so that the information may be easily located.
10. Any change(s) made to the Narrative Summary/Numerical Summary subsequent to the posting must be submitted to DFS with the specific change(s) identified.
11. Rate Change Adjustment calculations between Year 2020 and 2021 should be based on the DFS Membership Survey data as of 3/31/2020.
12. This exhibit must be submitted as an Excel file and as a PDF file.

A. Average 2020 and 2021 Premium Rates:

<table>
<thead>
<tr>
<th></th>
<th>2020 Weighted Average Base Premium Rates</th>
<th>2021 Weighted Average Base Premium Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platinum</td>
<td>$796.45</td>
<td>$764.81</td>
</tr>
<tr>
<td>Gold</td>
<td>$665.43</td>
<td>$645.93</td>
</tr>
<tr>
<td>Silver</td>
<td>$543.53</td>
<td>$521.65</td>
</tr>
<tr>
<td>Bronze</td>
<td>$417.40</td>
<td>$399.29</td>
</tr>
<tr>
<td>Catastrophic</td>
<td>$279.58</td>
<td>$261.20</td>
</tr>
</tbody>
</table>

B. Weighted Average Annual Percentage Requested Adjustments:

<table>
<thead>
<tr>
<th></th>
<th>2020 Weighted Average PMPM Rate</th>
<th>2021 Weighted Average PMPM Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All - Metals</td>
<td>3.68468%</td>
<td>5.17%</td>
</tr>
</tbody>
</table>

C. Weighted Average Annual Percentage Adjustments for each of the Past Two Years [If Applicable]*:

<table>
<thead>
<tr>
<th></th>
<th>2018 to 2019</th>
<th>2019 to 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rate Adjustment Requested</td>
<td>7.36985%</td>
<td>5.27098%</td>
</tr>
<tr>
<td>Average Rate Adjustment Approved</td>
<td>0.62497%</td>
<td>1.62235%</td>
</tr>
</tbody>
</table>

D. Average Medical Loss Ratios [MLR] for All Policies Impacted [Ratios of Incurred Claims to Earned Premiums] [If Applicable]*:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLR</td>
<td>81.8%</td>
<td>72.8%</td>
<td>72.6%</td>
<td>70.1%</td>
</tr>
</tbody>
</table>

E. Claim Trend Rates and Average Ratios to Earned Premiums [For Exhibit 19 for 2019-2021 and Comparable Exhibits for 2019] [If Applicable]**:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Claim Trend Rates</td>
<td>7.8%</td>
<td>9.4%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Lyre Rate</td>
<td>9.95%</td>
<td>10.1%</td>
<td>13.4%</td>
</tr>
<tr>
<td>Pre Tax Profit Ratio</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

* If no products were offered in a particular year, indicate "N/A" in the applicable box.