

EXHIBIT 3: NARRATIVE SUMMARY

Company: CDPHP Universal Benefits,[®] Inc.
NAIC Code: 47027
SERFF Tracking #: CAPD-128613444

Medicare Individual Supplemental Plans

CDPHP Universal Benefits,[®] Inc. (CDPHP UBI) offers coverage for Standard Medicare Individual Supplemental Plans A, B, F, and N.

These plans are offered throughout the Albany, Mid-Hudson, Syracuse, and Utica regions in New York State.

CDPHP UBI has filed with the NYS Department of Financial Services a request for approval for changes to premium rates for Plans A, B, F, and N in all of its existing regions.

CDPHP UBI is proposing changes to its current rates to cover basic cost expenses. The proposed rate adjustments do not incorporate any increases in administrative costs, advertising, broker commissions, or profit.

The rate adjustments proposed in this filing will be effective on March 1, 2013. There are currently 1,675 Medicare Individual Supplemental policyholders encompassing all regions.

The rate adjustments will affect the proposed premiums depending on the policyholder's plan type and its applicable region. These changes in premium will vary for each standard plan as in order to cover benefits, CDPHP must determine and apply to the rates the appropriate area cost factor.

A summary of the percentage change for each plan and for each region is presented in the table below.

Proposed Average Percentage Change in Rates effective on March 1, 2013

	Plan A	Plan B	Plan F	Plan N
Albany	1.07%	-1.35%	0.15%	-0.79%
Mid-Hudson	6.27%	3.73%	5.31%	4.31%
Syracuse	7.85%	5.26%	6.87%	5.87%
Utica	9.99%	7.35%	9.00%	7.97%

The proposed rate adjustments are aligned to cover CDPHP UBI's basic claim cost changes over time. Because of its limited current experience, CDPHP UBI used the New York State 2010 Medicare 5% sample for Part A and Part B for non-dual, non-institutionalized enrollees as the basis for the rate development. The 5% sample is

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also the source for the geographic area factors. Current rates were based on the 2009 5% sample. These manual rates will change each year because rather than apply a uniform composite trend change to the rates, we updated the underlying data. Thus rate cells for different plans and geographic areas will change by different amounts.

The following annual Medicare Claims Trends were assumed. The composite annual trend, based on national Medicare data, is 3.8%, compared to 2.5% last year. The composite rate increase based on CDPHP UBI members by rate cell, is slightly higher at 5.1%.

Inpatient Services: 1.24%
Skilled Nursing Services: 7.63%
Outpatient Services: 6.73%
Physician Services: 5.26%
Other Part B: 1.7%