

Exhibit 3: Narrative Summary

Company: Aetna Health, Inc.
 NAIC Code: 95234
 SERFF Tracking #: AETN 127321037

Aetna Health, Inc. is requesting a premium rate increase for its Individual Direct Pay HMO market segment for the state of New York.

The following is a summary of the proposed rate adjustment to be effective on the policyholder's next anniversary occurring on or after the effective dates shown:

Effective Date	Proposed Rate Increase	Number of Policyholders
01/01/2012	12.5% - 13.1%	727
04/01/2012	15.9% - 16.5%	324
07/01/2012	19.3% - 20.0%	369
10/01/2012	22.9% - 23.6%	51

The total number of policyholders affected by the proposed rate adjustment is 1,471 as of 3/31/2011.

Reason for Rate Change Request

The requested rates for Aetna's Individual Direct Pay HMO plans are directly related to a higher medical claim trend due to increases in unit costs and utilization. Based on a review of claims on this product from May 2010 to April 2011 compared to the prior period, we see the following cost trends:

Medical Expense Category	Distribution of Claim \$	Increase in Utilization	Increase in Unit Cost	Total Trend
Hospital Services	48%	6%	10%	17%
Physician Services	22%	5%	3%	8%
Rx	25%	7%	25%	34%
State Assessments	4%	7%	7%	15%
Total	100%	6%	12%	19%

Utilization represents the number of services per member per year. Increase in Unit Cost represents the change in dollar amount per claim. Increases in Unit Cost reflect changes in our contracted rates and prescription drug costs as well as the price escalation due to usage of more intensive services or expensive technologies.

Our experience indicates that total medical trend, weighted by paid claims, has increased by 19%. However, we think that our Individual Direct Pay HMO market segment past results are based on too few members to be a fully credible indication of future medical cost trend. For this rate filing, we have used 12.5% as the projected the change in medical cost. The 12.5% total medical trend assumption was developed from large group data over the period July 2007 – June 2010.

Our pricing projection and the resulting rate increases assume that 82.7% of premium is used for medical care. New York state law requires that at least 82% of premium must be used to pay medical member costs. The remaining 17.3% are used for administrative expenses and profit. These include (but are not limited to) customer service, processing and paying claims, medical

management programs, maintaining our provider networks, and complying with State and Federal regulations.

Aetna takes our commitment to our customers seriously. We have taken a number of steps to try to keep our products as affordable as possible, such as:

- Reducing our administrative costs by cutting back on the number of plan designs we offer, focusing only on the most popular plans that meet the needs of the majority of our members.
- Developing relationships with health care providers that provide incentives for the quality of care they provide, and not the quantity.
- Creating medical management programs which address potential health issues for members earlier, improving health outcomes and reducing the need for high-cost health care services. We are also dedicated to increasing transparency within the health care system, as well as helping our members best utilize the plans that they have. Members can also access Aetna Navigator, our secure member website, which allows members to research their specific plan benefits, health care providers in a given area, and in some locations, the cost of certain health care services. Additionally, Aetna's Plan for Your Health website aims to educate all consumers—not just Aetna members—on how to take advantage of their health care benefits.