EXHIBIT 3: NARRATIVE SUMMARY

Company Name: Aetna Health Inc. (NY)
NAIC Code: 95234
SERFF Tracking #: AETN-127389963

Aetna Health, Inc. is revising the previous rate increase filed for its Small Group HMO/QPOS market segment for the state of New York.

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

Effective Date	Previous Proposed Rate Increases	Revised Proposed Rate Increases	Policyholders	Members
01/01/2012	5.1%	0.9%	**1,190**	**1,590**
04/01/2012	7.2%	3.0%	**1,030**	**1,453**
07/01/2012	6.1%	2.0%	**659**	**931**

The total number of policyholders affected by the proposed rate adjustment is 2,879 as of 6/30/2011.

The requested rates for Aetna's Small Group HMO/QPOS plans are directly related to medical claim trend due to changes in unit costs and utilization. Since our Small Group data has too few members to be a fully credible indication of future medical cost trend, trends were based on a review of large group data over the period August 2009 – March 2011. The table below reflects our cost trends:

Utilization trend	Unit Cost Trend	Total Trend
6.9%	4.6%	11.5%

Utilization represents the number of services per member per year and includes a 0.3% adjustment for leap year in 2012. 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. For this rate filing, we have used 11.5% as the projected the change in medical cost.

Our pricing projection and the resulting rate increases assume that 83.3% 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 16.7% are used for administrative expenses, profit, and taxes. 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.