

EXHIBIT 3
NARRATIVE SUMMARY

Company Name: Capital District Physicians' Health Plan

NAIC Code: 95491

SERFF Tracking #: CAPD-127320610

Capital District Physicians' Health Plan, Inc. (CDPHP) offers a Health Maintenance Organization (HMO) product on a community rated basis to large employer groups (>50), small employer groups (2-50), and sole proprietors.

CDPHP has filed with the NYS Department of Insurance a request for approval for changes to premium rates as follows:

Policyholders will receive the rate adjustment on the policyholder's next anniversary on or after January 1, 2012.

Renewals Effective January 1, 2012 to March 31, 2012:

Large Group

Range of rate adjustment: -0.6% to 4.4%

Number of policyholders affected: 163

Number of members affected: 75,765

Small Group/Sole Proprietors

Range of rate adjustment: -0.1% to 4.3%

Number of policyholders affected: 1,019

Number of members affected: 11,735

Renewals Effective April 1, 2012 to June 30, 2012:

Large Group

Range of rate adjustment: -1.4% to 3.6%

Number of policyholders affected: 25

Number of members affected: 3,707

Small Group/Sole Proprietors

Range of rate adjustment: -1.0% to 3.5%

Number of policyholders affected: 513

Number of members affected: 2,849

These increases are necessary to cover expected increases in claim costs during the rating period attributed to the following:

- Expected increase in utilization, advances in medical technology, and aging of the covered population: 1.0%
- Expected increase in total costs: 5.98%
- Expected increase in hospital costs: 5.0%
- Expected increase in physician costs: 7.7%