

EXHIBIT 3
NARRATIVE SUMMARY

Company Name: Capital District Physicians' Health Plan

NAIC Code: 95491

SERFF Tracking #: CAPD-127320649

Capital District Physicians' Health Plan (CDPHP) offers the NY Standardized Individual HMO and POS products on a community rated basis to individuals.

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

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

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

Non Group

Average rate decrease -2.05%

Number of policyholders affected: 309

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: 0%
- Expected increase in total costs: 5.98%
- Expected increase in hospital costs: 5.0%, including change in case mix intensity
- Expected increase in physician costs: 7.7%, including change in case mix, care management, and quality incentives.

The impact of these increases on premium rates has been offset by a return of funds attributed to the NYS Market Stabilization pool. CDPHP has been reimbursed funds from this pool and is returning these funds to its policyholders through a reduction in premium rates.