

SERFF Tracking Number: AETN-127389996 State: New York  
Filing Company: Aetna Health Insurance Company of New York State Tracking Number: 2011090018  
Company Tracking Number:  
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
Product Name: NY SG AHIC  
Project Name/Number: /

## Filing at a Glance

Company: Aetna Health Insurance Company of New York

Product Name: NY SG AHIC

SERFF Tr Num: AETN-127389996 State: New York

TOI: H21 Health - Other

SERFF Status: Closed-APPR

State Tr Num: 2011090018

Approved

Sub-TOI: H21.000 Health - Other

Co Tr Num:

State Status:

Filing Type: Rate Adjustment pursuant to  
Section 3231(e)(1)

Reviewer(s): [REDACTED]

Authors: [REDACTED]

Disposition Date: 10/28/2011

Date Submitted: 09/02/2011

Disposition Status: APPR Approved

Implementation Date Requested: 01/01/2012

Implementation Date: 01/01/2012

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile:

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Group

Submission Type:

Group Market Size: Small

Group Market Type: Employer

Overall Rate Impact:

Filing Status Changed: 10/31/2011

State Status Changed:

Deemer Date:

Created By: [REDACTED]

Submitted By: [REDACTED]

Corresponding Filing Tracking Number:

PPACA: Not PPACA-Related

PPACA Notes: null

Filing Description:

New York Small Group AHIC rate filing 1q12-3q12

## Company and Contact

### Filing Contact Information

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[REDACTED]  
151 Farmington Ave  
Hartford, CT 06156

**Filing Company Information**

Aetna Health Insurance Company of New York CoCode: 84450 State of Domicile: Pennsylvania  
980 Jolly Road Group Code: 1 Company Type:  
Blue Bell, PA 19422 Group Name: State ID Number:  
(999) 999-9999 ext. [Phone] FEIN Number: 00000  
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**Filing Fees**

Fee Required? No  
Retaliatory? No  
Fee Explanation:  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Aetna Health Insurance Company of New York	\$0.00		

**State Specific**

1. Is a parallel product being submitted for another entity of the same parent organization? Yes/No (If Yes, enter name of other entity, submission date, and SERFF Tracking Number of the parallel file.): Yes - AHI (AETN-127389963)
2. Type of insurer? Article 43, HMO, Commercial, Municipal Coop, or Fraternal Benefit Society: Commercial
3. Is this filing for Group Remittance, Statutory Individual HMO, Statutory Individual POS, Blanket, or Healthy New York? Yes/No (If Yes, enter which one.): Blanket
4. Type of filing? Enter Form and Rate, Form only, Rate only (Form only should be used ONLY when the filing only contains an application, advertisement, administrative form, or is an out-of-state filing. Form submissions with no proposed rate impact are considered form and rate filings and require an actuarial memorandum.): Rate only
5. Is this a Rate only filing? Yes/No [If Yes, enter one: Commission/Fee Schedule, "File and Use" Rate Adjustment, Prior Approval Rate Adjustment, DBL Loss Ratio Monitoring, Loss Ratio Experience Monitoring/Reporting, Medicare Supplement Annual Filing (other than rate adjustment), Medicare Supplement Refund Calculation Filing, Timothy's Law Subsidy Filing, Sole Proprietor Rating, 4308(h) Loss Ratio Report, 3231(e) Loss Ratio Report, Experience Rating Formula, or Other with brief explanation.): Yes, prior approval and rate adjustment
6. Does this submission contain a form subject to Regulation 123? Yes/No (If Yes, provide a full explanation in the Filing Description field.: No

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7. Did this insurer prefile group coverage for this group under Section 52.32 prior to this filing? Yes/No (If Yes, enter the state tracking number assigned and the effective date of coverage.): No

8. Does this submission contain any form which is subject to review by the Life Bureau, the Property Bureau or both? Yes/No (If Yes, identify the forms, the Bureau, the date submitted, and the SERFF file number.): No

9. Does this filing contain forms that replace any other previously approved forms? Yes/No (If Yes, identify the form numbers, the file number, and the date of approval of the forms being replaced in the Filing Description field.): No

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## Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** Decrease  
**Overall Percentage of Last Rate Revision:** -2.000%  
**Effective Date of Last Rate Revision:** 01/01/2012  
**Filing Method of Last Filing:** SERFF

## Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Aetna Health Insurance Company of New York	Decrease	-2.000%	-2.000%	\$1,171,704	836	\$24,294,422	%	%
<b>Product Type:</b>	<b>HMO</b>	<b>PPO</b>	<b>EPO</b>	<b>POS</b>	<b>HSA</b>	<b>HDHP</b>	<b>FFS</b>	<b>Other</b>
<b>Covered Lives:</b>								3,974
<b>Policy Holders:</b>								836

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## Rate Review Details

### COMPANY:

Company Name: Aetna Health Insurance Company of New York  
HHS Issuer Id: 50138  
Product Names: Aetna Health Maintenance Organization  
Trend Factors:

### FORMS:

New Policy Forms:  
Affected Forms:  
Other Affected Forms: HO ASTAHCRGrp 01 NY

### REQUESTED RATE CHANGE

#### INFORMATION:

Change Period: Quarterly  
Member Months: 51,556  
Benefit Change: None  
Percent Change Requested: Min: -2.0 Max: -2.0 Avg: -2.0

#### PRIOR RATE:

Total Earned Premium: 24,294,421.85  
Total Incurred Claims: 20,112,455.77  
Annual \$: Min: 259.25 Max: 1,263.62 Avg: 386.64

#### REQUESTED RATE:

Projected Earned Premium: 25,466,125.87  
Projected Incurred Claims: 24,205,380.68  
Annual \$: Min: 284.16 Max: 1,286.62 Avg: 386.91

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## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Checklist-Rate Adj Filings per 3231(e)(1) or 4308(c)		
<b>Comments:</b>		
<b>Attachment:</b> AHIC Checklist.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Actuarial Memorandum/Actuarial Certification		
<b>Comments:</b>		
<b>Attachments:</b> NY SG AHIC Act Cert.pdf NY SG AHIC Standard Exhibits Act Memo.pdf NY SG AHIC Standard Exhibits Act Memo - REDACTED.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Standard Exhibit 1 - General Information		
<b>Comments:</b>		
<b>Attachment:</b> NY SG AHIC Standard Exhibits - Ex 1.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Standard Exhibit 2 - FOIL Exemption Request		
<b>Comments:</b>		
<b>Attachment:</b> NY SG AHIC Standard Exhibits - Ex 2.pdf		

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**Item Status:** **Status Date:**

**Satisfied - Item:** Standard Exhibit 3 - Narrative Summary

**Comments:**

Revised exhibit 3 per DOI comments.

**Attachment:**

NY SG AHIC Standard Exhibits - Ex 3.pdf

**Item Status:** **Status Date:**

**Satisfied - Item:** Standard Exhibit 4 - Summary of Proposed Percentage Rate Changes

**Comments:**

**Attachments:**

NY SG AHIC Standard Exhibits - Ex 4.pdf

NY SG AHIC Standard Exhibits - Ex 4.xls

**Item Status:** **Status Date:**

**Satisfied - Item:** Standard Exhibit 5 - Distribution of Contracts Affected by Proposed Rate Adjustments

**Comments:**

**Attachments:**

NY SG AHIC Standard Exhibits - Ex 5.pdf

NY SG AHIC Standard Exhibits - Ex 5.xls

**Item Status:** **Status Date:**

**Satisfied - Item:** Standard Exhibit 6 - Summary of Policy Form and Product Changes

**Comments:**

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Project Name/Number: /

**Attachments:**

NY SG AHIC Standard Exhibits - Ex 6.pdf  
NY SG AHIC Standard Exhibits - Ex 6.xls

**Item Status:**

**Status  
Date:**

**Satisfied - Item:** Standard Exhibit 7 - Historical Data

**Comments:**

**Attachments:**

NY SG AHIC Standard Exhibits - Ex 7 - REDACTED.pdf  
NY SG AHIC Standard Exhibits - Ex 7 - REDACTED.xls  
NY SG AHIC Standard Exhibits - Ex 7.pdf  
NY SG AHIC Standard Exhibits - Ex 7.xls

**Item Status:**

**Status  
Date:**

**Satisfied - Item:** Initial Notice of Proposed Rate  
Adjustment

**Comments:**

**Attachment:**

NY SG AHIC Notification - initial.pdf

**Item Status:**

**Status  
Date:**

**Satisfied - Item:** Final Notice of Proposed Rate  
Adjustment

**Comments:**

**Attachment:**

NY SG AHIC Notification - final.pdf

**Item Status:**

**Status  
Date:**

**Satisfied - Item:** Rate Manual

**Comments:**

Attached revised rate manual.

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**Attachments:**

NY SG AHIC Rate Manual - 1q12-3q12.pdf  
NY SG AHIC Rate Manual - 1q12-3q12 - revised.PDF

**Item Status:**

**Status**

**Date:**

**Satisfied - Item:** Cover Letter

**Comments:**

**Attachment:**

NY SG AHIC Standard Exhibits Cover Letter.pdf

## NEW YORK INSURANCE DEPARTMENT

### Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

As of 5/24/2011

Use this Checklist for all rate adjustment filings submitted pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law. One of the following two SERFF filing type codes must be used to properly denote such a filing. A rate submission with the wrong filing type code will be rejected and will need to be resubmitted with the correct filing type code.

**Rate Adjustment Pursuant to Section 3231(e)(1):** This filing type is used for Article 42 insurers that are submitting a rate adjustment only filing for a hospital and/or medical coverage (including Medicare Supplemental insurance) for small groups and individuals under the Section 3231(e)(1) prior approval process. This filing type cannot be used for form filings, initial rate filings, or by Article 43 Corporations or Health Maintenance Organizations (HMOs).

**Rate Adjustment Pursuant to Section 4308(c):** This filing type is used for Article 43 Corporations and HMOs that are submitting a rate adjustment only filing for any policy form that uses a community rating structure as described in Section 4317(a) of the Insurance Law. This includes hospital and/or medical policy forms, or separate stand-alone dental policy forms, that are not required to be community rated but for which the corporation voluntarily community rates as described in Section 4317(a) of the Insurance Law. This also includes the HMO portion of large group Point of Service business where an approved experience rating formula is not used. This filing code cannot be used for form filings, initial rate filings, or by commercial insurers.

A rate adjustment filing submitted pursuant to Section 3231(e)(1) or Section 4308(c) can include an expansion of an existing rate table to include new benefit options (such as rates for additional copays or deductibles) provided that: (a) the already approved contract language includes the new benefit options being added, (b) the actuarial memorandum clearly identifies the new benefit options being added and provides appropriate actuarial support for the new rates, and (c) approved contract language pages and the Department's approval letter are included with the rate filing documenting that the benefit options being added are included in the already approved contract language. No Section 3231(e)(1) or Section 4308(c) rate adjustment filing can include rates that require contract language approval where such approval has not already been received.

A change to existing rating region differentials is a rate adjustment filing pursuant to Section 3231(e)(1) or Section 4308(c). A rate adjustment filing submitted pursuant to Section 3231(e)(1) or Section 4308(c) cannot reflect an expansion to a new service area. A service area expansion, and the rate applicable to that new service area, must be submitted as a separate rate filing using the "Normal Pre-Approval" SERFF filing type code. A Section 3231(e)(1) or Section 4308(c) filing cannot be used to withdraw from a service area.

If a company wishes to eliminate some of its approved benefit options included in the current rate manual, this cannot be done pursuant to a Section 3231(e)(1) or Section 4308(c) rate adjustment application. Such elimination is to be implemented by submitting a form and rate filing using the "Normal Pre-Approval" SERFF filing type code and the filing is to include a revised statement of variables for the benefit options that are available along with revised rate manual pages reflecting the revised benefit options.

A rate adjustment filing submitted pursuant to Section 3231(e)(1) or Section 4308(c) cannot include any revision to existing contract language or include new contract language. Any rate filing in connection with a form filing (a new form or a revision to an existing form) must be a separate filing from the rate adjustment filing. Once a new rate has been approved (for a new policy form or for a revision to an existing policy form), such new rate can be incorporated into the next Section 3231(e)(1) or Section 4308(c) rate adjustment filing.

The "Normal Pre-Approval" SERFF filing type code triggers the traditional Department review (generally by the Albany Health Bureau unit) and would be used for all form and rate filings, form only filings, experience rating formula filings, or commercial insurer rate only filings other than filings submitted pursuant to Section 3231(e)(1), or Article 43 Corporation and HMO rate only filings other than filings submitted pursuant to Section 4308(c). The "Normal Pre-Approval" SERFF filing type

## NEW YORK INSURANCE DEPARTMENT

### Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

code would also be used for old individual medical policy forms that are not community rated. Rate revisions for products subject to Section 3231(e)(1) or 4308(c) incorporated into a form and rate filing that adjusts an existing policy form for a change in benefit language can only reflect rate changes due to the benefit revision and can not reflect any adjustment for experience or trend. A “Normal Pre-Approval” SERFF type filing for a product subject to Section 3231(e)(1) or 4308(c) can not include rolling rate tables that extend beyond the period included in the most recent approved or pending Section 3231(e)(1) or Section 4308(c) rate adjustment submission (for example, the last rate adjustment submission included quarterly rolling rate tables for each calendar quarter of 2011; a benefit revision is submitted January 2011 to be effective July 1, 2011; this form and rate filing can include rolling rate tables for third and fourth quarter 2011, but not beyond fourth quarter 2011).

New or revised commission schedules or broker fee schedules must first be placed on file using a rate filing with a “Normal Pre-Approval” SERFF filing type code. Once the new or revised schedule has been placed on file, any rate impact can be included with the next Section 3231(e)(1) or Section 4308(c) rate adjustment filing and the change and its impact on the premium rates is to be discussed in the actuarial memorandum.

It is recommended that a Section 3231(e)(1) or Section 4308(c) rate filing application be submitted at least 150 days before the proposed effective date, however, in determining how far in advance to submit such a rate filing, the company should consider: the time needed to load final rates into its computer system; produce the final rate notice, which is to be sent at least 60 days before the scheduled rate change effective date of the renewal cohort; the 60 days the Department has to review the material; and the time the clock may be stopped while the company responds to issues raised by the Department about the rate filing.

It is recommended that a rate adjustment submission not be submitted more than 180 days prior to the proposed rate effective date. It is recommended that a rate adjustment submission not be submitted less than 125 days prior to the proposed effective date since there is a high probability that a decision on such a filing will not occur in time for the company to send the required final notice to the first renewal cohort affected by the rate adjustment filing. If a company can not send the required final notice at least 60 days in advance of the rate change date for a particular renewal cohort, then the rate change implementation date for such renewal cohort will need to be deferred. Contract terms will dictate whether the rate change can be deferred to a later implementation date for that renewal cohort (e.g., for the July 2012 renewal cohort, deferring the rate change to August 2012, while retaining the next rate change date as July 2013), or deferring implementation of the newly approved rates to a later renewal cohort (e.g., assuming quarterly rolling rates are used: renewing the July 2012 renewal cohort using the previously approved second quarter 2012 rate tables, and implementing the newly approved rates with the August 2012 renewal cohort).

Each attachment to the rate adjustment application must be compatible with the following software: Microsoft Word 2003, Microsoft Excel 2003, or Adobe Acrobat 9.

REVIEW REQUIREMENT	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
<b>DEFINITIONS</b>	a.	<p><b>Company</b> refers to the licensed entity providing the insurance coverage reflected in the rate adjustment filing.</p> <p>b. A company’s <b>commercial book of business</b> includes all of the following: large group, small group, direct pay, Healthy New York, and Medicare Supplemental. It excludes all government programs, such as, Medicare, Medicaid, Family Health Plus, and Child Health Plus.</p> <p>c. <b>Loss ratio</b> refers to incurred claims divided by earned premiums for a given period of time. Incurred claims <u>includes</u> the impact of the Standard Direct Pay and Healthy New York stop loss pools, Regulation 146 (11 NYCRR 361), covered</p>	N/A

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Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law

		<p>lives assessments, and the HCRA surcharge. Incurred claims do not include any administrative expenses. Earned premiums <u>do not include</u> any adjustment for assessments or taxes.</p> <p>d. <b>Market segment</b> refers to large group, small group, sole proprietor, direct pay, Healthy New York, Medicare Supplemental, etc.</p> <p>e. <b>Product street name</b> refers to the product name as advertised to consumers, and the product name which consumers are most likely to use when communicating with the Department.</p> <p>f. <b>Rate applicability period</b> refers to the length of time in which the rates in a rate table are assumed to remain in effect.</p> <p>(i) Example 1: A non-rolling rate table is developed to be effective January 1, 2012 and is expected to be revised January 1, 2013. The rate applicability period for this table is January 1, 2012 through December 31, 2012.</p> <p>(ii) Example 2: A quarterly rolling rate table is developed for issues and renewals in January – March 2012 and incorporates a 12 month rate guarantee period. The rate applicability period for this table is February 15, 2012 (mid renewal date) through February 14, 2013. If all policyholders must have a first of the month effective date, then the rate applicability period would be considered as February 1, 2012 through January 31, 2013.</p> <p>g. <b>Standardized earned premium</b> is the earned premium for the period adjusted to assume that all premiums for the period are payable at the most current approved (or deemed approved) rate level, reflecting rate increases exclusive of rate changes due to contract language changes (i.e., excluding rate changes due to benefit revisions or members migrating to different plan designs since the impact of such changes would be automatically reflected in the earned premiums and incurred claims once such a change becomes effective).</p> <p>(i) Example: The rate filing is to implement quarterly rolling rate tables applicable to the 3<sup>rd</sup> and 4<sup>th</sup> quarters 2011 and 1<sup>st</sup> and 2<sup>nd</sup> quarters 2012. The 2<sup>nd</sup> quarter 2011 rates have already been approved. Therefore, the 2<sup>nd</sup> quarter 2011 rate tables are the current rate level. The earned premium for the period would be adjusted to reflect the premiums that would have been paid for that period if all the premiums had been paid at the 2<sup>nd</sup> quarter 2011 rate level. If the 2<sup>nd</sup> quarter 2011 rate table included a 2% increase due to the addition of a new benefit that is being added to all policyholders at renewal, the standardization for periods prior to April 1, 2011 would not reflect this 2% increase since the incurred claims for this earlier period did not reflect this additional benefit.</p> <p>(ii) Example: An insurance company uses a quarterly rolling rate structure and has been raising rates 4% each quarter as of the beginning of a new quarter. The first quarter 2010 rate for plan design A is \$100, the first quarter 2011 rate is \$116.99, and the second quarter 2011 rate is \$121.67. These increases reflect</p>	
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**NEW YORK INSURANCE DEPARTMENT**

**Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law**

		<p>no revision to the underlying covered benefits. The second quarter 2011 rate table is the standard rate level. Contract X was paying \$100 per month for January-December 2010. At renewal January 1, 2011, the premium was scheduled to increase to \$116.99 but a change to plan design B occurred that reduced the premium by 5% to \$111.14 for January 2011 and later. The second quarter 2011 rate for plan design A is \$121.67 and the second quarter 2011 rate for plan design B is \$115.58 (\$121.67 x 0.95). The earned premium for this contract for each month from January through December 2010 is standardized to the second quarter 2011 level by adjusting by 121.67/100.00, and the January 2011 earned premium is standardized to the second quarter 2011 level by adjusting by 115.58/111.14.</p>	
<p><b>ROLLING RATE STRUCTURE</b></p>	<p>a.</p>	<p>Every rate filing for a rolling rate structure must include rolling rates for at least a 6 month, and for no more than a 12 month, issue/renewal period (e.g., between 2 and 4 quarterly rolling rates, between 6 and 12 monthly rolling rates).</p> <p>b. Beginning with rate filings to be effective January 1, 2012 or later, all rate filings for a rolling rate structure must include rolling rates for a 12 month issue/renewal period.</p> <p>c. Notwithstanding the above, a large group HMO rate filing can include rolling rates for up to a 24 month period (e.g., 8 quarterly rolling rates, 24 monthly rolling rates).</p>	<p>Supporting Documentation - NY SG AHIC Rate Manual - 1q12-3q12.pdf</p>
<p><b>CHANGES TO PREVIOUSLY APPROVED RATE TABLES</b></p>	<p>a.</p>	<p>Beginning with rate adjustment filings that include rate tables to be effective January 1, 2012 or later, the rate adjustment filing must include all community rated policy forms within a given market segment (such as all small group products) whether or not a premium rate adjustment is requested for a particular product or rider in that market segment. All entities within the same holding company system are to submit filings for a given market segment at the same time; the filings can be submitted under different SERFF filings, but all the applicable filings must be submitted within a total of seven calendar days.</p> <p>b. A company can revise a previously approved non-rolling rate table provided that:</p> <p>(i) The proposed effective date of the rate table is at least 12 months after the effective date of the current rate table; or</p> <p>(ii) The proposed effective date of the rate table is at least 6 months after the effective date of the current rate table, the contract language permits revising the rate table in accordance with such rate filing, and all policyholders that received a final 60 day notice about the approved rates from the previously approved rate adjustment filing have also received the rate change approved from the previously approved rate adjustment filing.</p> <p>c. A company can revise rate tables included in a previously approved rolling rate filing provided that: (i) the rate tables being revised were never implemented, (ii)</p>	<p>Supporting Documentation - NY SG AHIC Rate Manual - 1q12-3q12.pdf</p>

**NEW YORK INSURANCE DEPARTMENT**

**Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law**

		<p>the first two quarterly rate tables, or the first six monthly rate tables, included in the previously approved rate adjustment filing are not revised, and (iii) policyholders in the renewal cohort(s) affected by the change to the previously approved rate tables did not receive a final 60 day notice informing them of the approved rates from the previously approved rate adjustment filing. The revised rate adjustment filing must include a year’s worth of rates as discussed in the “Rolling Rate Structure” section above. (Example: A rolling rate filing was submitted and approved that included quarterly rolling rate tables for 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2011. The company can not revise the 1<sup>st</sup> and 2<sup>nd</sup> quarter 2011 rate tables, but if the indicated criteria is met, can submit a new prior approval rate filing that includes rolling rates for 3<sup>rd</sup> and 4<sup>th</sup> quarter 2011 and 1<sup>st</sup> and 2<sup>nd</sup> quarter 2012.) The Department may waive these requirements if the company can demonstrate to the Superintendent’s satisfaction that the solvency of the corporation is threatened.</p>	
<p><b>STANDARD EXHIBITS 1 - 7</b></p>	<p>Introduction</p>	<p>Exhibits 1 through 7 must be submitted as part of each rate adjustment application. For some of the exhibits the format is defined, while for other exhibits the format is illustrative and the company will need to tailor the material included for the specific rate submission.</p>	
<p><b>Exhibit 1</b></p>		<p><b>General information about the rate adjustment submission.</b></p> <ol style="list-style-type: none"> <li>The format for this exhibit is fixed. Fill in the various information fields; the information being requested is indicated on the exhibit.</li> <li>For Type of Insurer, select from the drop down list (HMO, Article 42, Article 43) or make an entry.</li> <li>For “For Profit” or “Non Profit” click on the applicable box and a check mark will appear.</li> <li>Item D – the “new rate effective date” must be a realistic implementation date given the review time allowed the Department and the requirement of the 60 day final rate notice. This date would usually be the first date the proposed rates would affect renewing policyholders. So a 1/1/2012 effective date would imply that the first renewal cohort affected by the rate submission would be January 2012.</li> <li>Item F.1 – a rate adjustment filing that also includes rate adjustments for unapproved contract language changes will be rejected.</li> <li>This exhibit may be submitted as an Adobe PDF file or as an Excel file.</li> </ol>	<p>Supporting Documentation - NY SG AHIC Standard Exhibits - Ex 1.pdf</p>
<p><b>Exhibit 2</b></p>		<p><b>FOIL Exemption Request.</b></p> <ol style="list-style-type: none"> <li>A request that the Department exempt from public disclosure any information included in this rate submission, pursuant to New York Public Officers Law Section 87(2)(d) (the “Trade Secret/Competitive Injury Exemption”), must be made by completing this exhibit.</li> <li>A request that the Department apply the Trade Secret/Competitive Injury</li> </ol>	<p>Supporting Documentation - NY SG AHIC Standard Exhibits - Ex 2.pdf</p>

**NEW YORK INSURANCE DEPARTMENT**

**Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law**

		<p>Exemption to any information contained in this submission that is not included in this exhibit may not be honored by the Department.</p> <p>c. In light of the open government purpose underlying FOIL, the Department favors redacting portions of documents, and disclosing the balance of such documents, as opposed to withholding documents in their entirety, where such redactions will suffice to protect the exempt information. Therefore, the Company should submit to the Department both the original document and a redacted version of the original document, which omits or blocks the information it wishes to exempt from disclosure. The Department will accept the redacted version of the original document within one week after the original rate filing was submitted.</p> <p>d. The exhibit format is illustrative but the company must include the information indicated in sections A, B, C, D and E. The exhibit may be submitted as a Word document file, an Adobe PDF file, or an Excel file.</p> <p>e. Enter in section A the insurer information requested.</p> <p>f. Enter in section B the information requested regarding the FOIL contact person at the company.</p> <p>g. Enter in section C the list of documents, exhibits and attachments separately, including the file names of the computer files that are included with the application. Indicate with an asterisk (*) those documents that the company believes contains information subject to the Trade Secret/Competitive Injury Exemption. Any document without an asterisk will be deemed to be a public document.</p> <p>h. Enter in section D the list of all documents, exhibits, and attachments, of which a portion has been redacted, including the file names of computer files that are included with the application. The unredacted portion(s) of the redacted documents may be deemed to be public.</p> <p>i. Enter in section E the statement of necessity. A request that the Department apply the Trade Secret/Competitive Injury Exemption to any information included in this submission must be accompanied by a written statement of necessity that:</p> <ul style="list-style-type: none"> <li>(i) identifies the specific parts of the submission for which the Company believes the Trade Secret/Competitive Injury Exemption should be applied;</li> <li>(ii) specifies the reasons why the submission, or parts thereof, should be exempt from disclosure pursuant to the Trade Secret/Competitive Injury Exemption; and</li> <li>(iii) where applicable, indicates where redactions would suffice to protect the exempt information.</li> </ul>	
<b>Exhibit 3</b>		<p><b>Narrative Summary.</b></p> <p>a. The format of the exhibit is illustrative, but must include the required material. The</p>	

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		<p>exhibit may be submitted as a Word document file, an Adobe PDF file, or an Excel file.</p> <p>b. The narrative summary is to explain the reason(s) for the proposed rate adjustment. The purpose of the narrative summary is to provide a written explanation to the company’s policyholders and subscribers to help them understand why a rate increase is needed.</p> <p>c. The narrative summary will be a public document.</p> <p>d. It is suggested that once reviewed by the Department, the company post the narrative summary on its website. Any changes to the narrative summary subsequent to the posting are to be submitted to the Department.</p> <p>e. The narrative summary should include, but not be limited to, the following information:</p> <p>(i) The name of the company submitting the rate adjustment request, the NAIC code number for the company, and the SERFF number for the rate application.</p> <p>(ii) A summary of the proposed rate adjustments. This can be a range as long as the range is consistent with the range(s) stated in the initial notice to policyholders for the various products and rating regions. A range can be no wider than five percentage points.</p> <p>(iii) A description of which policyholders are affected by this rate adjustment application. The rate adjustment may only affect policyholders in a certain market segment (e.g., small group), or with certain products (indicate the “street name” of the products affected), or only a certain renewal cohort (e.g., policyholders renewing from period mm/dd/yyyy – mm/dd/yyyy).</p> <p>(iv) The effective date of the proposed rate adjustments and an indication of when the rate change would affect policyholders. Examples:</p> <p>(a) Non guaranteed rate structure: all policyholders will receive the rate adjustment on mm/dd/yyyy.</p> <p>(b) A rate structure with a 12 month rate guarantee: a policyholder will receive the rate adjustment on the policyholder’s next anniversary on or after mm/dd/yyyy.</p> <p>(v) The number of policyholders and members affected by the proposed rate adjustments. This can be aggregated across all market segments and products included in the rate adjustment submission.</p> <p>(vi) An explanation, in plan language, as to why it is necessary to request such rate change(s). As appropriate, a separate explanation should be provided for each market segment. Where the rate increases are not the same for each product type within a market segment, the company should provide a separate explanation for each such product type.</p> <p>Each page of the narrative summary should be numbered (i.e., [page] of [pages]).</p>	<p>Supporting Documentation - NY SG AHIC Standard Exhibits - Ex 3.pdf</p>
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<p><b>Exhibit 4</b></p>		<p><b>Summary of Proposed Percentage Rate Change to Existing Rate.</b></p> <p>a. The information to be shown in this exhibit pertains to the market segments and products included in the rate adjustment submission.</p> <p>b. This exhibit must be submitted as an Excel file even if it is also submitted as an Adobe PDF file. The format of the exhibit is essentially fixed, but additional rows can be inserted as needed or additional tabs for several such exhibits can be added to the workbook.</p> <p>c. This exhibit is to summarize the proposed percentage rate changes. The percentage rate change is the percentage change from the rate the subscriber is currently paying (or currently scheduled to be paying at the next rate change date for changes already approved or deemed approved by a prior rate application and which are not being revised by the current rate application) to the proposed rate that this subscriber would be paying at the subscriber’s next rate change date according to the new rate application.</p> <p>Example 1: the rate structure is quarterly rolling rates, has a 12 month rate guarantee period, and the rate adjustment application is for second quarter 2012 issues and renewals. The rate change would be the percentage change from the second quarter 2011 rates to proposed second quarter 2012 rates.</p> <p>Example 2: the rate application includes quarterly rolling rates for each quarter of calendar year 2012. The prior rate application included quarterly rolling rates for each quarter of 2011. Rates include a 12 month rate guarantee period. The current rate application is submitted July 2011 before all the third and fourth quarter 2011 renewals have taken place. The proposed percentage change for fourth quarter 2012 would be the change from the fourth quarter 2011 rates to the proposed fourth quarter 2012 rates.</p> <p>d. If the subscriber will need to change to a different plan design at renewal (i.e., a required change from the current plan design whether mandated by a government entity or not, but not due to the discontinuation of the current policy form or discontinuation of a particular plan design), a supplement to Exhibit 4 is to be included. The supplemental exhibit is to indicate (i) a high level summary of the difference in covered benefits and cost sharing between the current and replacement plan, and (ii) the estimated pricing percentage change due solely to the difference in the plan designs between the replacement plan and the existing plan. This supplemental exhibit may be submitted as a Word document file, an Adobe PDF file, or an Excel file.</p> <p>e. The weighted averages may be based on membership instead of premium volume.</p> <p>f. The values entered in Sections A and B should follow the organization of the rate manual. If the drug rate is included with the rates in the medical rate table, the combined result is entered in Section A. If the drug rate is a separate rate table associated with a drug rider, then the medical changes are shown in Section A and</p>	<p>Supporting Documentation - NY SG AHIC Standard Exhibits - Ex 4.pdf</p> <p>Supporting Documentation - NY SG AHIC Standard Exhibits - Ex 4.xls</p>
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		<p>the drug rider changes are shown in Section B.</p> <p>g. Section A summarizes the proposed changes for the base medical rate tables and excludes the impact of all optional riders. The lowest and highest values indicate for a given market segment, region, policy form, product combination the lowest percentage change that applies to a renewing subscriber/contract holder and the highest percentage change that applies to a renewing subscriber/contract holder. This difference could be due to different percentage changes proposed by rating tier or by plan design within a particular product.          Example: The rate adjustment application is only for small group PPO and within this product there are only two product designs. The proposed rate changes for design A are: employee only = 10%, employee+child(ren) = 8%, employee+spouse = 13% and employee+family = 11%. The proposed rate change for design B are: employee only = 9%, employee+child(ren) = 7%, employee+spouse = 12% and employee+family = 10%. The lowest change proposed is 7% and the highest change proposed is 13%. The weighted average change would reflect the distribution of contracts by plan design and rating tier.</p> <p>h. Section B summarizes the proposed changes just for the traditional drug riders. <u>Exclude</u> minor drug related riders such as a rider to include oral contraceptives. All the drug riders available with a given base medical product can be aggregated into one row.          Example 1: Drug riders D1 to D99 are available with the PPO product. The proposed changes on the drug riders vary from 10% to 16%. There would be one row for the PPO policy form/product. The lowest change proposed is 10% and the highest change proposed is 16%. The weighted average change would reflect the distribution of contracts by plan design and rating tier.          Example 2: As in Example 1, but drug riders HD1-HD19 are available with the HSA high deductible PPO product. There would be another row for the high deductible PPO policy form/product indicating the lowest, highest, and weighted average changes among the HD1-HD19 drug riders.</p> <p>i. A separate exhibit should be completed for each market segment. If the percentage rate change for sole proprietor is different from small group, then a separate market segment of sole proprietor is to be reported.</p> <p>j. Where rate changes differ by rating region within a market segment, separate exhibits are to be submitted by market segment/rating region combination.</p> <p>k. Separate information should be submitted for each rolling rate table of a rolling rate structure. For example: if a calendar quarterly rolling rate structure is used and the rate adjustment filing includes proposed rate tables for first, second, third and fourth quarters 2012, separate information should be submitted for section A and section B for the impact of the first quarter 2012 rate changes, the impact of the second quarter 2012 rate changes, the impact of the third quarter 2012 rate</p>	
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		<p>changes, and the impact of the fourth quarter 2012 rate changes.</p>	
<p><b>Exhibit 5</b></p>		<p><b>Distribution of Contracts Affected by the Proposed Rate Adjustments.</b></p> <ol style="list-style-type: none"> <li>a. This exhibit must be submitted as an Excel file even if it is also submitted as an Adobe PDF file. The format of the exhibit is essentially fixed, but the company can edit the worksheet to add more rows or tabs as needed.</li> <li>b. The information to be shown in this exhibit pertains to the market segments and products included in the rate adjustment submission.</li> <li>c. This exhibit indicates the distribution of the proposed rate changes for each market segment, rating region and product, as well as the weighted average rate change impact for that segment/region/product combination. If the same percentage rate change applies to each rating region, then a separate break out by rating region is not necessary and the results can be shown for all rating regions combined.</li> <li>d. The distribution basis can be by number of contracts or by number of members. The same basis is to be used for all products within a given rate adjustment submission. The company should indicate the distribution basis used (number of contracts or number of members). The weighted averages can be calculated using the distribution basis chosen instead of on premium volume.</li> <li>e. The percentage rate change reflects the expected change in premium rate that would apply to that subscriber/contract holder on that subscriber/contract holder's next rate change date according to the new rate application. This would reflect the percentage rate change from the rate the contract holder is currently paying (or currently scheduled to be paying at the next rate change date for changes already approved or deemed approved by a prior rate application and which is not being revised by the current rate application) to the proposed rate that this contract holder would be paying at the contract holder's next rate change date according to the new rate application. The rate change reflects the impact of the base medical plans and all riders applicable to that contract.</li> <li>f. Enter in section A the information for the various products that do not use a rolling rate structure.</li> <li>g. Enter in section B the information for the various products that use a rolling rate structure. Separate exhibits are to be prepared and submitted for each rolling rate cohort. For example, if the rate submission is for quarterly rolling rate tables for first, second, third and fourth quarter 2012, then separate section B information would be entered for each of these four quarters. The distribution shown for a particular quarter would reflect only those policyholders renewing in that particular quarter.</li> </ol>	
<p><b>Exhibit 6</b></p>		<p><b>Summary of Policy Form and Product Changes.</b></p> <ol style="list-style-type: none"> <li>a. This exhibit summarizes all rate changes filed pursuant to sections of the New</li> </ol>	

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		<p>York Insurance Law other than Section 3231(e)(1) or Section 4308(c) that impact the policyholders affected by this rate adjustment submission and which affect the percentage changes shown on Exhibits 4 or 5.</p> <p>b. The format of the exhibit is essentially fixed. Extend the worksheet to add more rows as needed. This exhibit must be submitted as a Word document file or an Excel file, even if it is submitted as an Adobe PDF file.</p> <p>c. In section A, list all rate filings that have been approved since the prior Section 3231(e)(1) or Section 4308(c) rate filing that impact the percentage rate change of the policyholders affected by this rate adjustment submission. The actuarial memorandum should include a brief description of such changes, when the changes were implemented, and the impact on the rate changes in Exhibits 4 and 5.</p> <p>d. In section B, list all rate filings currently pending with the Department that if approved would impact the percentage rate change of the policyholders affected by this rate adjustment submission. This includes any pending request to discontinue a policy form, product, or plan design option.</p> <p>e. In section C, list any “file and use” rate submissions which impact the rate tables in this filing. If the current rates were implemented by a file and use rate filing, and these current rates are being revised with this Section 3231(e)(1) or Section 4308(c) rate filing, or if the percentage changes reported in Exhibits 4 or 5 are impacted by a file and use filing, then list the applicable file and use rate filing(s).</p>	<p>Supporting Documentation - NY SG AHIC Standard Exhibits - Ex 6.pdf</p> <p>Supporting Documentation - NY SG AHIC Standard Exhibits - Ex 6.xls</p>
<p><b>Exhibit 7</b></p>		<p><b>Historical Data by Each Policy Form Included in the Rate Adjustment Filing (formerly the Summary Template).</b></p> <p>a. This exhibit must be submitted as an Excel file even if it is also submitted as an Adobe PDF file. The format of the exhibit is fixed; add more columns to the right as needed; copy to additional tabs in the Excel workbook as needed to create additional exhibits.</p> <p>b. A separate exhibit is to be submitted for each rating pool (i.e., permitted aggregation of base medical policy forms). Create additional tabs as needed. Data is to be submitted for each base medical policy form included in the rate adjustment filing even if no rate adjustment is proposed for that base medical policy form.</p> <p>c. Indicate the company name, the NAIC code number for that entity, and the SERFF filing number for the applicable rate filing in the spaces indicated.</p> <p>d. Indicate for each base medical policy form the form number, the product name as in the rate manual, and the street product name. Also indicate the other base medical policy forms this form is aggregated with for rate setting. Add additional columns as needed. Add a rightmost column with aggregate values for the entire rating pool (for the appropriate rows). Refer to Section 360.11(a)-(b) of Regulation 145 (11 NYCRR 360) for the requirements to aggregate substantially similar</p>	<p>Supporting Documentation - NY SG AHIC Standard Exhibits - Ex 7.pdf</p> <p>Supporting Documentation - NY SG AHIC Standard Exhibits - Ex 7.xls</p>

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		<p>policy forms for small group policy forms and for individual policy forms.</p> <p>e. Indicate for each base medical policy form if the policy form aggregation has changed from the previous rate filing. If yes, the actuarial memorandum must include an explanation of the change, the rationale for the change, and the percentage rate impact this change has on this policy form and on the policy forms previously aggregated with this policy form.</p> <p>f. The effective date of rate change refers to the proposed effective date of the non-rolling rate table, and/or the proposed effective date of the first rolling rate period of a rolling rate structure.</p> <p>g. The rate guarantee period refers to a non-rolling rate table and/or to the first rate table of a rolling rate structure. (If the rate guarantee period for the rolling rate structure is not the same for each rolling rate period, the actuarial memorandum must discuss this and explain why the length of the rate guarantee periods are not the same.)</p> <p>h. The weighted average rate change percentage proposed (from the rate currently charged the policyholder [or currently scheduled to be charged at the next rate change date for changes already approved or deemed approved by a prior rate application and which is not being revised by the current rate application] to the proposed rate to be charged to that same cohort of policyholders) for the indicated base medical policy form, including all associated riders. The weighting should be based on members. For a rolling rate structure, enter the result for the first rate table in the rolling rate structure. (Example: a quarterly rolling rate filing was submitted that includes rolling rate tables for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> quarters of 2012. Rates are for a 12 month period. Indicate the average rate change percentage from the 1<sup>st</sup> quarter of 2011 rate tables to the 1<sup>st</sup> quarter 2012 rate tables.)</p> <p>i. For the number of policyholders affected and the number of covered lives affected, indicate the effect of all the rate tables of a rolling rate structure included in the rate filing (but not more than 12 months of issues and renewals if more than 12 months of rolling rate tables are included in the rate filing). For group business, “policyholders” is referring to the number of groups, not the number of subscribers or contracts.</p> <p>j. The expected loss ratio is the loss ratio incorporated into the proposed rate tables for each base medical policy form (and the entire rating pool) and includes the impact of associated riders and reflects the impact of the proposed rate changes. Loss ratio is calculated on a New York statewide basis. For a rolling rate structure, enter the expected loss ratio incorporated into the rate tables of the first rolling rate period of the rolling rate structure.</p> <p>k. The experience entered for the two indicated experience periods is the New York statewide experience for the indicated base medical policy form plus all associated riders.</p>	
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		<ul style="list-style-type: none"> <li>(i) Each experience period is to be for 12 months (or shorter if a new form).</li> <li>(ii) The ending date of the recent experience period cannot be earlier than 12 months before the proposed effective date of the earliest rate table included in the rate filing. (Example: The rate filing is for a non-rolling rate table to be effective July 1, 2012. The recent experience period cannot have an ending date earlier than June 30, 2011, i.e., 12 months prior to July 1, 2012.).</li> <li>(iii) The prior period is the immediately prior 12 month experience period (or shorter period if a new form).</li> <li>(iv) The incurred claims for each of the two experience periods must be based on at least 3 months of claims run-out beyond the end of the experience period. The actuarial memorandum is to provide a clear description of how these incurred claims were developed for each experience period and how many months of claim run-out were reflected in the development of the incurred claims.</li> <li>l. Enter the annual composite medical trend assumption used for each base medical policy form (including impact of associated riders). Enter the annual utilization and unit cost trend components included in the composite trend factor shown.</li> <li>m. The actuarial memorandum is to include a clear description of how the standardized earned premiums for each experience period were developed from the earned premiums for the applicable experience period, and include documentation and supporting exhibits showing how the standardized premiums were developed for each experience period. A numerical example illustrating the development methodology is to be included as part of the actuarial memorandum. The same standard rate level is used for both of the experience periods.</li> <li>n. If the rating differential between the New York rating regions is being revised with this rate filing, separate versions of Exhibit 7 are to be included for each rating region, each permitted aggregation of rating regions, and for all rating regions combined.</li> </ul>	
<b>ACTUARIAL MEMORANDUM</b>	11NYCRR 52.40(a)(1)	Actuarial qualifications: <ul style="list-style-type: none"> <li>a. Member of the Society of Actuaries or member of the American Academy of Actuaries; and</li> <li>b. Meets the “Qualification Standards of Actuarial Opinion” as adopted by the American Academy of Actuaries.</li> </ul>	Supporting Documentation - NY SG AHIC Act Memo.pdf  Supporting
Justification of Rates	§3231(e) §4308(c) 11NYCRR 52.40 11NYCRR 52.42 (HMOs) 11NYCRR 52.45 11NYCRR 59.5(b)	<ul style="list-style-type: none"> <li>a. Description of proposed changes in rates, including the following:               <ul style="list-style-type: none"> <li>(i) The member weighted average proposed percentage change over the current rates charged to each renewal cohort of policyholders for each base medical policy form, including the impact of all associated riders available to that policy form (or currently scheduled to be charged at the next rate change date for changes already approved or deemed approved by a prior rate application and which is not being revised by the current rate application). This is to be</li> </ul> </li> </ul>	All items are addressed in the supporting documentation.

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	11NYCRR 360.11	<p>shown for each non-rolling rate table and/or each rolling rate table included in the rate filing. (The percentage change is comparable to the percentage change developed for Exhibit 5.) Include comparable information for percentage rate changes implemented during the prior 24 months.</p> <p>(ii) For a rolling rate structure, the percentage change to the first rate table of the rolling rate structure included in the rate filing, from the immediately preceding implemented rolling rate table not included in the rate filing. Indicate the rolling rate periods of the rate tables used to develop this percentage change. If the percentage change between two corresponding rate tables is not uniform, indicate the minimum, maximum and average percentage change between those two rate tables. This comparison is to be done for each first table of a rolling rate structure included in the rate filing. (Example: The rate filing includes four quarterly rolling rate tables beginning 3<sup>rd</sup> quarter 2011. The change from each of the 2<sup>nd</sup> quarter 2011 rolling rate tables to the corresponding 3<sup>rd</sup> quarter 2011 rolling rate table is to be indicated.) The proposed percentage change between each succeeding rolling rate table is also to be indicated.</p> <p>(iii) For the 24 month period prior to the effective date of the earliest rate table included in the rate adjustment submission, indicate the aggregate (medical plus riders) percentage change between the successive non-rolling rate tables. For a rolling rate structure, indicate the aggregate (medical plus riders) percentage change between each of the successive rolling rate tables (e.g., for a quarterly rolling rate structure, the percentage change between each of the successive quarterly rate tables).</p> <p>(iv) The percentage change due to any change in the expected loss ratio incorporated into the proposed rate tables from the prior rate filing for such base medical policy form or rider. Indicate the expected loss ratio incorporated into the current rate tables, the expected loss ratio incorporated into the proposed rate tables, the impact on the percentage change in items (i) and (ii) above due to this revision in the expected loss ratio, and the reason(s) and justification for the change in the pricing expected loss ratio.</p> <p>(v) The percentage change due to any change to the tier structure relationships included in this rate filing and the impact of such change on the percentage changes in items (i) and (ii) above. Include justification for such changes.</p> <p>(vi) The percentage change due to any change to the factor used to convert per member per month results to per single employee results included in this rate filing, and the impact of such change on the percentage changes in items (i) and (ii) above. Include justification for such changes.</p> <p>(vii) The percentage change due to variance in the prior incurred claim cost per member per month estimate and the impact of such variance on the percentage</p>	
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		<p>changes in items (i) and (ii) above. Discuss the reasons contributing to this variance and include an exhibit showing how this variance and the percentage impact of this variance were developed.</p> <p>(viii) Changes to any of the rating differentials between the various rating regions included in this rate filing. If the rating differential between the rating regions was changed, include (a) a listing of the composition of each rating region, (b) the percentage change impact on each such rating region, and (c) justification for each such change between the rating region differentials. If the composition of any rating region is being changed with this filing, indicate (a) the current and proposed composition of the affected rating regions, (b) the percentage change impact on each of the affected rating regions, and (c) justification for the proposed change in the rating region composition.</p> <p>b. If new benefit options are being added to an existing rate table (such as additional copays or deductibles): (a) clearly indicate the additions being made, (b) include in the actuarial memorandum, a statement that the already approved contract language includes the new benefit options being added, (c) provide appropriate actuarial justification for the additional rating factors, and (d) submit a copy of the approved contract language pages and a copy of the Department’s approval letter and clearly indicate how the approved contract language covers the new benefit options being added to the existing rate table.</p> <p>c. Include the following:</p> <p>(i) For each non-rolling rate table: the current rate for each rating tier, the proposed rate for each rating tier, and the dollar and percentage change from the current rate to the proposed rate for each rate table, rating tier, and benefit option for each policy form and rider form included in the rate submission.</p> <p>(ii) For each rolling rate table: the current rate for each rating tier, the proposed rate for each rating tier, and the dollar and percentage change for each renewal cohort from the current rate to the proposed rate for each rate table, rating tier, and benefit option for each policy form and rider form included in the rate submission. (Example: the rate submission includes new rate tables for third and fourth quarter 2011 and first and second quarter 2012. Rates are for 12 month periods. Show the rates for the third quarter 2010, the proposed rates for the third quarter 2011, and the dollar and percentage change from third quarter 2010 to the proposed third quarter 2011 rates. Show a similar table for the proposed fourth quarter 2011, and first and second quarter 2012 rates as well.)</p> <p>d. Discuss the standard premium development used in Exhibit 7. See discussion above on Exhibit 7.</p> <p>e. Discuss the source data used to develop the projected incurred claims for the renewal rate applicability period.</p> <p>(i) If the source data is actual claims experience, the experience period is to be at</p>	
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		<p>least 12 months long, and the unpaid claim reserve is to be based on at least 3 months of claims run-out beyond the end of the experience period.</p> <ul style="list-style-type: none"> <li>(ii) If the source data is other than the actual claims experience, indicate the source of this data (e.g., from what publication, prepared by what organization), and the applicability of this source data.</li> <li>(iii) Discuss the credibility of such source data. Since the NAIC and HHS have adopted for the federal MLR rebate calculation 75,000 life years (900,000 member months) as required for full credibility and less than 1,000 life years (12,000 member months) as non credible, the credibility of the source data should be discussed consistent with these parameters.</li> <li>(iv) Include an exhibit showing the source data and indicate all adjustments made to this source data to develop the projected incurred claims for the renewal rate applicability period. Provide this detail for each non-rolling rate table included in the rate filing, and/or for the first rate table of each rolling rate structure included in the rate filing (for base medical rate tables and for rider rate tables) for each permitted aggregation of policy forms (i.e., rating pool). Provide justification for each such adjustment.</li> </ul> <p>f. Indicate the assumed annualized claim trend projection factors used to project the source data to the renewal rate applicability period (for the non-rolling rate tables and/or the first rate tables of a rolling rate structure) for each product within each permitted policy form aggregation (i.e., rating pool).</p> <ul style="list-style-type: none"> <li>(i) Indicate the assumed annualized composite trend factors used for each base medical policy form (or permitted aggregation) and separately for the utilization and unit cost components of the composite trend. Indicate the assumed composite annual trend factors used for each rider form (or permitted aggregation) and separately for the utilization and unit cost components of the composite trend.</li> <li>(ii) Provide justification for the assumed utilization, unit cost and composite annual trend factors. Discuss the impact and provide justification for any case mix change, intensity of service change, population/demographic change, adverse selection, or deductible leveraging component incorporated into the utilization and/or unit cost trend factor components.</li> <li>(iii) Clearly discuss how the annualized trend factors were applied to the source data to develop the projected data for the renewal rate applicability period.</li> </ul> <p>g. Provide an actuarial justification of the proposed rate changes for each base medical policy form and each rider form, or permitted aggregation, included in the rate submission.</p> <ul style="list-style-type: none"> <li>(i) Clearly show how the percentage change from the current rate table was developed, or how the revised premium rate was developed, for the non-rolling rate tables and/or the first rate tables of a rolling rate structure. (Example: for</li> </ul>	
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		<p>a rolling rate structure, how the percentage change from the existing 2<sup>nd</sup> quarter 2011 rate table to the proposed 3<sup>rd</sup> quarter 2011 rate table was developed for each rating element in the proposed rate table.) This demonstration must clearly show how the proposed rate change was developed from the projected source data, current rate level, and expected loss ratio. Provide justification for the percentage change proposed.</p> <p>(ii) For each subsequent rate table of a rolling rate structure, show how the change between each of the successive rate tables was developed (e.g., the change from the 3<sup>rd</sup> quarter 2011 rate table to the 4<sup>th</sup> quarter 2011 rate table). Provide justification for these changes between the rolling rate tables.</p> <p>(iii) Clearly show how the proposed rate development, as applicable, reflects recoveries from the standard direct pay and Healthy New York stop loss pools (New York Insurance Law Sections 4321-a, 4322-a, and 4327), and discuss how the recovery amounts used were developed.</p> <p>(iv) Clearly show how the proposed rate development, as applicable, reflects payments to, or receipts from, the Department Regulation 146 (11 NYCRR 361) and New York Insurance Law Section 3233 marketing stabilization pool. Clearly discuss how the corporation has been complying with 11 NYCRR 361 (Regulation 146), Section 361.6(g), and include in the rate application any new plan pursuant to Section 361.6(g)(2)(i). Such discussion should include an exhibit showing how all monies received from the Regulation 146 pool from calendar years 2007 to date have been used to benefit consumers pursuant to the requirements of Section 361.6(g).</p> <p>h. If the percentage rate change by benefit option differs within a particular policy form (or rider form), include an actuarial demonstration that the rate changes were developed assuming the same insured population selects each of the available benefit options, and that the differences in the percentage rate changes are not due to differences in the age, sex, health status, or industry distributions of the members selecting a particular benefit option. Any assumed variation in utilization by benefit option within a particular policy form (or rider form) must be based solely on the benefit differential, must assume that the same population of insureds selects each benefit option within the policy form, and cannot be based on differences due to age, sex, health status or industry among the members selecting the different benefit options.</p> <p>i. If the percentage rate change by policy form differs within a permitted aggregation of policy forms, include an actuarial demonstration that the rate changes were developed assuming the same insured population selects each of the available benefit options among the aggregated policy forms, and that the differences in the percentage rate changes are not due to differences in the age, sex, health status, or industry distributions of the members selecting a particular benefit option within</p>	
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**NEW YORK INSURANCE DEPARTMENT**

**Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law**

		<p>the aggregated policy forms. Any assumed variation in utilization between policy forms within a permitted aggregation of policy forms must be based solely on the benefit differential, must assume that the same population of insureds selects each benefit option within the permitted aggregation of policy forms, and cannot be based on differences due to age, sex, health status or industry among the members selecting a particular benefit option within the aggregated policy forms.</p> <p>j. If the percentage rate change by rating region differs, the default assumption is that the rating regions are not aggregated for rate setting purposes. In order for a company to claim that certain rating regions are aggregated for rate setting purposes, it is necessary to include an actuarial demonstration that the rate changes were developed assuming the same insured population in each of the aggregated rating regions, and that the differences in the percentage rate changes are not due to differences in the age, sex, health status, or industry distributions of the members in each of the aggregated rating regions.</p> <p>k. Indicate for each permitted policy form aggregation, within each rating region aggregation, the non-claim expense components incorporated into the current premium rates and into the proposed premium rates as a percentage of gross premiums and as \$pmpm. This is to be shown for the non-rolling rate tables and/or the first rate table of each rolling rate structure. Include the following components:</p> <ul style="list-style-type: none"> <li>(i) Regulatory authority licenses and fees, including New York State 332 assessment expenses;</li> <li>(ii) Administrative expenses for activities that improve health care quality as defined in the NAIC Annual Statement Supplemental Health Care Exhibit;</li> <li>(iii) Commissions and broker fees;</li> <li>(iv) Premium taxes;</li> <li>(v) Other administrative expenses;</li> <li>(vi) After-tax underwriting margin (profit/contribution to surplus);</li> <li>(vii) State income taxes (and applicable state income tax rate);</li> <li>(viii) Federal income taxes (and applicable federal income tax rate);</li> <li>(ix) Reduction for net investment income, if any; and</li> <li>(x) Net of the above.</li> </ul> <p>Discuss how administrative expenses are allocated to the various market segments and product lines.</p>	
<p>Minimum Loss Ratio Requirements</p>	<p>§3231(e)(1)(B) §4308(c)(3) 11NYCRR52.45(i) 11NYCRR59.5(b)</p>	<p>a. The minimum loss ratio for community rated products, other than the official Medicare Supplemental products, is as specified in Section 3231(e)(1)(B) or 4308(c)(3)(A) of the New York Insurance Law, as amended by Chapter 107 of the Laws of 2010.</p> <p>b. The minimum loss ratio for the official Medicare Supplemental products is:</p> <ul style="list-style-type: none"> <li>(i) Article 43 companies: as specified in Section 4308(c)(3)(B) of the Insurance</li> </ul>	<p>Supporting Documentation - NY SG AHIC Rate Manual - 1q12-3q12.pdf</p> <p>Supporting Documentation - NY SG AHIC Rate Manual - 1q12-3q12.pdf</p>

**NEW YORK INSURANCE DEPARTMENT**

**Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law**

		Law, as amended by Chapter 107 of the Laws of 2010; and (ii) Article 42 companies: as specified in Section 52.45(i) of Regulation 62 (11 NYCRR 52).	
Actuarial Certification	11NYCRR 52.40(a)(1)	<ul style="list-style-type: none"> <li>a. The filing is in compliance with all applicable laws and regulations of the State of New York.</li> <li>b. The filing is in compliance with Actuarial Standard of Practice No. 8 “Regulatory Filings for Rates and Financial Projections for Health Plans”.</li> <li>c. The expected loss ratio incorporated into the proposed rate tables meets the minimum requirement of the State of New York by permitted aggregation of policy forms within each permitted aggregation of rating regions. Specify the expected loss ratio incorporated into the proposed rate tables for each permitted aggregation of policy forms within each permitted aggregation of rating regions.</li> <li>d. The benefits are reasonable in relation to the premiums charged.</li> <li>e. The rates are not unfairly discriminatory.</li> </ul>	Supporting Documentation - NY SG AHIC Act Cert.pdf
<b>REVISED RATE MANUAL PAGES</b>	11NYCRR 52.40(e)(2) 11NYCRR 52.45(f) 11NYCRR 59.5(b)	<p><b>Rate Manual.</b></p> <ul style="list-style-type: none"> <li>a. Table of contents.</li> <li>b. Rate pages, including a page indicating the composition of each rating region.</li> <li>c. Insurer/corporation name on each consecutively numbered rate page.</li> <li>d. Identification by form number of each policy, rider, or endorsement to which the rates apply.</li> <li>e. Brief description of benefits, types of coverage, limitations, exclusions, and issue limits.</li> <li>f. Description of revised rating classes, factors and discounts, as applicable.</li> <li>g. Examples of rate calculations, i.e., how the rate tables and formulas included in the rate manual are used to calculate the final rate for a given benefit design.</li> <li>h. Commission schedule(s) and fees.</li> <li>i. Underwriting guidelines and/or underwriting manual, to the extent applicable.</li> <li>j. Expected loss ratio(s).</li> </ul>	Supporting Documentation - NY SG AHIC Rate Manual - 1q12-3q12.pdf
<b>NOTICES TO POLICYHOLDERS Initial &amp; Final</b> Circular Letter No. XX (2011) Pending	§3231(e)(1)(A) §4308(c)(2)	<ul style="list-style-type: none"> <li>a. A sample copy of the initial written notice sent to policyholders and subscribers/contract holders of the proposed rate adjustment submitted to the Insurance Department. <ul style="list-style-type: none"> <li>(i) Section 3231(e)(1) and Section 4308(c) of the New York Insurance Law require that the initial notice be sent on or before the date the rate application is submitted to the Insurance Department.</li> <li>(ii) A range can be used to indicate the rate change provided that the range is no wider than 5 percentage points.</li> <li>(iii) If different notices are used for different products or different rating regions, submit a sample for each such product and/or each such rating region.</li> </ul> </li> </ul>	<p>Supporting Documentation - Initial Notice of Proposed Rate Adjustment</p> <p>Supporting Documentation - Final Notice of Proposed Rate Adjustment</p>

**NEW YORK INSURANCE DEPARTMENT**

**Instructions/Review Standards for Rate Adjustment Filings Submitted Pursuant to Section 3231(e)(1) or Section 4308(c) of the New York Insurance Law**

		b. A sample copy of the final written notice to be sent to policyholders after the proposed rates are finalized.	
<b>RATE FILINGS THAT ARE SUBJECT TO REVIEW</b>	PPACA §1003	HHS has defined a “rate filing that is subject to review” as any rate filing where the rate increase over the prior 12 months equals or exceeds a stated threshold. For rate filings that HHS has defined to be a “rate filing that is subject to review”, submit a copy of all documentation required to be submitted to HHS for such rate filing.	Not subject to HHS review.

**Aetna Health Insurance Company of New York**

**Actuarial Certification**

I, [REDACTED] am an actuary and employee of Aetna Inc. and a member of the American Academy of Actuaries.

I have examined the underlying records and/or summaries, reviewed the assumptions and methods used in their development, and did such tests and calculations as I considered necessary. I certify that, to the best of my knowledge, the attached memorandum reflects the rating impact for the new plans. I further certify that this filing is in compliance with all applicable laws and regulations of the State of New York, Actuarial Standard of Practice No. 8, the expected loss ratio requirements of the State of New York, the benefits are reasonable in relation to the premiums charged, and the rates are not unfairly discriminatory.

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[REDACTED]

[REDACTED]

Northeast & SGI Head Actuary  
September 2, 2011

**Aetna Health Insurance Company of New York  
Actuarial Memorandum**

This filing pertains to Aetna Health Insurance Company of New York forms: HO ASTAHCRGrp 01 NY. Its purpose is to provide the benefit descriptions and Small Group premium rates for the various plan options offered under this product.

In light of recent favorable experience, we are submitting this filing to revise the previously filed and approved rate increase for 1Q12 through 3Q12. The new Federal disclosure requirements do not apply to this filing since this filing is not requesting a rate increase above 10%.

Notifications of this proposed filing have been sent to our customers and members in the NY OA POS 21-10 plans. The remaining customers and members in the community rated pool are in plans that are being withdrawn from the market as part of a Department-approved product withdrawal, beginning with renewals on December 1, 2011. These customers and members will receive information about available plan options and specific rate information in their renewal packets.

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We have attached copies of all pages of our small group rate manual. Please note that pages containing rates have been provided for all 3 quarters governed by this filing. The rates filed include all previously approved PPACA adjustments. The following table is a summary of the revised proposed quarterly and annual rate adjustments that apply to all products governed in this filing and will be effective on the policyholder's next anniversary occurring on or after the effective dates shown:

Effective Date	Proposed Rate Increases	
	Quarterly	Annual
01/01/2012	-2%	0.9%
04/01/2012	2%	3.0%
07/01/2012	2%	2.0%

\*This filing includes rates for plans discontinued in 4Q10 in the event we are required to continue to offer these plans to certain existing members. As approved in our previous filing, these plans received a 3% increase in 4Q11. As a result they will have a 5% annual increase for 3Q12.

Our pricing model makes the following adjustments to normalize the premium and claims and assure the numerator and denominator of the loss ratio calculation are based on the same populations and mix of plan designs:

- We utilized Aetna Small Group, community rated NY HMO and POS experience for the period 6/1/10 through 5/31/11 with run-out through 6/30/11 in order to project claims for this filing.
- The historical claims are normalized for demographics, tier, benefit changes, case size, and area to the most recent month of the experience period, and a one month lagged annual experience period weighted average PMPM is calculated and projected forward

with trend and seasonality.

- The medical trend assumptions are based on our large group experience.
- The current premium levels by renewal cohort are carried forward using filed rate changes on each cohort renewal month.
- We then look at projected calendar year loss ratios and renewal cohort loss ratios, and a rate increase is chosen in order to exceed New York's minimum 82% loss ratio and achieve our target renewal cohort loss ratio.

The attached exhibit 7, 7A, 7B, 7C, 7D, and 7E illustrate the historical experience, demonstrate the calculation of standardized premium, detail the development of the proposed rate increases, and provide detail on our most recent medical and unit cost trends. The following table summarizes the expected loss ratio including breakdown of the non-claims expense component:

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	New York Employer Groups with Fewer than <u>50</u> <u>Employees</u>
<b>Incurred Claims</b>	83.3%
<b>Expenses</b>	5.3%
<b>Premium Taxes</b>	1.0%
<b>Commissions</b>	4.0%
<b>FIT + Profit</b>	6.4%
<b>Total</b>	100.0%

FIT = Federal Income Tax

The expense assumptions are consistent with the 2010 expense ratio from the New York Data requirements. Administrative expenses are based on the Aetna Health Inc. of New York reported financial results and are allocated to the various market segments and product lines based upon membership in the segments and lines. Due to Aetna's legal entity structure, actual administrative expenses may be somewhat higher than illustrated above.

**EXHIBIT 7E: LISTING OF ALL COMMERCIAL AND MEDICARE PRODUCTS SOLD BY THE COMPANY**

Company Name: Aetna Health Insurance Company of New York  
 NAIC Code: 84450  
 SERFF Tracking Number: AETN-127389996

**Instructions:**

- The product street name is the product name as advertised to consumers (i.e., as consumers are likely to refer to this product/policy form when communicating with the Department).
- Market segment is: Large Group, Small Group, Individual, Healthy New York, Medicare Supplement (official benefit designs), Medicare Advantage, and Medicare Part D Drugs.
- Product type is a broad category such as HMO, POS, EPO, PPO, Indemnity Fee For Service, Consumer Driven/High Deductible, Medicare Supplement, etc.
- Use the drop down list for entries of Market Segment and Product Type or enter other applicable items.
- Extend the worksheet to add more rows as needed.

#	Market Segment	Policy Form Number	Product Name as in Rate Manual	Product Street Name	Product Type
6403620	Small Group	HO ASTAHCGRgp 01 NY	NYC Community PlanSM 1 OON	NYC Community PlanSM 1 OON	HMO
6403621	Small Group	HO ASTAHCGRgp 01 NY	NYC Community PlanSM 5 OON	NYC Community PlanSM 5 OON	HMO
6403622	Small Group	HO ASTAHCGRgp 01 NY	NYC Community PlanSM 6 OON	NYC Community PlanSM 6 OON	HMO
6403895	Small Group	HO ASTAHCGRgp 01 NY	NY OA POS 21-10 OON	NY OA FOS 21-10 OON	POS - HMO based





**EXHIBIT 2: FOIL EXEMPTION REQUEST**

**Instructions:**

1. A request that the New York State Insurance Department ("Department") exempt from public disclosure any information included in this submission, pursuant to New York Public Officers Law § 87(2)(d) (the "Trade Secret/Competitive Injury Exemption"), must be made by completing this exhibit.
2. A request that the Department apply the Trade Secret/Competitive Injury Exemption to any information contained in this submission that is not included in this exhibit may not be honored by the Department.
3. A request that the Department apply the Trade Secret/Competitive Injury Exemption to any information included in this submission must be accompanied by a written statement of necessity that:
  - (a) identifies the specific parts of the submission for which the Company believes the Trade Secret/Competitive Injury Exemption should be applied;
  - (b) specifies the reasons why the submission, or parts thereof, should be exempt from disclosure pursuant to the Trade Secret/Competitive Injury Exemption; and
  - (c) where applicable, indicates where redactions would suffice to protect the exempt information.
- 4.

In light of the open government purpose underlying FOIL, the Department favors redacting portions of documents, and disclosing the balance of such documents, as opposed to withholding documents in their entirety, where such redactions will suffice to protect the exempt information. Therefore, the Company should submit to the Department both the original document and a redacted version of the original document, which omits or blocks the information it wishes to exempt from disclosure.

**A. Insurer Information:** Aetna Health Insurance Company of New York      84450      AETN-127389996  
Company submitting the rate adjustment request      Company NAIC Code      SERFF tracking number

**B. FOIL Contact Person:** [Redacted]      palazzettif@aetna.com  
Name, title      Phone number      Email address  
100 Park Ave - 12th Floor, New York, NY 10017      212.457.0301  
Mailing address      Fax number

**C. List all documents, exhibits, and attachments separately, including the file names of computer files that are included with the application. Please indicate with an asterisk (\*) those documents that you believe contain information subject to the Trade Secret/Competitive Injury Exemption. Any document without an asterisk will be deemed to be a public document.**

Cover Letter	PDF NY SG AHIC Cover Letter.pdf
Actuarial Memorandum	PDF NY SG AHIC Act Memo.pdf
Actuarial Certification	PDF NY SG AHIC Act Memo - REDACTED.pdf
Table of Contents	PDF NY SG AHIC Act Cert.pdf
General Information	NY SG AHIC Rate Manual - 1q12-3q12.pdf
Quality Point of Service Calculation	NY SG AHIC Rate Manual - 1q12-3q12.pdf
Table 1a - 1Q2012 Premium Levels	NY SG AHIC Rate Manual - 1q12-3q12.pdf
Table 1b - 2Q2012 Premium Levels	NY SG AHIC Rate Manual - 1q12-3q12.pdf
Table 1c - 3Q2012 Premium Levels	NY SG AHIC Rate Manual - 1q12-3q12.pdf
Table 2 - Area Factors	PDF NY SG AHIC Rate Manual - 1q12-3q12.pdf
Table 1a - 1Q2012 Premium Levels - Amendment	NY SG AHIC Rate Manual - 1q12-3q12.pdf
Table 1b - 2Q2012 Premium Levels - Amendment	NY SG AHIC Rate Manual - 1q12-3q12.pdf
Table 1c - 3Q2012 Premium Levels - Amendment	NY SG AHIC Rate Manual - 1q12-3q12.pdf
Anticipated Loss Ratio	NY SG AHIC Rate Manual - 1q12-3q12.pdf
2011-2012 Producer Compensation Plan	NY SG AHIC Rate Manual - 1q12-3q12.pdf
Exhibit 1: General Information about the Rate Adjustment Submission	PDF NY SG AHIC Standard Exhibits - Ex 1.pdf
Exhibit 2: FOIL Exemption Request	PDF NY SG AHIC Standard Exhibits - Ex 2.pdf
Exhibit 3: Narrative Summary	PDF NY SG AHIC Standard Exhibits - Ex 3.pdf
Exhibit 4: Summary of Proposed Percentage Rate Change to Existing Rate	PDF NY SG AHIC Standard Exhibits - Ex 4.pdf & XLS NY SG AHIC Standard Exhibits - Ex 4.xls
Exhibit 5: Distribution of Contracts Affected by Proposed Rate Adjustments	PDF NY SG AHIC Standard Exhibits - Ex 5.pdf & XLS NY SG AHIC Standard Exhibits - Ex 5.xls
Exhibit 6: Summary of Policy Form and Product Changes	PDF NY SG AHIC Standard Exhibits - Ex 6.pdf & XLS NY SG AHIC Standard Exhibits - Ex 6.xls
Exhibit 7: Historical Data by Each Policy Form Included in Rate Adjustment Filing	NY SG AHIC Standard Exhibits - Ex 7.pdf PDF NY SG AHIC Standard Exhibits - Ex 7.xls & XLS NY SG AHIC Standard Exhibits - Ex 7 - REDACTED.pdf NY SG AHIC Standard Exhibits - Ex 7 - REDACTED.xls

**D. Provide a separate list of all documents, exhibits, and attachments, of which a portion has been redacted, including the file names of computer files that are included with the application. The unredacted portion(s) of the redacted documents may be deemed to be public.**

*Actuarial Memorandum	PDF NY SG AHIC Act Memo - REDACTED.pdf
*Exhibit 7: Historical Data by Each Policy Form Included in Rate Adjustment Filing	PDF NY SG AHIC Standard Exhibits - Ex 7 - REDACTED.pdf
*Exhibit 7: Historical Data by Each Policy Form Included in Rate Adjustment Filing	XLS NY SG AHIC Standard Exhibits - Ex 7 - REDACTED.xls

**E. Statement of necessity as discussed in Instructions # 3, above.**

We are requesting that the documents identified above with an asterisk (\*) be exempted from public disclosure and that only the redacted versions be publicly released on request.  
 The documents contain certain non-public, confidential and/or proprietary company information relating to our historical medical cost and premium information and forward looking medical cost trend, earnings other information that we deem could give our competitors insights into our future pricing and other strategies and allow them to unfairly target our customers.

### EXHIBIT 3: NARRATIVE SUMMARY

Company Name: Aetna Health Insurance Company of New York  
 NAIC Code: 84450  
 SERFF Tracking #: AETN-127389996

Aetna Health Insurance Company of New York 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.

## EXHIBIT 4: SUMMARY OF PROPOSED PERCENTAGE RATE CHANGE TO EXISTING RATE

Aetna Health Insurance Company of New York  
Company submitting the rate adjustment request

84450  
Company NAIC Code

AETN-127389996  
SERFF tracking number

- => This Exhibit will be considered as a supplement to the Summary Narrative (Exhibit 3). It will be a public document, posted on the Department's website and made available to the public by the Department upon request.
- => This form must be submitted as an Excel file, even if a version is submitted as a PDF file.
- => Submit separate exhibits by market segment such as Large Group, Small Group, Sole Proprietor, Individual, etc. If the proposed percentage rate change for Sole Proprietor is different from Small Group, then a separate market segment of Sole Proprietor is to be reported.  
Submit separate exhibits by rating region if the rate changes differ by rating region.  
Submit separate exhibits for each rolling rate table of a rolling rate structure.
- => The proposed percentage rate change reflects the expected change in premium rate that would apply to the contract holder on that contract holder's next rate change date for each contract holder with the indicated base medical plan.
- => The product street name is the product name as advertised to consumers (i.e., as consumers are likely to refer to this product/policy form when communicating with the Department).
- => The format of this exhibit is discussed below and should be tailored to the specific rate filing submission. Extend the worksheet to add more rows or tabs as needed.

### A. BASE MEDICAL PLAN

**Market Segment:** Small Group => Provide a list of proposed rate changes for each base medical plan type, by product name/street name.

**Rating Region:** All => The "proposed rate change" is just for the base medical product, excluding the impact of any riders.

- Lowest should be the smallest percentage change that could affect any contract holder due to the proposed rate filing with that base medical product; the impact of riders is not included.
- Highest should be the largest percentage change that could affect any contract holder due to the proposed rate filing with that base medical product; the impact of riders is not included.
- The weighted average should reflect the average using the distribution of contracts within each base medical product; the impact of riders is not included.

#### Rolling Rate Product

Policy Form #	Product Name	Product Street Name	Effective Period of New Rolling Rate *	Proposed Percentage Rate Change		
				Lowest	Highest	Weighted Avg
HO ASTAHCRCRGrp 01	NYC Community PlanSM 1 OON	NYC Community PlanSM 1 OON	Jan - Mar 2012	0.9%	0.9%	0.9%
HO ASTAHCRCRGrp 01	NYC Community PlanSM 5 OON	NYC Community PlanSM 5 OON	Jan - Mar 2012	0.9%	0.9%	0.9%
HO ASTAHCRCRGrp 01	NYC Community PlanSM 6 OON	NYC Community PlanSM 6 OON	Jan - Mar 2012	0.9%	0.9%	0.9%
HO ASTAHCRCRGrp 01	NY OA POS 21-10 OON	NY OA POS 21-10 OON	Jan - Mar 2012	0.9%	0.9%	0.9%
HO ASTAHCRCRGrp 01	NYC Community PlanSM 1 OON	NYC Community PlanSM 1 OON	Apr - Jun 2012	3.0%	3.0%	3.0%
HO ASTAHCRCRGrp 01	NYC Community PlanSM 5 OON	NYC Community PlanSM 5 OON	Apr - Jun 2012	3.0%	3.0%	3.0%
HO ASTAHCRCRGrp 01	NYC Community PlanSM 6 OON	NYC Community PlanSM 6 OON	Apr - Jun 2012	3.0%	3.0%	3.0%
HO ASTAHCRCRGrp 01	NY OA POS 21-10 OON	NY OA POS 21-10 OON	Apr - Jun 2012	3.0%	3.0%	3.0%
HO ASTAHCRCRGrp 01	NYC Community PlanSM 1 OON	NYC Community PlanSM 1 OON	Jul - Sept 2012	2.0%	2.0%	2.0%
HO ASTAHCRCRGrp 01	NYC Community PlanSM 5 OON	NYC Community PlanSM 5 OON	Jul - Sept 2012	2.0%	2.0%	2.0%
HO ASTAHCRCRGrp 01	NYC Community PlanSM 6 OON	NYC Community PlanSM 6 OON	Jul - Sept 2012	2.0%	2.0%	2.0%
HO ASTAHCRCRGrp 01	NY OA POS 21-10 OON	NY OA POS 21-10 OON	Jul - Sept 2012	2.0%	2.0%	2.0%

\* The effective period of a new rolling rate may vary depending on the rolling structure (e.g., "January - March 2012" for a quarterly rolling rate structure.)

**EXHIBIT 5: DISTRIBUTION OF CONTRACTS AFFECTED BY PROPOSED RATE ADJUSTMENTS**

Company Name: Aetna Health Insurance Company of New York  
 NAIC Code: 84450  
 SERFF Tracking #: AETN-127369996

**Instructions:**

- 1) The percentage rate change reported in Sections A and B reflect the impact of all riders that apply to the contracts. The percentage rate change reflects the expected change in premium that would apply to the contract holder on that contract holder's next rate change date.
- 2) The distribution is by number of contracts. The "Total # of Contracts as of date" should be the date of the latest annual or quarterly statement filed with the Department and should be the same date used in Exhibit 9, *Summary of Impact of Proposed Rate Adjustments*.
- 3) The Weighted Average percentage should be developed based on the distribution of contracts for that market segment/product and for the market segment in total.
- 4) The distribution table should be grouped by market segment (e.g., Large Group, Small Group, Individual, Sole Proprietor, Healthy NY). If the proposed percentage rate change for Sole Proprietor is different from Small Group, then a separate market segment of Sole Proprietor is to be reported. Use the drop down list for entries of Market Segment or make your own entry.
- 5) Under each market segment, the table should provide the distribution by broad product type (e.g., HMO, POS, EPO, PPO, Indemnity, High Deductible/Consumer Driven, Medicare Supplement, etc.).
- 6) In Section A, provide the distribution of contracts affected by proposed rate change for all contracts (all renewal cohorts of a rolling structure affected by this rate submission are combined, by market segment/product).
- 7) In Section B, provide additional distribution information for each rolling rate cohort of a rolling rate structure affected by this rate submission (e.g., by quarter of renewal for a quarterly rolling rate structure).
- 8) Edit the worksheet to add more rows as needed.
- 9) This exhibit must be submitted as an Excel file, even if a version is submitted as a PDF file.

**A. Distribution of Contracts by Proposed Rate Adjustment For All Contracts (Including Rolling Rate and Non Rolling Rate Products)**

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Contracts as of 06/30/2010	Number of Contracts with Proposed Percentage Rate Change at Renewal											
						Decrease	No Change	0.1% - 4.9%	5.0% - 9.9%	10.0% - 14.9%	15.0% - 19.9%	20.0% - 24.9%	25.0% - 29.9%	30.0% - 39.9%	40.0% - 49.9%	50.0% or higher	
	Small Group	NY	HMO	1.9%	2650	0	0	2650	0	0	0	0	0	0	0	0	0
	Small Group	NY	QPOS	1.9%	229	0	0	229	0	0	0	0	0	0	0	0	0
	<b>Market Segment Total:</b>			<b>1.9%</b>	<b>2879</b>	<b>0</b>	<b>0</b>	<b>2879</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**B. For a Rolling Rate Structure, Distribution of Rolling Rate Contracts by Proposed Rate Adjustment by Each Rolling Rate Cohort**

Effective Period of New Rolling Rate\*: 01/01/2012 - 03/31/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Contracts as of 06/30/2010	Number of Contracts with Proposed Percentage Rate Change at Renewal											
						Decrease	No Change	0.1% - 4.9%	5.0% - 9.9%	10.0% - 14.9%	15.0% - 19.9%	20.0% - 24.9%	25.0% - 29.9%	30.0% - 39.9%	40.0% - 49.9%	50.0% or higher	
	Small Group	NY	HMO	0.9%	1099	0	0	1099	0	0	0	0	0	0	0	0	0
	Small Group	NY	QPOS	0.9%	91	0	0	91	0	0	0	0	0	0	0	0	0
	<b>Market Segment Total:</b>			<b>0.9%</b>	<b>1190</b>	<b>0</b>	<b>0</b>	<b>1190</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Effective Period of New Rolling Rate\*: 04/01/2012 - 06/30/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Contracts as of 06/30/2010	Number of Contracts with Proposed Percentage Rate Change at Renewal											
						Decrease	No Change	0.1% - 4.9%	5.0% - 9.9%	10.0% - 14.9%	15.0% - 19.9%	20.0% - 24.9%	25.0% - 29.9%	30.0% - 39.9%	40.0% - 49.9%	50.0% or higher	
	Small Group	NY	HMO	3.0%	957	0	0	957	0	0	0	0	0	0	0	0	0
	Small Group	NY	QPOS	3.0%	73	0	0	73	0	0	0	0	0	0	0	0	0
	<b>Market Segment Total:</b>			<b>3.0%</b>	<b>1030</b>	<b>0</b>	<b>0</b>	<b>1030</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Effective Period of New Rolling Rate\*: 07/01/2012 - 09/30/2012

#	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Contracts as of 06/30/2010	Number of Contracts with Proposed Percentage Rate Change at Renewal											
						Decrease	No Change	0.1% - 4.9%	5.0% - 9.9%	10.0% - 14.9%	15.0% - 19.9%	20.0% - 24.9%	25.0% - 29.9%	30.0% - 39.9%	40.0% - 49.9%	50.0% or higher	
	Small Group	NY	HMO	2.0%	594	0	0	594	0	0	0	0	0	0	0	0	0
	Small Group	NY	QPOS	2.0%	65	0	0	65	0	0	0	0	0	0	0	0	0
	<b>Market Segment Total:</b>			<b>2.0%</b>	<b>659</b>	<b>0</b>	<b>0</b>	<b>659</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* The effective period of a new rolling rate may vary depending on the rolling structure (e.g., "01/01/2012 - 03/31/2012" for a quarterly rolling rate structure.)  
 Use the same format to provide the same information for each rolling rate cohort under each market segment.

### Exhibit 6: Summary of Policy Form and Product Changes

Company Name: Aetna Health Insurance Company of New York  
 NAIC Code: 84450  
 SERFF Number: AETN-127389996

- This Exhibit summarizes all benefit/rate changes filed with the Health Bureau's Albany office.
- The product street name is the product name as advertised to consumers (i.e., as consumers are likely to refer to this product/policy form when communicating with the Department).
- Extend the worksheet to add more rows as needed.

**A. List of rate filings that have been approved since the prior §3231(e)(1) or §4308(c) rate filing.**

SERFF #	NY State Tracking #	Date of Submission	Policy Form #	Product Name (including Street Name)	Brief Description of Benefit/Rate Change	Approval Date
AETN-127105885	2011040021	04/01/2011	HO ASTAHCRGrp 01 NY	HMO OON	Rate Change	06/24/2011

**B. List of the rate filings that are currently pending with the Department and that impact the rate tables in this filing.**

SERFF #	NY State Tracking #	Date of Submission	Policy Form #	Product Name (including Street Name)	Brief Description of Benefit/Rate Change	
none						

**C. List of policy forms or benefits discontinued since the prior §3231(e)(1) or §4308(c) rate filing that affected such prior §3231(e)(1) or §4308(c) rate filing.**

SERFF #	NY State Tracking #	Date of Discontinuance	Policy Form #	Product/Rider Name (including Street Name)	Brief Description of Discontinued Benefits	Disposition Date
none						

**D. List of remnants of the "file and use" submissions, which impact the rate tables in this filing.**

SERFF #	NY State Tracking #	Date of Submission	Policy Form #	Product Name (including Street Name)	Brief Description of Rate Change	Rate Effective Date
none						

**EXHIBIT 7E: LISTING OF ALL COMMERCIAL AND MEDICARE PRODUCTS SOLD BY THE COMPANY**

**Company Name:** Aetna Health Insurance Company of New York

**NAIC Code:** 84450

**SERFF Tracking Number:** AETN-127389996

**Instructions:**

- The product street name is the product name as advertised to consumers (i.e., as consumers are likely to refer to this product/policy form when communicating with the Department).
- Market segment is: Large Group, Small Group, Individual, Healthy New York, Medicare Supplement (official benefit designs), Medicare Advantage, and Medicare Part D Drugs.
- Product type is a broad category such as HMO, POS, EPO, PPO, Indemnity Fee For Service, Consumer Driven/High Deductible, Medicare Supplement, etc.
- Use the drop down list for entries of Market Segment and Product Type or enter other applicable items.
- Extend the worksheet to add more rows as needed.

#	Market Segment	Policy Form Number	Product Name as in Rate Manual	Product Street Name	Product Type
6403620	Small Group	HO ASTAHCRGrp 01 NY	NYC Community PlanSM 1 OON	NYC Community PlanSM 1 OON	HMO
6403621	Small Group	HO ASTAHCRGrp 01 NY	NYC Community PlanSM 5 OON	NYC Community PlanSM 5 OON	HMO
6403622	Small Group	HO ASTAHCRGrp 01 NY	NYC Community PlanSM 6 OON	NYC Community PlanSM 6 OON	HMO
6403895	Small Group	HO ASTAHCRGrp 01 NY	NY OA POS 21-10 OON	NY OA POS 21-10 OON	POS - HMO based

**Exhibit 7: Historical Data by Each Policy Form Included in Rate Adjustment Filing**

Company Name: Aetna Health Insurance Company of New York  
 NAIC Code: 84450  
 SERFF Number: AETN-127389996

- A. Complete a separate response for each base medical policy form included in the rate adjustment filing.
- Information requested applies to New York State business only.
  - Include riders that may be available with that policy form in each policy form response.
  - Submit a separate exhibit for each rating pool. Create additional tabs for each rating pool as needed.
  - Append additional columns to right of the existing columns (as needed) to include all base medical policy forms included in that rating pool. Add a rightmost column with the aggregate values for that entire rating pool.
- B. Product type is HMO, HMO based POS, POS-OON, EPO, PPO, Comprehensive Major Medical, Non-HMO based POS, Consumer Driven Health Plans, Hospital Only, Medical Only, Base+Supplemental, Supplementary Major Medical, Other Limited Benefit, Medicare Supplement (A, B, C, D, E, F Basic, F High, G, H, I, J Basic, J High, K, L, M, N, or Other - indicate appropriate designation for policy form), etc.
- C. The product street name is the product name as advertised to consumers (i.e., as consumers are likely to refer to this product/policy form when communicating with the Department).
- D. Note that many cells include a drop down list. Use the drop down list or enter applicable items.
- E. If members, covered lives or member months are not known, use reasonable estimates (note methodology used).
- F. This form must be submitted as an Excel file, even if a version is submitted as a PDF file.

Data Item for Specified Base Medical Policy Form	Response
1a. Base medical policy form number	
1b. Product Name as in Rate Manual	See Exhibit 7E
1c. Product Street Name as indicated to consumers	
2. Aggregated for rate development with these base medical policy form numbers	n/a
3. Effective date of rate change (MM/DD/YYYY)	01/01/2012, 04/01/2012, 07/01/2012
4. Market Segment (large group, small group, individual, or sole proprietor) [drop down menu]	Small Group
5. Product type (see above for examples) [drop down menu]	See Exhibit 7E
6. Is a rolling rate structure used for this base medical policy form? (Yes or No) [drop down menu]	Yes
7. Has base medical policy form aggregation changed from previous filing? (Yes or No) [drop down menu]	No
8. Is base medical policy form open (new sales allowed) or closed (no new sales) [drop down menu]	Open
9. Rate guarantee period incorporated into rate tables (months) (e.g., 12, for a 12 month rate guarantee period; or 0, if no rate guarantee period.)	12
10. Weighted average rate change % proposed across base medical policy form from current rate charged policyholder (including all associated riders)	1.90%
11. Number of policyholders affected by rate change	836 (Employers)
12. Number of covered lives affected by rate change	3,974
13. Expected NY statewide loss ratio for base medical policy form including associated riders	83.3%
<b>Most Recent Experience Period</b> (NY statewide experience, base medical policy form + associated riders)	
14.1 Beginning Date of the experience period (MM/DD/YYYY)	6/1/2010
14.2 Ending Date of the experience period (MM/DD/YYYY)	5/31/2011
14.3 Member months for experience period	51,556
14.4 Earned premiums for experience period (\$)	22,004,950
14.5 Standardized earned premiums for experience period (\$)	23,533,619
14.6 Paid claims for experience period (\$)	18,153,268
14.7 Incurred claims for experience period (\$)	17,350,467*
14.8 Administrative expenses for experience period (\$) (including commissions and premium taxes, but excluding federal and state income taxes)	2,266,510
14.9 Earned premiums for experience period (\$mpm)	426.82
14.10 Standardized premiums for experience period (\$mpm)	456.47
14.11 Paid claims for experience period (\$mpm)	352.11
14.12 Incurred claims for experience period (\$mpm)	336.54
14.13 Administrative expenses for experience period (\$mpm) (including commissions and premium taxes, but excluding federal and state income taxes)	43.96
14.14 Ratio: Incurred Claims / Earned Premiums	0.788
14.15 Ratio: Incurred Claims / Standardized Earned Premiums	0.737
14.16 Ratio: Administrative Expenses / Earned Premiums	0.103
14.17 Ratio: (Incurred Claims + Admin. Exp.) / Earned Prem.	0.891
<b>Prior Experience Period</b> (NY statewide experience, base medical policy form + associated riders)	
15.1 Beginning date of the experience period (MM/DD/YYYY)	6/1/2009
15.2 Ending Date of the experience period (MM/DD/YYYY)	5/31/2010
15.3 Member months for experience period	34,250
15.4 Earned premiums for experience period (\$)	18,159,435
15.5 Standardized earned premiums for experience period (\$)	22,192,278
15.6 Paid claims for experience period (\$)	16,818,567*
15.7 Incurred claims for experience period (\$)	12,724,845*
15.8 Administrative expenses for experience period (\$) (including commissions and premium taxes, but excluding federal and state income taxes)	1,870,422
15.9 Earned premiums for experience period (\$mpm)	530.20
15.10 Standardized premiums for experience period (\$mpm)	647.95
15.11 Paid claims for experience period (\$mpm)	491.05
15.12 Incurred claims for experience period (\$mpm)	371.53
15.13 Administrative expenses for experience period (\$mpm) (including commissions and premium taxes, but excluding federal and state income taxes)	54.61
15.14 Ratio: Incurred Claims / Earned Premiums	0.701
15.15 Ratio: Incurred Claims / Standardized Earned Premiums	0.573
15.16 Ratio: Administrative Expenses / Earned Premiums	0.103
15.17 Ratio: (Incurred Claims + Admin. Exp.) / Earned Prem.	0.804

Data Item for Specified Base Medical Policy Form	Response
<b>Annualized Medical Trend Factors (%)</b>	
16.1 All benefits combined, composite	11.5%
16.2 Due to utilization	6.9%
16.3 Due to unit cost	4.6%
<b>Ratios: Most Recent Experience Period to Prior Period</b>	
17.1 Member months	1.505
17.2 Earned premiums (\$mpm)	0.805
17.3 Standardized premiums (\$mpm)	0.704
17.4 Paid claims (\$mpm)	0.717
17.5 Incurred claims (\$mpm)	0.906
17.6 Administrative expenses (\$mpm) (including commissions and premium taxes, but excluding federal and state income taxes)	0.805
<b>Ratio: Standard Premium to Earned Premium</b>	
18.1 Most Recent Experience Period	1.069
18.2 Prior Experience Period	1.222

\*- Incurred claims include the following MSP subsidy amounts:

2010: 1,489,831  
2009: 4,124,000

**Exhibit 7A: Calculation of Standardized Premium**

Cohort	DOS Month																							
	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11
Jan	627.60	624.37	626.35	628.85	637.21	637.45	631.72	609.74	597.72	587.66	595.28	578.66	594.94	586.97	594.32	592.68	652.88	591.99	599.79	421.56	418.39	423.03	421.15	411.21
Feb	410.70	411.01	417.05	408.62	401.57	405.06	393.94	421.46	414.32	407.27	410.72	399.95	413.96	406.73	406.44	401.88	408.73	390.25	389.36	386.47	354.69	361.97	362.21	357.94
Mar	499.96	505.73	503.55	526.10	529.55	534.21	524.46	534.33	533.41	445.13	453.82	442.61	417.72	411.73	412.03	412.73	424.66	409.57	409.62	411.46	398.80	371.96	358.40	358.19
Apr	564.61	596.54	601.06	600.63	600.22	599.83	592.22	609.93	611.39	607.41	518.26	516.71	532.70	534.84	527.12	514.82	539.46	494.11	497.90	485.76	481.23	488.90	396.73	394.30
May	460.30	471.80	474.67	472.33	468.16	447.83	439.85	459.53	464.00	451.17	462.17	374.79	387.75	386.27	376.02	382.66	397.36	375.45	386.43	368.31	357.64	367.50	372.56	350.84
Jun	458.25	454.84	453.56	454.87	451.54	452.40	445.89	458.43	457.49	447.11	458.31	434.78	394.89	380.03	381.84	384.63	378.97	378.61	380.23	376.23	366.49	372.06	373.23	371.77
Jul	790.96	685.32	677.02	693.16	692.87	711.63	703.00	721.24	728.37	737.70	760.66	760.20	760.21	618.42	618.68	592.80	652.01	575.03	583.99	558.12	562.38	560.73	553.39	548.29
Aug	852.24	849.04	556.95	537.19	528.22	534.25	538.53	546.74	559.69	559.64	559.42	547.50	563.34	552.95	401.65	386.85	389.13	386.11	388.02	379.45	372.81	376.14	376.13	375.25
Sep	839.36	840.94	836.18	558.96	491.30	529.93	526.45	548.03	551.39	540.42	556.86	527.82	534.88	521.09	520.64	467.74	471.62	460.75	461.04	459.76	451.53	456.74	453.49	452.06
Oct	788.59	817.76	800.13	795.78	436.18	450.53	446.15	460.47	461.48	445.94	454.99	441.75	454.65	448.66	452.31	449.17	425.46	400.71	404.38	396.65	391.91	391.02	390.60	389.11
Nov	737.39	744.01	747.01	739.13	736.22	482.19	482.69	493.92	494.40	486.54	494.09	483.69	496.95	490.42	493.82	496.25	581.86	405.00	412.30	390.69	383.19	377.01	368.44	366.41
Dec	762.18	768.10	772.11	772.59	772.26	768.89	449.13	448.88	405.49	400.01	409.73	400.45	409.19	400.16	402.08	406.22	441.92	409.98	360.60	357.17	349.40	347.96	348.73	347.03
Tot	585.92	585.54	572.56	559.82	537.03	532.83	513.63	525.29	517.20	496.57	500.94	478.07	476.70	466.50	456.70	450.69	467.34	434.62	430.25	410.79	399.96	399.29	390.91	386.26

Member Months	DOS Month																							
	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11
Jan	347	349	345	346	328	328	322	368	350	348	339	333	335	329	313	313	308	312	313	491	479	465	456	455
Feb	248	246	230	231	231	230	234	225	333	326	309	301	298	297	286	286	290	293	295	292	501	491	489	478
Mar	435	428	421	394	386	377	366	366	371	547	533	533	496	488	488	478	467	472	475	448	439	681	679	657
Apr	260	234	235	231	231	231	229	228	227	220	385	371	371	356	361	334	349	350	354	341	331	321	599	602
May	225	220	217	221	221	242	242	240	238	239	238	399	394	384	377	363	373	369	364	365	367	341	329	461
Jun	317	312	303	312	313	312	311	319	325	323	321	319	487	464	450	446	439	441	441	439	429	399	395	390
Jul	169	204	203	182	182	173	173	170	165	163	169	171	172	246	249	263	256	258	268	268	271	267	267	267
Aug	116	114	175	167	169	168	166	159	153	153	153	151	148	362	344	338	331	331	317	310	309	309	302	
Sep	132	128	125	250	312	265	265	261	256	256	250	263	269	268	269	391	368	355	361	365	354	355	363	362
Oct	66	62	61	60	196	186	190	189	183	185	184	188	191	194	190	197	383	381	374	380	374	381	368	367
Nov	89	88	86	83	82	192	190	178	177	176	177	177	175	177	175	171	344	335	327	326	317	307	306	306
Dec	84	84	83	83	83	82	228	238	227	218	218	213	213	213	210	206	200	199	545	538	538	544	537	534
BoB	2,488	2,469	2,484	2,560	2,734	2,787	2,918	2,948	3,011	3,154	3,276	3,421	3,552	3,564	3,730	3,792	3,930	4,105	4,444	4,571	4,714	4,875	5,098	5,181

Cumulative Rate Increase	DOS Month																							
	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11
Jan	1.338	1.338	1.338	1.338	1.338	1.338	1.338	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.030	1.030	1.030	1.030	1.030
Feb	1.338	1.338	1.338	1.338	1.338	1.338	1.338	1.338	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.030	1.030	1.030	1.030
Mar	1.338	1.338	1.338	1.338	1.338	1.338	1.338	1.338	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.114	1.030	1.030	1.030	1.030
Apr	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.030	1.030
May	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.030
Jun	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.264	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.082	1.030
Jul	1.231	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030
Aug	1.231	1.231	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030
Sep	1.231	1.231	1.231	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030
Oct	1.231	1.231	1.231	1.231	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.030
Nov	1.231	1.231	1.231	1.231	1.231	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.030	1.030	1.030	1.030	1.030	1.030	1.030
Dec	1.231	1.231	1.231	1.231	1.231	1.231	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.159	1.030	1.030	1.030	1.030	1.030	1.030

Historical Rate Increases		
QTR	QRTLY	To 3Q11
3Q08	1.030	1.231
4Q08	1.000	1.231
1Q09	0.920	1.338
2Q09	1.058	1.264
3Q09	1.091	1.159
4Q09	1.000	1.159
1Q10	1.040	1.114
2Q10	1.030	1.082
3Q10	1.050	1.030
4Q10	1.000	1.030
1Q11	1.000	1.030
2Q11	1.000	1.030
3Q11	1.030	1.000
4Q11	1.000	1.000

	Billed Premium*	Std Premium**	Std/Billed
6/2009-5/2010	18,159,435	22,192,278	1.222
6/2010-5/2011	22,004,950	23,533,619	1.069

\* - Sumproduct of Premium PMPM and Member Months  
 \*\* - Sumproduct of Premium PMPM, Member Months, and Cumulative Rate Increase

## Exhibit 7B: Development of Rate Action

	<b>Period</b>	<b>Most Recent Experience</b>
Earned Premium	6/1/2010 - 5/31/2011	22,004,950
Standardized Premium	to 4Q11	23,533,619
Completed Paid Claims	6/1/2010 - 5/31/2011	18,840,297
MSP Subsidy	6/1/2010 - 5/31/2011	1,489,831
MSP Adjusted Claims	6/1/2010 - 5/31/2011	17,350,467

	<b>Rate Level Action Projection</b>		
	<b>1Q12</b>	<b>2Q12</b>	<b>3Q12</b>
<b>Quarterly Premium Trend</b>	-2.0%	2.0%	2.0%
<b>Cumulative Premium Trend</b>	0.9800	0.9996	1.0196
<b>Claims Trend</b>	1.1145	1.1145	1.1145
<b>Claim Trend Months</b>	20.50	23.50	26.50
<b>ProjPrem</b>	23,062,946	23,524,205	23,994,689
<b>ProjPaidClaims</b>	22,674,974	23,298,142	23,938,436
<b>ProjMSP%</b>	15.0%	15.0%	15.0%
<b>ProjMSP</b>	3,459,442	3,528,631	3,599,203
<b>ProjMSPClaims</b>	19,215,532	19,769,511	20,339,233
<b>LossRatio</b>	83.3%	84.0%	84.8%
<b>Expenses</b>	5.3%	5.3%	5.3%
<b>Premium Taxes</b>	1.0%	1.0%	1.0%
<b>Commissions</b>	4.0%	4.0%	4.0%
<b>Total Administrative Expenses</b>	10.3%	10.3%	10.3%
<b>Profit</b>	6.4%	5.7%	4.9%
<b>Total</b>	100.0%	100.0%	100.0%



## Exhibit 7D: Unit Cost Trend

Line Of Business	Product	Reimbursement Type	DOS
CP	HMO/HNO	ALL	Feb-11

		2011	2012	Average
Reimb. Type		Latest Estimate	Latest Estimate	Estimate
Facility				
New York	Total	6.47%	6.73%	6.60%

		2011	2012	Average
Reimb. Type		Latest Estimate	Latest Estimate	Estimate
Physician				
New York	Total	1.34%	1.58%	1.46%

		2011	2012	Average
Reimb. Type		Latest Estimate	Latest Estimate	Estimate
Total				
New York	Total	4.47%	4.72%	4.59%

### Weights

Facility:	63%
Physician:	37%

**EXHIBIT 7E: LISTING OF ALL COMMERCIAL AND MEDICARE PRODUCTS SOLD BY THE COMPANY**

**Company Name:** Aetna Health Insurance Company of New York

**NAIC Code:** 84450

**SERFF Tracking Number:** AETN-127389996

**Instructions:**

- The product street name is the product name as advertised to consumers (i.e., as consumers are likely to refer to this product/policy form when communicating with the Department).
- Market segment is: Large Group, Small Group, Individual, Healthy New York, Medicare Supplement (official benefit designs), Medicare Advantage, and Medicare Part D Drugs.
- Product type is a broad category such as HMO, POS, EPO, PPO, Indemnity Fee For Service, Consumer Driven/High Deductible, Medicare Supplement, etc.
- Use the drop down list for entries of Market Segment and Product Type or enter other applicable items.
- Extend the worksheet to add more rows as needed.

#	Market Segment	Policy Form Number	Product Name as in Rate Manual	Product Street Name	Product Type
6403620	Small Group	HO ASTAHCRGrp 01 NY	NYC Community PlanSM 1 OON	NYC Community PlanSM 1 OON	HMO
6403621	Small Group	HO ASTAHCRGrp 01 NY	NYC Community PlanSM 5 OON	NYC Community PlanSM 5 OON	HMO
6403622	Small Group	HO ASTAHCRGrp 01 NY	NYC Community PlanSM 6 OON	NYC Community PlanSM 6 OON	HMO
6403895	Small Group	HO ASTAHCRGrp 01 NY	NY OA POS 21-10 OON	NY OA POS 21-10 OON	POS - HMO based



Small Group Underwriting  
3 Independence Way, Suite 400  
Princeton, NJ 08540

<Date>

<Plan sponsor>  
<Contact name>  
<Address>  
<City>, <ST> <ZIP>  
<Group ID>

**RE: Notice of Proposed Rate Increase Filing (Revised)**

---

Dear Plan Sponsor:

Aetna is revising the previous rate increase we filed with the New York State Insurance Department. Please disregard our prior proposed rate increase notice dated March 31, 2011.

We are requesting a smaller increase than we previously communicated. However, to comply with NY law, we are sending you notice of our revised rate filing and providing you with another opportunity to submit comments on the proposed rate change for your plan.

### Proposed Rates

The following table reflects the revised rate increase we requested for plans renewing during each of the following quarters for the community rated small group HMO and POS plans offered by Aetna Health Inc. and Aetna Health Insurance Company of New York. These rates are intended to be effective upon renewal on or after January 1, 2012.

<u>Renewal Date</u>	<u>Increase</u>	<u>Renewal Date</u>	<u>Increase</u>
1 <sup>st</sup> Quarter, 2012:	0.9%	2 <sup>nd</sup> Quarter, 2012:	3.0%
3 <sup>rd</sup> Quarter, 2012:	2.0%		

Please note that while we try to provide you with the most accurate information possible, your final rate may differ based on the enrollment census, benefit plan design, and other features selected upon renewal.

### Why Rates Change

Every year, we spend considerable time evaluating both medical cost history and rates to ensure we account for the current cost trends in the plan premium. The requested increase is directly related to the rising cost of health care services in New York. Specifically, Aetna's request is based upon:

- increased reimbursement rates paid to our network providers,
- higher pharmacy costs paid to drug companies,
- increased utilization of services by members, and
- the availability and increased use of more complicated high-technology or other expensive health care equipment and procedures.

These changes have required us to request a rate increase with New York State for all current and new community rated small group HMO and POS plans.

### **Additional Information**

Please note that Aetna and the Insurance Department will place a narrative on the web that provides a more detailed explanation on the reason for the rate change. You can access the narrative at the following locations:

<http://www.aetna.com/individuals-families-health-insurance/member-guidelines/stateprocess.html>.

[http://www.ins.state.ny.us/health/prior\\_app/prior\\_app\\_rate\\_change\\_details.htm](http://www.ins.state.ny.us/health/prior_app/prior_app_rate_change_details.htm)

### **30 Day Comment Period**

Plan Sponsors and subscribers have the opportunity to submit written comments to the Insurance Department on Aetna's rate filing application and the proposed rate changes. **If you are interested in submitting comments, you must do so by October 3, 2011.** Comments can be submitted to the Insurance Department at:

Health Bureau-Premium Rate Adjustments

New York State Insurance Department

25 Beaver Street

New York, NY 10004

<http://www.ins.state.ny.us>

Email: PremiumRateIncreases@ins.state.ny.us

1-800-342-3736

Comments should clearly identify you are commenting on the proposed rate increase for the Open Access Point of Service Plan (NY OA 21-10) offered by Aetna Health Inc and Aetna Health Insurance Company of New York. All submitted comments will be posted on the Insurance Department website and with personal identifying information removed.

Aetna will also review any comments and answer any questions you may have concerning these proposed rate changes. Please feel free to contact Aetna's Renewal Specialist Team at 1-888-277-1053 (option 5). Plan representatives are available to assist you from 8 a.m. to 5 p.m. You may also contact the Insurance Department for additional information. You can also reach us at the following email addresses:

Metro NY: ASGNEMetroNY@aetna.com

Upstate NY: ASGNECT-UpstateNY@aetna.com

### **Prior Notice of Rate Change Action**

The Insurance Department may approve, modify, or disapprove our proposed rate changes. You will receive additional notice concerning the Insurance Department's approval or modification of our proposed rate changes and how your renewal is affected at least 60 days prior to your renewal date.

Enclosure: Subscriber letter

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies, including Aetna Health Inc., Aetna Health Insurance Company of New York, and its affiliates (Aetna).

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Small Group Underwriting  
3 Independence Way, Suite 400  
Princeton, NJ 08540

<Date>

<Member name >

<Address>

<City>, <ST> <ZIP>

<Member ID>

**RE: Notice of Proposed Rate Increase Filing (Revised)**

Dear <member name>:

---

Aetna is revising the previous rate increase we filed with the New York State Insurance Department. Please disregard our prior proposed rate increase notice dated March 31, 2011.

We are requesting a smaller increase than we previously communicated. However, to comply with NY law, we are sending you notice of our revised rate filing and providing you with another opportunity to submit comments on the proposed rate change for your plan.

**Proposed Rates**

The following table reflects the revised rate increase we requested for plans renewing during each of the following quarters for the community rated small group HMO and POS plans offered by Aetna Health Inc. and Aetna Health Insurance Company of New York. These rates are intended to be effective upon renewal on or after January 1, 2012.

<u>Renewal Date</u>	<u>Increase</u>	<u>Renewal Date</u>	<u>Increase</u>
1 <sup>st</sup> Quarter, 2012:	0.9%	2 <sup>nd</sup> Quarter, 2012:	3.0%
3 <sup>rd</sup> Quarter, 2012:	2.0%		

Please note that while we try to provide you with the most accurate information possible, your final rate may differ based on the enrollment census, benefit plan design, and other features selected upon renewal. .

**Why Rates Change**

Every year, we spend considerable time evaluating both medical cost history and rates to ensure we account for the current cost trends in the plan premium. The requested increase is directly related to the rising cost of health care services in New York. Specifically, Aetna's request is based upon:

- increased reimbursement rates paid to our network providers,
- higher pharmacy costs paid to drug companies,
- increased utilization of services by members, and
- the availability and increased use of more complicated high-technology or other expensive health care equipment and procedures.

These changes have required us to request a rate increase with New York State for all current and new community rated small group HMO and POS plans.

### **Additional Information**

Please note that Aetna and the Insurance Department will place a narrative on the web that provides a more detailed explanation on the reason for the rate change. You can access the narrative at the following locations:

<http://www.aetna.com/individuals-families-health-insurance/member-guidelines/stateprocess.html>.

[http://www.ins.state.ny.us/health/prior\\_app/prior\\_app\\_rate\\_change\\_details.htm](http://www.ins.state.ny.us/health/prior_app/prior_app_rate_change_details.htm)

### **30 Day Comment Period**

Plan Sponsors and subscribers have the opportunity to submit written comments to the Insurance Department on Aetna's rate filing application and the proposed rate changes. **If you are interested in submitting comments, you must do so by October 3, 2011.** Comments can be submitted to the Insurance Department at:

Health Bureau-Premium Rate Adjustments  
New York State Insurance Department

---

25 Beaver Street

New York, NY 10004

<http://www.ins.state.ny.us>

Email: [PremiumRateIncreases@ins.state.ny.us](mailto:PremiumRateIncreases@ins.state.ny.us)

1-800-342-3736

Comments should clearly identify you are commenting on the proposed rate increase for the Open Access Point of Service Plan (NY OA 21-10) offered by Aetna Health Inc and Aetna Health Insurance Company of New York. All submitted comments will be posted on the Insurance Department website and with personal identifying information removed.

Aetna will also review any comments and answer any questions you may have concerning these proposed rate changes. Please feel free to contact Member Services at the number located on your ID card. Plan representatives are available to assist you from 8 a.m. to 5 p.m. You may also contact us by logging into Aetna Navigator™, our secure member website at [www.aetna.com](http://www.aetna.com). You may also contact the Insurance Department for additional information.

Also, your employer sets any contributions, in the form of payroll deductions, to your health plan. If you have questions about your plan's renewal or your payroll deductions, please contact your employer.

### **Prior Notice of Rate Change Action**

The Insurance Department may approve, modify, or disapprove our proposed rate changes. You will receive additional notice concerning the Insurance Department's approval or modification of our proposed rate changes and how your renewal is affected at least 60 days prior to your renewal date.

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies, including Aetna Health Inc., Aetna Health Insurance Company of New York, and its affiliates (Aetna).

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Small Group Underwriting  
3 Independence Way, Suite 400  
Princeton, NJ 08540

September 1, 2011

**Attention New York Plan Sponsor:**

**Notice of approved rate increase**

We previously requested a rate increase from the New York State Insurance Department for your Small Group plan(s) offered by Aetna Health Inc., Aetna Health Insurance Company of New York and Aetna Life Insurance Company. The Insurance Department reviewed our request and approved a rate increase.

---

**We've attached a summary of renewal rates**

The resulting monthly premium is shown in the attached summary of renewal rates. The summary includes current monthly rates, renewal rates and the percentage change between the two, and the effective date of the rate change.

While we try to give you the most accurate information possible, your final rate may differ, based on the enrollment census, benefits plan design and other features you select upon renewal.

**What you need to do next**

Many factors are considered in the request and approval of health insurance premium rates. You have the right to shop around.

If you choose to continue your Aetna coverage, there's nothing you need to do now. We will include the new rates in your renewal bill.

For more information, please contact your insurance broker of record. If you do not use a broker, contact our Renewal Specialist Team at 1-888-277-1053 (option 5). We can review your approved rate or help you explore other health insurance options.

Thank you for choosing us for your health insurance needs.

Enclosure: Subscriber letter



Small Group Underwriting  
3 Independence Way, Suite 400  
Princeton, NJ 08540

September 1, 2011

Dear Aetna Member:

**Notice of approved rate increase**

We previously requested a rate increase from the New York State Insurance Department for your **Small Group plan(s)** offered by Aetna Health Inc., Aetna Health Insurance Company of New York and Aetna Life Insurance Company. The Insurance Department reviewed our request and approved a rate increase.

**We've attached a summary of renewal rates**

---

The resulting monthly premium charge to your employer is shown in the attached summary of renewal rates. Your employer determines how much you contribute towards these premium amounts. These monthly premiums will be effective <January 1, 2012>.

While we try to give you the most accurate information possible, your final rate may differ, based on the enrollment census, benefits plan design and other features your employer selects upon renewal.

**What you need to do next**

If you have questions about your contribution amounts (e.g., payroll deductions), please contact your employer. You may also call the Member Services number located on your ID card. Plan representatives are available to assist you from 8 a.m. to 5 p.m. You may also contact us by logging in at our secure website at [www.aetna.com](http://www.aetna.com).

Thank you for choosing us for your health insurance needs.

Enclosure: Summary of renewal rates



Small Group Underwriting  
3 Independence Way, Suite 400  
Princeton, NJ 08540

September 1, 2011

[Type Addressee Name here]  
[Type Addressee Title here]  
[Type Addressee Company here]  
[Type Addressee Street Address here]  
[Type Addressee City, State, Zip+4 here]

Dear Aetna Member:

---

**Notice of approved rate increase**

We previously requested a rate increase from the New York State Insurance Department for your **Small Group plan(s)** offered by Aetna Health Inc., Aetna Health Insurance Company of New York and Aetna Life Insurance Company. The Insurance Department reviewed our request and approved a rate increase.

**We've attached a summary of renewal rates**

The resulting monthly premium charge to your employer is shown in the attached summary of renewal rates. Your employer determines how much you contribute towards these premium amounts. These monthly premiums will be effective <January 1, 2012>.

While we try to give you the most accurate information possible, your final rate may differ, based on the enrollment census, benefits plan design and other features your employer selects upon renewal.

**What you need to do next**

If you have questions about your contribution amounts (e.g., payroll deductions), please contact your employer. You may also call the Member Services number located on your ID card. Plan representatives are available to assist you from 8 a.m. to 5 p.m. You may also contact us by logging in at our secure website at [www.aetna.com](http://www.aetna.com).

Thank you for choosing us for your health insurance needs.

Enclosure: Summary of renewal rates

# Aetna Small Business Health Plan Options Summary of Renewal Rates

<Rating areas listed>

RATES EFFECTIVE <00/00/00 - 00/00/00>

Current Monthly Premium - Pharmacy Plan <RX Plan> Mail Order: <RX MO Plan>						
Plan Options	Single: (26 dep age):	Employee/Spouse:	Parent/Child (26 dep age):	Family (30 dep age):	Parent/Child (30 dep age):	Family (30 dep age):
<Plan Name>	<\$0.00>	<\$0.00>	<\$0.00>	<\$0.00>	<\$0.00>	<\$0.00>

RATES EFFECTIVE <00/00/00 - 00/00/00>

Renewal Monthly Premium - Pharmacy Plan <RX Plan> Mail Order: <RX MO Plan>						
Plan Options	Single: (26 dep age):	Employee/Spouse:	Parent/Child (26 dep age):	Family (30 dep age):	Parent/Child (30 dep age):	Family (30 dep age):
<Plan Name>	<\$0.00>	<\$0.00>	<\$0.00>	<\$0.00>	<\$0.00>	<\$0.00>

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies, including Aetna Health Inc., Aetna Health Insurance Company of New York, Aetna Life Insurance Company and its affiliates (Aetna).

(Rating Area <00 - Plan)  
14.32.339.1-NY



Aetna Inc.  
151 Farmington Avenue – RS2A  
Hartford, CT 06156-7400  
(860) 273-6254  
Fax (860) 273-1772

September 2, 2011

[REDACTED]  
New York State Insurance Department  
25 Beaver Street - Health Bureau  
New York, NY 10004-2319

Re: Aetna Health Insurance Company of New York - Small Group Point of Service (POS)  
HO ASTAHCRGrp 01 NY

Mr. Teitel:

Aetna Health Insurance Company of New York 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	Proposed Rate Increases	Policyholders	Members
01/01/2012	0.9%	1,190	1,590
04/01/2012	3.0%	1,030	1,453
07/01/2012	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:

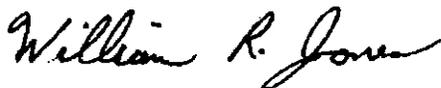
---

- 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.

If you have any questions, please do not hesitate to call me at (860) 273-6254.

Sincerely,



William R. Jones, F.S.A., M.A.A.A.  
Northeast & SGI Head Actuary  
[JonesWR@aetna.com](mailto:JonesWR@aetna.com)

Enclosures

SERFF Tracking Number: AETN-127389996 State: New York  
 Filing Company: Aetna Health Insurance Company of New York State Tracking Number: 2011090018  
 Company Tracking Number:  
 TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
 Product Name: NY SG AHIC  
 Project Name/Number: /

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/01/2011	Supporting Document	Rate Manual	10/28/2011	NY SG AHIC Rate Manual - 1q12-3q12.pdf
08/29/2011	Supporting Document	Standard Exhibit 3 - Narrative Summary	09/02/2011	NY SG AHIC Standard Exhibits - Ex 3.pdf (Superseded)

### EXHIBIT 3: NARRATIVE SUMMARY

Company Name: Aetna Health Insurance Company of New York  
NAIC Code: 84450  
SERFF Tracking #: AETN-127389996

Aetna Health Insurance Company of New York 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	Proposed Rate Increases	Policyholders	Members
01/01/2012	0.9%	1,190	1,590
04/01/2012	3.0%	1,030	1,453
07/01/2012	2.0%	659	931

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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.