

Exhibit 13 Narrative Summary

The requested rates for Aetna's Small Group EPO and MC plans are directly related to medical claim trend due to changes in unit costs and utilization. Trends were based on a review of small group data over the period January 2013 – December 2013. The table below reflects our cost trends:

Utilization Trend	Unit Cost Trend	Other Trend	Total Trend
3.9%	4.8%	2.8%	11.9%

-Utilization represents the number of services per member per year across all medical expense categories. 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. Hospital unit cost is projected to increase at 5.7% and physician unit cost is projected to increase at 1.5%.

-Other Trend represents deductible leveraging. Deductible leveraging occurs when the rate of change in deductibles is less than the rate of change in total medical costs. This results in the rate of change in insurer plan cost exceeding the rate of change in total medical costs. The deductible leveraging adds 2.8% to our total trend.

-For this rate filing, we have used 11.9% as the projected change in total medical cost

-Our pricing projection and the resulting rate increases assume that 82.1% of premium is used for medical care. New York state law requires that at least 82% of premium must be used to pay medical member costs. The remaining 17.9% are used for administrative expenses, profit, and taxes. Administrative costs 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 innovative new relationships with health care providers that compensate them 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.

This narrative (exhibit 13) will be placed under Aetna.com, which is open to the public.

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

EXHIBIT 13: NARRATIVE SUMMARY AND NUMERICAL SUMMARY

Company Aetna Life Insurance Company
NAIC Code: 60054
SERFF Trac AETN-129585656
Market Segment: Small Groups Off Exchange

- 1) Please complete this Narrative Summary and Numerical Summary for each market segment for which you are submitted a rate filing.
- 2) The Narrative Summary must be in plain English and should clearly and simply explain the reasons for the requested rate adjustment.
- 3) The purpose of the Narrative Summary is to provide a written explanation to the company's policyholders to help them understand the reasons why a rate increase is needed.
- 4) The purpose of the Numerical Summary is to provide a clear and simple overview of the requested rate adjustment.
- 5) These Summaries will be public documents and will be posted on DFS's website and furnished by DFS to the public upon request.
- 6) The company should submit the these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
- 7) A draft of these Summaries and of the Initial Notice must be included in a "Prior Approval Prefiling" submitted to DFS via SERFF.
- 8) Once reviewed by DFS, these Summaries must be posted to a location on its website that is publicly available and accessible without the need for a user ID/password.
- 9) Links should be provided on key pages of the company's website so that the information may be easily located.
- 10) Any change(s) made to the Narrative Summary/Numerical Summary subsequent to the posting must be submitted to DFS with the specific change(s) identified.
- 11) This exhibit must be submitted as an Excel file and as a PDF file.

A. Average 2014 and 2015 Premium Rates:

- 1) Average Monthly Premium Rates for Individual Only on Individual Plans and First Quarter Rates for Employee Only on Small Group Plans.
- 2) Premium Rates are Average Arithmetic Premium Rates for All Plans Combined and for all Regions combined.
- 3) Premium Rates are with Through Age 29, with Domestic Partner and with Family Planning Coverage.
- 4) Premium Rates for 2015 should be Consistent with the Premium Rates reflected in Exhibit 23.
- 5) Premium Rates for 2014 should be on a Consistent Basis as the Premium Rates for 2015.

	Platinum	Gold	Silver	Bronze	Catastrophic
2014 Premium Rates	\$ 512.94	\$ 515.78	\$ 457.85	\$ 368.57	N/A
2015 Premium Rates	\$ 646.16	\$ 645.54	\$ 577.21	\$ 461.08	N/A
	26.0%	25.2%	26.1%	25.1%	

B. Weighted Average Annual Percentage Requested Adjustments [Per Exhibit 14A for Individual Plans and Exhibit 14B for Small Group Plans]*:

	2014 to 2015
Requested Rate Adjustment	25.6%

C. Weighted Average Annual Percentage Requested Adjustments for each of the Past Three Years [Per Exhibits 4A-4D] [If Applicable]*:

	2011 to 2012	2012 to 2013	2013 to 2014
Average Rate Adjustment	9.6%	11.74%	N/A

D. Average Medical Loss Ratios [MLR] for All Policies Impacted [Ratios of Incurred Claims to Earned Premiums] [If Applicable]*:

	2011	2012	2013
MLR	80.4%	80.9%	74.6%

E. Claim Trend Rates and Average Ratios to Earned Premiums [Per Exhibit 19 for 2014-15 and Comparable Exhibits for 2013] [If Applicable]*:

	2013	2014	2015
Annual Claim Trend Rates	N/A	11.8%	11.9%
Expense Ratios	N/A	14.4%	14.2%
Pre Tax Profit Ratios	N/A	2.0%	3.69%

* If product was not offered in a particular year, indicate "N/A" in the applicable box.