Information About Your 2015 HIP Small Group Rates
(Effective January 2015)
Includes EmblemHealth HMO 40/60 (Gold), EmblemHealth HMO 35/55 (Silver) and EmblemHealth HMO HD6300 (Bronze) Plans

EmblemHealth is requesting premium rate increases for certain small group plans. The New York State Department of Financial Services (DFS) is reviewing our rates and will determine if they feel the increases are appropriate.

The rates covered under this notice are for the EmblemHealth company Health Insurance Plan of Greater New York (HIP). It is a not-for-profit health service corporation organized under Article 43 of the New York Insurance Law and certified to operate a Health Maintenance Organization (HMO) under Article 44 of the New York Public Health Law. EmblemHealth provides benefit plans that enable its members to access covered health care services. EmblemHealth and its other companies serve over 2.2 million members, of whom approximately 20,000 are small group members of HIP-underwritten plans, located mostly in the greater New York metropolitan area. HIP's premium income is used to serve those members it insures, either for payments for medical services the members need, or to pay for the administrative services related to these expenses.

Your Premium Rate

The premium rate you pay for health insurance is essentially made up of two components: the costs of medical care and the costs related to our administrative costs. By far the largest part of your rate is the cost we pay for medical claims submitted by members. In fact, New York State law requires that a minimum of 82 percent of the premium you pay must be a direct result of the amount we pay for member medical costs.

Before we apply for a rate increase, we thoroughly review claims data and administrative expenses to determine future costs and expenses.

Components of Your Proposed 2015 Rate Increase

The components of your proposed 2015 rate increase include: 1) the rise in the costs of medical care, 2) the rise in our administrative costs, and 3) our estimated gain (or loss) from underwriting. These three components are explained below, followed by a table that summarizes the reasons for the proposed rate increase.

- **Higher costs of medical care**. One portion of the proposed increase comes from the rising costs of providing our members' care. This includes increases in the rates that we pay our providers, the higher costs of new treatments and prescription drugs, and increased utilization in medical services required by many of our members.

  In addition, we will be receiving less money from the Federal Reinsurance Program in 2015 which helps to reduce premium for the Individual market.

- **Higher administrative costs.** A second portion of the proposed rate increase is for our administrative expenses. This component includes costs we pay for a wide variety of services and functions, like processing claims; upgrading systems needed to comply with state, federal and other legal requirements; consumer education, which includes programs for managing chronic and complex medical conditions as well as other wellness programs; maintaining our provider network; conducting

medical reviews; maintaining our customer service resources; and operating Web-based information services. Our administrative costs also include taxes and other fees associated with medical services.

- **Estimated gain or loss from underwriting.** A third portion of the rate increase results from our estimated underwriting gain or loss for 2015. The amount of any underwriting gain will be used to expand our business and sustain our current level of service.

Drivers of the Requested Rate Increase (Effective January 2015)

Type of Cost	% Assumed in Current (2014) Rate	Per Member Per Month Increase	Portion of Increase	% Assumed in Renewal (2015) Rate
Medical Care Costs — Cost of providing health care services to policyholders	x.x%	$xx.xx	x.x%	x.x%
Administrative Costs — Marketing, claims processing, taxes, assessments and other costs to the company	x.x%	$xx.xx	x.x%	x.x%
Pre-Tax Underwriting Gain or Loss — Amount company puts to use after paying claims and administrative expenses	x.x%	$xx.xx	x.x%	x.x%
Total	100%	$xx.xx	100%	100%

If our proposed rate increases are approved by the state, they will become effective on your plan's annual renewal date in the January 2015 and be added to your 2014 premium rate. Please note that even with this new increase, our plans are priced competitively with similar plans offered by other insurers.

In addition, we want to assure you that we are doing our best to control our administrative costs, to work with our providers, and to seek all other means to keep the cost you pay for our coverage as low as possible, while still maintaining the high quality of care you deserve.

The premium rate increases we are requesting are shown below, by product and year-quarter. These rate increases would apply to plans sold in the following counties: Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk and Westchester.

Percent Increase From 1st Quarter 2014 to 1st Quarter 2015 for Plans Renewing in the 1st Quarter of 2015:

EmblemHealth HMO 40/60 (Gold) x.x%
EmblemHealth HMO 35/55 (Silver) x.x%
EmblemHealth HMO HD6300 (Bronze) x.x%

Percent Increase From 2nd Quarter 2014 to 2nd Quarter 2015 for Plans Renewing in the 2nd Quarter of 2015:

EmblemHealth HMO 40/60 (Gold) x.x%
EmblemHealth HMO 35/55 (Silver) x.x%
EmblemHealth HMO HD6300 (Bronze) x.x%

Percent Increase From 3rd Quarter 2014 to 3rd Quarter 2015 for Plans Renewing in the 3rd Quarter of 2015:

EmblemHealth HMO 40/60 (Gold) x.x%
EmblemHealth HMO 35/55 (Silver) x.x%
EmblemHealth HMO HD6300 (Bronze) x.x%

Percent Increase From 4th Quarter 2014 to 4th Quarter 2015 for Plans Renewing in the 4th Quarter of 2015:

EmblemHealth HMO 40/60 (Gold) x.x%
EmblemHealth HMO 35/55 (Silver) x.x%
EmblemHealth HMO HD6300 (Bronze) x.x%

Final Rate Increase

Your final renewal rate may be different from the proposed increase shown above. The New York State Department of Financial Services may approve, modify or deny the adjustment. We will notify you of your final, approved rate approximately 60 days before your renewal date.

At this time, we have not filed any additional benefit changes to these plans with DFS. In the event that we file further benefit changes to these plans — for example, due to new benefits mandated by New York State law — those benefit changes may also impact your final premium rate.

EXHIBIT 13: NARRATIVE SUMMARY AND NUMERICAL SUMMARY

Company Name: Health Insurance Plan of Greater New York
NAIC Code: 55247
SERFF Tracking #: HPHP-129572531
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	HNY Gold
2014 Premium Rates	N/A	$481.00	$410.39	$358.32	$410.70
2015 Premium Rates	$668.36	$582.31	$514.58	$448.93	$525.79

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	12.0%

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	20.2%	16.7%	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	91.7%	92.8%	96.2%

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	9.03%	12.0%	7.9%
Expense Ratios	11.60%	14.6%	15.9%
Pre Tax Profit Ratios	3.78%	1.0%	1.0%

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