INDIVIDUAL NARRATIVE SUMMARY

Company: **Independent Health Benefits Corporation.**
NAIC Code: **47034**
SERFF Tracking #: **NDPD-129574328**

Summary:
Independent Health Benefits Corporation (IHBC) is requesting premium rate adjustments for its individual products for 2015. All products within this rate filing are community-rated, which means that all members holding the same coverage pay the same approved premium. The number of members affected by the proposed premium adjustments is 3,380.

The overall average requested increase is as follows:

	2014 to 2015
Requested Rate Adjustment	3.17%

These proposed rate adjustments will be submitted to the New York State Department of Financial Services on approximately June 13th 2014. You will be notified of the final approved premium adjustment at least 60 days prior to your effective date of renewal.

Claim Trends:
The total annual claim trend is 7.0%. This is the same claim trend that IHBC is using in its small-group filing, since individual rates were set relative to small-group rates by comparing the relative morbidities between the two populations. Claim trend is driven by both projected changes in utilization (the frequency of use of healthcare services) and the average cost for those services (based on anticipated negotiated changes in reimbursement to our hospitals, physicians, and other medical providers). This average cost component of trend also includes a modest adjustment for the intensity of the services being provided; e.g. it assumes some increasing level of complexity in the mix of services.

Administration, Taxes and Fees, Other:
The following Affordable Care Act taxes and fees are included in the proposed 2015 premium rates:

- Contributions to the Federal Transitional Reinsurance Program $3.67 PMPM[1]
- Patient Centered Outcomes Research Fee $0.18 PMPM[1]
- Risk Adjuster User Fee $0.08 PMPM[1]
- Health Insurance Tax (Percent of Premium) 2.90%

87% of the premium dollar, after the above ACA taxes and fees, is utilized for medical expense. The remaining 13% of premium is available to IHBC to cover administrative expenses. Administrative expenses include (but are not limited to) customer service, processing and paying claims, care management programs focused on quality and community benefits.

[1] Per Member Per Month

IHBC also generates income from invested funds. The size of the portfolio and income generated from it vary from year to year. For 2015, 100% of IHBC's investment income will be utilized to partially offset anticipated losses on the government programs lines of business.

IHBC is also allocating 30% of prior year refunds from the Department of Financial Services to the 2015 premium rates. These refunds reduced the premiums 6.46% for 2015. The balance of the refunds will be utilized to reduce premiums in subsequent years.

EXHIBIT 13: NARRATIVE SUMMARY AND NUMERICAL SUMMARY

Company Independent Health Benefits Corporation
NAIC Code: 47034
SERFF Tra NDPD-129588150
Market Segment: Individuals On 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	$604.92	$519.36	$453.43	$391.95	199.36
2015 Premium Rates	$609.71	$526.97	$471.90	$396.05	N/A

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	3.17%

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	N/A	N/A	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	N/A	N/A	N/A

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	N/A	7.00%
Expense Ratios	N/A	15.79%	16.22%
Pre Tax Profit Ratios	N/A	-0.90%	1.03%

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