

**State:** New York **Filing Company:** Aetna Life Insurance Company  
**TOI/Sub-TOI:** H21 Health - Other/H21.000 Health - Other  
**Product Name:** NY SG ALIC 3q13-4q13  
**Project Name/Number:** NY SG ALIC 3q13-4q13/

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.): No
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, 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 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
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
10. If this is a rate adjustment filing pursuant to Section 3231(e)(1) or 4308(c), did this insurer submit a "Prior Approval Prefiling" containing a draft narrative summary and initial notification letter associated with this filing? Yes/No (If Yes, enter the state tracking number and the SERFF tracking number of the prefile.): Yes, AETN-128892540; State Tracking #: 2013020103

SERFF Tracking #:

AETN-128901056

State Tracking #:

2013030020

Company Tracking #:

State:

New York

Filing Company:

Aetna Life Insurance Company

TOI/Sub-TOI:

H21 Health - Other/H21.000 Health - Other

Product Name:

NY SG ALIC 3q13-4q13

Project Name/Number:

NY SG ALIC 3q13-4q13/

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Memorandum/Actuarial Certification		
Comments:			
Attachment(s):			
2-ALIC Memo.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Checklist-Rate Adj Filings per 3231(e)(1) or 4308(c)		
Comments:			
Attachment(s):			
ALIC Checklist 3Q13-4Q13.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Final Notice of Proposed Rate Adjustment		
Comments:			
Attachment(s):			
2013 NY Subscriber Letter TRAD Approved Rate Notice.pdf			
NY PS Letter-SG Customer ALL PLANS.pdf			
NY SUBSCRIBER SUMMARY OF RENEWAL RATES 2.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Initial Notice of Proposed Rate Adjustment		
Comments:			
Attachment(s):			
SG Plan Sponsor Proposed Rate Filing Notification REVISED.pdf			
SG Plan Subscriber Proposed Rate Filing Notification REVISED.pdf			

Item Status:

Status Date:

SERFF Tracking #:

AETN-128901056

State Tracking #:

2013030020

Company Tracking #:

State:

New York

Filing Company:

Aetna Life Insurance Company

TOI/Sub-TOI:

H21 Health - Other/H21.000 Health - Other

Product Name:

NY SG ALIC 3q13-4q13

Project Name/Number:

NY SG ALIC 3q13-4q13/

Satisfied - Item:	Rate Summary Worksheet		
Comments:			
Attachment(s):			
RateSummaryTemplate-NY SG ALIC 3Q13.pdf			
RateSummaryTemplate-NY SG ALIC 3Q13.xls			

Item Status:

Status Date:

Satisfied - Item:	Standard Exhibit 1 - General Information		
Comments:			
Attachment(s):			
Standard_Exhibit_1_ALIC 3q13-4q13.pdf			
Standard_Exhibit_1_ALIC 3q13-4q13.xls			

Item Status:

Status Date:

Satisfied - Item:	Standard Exhibit 2 - Summary of Average Claim Trend and Administrative Expenses		
Comments:			
Attachment(s):			
Standard_Exhibit_2_ALIC 3q13-4q13.pdf			
Standard_Exhibit_2_ALIC 3q13-4q13.xls			

Item Status:

Status Date:

Satisfied - Item:	Standard Exhibit 3 - Narrative Summary		
Comments:			
Attachment(s):			
Standard_Exhibit_3_ALIC 3q13-4q13.pdf			
Standard_Exhibit_3_ALIC 3q13-4q13.xls			

Item Status:

Status Date:

**SERFF Tracking #:**

AETN-128901056

**State Tracking #:**

2013030020

**Company Tracking #:****State:**

New York

**Filing Company:**

Aetna Life Insurance Company

**TOI/Sub-TOI:**

H21 Health - Other/H21.000 Health - Other

**Product Name:**

NY SG ALIC 3q13-4q13

**Project Name/Number:**

NY SG ALIC 3q13-4q13/

Satisfied - Item:	Standard Exhibit 4 - Part B - Summary of Proposed Percentage Rate Changes		
Comments:			
Attachment(s):			
Standard_Exhibit_4B_ALIC 3q13-4q13.pdf			
Standard_Exhibit_4B_ALIC 3q13-4q13.xls			

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

Satisfied - Item:	Standard Exhibit 5 - Part B - Distribution of Contracts Affected by Proposed Rate Adjustments		
Comments:			
Attachment(s):			
Standard_Exhibit_5B_ALIC 3q13-4q13.pdf			
Standard_Exhibit_5B_ALIC 3q13-4q13.xls			

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

Satisfied - Item:	Standard Exhibit 6 - Summary of Policy Form and Product Changes		
Comments:			
Attachment(s):			
Standard_Exhibit_6_ALIC 3q13-4q13.pdf			
Standard_Exhibit_6_ALIC 3q13-4q13.xls			

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

Satisfied - Item:	Standard Exhibit 7 - Historical Data		
Comments:			
Attachment(s):			
Standard_Exhibit_7_ALIC 3q13-4q13.pdf			
Standard_Exhibit_7_ALIC 3q13-4q13.xls			

**Aetna Life Insurance Company  
Actuarial Memorandum**

This filing pertains to Aetna Life Insurance Company forms: GR-STATHCRGrp 01 NY. Its purpose is to provide the benefit descriptions and Small Group premium rates for the various plan options offered under this product.

We have attached copies of all pages of our small group rate manual. Please note that pages containing rates have been provided for the 5 months governed by this filing. The rates filed include all previously approved PPACA adjustments, which excludes the Women’s Preventive Health mandated benefits. We submitted a separate filing to address Women’s Preventive Health benefits. In addition to the proposed monthly and annual rate adjustments, the rate adjustments from January 2011 to current month are summarized in the following table and apply to all products governed in this filing:

Effective Date	Implemented Rate Increases		
	Monthly	Quarterly	Annual
01/01/2011		2.5%	15.0%
04/01/2011		3.0%	10.7%
07/01/2011		3.0%	8.7%
10/01/2011		0.0%	8.7%
01/01/2012		3.0%	9.3%
04/01/2012		3.0%	9.3%
07/01/2012		3.0%	9.3%
10/01/2012		0.0%	9.3%
01/01/2013		1.0%	7.2%
04/01/2013		2.7%	6.8%
07/01/2013	2.7%		6.5%
Effective Date	Proposed Rate Increases		
	Monthly	Quarterly	Annual
08/01/2013	2.0%		8.7%
09/01/2013	0.3%		9.0%
10/01/2013	3.0%		12.3%
11/01/2013	0.3%		12.6%
12/01/2013	0.3%		12.9%

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 EPO and MC experience for the period 09/01/11 through 08/31/12 with run-out through 11/30/12 in order to project claims for this filing. No adjustments were made for large claims. There have been no changes in tier relationships, the single conversion factor, or area factors.
- 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 three 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 small group EPO and MC experience. For this rate filing, we have used 11.2% as the projected change in medical cost. We believe our trend assumption is a reasonable estimate based on more than 3 years of the experience of this block of business.
- As a result of recent market stabilization pool submissions, the credit from this regulation is 0.5% of premium.
- 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 and achieve an 84.3% renewal cohort loss ratio as directed by the NY DOI. Based on these pricing assumptions we expect this to generate losses as shown on Exhibit A.

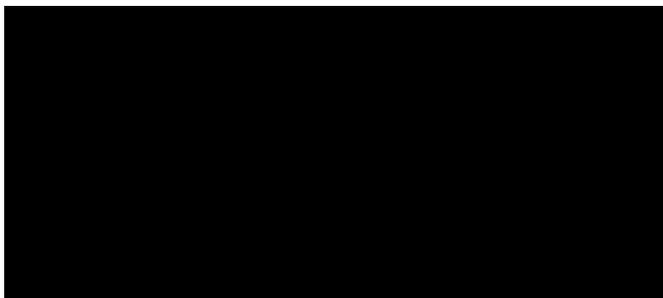
The expected loss ratio including breakdown of the non-claims expense component is included in Exhibit A. The non-claim expense components indicated on Exhibit A and Standard Exhibit 2 are consistent with the 2011 Department of Health and Human Services Medical Loss Ratio Reporting Form on a percentage of premium basis.

The attached exhibits 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. Standardized premium is the sum product of premium PMPM, member months, and the cumulative rate increase. Exhibit 7A includes the detailed calculation by DOS month.

**Aetna Life Insurance Company  
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.



## NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

### 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 5/18/2012

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. 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. "Community rating" means a rating methodology in which the premium for all persons covered by a policy or contract form is the same, based on the experience of the entire pool of risks covered by that policy or contract form without regard to age, sex, health status or occupation. 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

## NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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

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 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 recently 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 2012; a benefit revision is submitted January 2012 to be effective July 1, 2012; this form and rate filing can include rolling rate tables for third and fourth quarter 2012, but not beyond fourth quarter 2012).

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.

When an attachment is submitted via SERFF as other than an Adobe Acrobat PDF file, another copy of that attachment is to also be included in Adobe Acrobat PDF file format. This can occur when one of the standard exhibits is required to be submitted as an Excel workbook, or when an appendix/attachment to the actuarial memorandum is submitted in other than PDF format. Failure to include a PDF version of each attachment will result in an objection letter being sent for the missing material and the rate submission will be tolled while waiting for the missing material to be submitted.

The rate manual and the year over year exhibit (if distinct versions are used) are to be attached to the Rate Schedule tab of an initial SERFF filing. All other attachments are to be attached to the Supporting Documentation tab of the initial SERFF filing.

An “amendment” to a SERFF filing, as described beginning on page 183 of the SERFF Industry Manual (available online via SERFF), is used when the amendment is not in response to an objection letter. For example: the filer has decided to add a schedule item; the filer has noticed an error in one of the originally submitted schedule items and is submitting a correction before the error is raised in an objection letter. If a schedule item (e.g., actuarial memorandum, standard exhibit, rate manual, year over year exhibit, etc.) needs to be amended, the entire schedule item attachment is to be resubmitted using this process and not just the pages that need to be corrected.

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

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

A revision to a previously submitted schedule item made in response to an objection letter is to use the “Revising Schedule Items” process described beginning page 170 of the SERFF Industry Manual. This is the method that is to be used when any schedule item needs to be revised in response to an objection letter, including a revised rate manual to be submitted in response to the Department’s decision. If a schedule item (e.g., actuarial memorandum, standard exhibit, rate manual, year over year exhibit, etc.) needs to be revised in response to an objection letter, the entire schedule item attachment is to be resubmitted using this process and not just the pages that need to be revised.

**NOTE:** A new section, Public Disclosure of the Rate Application, has been added at the end of the checklist. If the applicant chooses to submit a redacted version of the rate application for posting on the Department’s website, see the guidance there.

**NOTE:** Parts I and II of the HHS Preliminary Justification are now required for all market segments and for all section 3231(e)(1) or 4308(c) rate submissions. See the section “HHS Preliminary Justification Parts I and II” below for guidance.

REVIEW REQUIREMENT	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
<b>DEFINITIONS</b>		<ul style="list-style-type: none"> <li>a. <b>Company</b> refers to the licensed entity providing the insurance coverage reflected in the rate adjustment filing.</li> <li>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.</li> <li>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 lives assessments, and the HCRA surcharge. Incurred claims do not include any administrative expenses, including “quality improvement expenses” or “community benefit expenses”. Earned premiums <u>do not include</u> any adjustment for assessments or taxes.</li> <li>d. <b>Market segment</b> refers to large group, small group, sole proprietor, direct pay, Healthy New York, Medicare Supplemental, etc. Small group is as defined in New York Insurance Law and Regulation.</li> <li>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.</li> <li>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. <ul style="list-style-type: none"> <li>(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</li> </ul> </li> </ul>	N/A

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>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). Refunds payable pursuant to Regulation 146 or pursuant to a loss ratio report have no impact on the earned premiums or standardized earned premiums shown in Exhibit 7 or in the rate development analysis.</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 2012 and 1<sup>st</sup> and 2<sup>nd</sup> quarters 2013. The 2<sup>nd</sup> quarter 2012 rates have already been approved. Therefore, the 2<sup>nd</sup> quarter 2012 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 2012 rate level. If the 2<sup>nd</sup> quarter 2012 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, 2012 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 2011 rate for plan design A is \$100, the first quarter 2012 rate is \$116.99, and the second quarter 2012 rate is \$121.67. These increases reflect no revision to the underlying covered benefits. The second quarter 2012 rate table is the standard rate level. Contract X was paying \$100 per month for January-December 2011. At renewal January 1, 2012, 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 2012 and later. The second quarter 2012 rate for plan design A is \$121.67 and the second quarter 2012 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 2011 is standardized to the second quarter 2012 level by adjusting by 121.67/100.00, and the</p>	
--	--	---	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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 align="center">January 2012 earned premium is standardized to the second quarter 2012 level by adjusting by 115.58/111.14.</p>	
<p><b>ROLLING RATE STRUCTURE</b></p>		<ul style="list-style-type: none"> <li>a. 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).</li> <li>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.</li> <li>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).</li> </ul>	<p>Rate/Rule Schedule ALIC Rate Manual 3q13-4q13.pdf</p>
<p><b>CHANGES TO PREVIOUSLY APPROVED RATE TABLES</b></p>		<ul style="list-style-type: none"> <li>a. 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.</li> <li>b. A company can revise a previously approved non-rolling rate table provided that: <ul style="list-style-type: none"> <li>(i) The proposed effective date of the rate table is at least 12 months after the effective date of the current rate table; or</li> <li>(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.</li> </ul> </li> <li>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) 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></li> </ul>	<p>Rate/Rule Schedule ALIC Rate Manual 3q13-4q13.pdf</p>

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

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

		and 4 <sup>th</sup> quarter of 2012. The company can not revise the 1 <sup>st</sup> and 2 <sup>nd</sup> quarter 2012 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 2012 and 1 <sup>st</sup> and 2 <sup>nd</sup> quarter 2013.) The Department may waive these requirements if the company can demonstrate to the Superintendent’s satisfaction that the solvency of the corporation is threatened.	
<b>STANDARD EXHIBITS 1 - 7</b>	Introduction	Exhibits 1 through 7 must be submitted as part of each rate adjustment application. All exhibits, except Exhibit 3, must be submitted as a Microsoft Excel file and as an Adobe PDF file. For Exhibits 1-2 and 4-7 the supplied workbook must be used. Only use the first tab of each Excel workbook for data entry.	
<b>Exhibit 1</b>		<p><b>General information about the rate adjustment submission.</b></p> <p>a. The format for this exhibit is fixed. Fill in the various information fields; the information being requested is indicated on the exhibit.</p> <p>b. Indicate the company type using the drop down list: Article 42 Accident and Health company (A&amp;H – 42), HMO (HMO – 44), Article 42 Life company (Life – 42), Article 41 property/casualty company (P&amp;C – 41), and Article 43 Non-Profit Medical and Dental Indemnity or Health and Hospital Service Corporations (Not for Profit – 43).</p> <p>c. Indicate the organization type (Org Type), for profit or not for profit, by using the drop down list.</p> <p>d. 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 1/1/2013 effective date would imply that the first renewal cohort affected by the rate submission would be January 2013.</p> <p>e. Item F.1 – a rate adjustment filing that also includes rate adjustments for unapproved contract language changes will be rejected.</p> <p>f. This exhibit must be submitted as an Excel file and as an Adobe PDF file.</p>	<p>Supporting Documentation Standard Exhibit 1 ALIC 3q13-4q13.pdf</p> <p>Standard Exhibit 1 ALIC 3q13-4q13.xls</p>
<b>Exhibit 2</b>		<p><b>Summary of Average Claim Trend and Administrative Expenses Included in Current and Prior Rate Adjustment Filings.</b></p> <p>a. This exhibit must be submitted as an Excel file and as an Adobe PDF file. The format of the exhibit is fixed; insert more rows as needed. Only use the first tab for data entry.</p> <p>b. Use a separate row to enter information for each combination of market segment/rating pool included in this rate adjustment application. Use the drop down list to enter the market segment. Enter a description of the rating pool in the column indicated; if the rating pools vary by rating region, the rating pool identifier should include a region identifier. All market segments of Healthy New York are usually combined into one rating pool and in that case choose as market</p>	<p>Supporting Documentation Standard Exhibit 2 ALIC 3q13-4q13.pdf</p> <p>Standard Exhibit 2 ALIC 3q13-4q13.xls</p>

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>segment HNY-IND or HNY-SG based on which subpopulation has the most membership.</p> <p>c. Information is for medical base plans and all associated riders combined.</p> <p>d. The average claim trend is the average annualized claim trend for that market segment/rating pool used in the applicable rate adjustment filing to project the source data forward to the applicable rate applicability period.</p> <p>e. The administrative expense components incorporated into the proposed rates are to be entered as a percentage of gross premium and as a per member per month amount.</p> <p>f. Enter the data for the rate period included in this rate adjustment filing. This refers to the various non-claim expense components included in the proposed rates and the average annualized claim trend assumed.</p> <p>g. Enter the data for the rate period included in the immediately prior rate adjustment filing (i.e., a section 3231(e)(1) or 4308(c) rate adjustment filing). This refers to the various non-claim expense components included in the proposed rates submitted with this prior filing and the average annualized claim trend assumed in this prior filing. If there is no immediately prior rate adjustment filing, enter the data assumed in the initial or prior form and rate filing.</p>	
<p><b>Exhibit 3</b></p>		<p><b>Narrative Summary.</b></p> <p>a. The format of the exhibit is illustrative, but must include the required material. The exhibit may be submitted as a Word document file, an Adobe PDF file, or an Excel file. If submitted as a Word or Excel file, also submit another version in PDF format.</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 to a location on its website that is publicly available, that is, a location that can be viewed without the need for entering a user ID and password. Links should be provided on key pages of the company’s website so that the information may be easily located. Any change(s) to the narrative summary subsequent to the posting is to be submitted to the Department with the specific change(s) identified. Narrative summaries should remain on the company’s website for at least 12 months past the proposed effective date of the rate submission.</p> <p>e. The narrative summary should include, but not be limited to, the following</p>	<p>Supporting Documentation Standard Exhibit 3 ALIC 3q13-4q13.pdf</p> <p>Standard Exhibit 3 ALIC 3q13-4q13.xls</p>

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>information:</p> <ul style="list-style-type: none"> <li>(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.</li> <li>(ii) A summary of the proposed rate adjustments.</li> <li>(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).</li> <li>(iv) The effective date of the proposed rate adjustments and an indication of when the rate change would affect policyholders. Examples:             <ul style="list-style-type: none"> <li>(a) Non guaranteed rate structure: all policyholders will receive the rate adjustment on mm/dd/yyyy.</li> <li>(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.</li> </ul> </li> <li>(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.</li> <li>(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.</li> </ul> <p>Each page of the narrative summary should be numbered (i.e., [page] of [pages]).</p>	
<p><b>Exhibit 4</b></p>		<p><b>Summary of Proposed Percentage Rate Change to Existing Rate.</b></p> <ul style="list-style-type: none"> <li>a. There are four different versions of this exhibit as indicated below. Not all versions may be required for a given rate filing.             <ul style="list-style-type: none"> <li>(i) Part A – Base Medical Plan information when a <u>Non-Rolling</u> Rate Structure is used.</li> <li>(ii) Part B – Base Medical Plan information when a <u>Rolling</u> Rate Structure is used.</li> <li>(iii) Part C – Drug Rider information when a <u>Non Rolling</u> Rate Structure is used.</li> <li>(iv) Part D – Drug Rider information when a <u>Rolling</u> Rate Structure is used.</li> </ul> </li> <li>b. The information to be shown in this exhibit pertains to the market segments and products included in the rate adjustment filing. Use the drop down list to enter the market segment.</li> <li>c. This exhibit must be submitted as an Excel file and as an Adobe PDF file. The format of the exhibit is fixed, insert more rows as needed. Only use the first tab for</li> </ul>	<p>Supporting Documentation Standard Exhibit 4B ALIC 3q13-4q13.pdf</p> <p>Standard Exhibit 4B ALIC 3q13-4q13.xls</p>

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>data entry.</p> <p>d. 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 2013 issues and renewals. The rate change would be the percentage change from the second quarter 2012 rates to proposed second quarter 2013 rates.</p> <p>Example 2: the rate application includes quarterly rolling rates for each quarter of calendar year 2013. The prior rate application included quarterly rolling rates for each quarter of 2012. Rates include a 12 month rate guarantee period. The current rate application is submitted July 2012 before all the third and fourth quarter 2012 renewals have taken place. The proposed percentage change for fourth quarter 2013 would be the change from the fourth quarter 2012 rates to the proposed fourth quarter 2013 rates.</p> <p>e. 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; if submitted as a Word or Excel file, also submit another version in PDF format.</p> <p>f. The weighted averages may be based on membership or contract as used in Standard Exhibit 5 instead of premium volume.</p> <p>g. The values entered 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 Part A and/or Part B. If the drug rate is a separate rate table associated with a drug rider, then the medical changes are shown in Part A and/or Part B and the drug rider changes are shown in Part C and/or Part D.</p> <p>h. Parts A and B summarize 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</p>	
--	--	---	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>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.</p> <p>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>i. Parts C and D summarize 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.</p> <p>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.</p> <p>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>j. A separate row 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>k. Where rate changes differ by rating region within a market segment, separate rows are to be used by market segment/rating region combination.</p> <p>l. 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 2013, separate information should be entered in Parts B and D for the impact of the first quarter 2013 rate changes, the impact of the second quarter 2013 rate changes, the impact of the third quarter 2013 rate changes, and the impact of the fourth quarter 2013 rate changes.</p>	
--	--	---	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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><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. There are two different versions of this exhibit as indicated below. Not all versions may be required for a given rate submission.             <ol style="list-style-type: none"> <li>(i) Part A – for use with <u>Non-Rolling</u> Rate Structures.</li> <li>(ii) Part B – for use with <u>Rolling</u> Rate Structures.</li> </ol> </li> <li>b. This exhibit must be submitted as an Excel file and as an Adobe PDF file. The format of the exhibit is fixed, insert more rows as needed. Only use the first tab for data entry.</li> <li>c. The information to be shown in this exhibit pertains to the market segments and products included in the rate adjustment submission. Use the drop down list to enter the market segment.</li> <li>d. 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>e. The distribution basis can be by number of contracts or by number of members – fill in the applicable column. The same basis is to be used for all products within a given rate adjustment submission. Enter the applicable counts in the appropriate column (members column or contracts column), and replace the “mm/dd/yyyy” placeholder with the applicable “as of” date for the counts entered. The Weighted Average % should be developed based on the distribution of contracts or members for that market segment/rating region/product. At the end of each market segment enter a Market Segment Total row indicating the member/contract counts in total and by rate change column and the Weighted Average % for all rating regions/products in that market segment combined.</li> <li>f. 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>g. Enter in Part A the information for the various products that use a <u>non-rolling</u> rate structure.</li> <li>h. Enter in Part B the information for the various products that use a <u>rolling</u> rate structure. Separate rows are to be used for each rolling rate cohort. For example, if</li> </ol>	<p>Supporting Documentation Standard Exhibit 5B ALIC 3q13-4q13.pdf</p> <p>Standard Exhibit 5B ALIC 3q13-4q13.xls</p>
-------------------------	--	--	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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 rate submission is for quarterly rolling rate tables for first, second, third and fourth quarter 2013, then separate rows would be used to enter information for each of these four quarters. The distribution shown for a particular quarter would reflect only those policyholders renewing in that particular quarter.</p>	
<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 York Insurance Law other than Section 3231(e)(1) or Section 4308(c) that impact the policyholders affected by this rate adjustment filing and which affect the percentage changes shown on Exhibits 4 or 5.</li> <li>b. The format of the exhibit is fixed. Insert additional rows as needed. Only use the first tab for data entry. Use the drop down list to enter the filing status. Leave the Approval Date column blank for any filing that has not yet been approved. This exhibit must be submitted as an Excel file and also as an Adobe PDF file.</li> <li>c. 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 filing. 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.</li> <li>d. 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.</li> </ol>	<p>Supporting Documentation Standard Exhibit 6 ALIC 3q13-4q13.pdf</p> <p>Standard Exhibit 6 ALIC 3q13-4q13.xls</p>
<p><b>Exhibit 7</b></p>		<p><b>Historical Data by Each Policy Form Included in the Rate Adjustment Filing.</b></p> <ol style="list-style-type: none"> <li>a. This exhibit must be submitted as an Excel file and as an Adobe PDF file. The format of the exhibit is fixed; insert additional rows as needed. Only use the first tab for data entry.</li> <li>b. 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.</li> <li>c. Use a separate row for each base medical policy form belonging to a rating pool (i.e., a permitted aggregation of base medical policy forms). Data is to be shown 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. Then add another row for the rating pool total and indicate an appropriate rating pool identifier in the first column. Skip a line and then enter similar data for the next rating pool.</li> <li>d. Indicate the form number for each base medical policy form, the product name as in the rate manual, the street product name, and the rating pool identifier (the rating pool identifier should include a region identifier if rating pools vary by region).</li> </ol>	<p>Supporting Documentation Standard Exhibit 7 ALIC 3q13-4q13.pdf</p> <p>Standard Exhibit 7 ALIC 3q13-4q13.xls</p>

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>Refer to Section 360.11(a)-(b) of Regulation 145 (11 NYCRR 360) for the requirements to aggregate substantially similar 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 earliest 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 consistent with how the average changes were calculated in Standard Exhibit 5 (i.e., based on members or contracts). 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 2013. Rates are for a 12 month period. Indicate the average rate change percentage from the 1<sup>st</sup> quarter of 2012 rate tables to the 1<sup>st</sup> quarter 2013 rate tables.)</p> <p>i. For the number of policyholders affected and the number of covered lives affected by this rate filing, 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</p>	
--	--	--	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>period of the rolling rate structure.</p> <p>k. The experience entered for the three indicated experience periods is the New York statewide experience for the indicated base medical policy form plus all associated riders.</p> <p>(i) Each experience period is to be for 12 months (or shorter if a new form).</p> <p>(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, 2013. The recent experience period cannot have an ending date earlier than June 30, 2012, i.e., 12 months prior to July 1, 2013.).</p> <p>(iii) The first prior period is the immediately prior 12 month experience period (or shorter period if a new form). The second prior period is the immediately prior 12 month experience period (or shorter if a new form) prior to the first prior period.</p> <p>(iv) The incurred claims for each of the three 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.</p> <p>(v) Loss ratio report refunds or refunds pursuant to Regulation 146 are to have no impact on the earned premiums or standardized premiums shown. Such refunds do not reduce the earned premiums or resultant standardized earned premiums.</p> <p>l. Enter the average annual composite medical trend assumption used in the proposed rate development 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, as well as any other component such as for case mix or intensity (identify and discuss and justify any such other component in the actuarial memorandum along with the utilization component and unit cost component).</p> <p>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 for one non-rolling rate product and one rolling rate product included in the rate filing is to be included as part of the actuarial memorandum, as applicable. The same standard rate level is used for all of the experience periods.</p> <p>n. If the rating differential between the New York rating regions is being revised with</p>	
--	--	--	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>this rate filing, separate rows are to be included for each rating region, each permitted aggregation of rating regions, and for all rating regions combined, and the rating pool identifier is to include a rating region identifier.</p>	
<b>ACTUARIAL MEMORANDUM</b>	11NYCRR 52.40(a)(1)	<p>Actuarial qualifications:</p> <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 2-ALIC Memo.pdf
Justification of Rates	<p>§3231(e)                  §4308(c)                  11NYCRR 52.40                  11NYCRR 52.42 (HMOs)                  11NYCRR 52.45                  11NYCRR 59.5(b)                  11NYCRR 360.11</p>	<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 (or contract) 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 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 Standard Exhibit 5.) Include comparable information for percentage rate changes implemented during the prior 24 months.</li> <li>(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 2013. The change from each of the 2<sup>nd</sup> quarter 2013 rolling rate tables to the corresponding 3<sup>rd</sup> quarter 2013 rolling rate table is to be indicated.) The proposed percentage change between each succeeding rolling rate table is also to be indicated.</li> <li>(iii) For the 24 month period prior to the effective date of the earliest rate table included in the rate adjustment filing, 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</li> </ul> </li> </ul>	All items are addressed in the Supporting Documentation and Rate/Rule Schedule.

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>quarterly rate tables).</p> <ul style="list-style-type: none"> <li>(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.</li> <li>(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.</li> <li>(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.</li> <li>(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 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.</li> <li>(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.</li> </ul> <ul style="list-style-type: none"> <li>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.</li> <li>c. Include the following (year over year exhibit):             <ul style="list-style-type: none"> <li>(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</li> </ul> </li> </ul>	
--	--	---	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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 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 2013 and first and second quarter 2014. Rates are for 12 month periods. Show the rates for the third quarter 2012, the proposed rates for the third quarter 2013, and the dollar and percentage change from third quarter 2012 to the proposed third quarter 2013 rates. Show a similar table for the proposed fourth quarter 2013, and first and second quarter 2014 rates as well.)</p> <p>d. Discuss the standard premium development used in Standard Exhibit 7. See discussion above on Standard 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 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> <p>(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.</p> <p>(iii) Discuss the credibility of such source data.</p> <p>(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.</p> <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> <p>(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.</p>	
--	--	--	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

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

		<ul style="list-style-type: none"> <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 a rolling rate structure, how the percentage change from the existing 2<sup>nd</sup> quarter 2013 rate table to the proposed 3<sup>rd</sup> quarter 2013 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.</li> <li>(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 2013 rate table to the 4<sup>th</sup> quarter 2013 rate table). Provide justification for these changes between the rolling rate tables.</li> <li>(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.</li> <li>(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).</li> <li>(v) Discuss if the source data includes any very large claims on an individual, how such large claims have been handled, and any internal mechanism to pool large claims across more than the rating pool that contained the large claim. Clearly show how the rate development, if applicable, reflects this internal mechanism</li> </ul>	
--	--	---	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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>for pooling large claims.</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 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. Discuss any significant change in the non claim expense components indicated on Standard Exhibit 2 between the prior rate adjustment filing and this rate adjustment filing, including any item where the \$mpm value exceeds \$1 and where the \$mpm value changed by more than 10% between the prior filing and the current filing. Discuss the source for the non-claim expense components indicated on Standard Exhibit 2 for the current rate filing and, for the percentage of gross premium values, how the proposed rate change was reflected in the development of those percentage of gross premium factors (e.g., as premiums increase the</p>	
--	--	--	--

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

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

		percentage of premium should decrease for an expense that is not directly tied to premium). Discuss any revision to the expense allocation basis that has occurred since the last rate adjustment filing.	
Minimum Loss Ratio Requirements	§3231(e)(1)(B) §4308(c)(3) 11NYCRR52.45(i) 11NYCRR59.5(b)	<ul style="list-style-type: none"> <li>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.</li> <li>b. The minimum loss ratio for the official Medicare Supplemental products is: <ul style="list-style-type: none"> <li>(i) Article 43 companies: as specified in Section 4308(c)(3)(B) of the Insurance Law, as amended by Chapter 107 of the Laws of 2010; and</li> <li>(ii) Article 42 companies: as specified in Section 52.45(i) of Regulation 62 (11 NYCRR 52).</li> </ul> </li> </ul>	<p>Supporting Documentation 2-ALIC Memo.pdf</p> <p>Rate/Rule Schedule ALIC Rate Manual 3q13-4q13.pdf</p>
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>	<p>Supporting Documentation 2-ALIC Memo.pdf</p>
<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>	<p>Rate/Rule Schedule ALIC Rate Manual 3q13-4q13.pdf</p>

**NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES**

**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><b>NOTICES TO POLICYHOLDERS Initial &amp; Final</b></p>	<p>§3231(e)(1)(A) §4308(c)(2) Circular Letter No. 12 (2011)</p>	<p>a. As indicated in Circular Letter No. 12 (2011), a draft of the initial notice should be submitted for review by the Department prior to the rate adjustment submission. This draft should be submitted via SERFF using the “Prior Approval Prefiling” filing type code. (It is strongly recommended that the company also include a draft of the Narrative Summary in this prefiling submission.)</p> <p>b. Include with the rate adjustment filing a sample copy of the initial written notice sent to policyholders and subscribers/contract holders of the proposed rate adjustment submitted to the Department of Financial Services.</p> <p>(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 Department.</p> <p>(ii) 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.</p> <p>c. Include with the rate adjustment filing a sample copy of the final written notice to be sent to policyholders after the proposed rates are finalized.</p>	<p>SG Plan Sponsor Proposed Rate Filing Notification REVISED.pdf</p> <p>SG Plan Subscriber Proposed Rate Filing Notification REVISED.pdf</p> <p>2013 NY Subscriber Letter TRAD Approved Rate Notice.pdf</p> <p>NY PS Letter-SG Customer ALL PLANS.pdf</p> <p>NY SUBSCRIBER SUMMARY OF RENEWAL RATES 2.pdf</p>
<p><b>HHS PRELIMINARY JUSTIFICATION PARTS I AND II</b></p>	<p>PPACA §1003</p>	<p>a. For every rate submission pursuant to section 3231(e)(1) or section 4308(c) of the New York Insurance Law, the insurer is to submit Parts I and II of the U.S. Department of Health and Human Services (HHS) Preliminary Justification, whether or not such justification material is required to be submitted to HHS.</p> <p>b. This requirement applies to large group community rated products as well as to small group and individual products, and to non-grandfathered and grandfathered products, but this requirement does not apply to a product type that would never require such justification material to be submitted to HHS (for example: Medicare Supplemental products, stand-alone dental products).</p> <p>c. The justification material is to be prepared using the template and instructions provided by HHS.</p>	<p>N/A</p>
<p><b>PUBLIC DISCLOSURE OF THE RATE APPLICATION</b></p>		<p><b>Posting a Redacted Version of the Rate Adjustment Application to the Department’s Website.</b></p> <p>a. A redacted version of this rate application will be posted to the Department’s website to aid consumers’ understanding of the reason(s) for the requested rate change(s).</p> <p>b. The Department will accept redaction of only the following information in the rate application:</p> <p>(i) personally identifiable information, including names and contact information of actuaries or other individuals, including those who work for the health plan, a consulting firm, or the Department, that are contained in the application; and</p> <p>(ii) information that identifies in reasonably precise terms specific provider</p>	<p>N/A</p>

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

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>reimbursement rates contained in contracts between the health plan and a particular provider or formally affiliated provider group. Information that discloses trend, even specific trend, will <i>not</i> qualify for redaction. For example, if an insurer has a single pharmacy benefit manager (PBM), information about generic, brand and specialty drug costs per member will be disclosed. However, information about per unit dispensing fees paid to the PBM, or the level of rebates received, may be redacted.</p> <p>c. In order to expedite the posting of the redacted application to the Department’s website, the company is to attach within SERFF as a PDF file the redacted version of each document submitted with the application, including the completed checklist, all of the standard exhibits, the actuarial memorandum plus any attachments or appendices, the rate manuals and year over year exhibits, as well as any other documentation submitted. A redacted attachment/file should be clearly labeled as a redacted version.</p> <p>d. The redacted version of the application that will be posted to the Department’s website will be constructed by the Department and will not be submitted to the insurer for prior review. <i>Where a document is attached to SERFF without a clearly labeled redacted version in PDF format, it will be assumed that no redactions are requested and the unredacted version of the document will be posted to the website as filed.</i></p>	
--	--	---	--



<Date>

<Subscriber first> <Subscriber last>

<Address>

<City>, <ST> <ZIP>

<Group ID>

**RE: Notice of approved rate increase**

Dear Aetna Member:

We may have previously sent you notice of a proposed rate increase that we filed with the New York Department of Financial Services for your employer's small group plan offered by Aetna Life Insurance Company. Your final rate increase for the plan included with this renewal is shown on the attached renewal rate exhibit.

**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 <Date>.

Please note that while we try to provide you the most accurate information possible, your final rate may differ based on the enrollment census, benefit 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 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 into Aetna Navigator™, our secure member website at [www.aetna.com](http://www.aetna.com), or call us at 1-888-802-3862.

Thank you for choosing us for your health insurance needs.

Enclosure: Summary of renewal rates



<Date>

<Plan sponsor first> <Plan sponsor last>

<Title>

<Company Name>

<Address>

<City>, <ST> <ZIP>

<Group ID>

**RE: Notice of approved rate increase**

Attention New York Plan Sponsor:

We may have previously sent you notice of a proposed rate increase that we filed with the New York Department of Financial Services for your small group plan(s) offered by Aetna Life Insurance Company. Your final rate increase for the plan included with this renewal is shown on the attached renewal rate exhibit.

**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. These monthly premiums will be effective the date of the rate change.

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 you select upon renewal.

**What you need to do next**

There are many factors that 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 coverage, there is nothing you need to do at this time. We will include the new rates in your renewal bill.

If you have questions about the rate increase, 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

# Aetna Small Business Health Plan Options Summary of Renewal Rates

<Rating areas listed>

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

Plan Options	Current Monthly Premium - Pharmacy Plan \$15/\$35/\$70 Mail Order: \$30/\$70/\$140					
	Single:	Employee/ Spouse:	Parent/Child (26 dep age):	Family (26 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>

Plan Options	Renewal Monthly Premium - Pharmacy Plan \$15/\$35/\$70 Mail Order: \$30/\$70/\$140					
	Single:	Employee/ Spouse:	Parent/Child (26 dep age):	Family (26 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

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



<Date>

<Plan sponsor first> <Plan sponsor last>

<Title>

<Company Name>

<Address>

<City>, <ST> <ZIP>

<Group ID>

**RE: Notice of proposed rate increase**

Dear <Plan sponsor name>:

New York law requires that we send you and your employees, who are certificate holders, notice when we ask the New York Department of Financial Services (formerly the New York State Insurance Department) to approve a rate increase. Therefore, we want you to know that Aetna Life Insurance Company will be filing our proposed 2013 rates with the Department of Financial Services for plans renewing from August 1, 2013 through December 31, 2013.

**Proposed Rates**

The following table reflects the plan name(s) and associated proposed rate increases for your small group plans renewing during each of the following months. These rate increases are intended to be effective upon your renewal on or after August 1, 2013.

<TRAD Plan Name> offered by Aetna Life Insurance Company:

<u>Renewal Date</u>	<u>Increase</u>
August 1, 2013	8.7%
September 1, 2013	9.0%
October 1, 2013	12.3%
November 1, 2013	12.6%
December 1, 2013	12.9%

In addition to the rate increases shown above, we will be filing for additional rate increases for new benefits required by State and Federal law outlined in the rate table below.

<TRAD Plan Name> offered by Aetna Life Insurance Company:

<u>Plan Name</u>	<u>Rate Increase</u>
OA EPO 1-11	1.77%
OA EPO 2-11	1.99%
OA EPO 3-11	1.91%
OA EPO 4-11	2.12%
OA EPO 5-11	2.12%
OA EPO 6-11	2.21%
OA MC 3-11	1.88%
OA MC 4-11	2.14%
OA EPO 2-10/10 HSA Compatible	2.14%
OA EPO 4-10/10 HSA Compatible	2.46%
OA EPO 5-11 HSA Compatible	2.72%
OA MC 3-11 HSA Compatible	2.34%
Indemnity 1-10/10	2.20%

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 you select upon renewal.

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

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

#### **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.

These changes have required us to request a rate increase with the Department of Financial Services for all current and new community rated small group customers.

#### **30 Day Comment Period**

Plan Sponsors and subscribers have the opportunity to submit written comments to the Department of Financial Services on Aetna's rate filing application and the proposed rate changes within 30 days from the date Aetna submits the rate filing application. The rate filing application will be submitted on **00/00/2013**. You may contact Aetna Health Inc. to confirm the start and end of this 30-day comment period.

Comments can be submitted to the Department of Financial Services online at:

<https://myportal.dfs.ny.gov/web/prior-approval/submit-a-comment> or by contacting:

Department of Financial Services  
 Health Bureau-Premium Rate Adjustments  
 25 Beaver Street, New York, NY 10004

Email: [PremiumRateIncreases@dfs.ny.gov](mailto:PremiumRateIncreases@dfs.ny.gov)

Aetna  
151 Farmington Avenue  
Hartford, CT 06156  
[www.Aetna.com](http://www.Aetna.com)

Comments should clearly identify the name of the insurer is Aetna Life Insurance Company and the member's type of coverage or line of business. All submitted comments will be posted on the Department of Financial Services' website with personal identifying information removed. You may also contact the Department of Financial Services for additional information.

Aetna will also review any comments and answer any questions you may have concerning these proposed rate changes, including the start and conclusion of the 30-day comment period. 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 can also reach us at the following email addresses:

Metro NY: [ASGNEMetroNY@aetna.com](mailto:ASGNEMetroNY@aetna.com)

Upstate NY: [ASGNECT-UpstateNY@aetna.com](mailto:ASGNECT-UpstateNY@aetna.com)

#### **Additional Information**

Aetna has prepared a narrative summary that provides a more detailed, plain English explanation of the reasons why a premium rate adjustment is being requested. This summary will be posted on both the Aetna website and the New York State Department of Financial Services' website. You can access this information at the following sites:

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

New York DFS: <https://myportal.dfs.ny.gov/web/prior-approval/welcome>

Sincerely,  
Aetna

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, Aetna Life Insurance Company, and its affiliates (Aetna).

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



<Date>

<Subscriber first> <Subscriber last>

<Address>

<City>, <ST> <ZIP>

<Group ID>

**RE: Notice of proposed rate increase**

Dear <Subscriber first> <Subscriber last>

New York law requires that we send you notice when we ask the New York Department of Financial Services (formerly the New York State Insurance Department) to approve a rate increase. Therefore, we want you to know that Aetna Life Insurance Company will be filing our proposed 2013 rates with the Department of Financial Services for plans renewing from August 1, 2013 through December 31, 2013.

**Proposed Rates**

The following table reflects the plan name(s) and associated proposed rate increases for your small group plans renewing during each of the following months. These rate increases are intended to be effective upon your renewal on or after August 1, 2013.

<TRAD Plan Name> offered by Aetna Life Insurance Company:

<u>Renewal Date</u>	<u>Increase</u>
August 1, 2013	8.7%
September 1, 2013	9.0%
October 1, 2013	12.3%
November 1, 2013	12.6%
December 1, 2013	12.9%

In addition to the rate increases shown above, we will be filing for additional rate increases for new benefits required by State and Federal law outlined in the rate table below.

<TRAD Plan Name> offered by Aetna Life Insurance Company:

<u>Plan Name</u>	<u>Rate Increase</u>
OA EPO 1-11	1.77%

OA EPO 2-11	1.99%
OA EPO 3-11	1.91%
OA EPO 4-11	2.12%
OA EPO 5-11	2.12%
OA EPO 6-11	2.21%
OA MC 3-11	1.88%
OA MC 4-11	2.14%
OA EPO 2-10/10 HSA Compatible	2.14%
OA EPO 4-10/10 HSA Compatible	2.46%
OA EPO 5-11 HSA Compatible	2.72%
OA MC 3-11 HSA Compatible	2.34%
Indemnity 1-10/10	2.20%

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 your employer selects upon renewal.

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

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

#### **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.

These changes have required us to request a rate increase with the Department of Financial Services for all current and new community rated small group customers.

#### **30 Day Comment Period**

You have the opportunity to submit written comments to the Department of Financial Services on Aetna's rate filing application and the proposed rate changes within 30 days from the date Aetna submits the rate filing application. The rate filing application will be submitted on **00/00/2013**. You may contact Aetna Health Inc. to confirm the start and end of this 30-day comment period.

Comments can be submitted to the Department of Financial Services online at: <https://myportal.dfs.ny.gov/web/prior-approval/submit-a-comment> or by contacting:

Department of Financial Services  
 Health Bureau-Premium Rate Adjustments  
 25 Beaver Street, New York, NY 10004  
 Email: [PremiumRateIncreases@dfs.ny.gov](mailto:PremiumRateIncreases@dfs.ny.gov)

Aetna

151 Farmington Avenue  
Hartford, CT 06156  
[www.Aetna.com](http://www.Aetna.com)

Comments should clearly identify the name of the insurer is Aetna Life Insurance Company and the member's type of coverage or line of business. All submitted comments will be posted on the Department of Financial Services' website with personal identifying information removed. You may also contact the Department of Financial Services for additional information.

Aetna will also review any comments and answer any questions you may have concerning these proposed rate changes, including the start and conclusion of the 30-day comment period. 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), or call us at 1-888-702-3862.

#### **Additional Information**

Aetna has prepared a narrative summary that provides a more detailed, plain English explanation of the reasons why a premium rate adjustment is being requested. This summary will be posted on both the Aetna website and the New York State Department of Financial Services' website. You can access this information at the following sites:

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

New York DFS: <https://myportal.dfs.ny.gov/web/prior-approval/welcome>

Sincerely,  
Aetna

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).

Per the instructions, health insurance issuers proposing rate increases above the threshold fill in only those cells that are highlighted in GREY.  
The other cells are auto-populated.

**A. Base Period Data**

Start Period: 09/01/2011 End Period: 08/31/2012

Service Categories	Member Months	Total Allowed	Net Claims	Cost Sharing	Cost Sharing PMPM	Net PMPM	Allowed PMPM
Inpatient	352,324	\$ 35,768,114.72	\$ 31,626,901.39	\$ 4,141,213.33	\$ 11.75	\$ 89.77	\$ 101.52
Outpatient	352,324	\$ 14,952,702.55	\$ 10,473,747.94	\$ 4,478,954.61	\$ 12.71	\$ 29.73	\$ 42.44
Professional	352,324	\$ 43,728,157.98	\$ 28,590,594.64	\$ 15,137,563.35	\$ 42.96	\$ 81.15	\$ 124.11
Prescription Drugs	352,324	\$ 32,561,970.68	\$ 25,025,106.01	\$ 7,536,864.68	\$ 21.39	\$ 71.03	\$ 92.42
Other	352,324	\$ 39,288,616.95	\$ 29,112,670.93	\$ 10,175,946.01	\$ 28.88	\$ 82.63	\$ 111.51
Capitation	352,324	\$ 7.17	\$ 7.17	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total</b>	<b>352,324</b>	<b>\$ 166,299,570.05</b>	<b>\$ 124,829,028.07</b>	<b>\$ 41,470,541.98</b>	<b>\$ 117.71</b>	<b>\$ 354.30</b>	<b>\$ 472.01</b>

**B. Claim Projections**

**B1. Adjustment to the Current Rate**

Start Period: 08/01/2012 End Period: 07/31/2013

Service Categories	Overall Medical Trend	Projected Allowed PMPM	Net Claims	Cost Sharing
Inpatient	1.1022	\$ 111.89	\$ 97.61	0.1277
Outpatient	1.1022	\$ 46.78	\$ 32.32	0.3090
Professional	1.1022	\$ 136.80	\$ 88.23	0.3550
Prescription Drugs	1.1022	\$ 101.86	\$ 77.23	0.2418
Other	1.1022	\$ 122.91	\$ 89.85	0.2690
Capitation	1.1022	\$ 0.00	\$ 0.00	0.0000
<b>Total</b>		<b>\$ 520.24</b>	<b>\$ 385.24</b>	<b>0.26</b>

**B2. Claims Projection for Future Rate**

Start Period: 08/01/2013 End Period: 07/31/2014

Service Categories	Overall Medical Trend	Projected Allowed PMPM	Net Claims	Cost Sharing
Inpatient	1.1023	\$ 123.34	\$ 108.64	0.1192
Outpatient	1.1023	\$ 51.56	\$ 35.98	0.3023
Professional	1.1023	\$ 150.79	\$ 98.21	0.3487
Prescription Drugs	1.1023	\$ 112.29	\$ 85.96	0.2345
Other	1.1023	\$ 135.49	\$ 100.00	0.2619
Capitation	1.1023	\$ 0.00	\$ 0.00	0.0000
<b>Total</b>		<b>\$ 573.48</b>	<b>\$ 428.79</b>	<b>0.25</b>

**B3. Medical Trend Breakout**

Factor	Impact
Utilization	41.5300%
Unit Cost	33.5465%
Other Factors	24.9236%

**C. Components of Current and Future Rates**

	Future Rate		Prior Estimate of Current Rate		Difference	
	PMPM	%	PMPM	%	PMPM	%
1. Projected Net Claims	\$ 428.79	86.74%	\$ 382.55	86.99%	\$ 46.24	84.70%
2. Administrative Costs	\$ 66.55	13.46%	\$ 58.50	13.30%	\$ 8.06	14.76%
3. Underwriting Gain/Loss	\$ (1.01)	-0.20%	\$ (1.31)	-0.30%	\$ 0.30	0.54%
4. Total Rate	\$ 494.33	100.00%	\$ 439.74	100.00%	\$ 54.59	100.00%
5. Overall Rate Increase		12.42%				

**D. Components of Rate Increase**

Claims Components	Impact on Rate	Percent
1. Inpatient	\$ 9.99	21.60%
2. Outpatient	\$ 3.31	7.15%
3. Professional	\$ 9.03	19.53%
4. Prescription Drugs	\$ 7.90	17.09%
5. Other	\$ 9.19	19.88%
6. Capitation	\$ 0.00	0.00%
7. Cost Share	\$ 4.12	8.92%
8. Correction of Prior Net Claims Estimate	\$ 2.69	5.82%
9. Total	\$ 46.24	100.00%
<b>Claims Restatement for Current Rate Period</b>		
8.a. Prior Net Claims Estimate for Current Rate Period	\$ 382.55	
8.b. Re-Estimate of Net Claims PMPM for Current Rate Period	\$ 385.24	

**E. List of Annual Average Rate Changes Requested and Implemented in the Past Three Calendar Years**

Calendar Year	New Form	Requested	Implemented
2012	N	10.9605%	6.9290%
2011	N	9.2458%	8.9097%
2010	N	0.3322%	0.3322%

**F. Range and Scope of Proposed Increase**

Number of Covered Individuals	30,994	Threshold Rate Increase	13.3256%
-------------------------------	--------	-------------------------	----------

Range of Rate Increase	
Minimum % Increase	10.5796%
Maximum % Increase	15.3062%

## EXHIBIT 1: GENERAL INFORMATION ABOUT THE RATE ADJUSTMENT SUBMISSION

A.	Insurer Information: <u>Aetna Life Insurance Company</u> Company submitting the rate adjustment request  151 Farmington Ave. Hartford CT 06156 Company mailing address	<u>A&amp;H - 42</u> Company Type	<u>For Profit</u> Org. Type	<u>60054</u> Company NAIC Code
B.	Contact Person: <u>[REDACTED]</u> Rate filing contact person name, title	<u>[REDACTED]</u> Contact phone number		<u>[REDACTED]</u> Contact Email address
C.	Actuarial Contact (If different from above): <u>[REDACTED]</u> Actuary name, title	<u>[REDACTED]</u> Actuary phone number		<u>[REDACTED]</u> Actuary Email address
D.	New Rate Information (See Note #1): <u>August 1, 2013 to December 31, 2013</u> New rate applicability period	<u>08/01/2013</u> New rate effective date		<u>AETN-128901056</u> SERFF Tracking Number
E.	Market segments included in filing (e.g., Large Group, Small Group, Sole Proprietors, Individual, Healthy NY, Medicare Supplement):	<u>Small Group</u>		
F.	Provide responses for the following questions:	<b>Response</b>		
	1. Does this filing include any revision to contract language that is not yet approved? See note (2).	<u>No</u>		
	2. Are there any rate filings submitted and not yet approved that if approved would affect the rate tables included in this rate filing?	<u>No</u>		
	3. Have the initial notices already been sent to all policyholders and contract holders affected by this rate submission? Indicate what cohort of policyholders received the initial notice and the mailing date when the initial notice was sent. See note (3).	<u>All Small Group NY policyholders. Notification sent</u>		
	4. Have all the required exhibits been submitted with this rate application? If any exhibit is not applicable, has an explanation been provided why such exhibit is not applicable?	<u>Yes</u>		
	5. Did the company submit a "Prior Approval Prefiling" containing a draft of the initial notice and a draft of the narrative summary associated with this rate filing? Indicate Yes or No, and if Yes, please provide the SERFF number of the pre-filing.	<u></u>		

**Notes:**

- (1) It is recommended that a rate filing application subject to §3231(e)(1) or §4308(c) of the New York Insurance Law be submitted at least 150 days before the proposed effective date. It is recommended that a rate adjustment application not be submitted more than 180 days prior to the proposed effective date. It is recommended that a rate adjustment application 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.
- (2) A rate adjustment filing submitted pursuant to §3231(e)(1) or §4308(c) of the New York Insurance Law should **not** 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.  
 Use the following SERFF filing types for rate adjustment filings:
  - \* For a rate adjustment filing pursuant to §3231(e)(1): Rate Adjustment pursuant to §3231(e)(1)
  - \* For a rate adjustment filing pursuant to §4308(c): Rate Adjustment pursuant to §4308(c)
  - \* For all other prior approval filings: Normal Pre-Approval
- (3) §3231(e)(1) and §4308(c) of the New York Insurance Law require that the initial notice to policyholders/subscribers/contract holders be sent on or before the date the rate adjustment application is submitted to the Insurance Department.



EXHIBIT 2: SUMMARY OF AVERAGE CLAIM TREND AND ADMINISTRATIVE EXPENSES INCLUDED IN CURRENT AND PRIOR RATE ADJUSTMENT FILINGS

Company Name Aetna Life Insurance Company  
 NAIC Code 60054  
 SERFF Number AETN-128901056

		Data Item for Specified Rating Pool																												
		For the period included in this rate adjustment filing																												
1. Market Segment	2. Description of rating pool within the market segment	3. Period assumed - beginning date (MM/DD/YY)	4. Period assumed - ending date (MM/DD/YY)	5. Average annual claim trend assumed	6.1 Regulatory authority licenses and fees, including New York State 332 assessment expenses as a % of gross premium	6.2 Administrative expenses for activities that improve health care quality as defined in the NAIC Annual Statement Supplement Health Care Exhibit - as a % of gross premium	6.3 Commissions and broker fees - as a % of gross premium	6.4 Premium Taxes - as a % of gross premium	6.5 Other state and federal taxes and assessments (other than income taxes and covered lives assessment) - as a % of gross premium	6.6 Other administrative expenses - as a % of gross premium	6.7 Subtotal columns 6.1 through 6.6	7. After tax underwriting margin (profit/contribution to surplus) - as a % of gross premium	8. State income tax component - as a % of gross premium	8.1 State income tax rate assumed (eg 3%)	9. Federal income tax component - as a % of gross premium	9.1 Federal income tax rate assumed (eg 30%)	10. Reduction for assumed net investment income - as a % of gross premium (enter as a negative value)	11. Subtotal columns 6.7 + 7 + 8 + 9 + 10	12.1 Regulatory authority licenses and fees, including New York State 332 assessment expenses - as \$mpm	12.2 Administrative expenses for activities that improve health care quality as defined in the NAIC Annual Statement Supplement Health Care Exhibit - as \$mpm	12.3 Commissions and broker fees - as \$mpm	12.4 Premium Taxes - as \$mpm	12.5 Other state and federal taxes and assessments (other than income taxes and covered lives assessment) - as \$mpm	12.6 Other administrative expenses - as \$mpm	12.7 Subtotal columns 12.1 through 12.6	13. After tax underwriting margin (profit/contribution to surplus) - as \$mpm	14. State income tax component - as \$mpm	15. Federal income tax component - as \$mpm	16. Reduction for assumed net investment income - as \$mpm (enter as a negative value)	17. Subtotal columns 12.7 through 16
SG	ALIC	X 08/01/13	X 12/31/13	11.20%	0.13%	0.59%	7.12%	1.60%	0.00%	3.76%	13.20%	1.64%	0.01%	0.225%	0.88%	35.00%	-1.26%	14.47%	0.83	3.77	45.32	10.20	0.00	23.95	84.07	10.42	0.04	5.63	-8.02	92.15

EXHIBIT 2: SUMMARY OF AVERAGE CLAIM TREND AND ADMINISTRATIVE EXPENSES INCLUDED IN CURRENT AND PRIOR RATE ADJUSTMENT FILINGS

Data Item for Specified Rating Pool																													
For the rate period included in the immediately prior rate adjustment filing (or initial form & rate filing)																													
1. Market Segment	18. Period assumed - beginning date (MM/DD/YY)	19. Period assumed - ending date (MM/DD/YY)	20. Average annual claim trend assumed	21.1 Regulatory authority licenses and fees, including New York State 332 assessment expenses - as a % of gross premium	21.2 Administrative expenses for activities that improve health care quality as defined in the NAIC Annual Statement Health Care Exhibit - as a % of gross premium	21.3 Commissions and broker fees - as a % of gross premium	21.4 Premium Taxes - as a % of gross premium	21.5 Other state and federal taxes and assessments (other than income taxes and covered lives assessment) - as a % of gross premium	21.6 Other administrative expenses - as a % of gross premium	21.7 Subtotal columns 21.1 through 21.6	22. After tax underwriting margin (profit/contribution to surplus) - as a % of gross premium	23. State income tax component - as a % of gross premium	23.1 State income tax rate assumed (eg 3%)	24. Federal income tax component - as a % of gross premium	24.1 Federal income tax rate assumed (eg 30%)	25. Reduction for assumed net investment income - as a % of gross premium (enter as a negative value)	26. Subtotal lines 21.7 + 22 + 23 + 24 + 25	27.1 Regulatory authority licenses and fees, including New York State 332 assessment expenses - as \$mpm	27.2 Administrative expenses for activities that improve health care quality as defined in the NAIC Annual Statement Health Care Exhibit - as \$mpm	27.3 Commissions and broker fees - as \$mpm	27.4 Premium Taxes - as \$mpm	27.5 Other state and federal taxes and assessments (other than income taxes and covered lives assessment) - as \$mpm	27.6 Other administrative expenses - as \$mpm	27.7 Subtotal lines 27.1 through 27.6	28. After tax underwriting margin (profit/contribution to surplus) - as \$mpm	29. State income tax component - as \$mpm	30. Federal income tax component - as \$mpm	31. Reduction for assumed net investment income - as \$mpm (enter as a negative value)	32. Subtotal columns 27.7 through 31
SG XX	01/01/13	12/31/13	11.20%	0.13%	0.59%	7.12%	1.60%	0.00%	3.76%	13.20%	1.99%	0.01%	0.225%	1.08%	35.00%	-1.26%	15.02%	0.81	3.68	44.24	9.96	0.00	23.38	82.07	12.40	0.04	6.70	(7.83)	93.38

### EXHIBIT 3: NARRATIVE SUMMARY

Company Name: Aetna Life Insurance Company  
 NAIC Code: 60054  
 SERFF Tracking #: AETN-128901056

Aetna Life Insurance Company is submitting rate increases for its Small Group market segment for the state of New York. As we have in the past, we will work with the New York State Insurance Department to make sure these rate changes comply with all state regulations.

The following is a summary of the proposed rate increases for policyholders' existing benefit plans, to be effective on the policyholder's next anniversary occurring on or after the effective dates shown.

Groups that renew from 8/1/2013 to 8/31/2013 will have an increase of 8.7%. Groups that renew from 9/1/2013 to 9/30/2013 will have an increase of 9.0%, etc.

Effective Date	Proposed Rate Increases	Policyholders	Members
08/01/2013	8.7%	1,036	1,796
09/01/2013	9.0%	1,531	2,769
10/01/2013	12.3%	1,038	1,924
11/01/2013	12.6%	1,147	2,112
12/01/2013	12.9%	1,506	2,763

The total number of policyholders affected by the proposed rate adjustment is 6,258 as of 11/30/2012.

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 2009 – August 2012. The table below reflects our cost trends:

Utilization Trend	Unit Cost Trend	Other Trend	Total Trend
4.5%	3.6%	2.7%	11.2%

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 6.0% and physician unit cost is projected to increase at 1.1%.

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 2.7% to our total trend.

For this rate filing, we have used 11.2% as the projected change in total medical cost

Our pricing projection and the resulting rate increases assume that 84.3% 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 15.7% 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.

The narrative (exhibit 3) will be placed under Aetna.com that is open to the public.

There are three pdf files under this link below which is open to public.

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

**EXHIBIT 4 - PART B: SUMMARY OF PROPOSED PERCENTAGE RATE CHANGE TO EXISTING RATE**

**-- for Base Medical Plan with ROLLING Rate Structure**

Aetna Life Insurance Company  
Company submitting the rate adjustment request

60054  
Company NAIC Code

AETN-128901056  
SERFF tracking number

- => Use this Exhibit for the base medical plan type policy forms/products with ROLLING rate structure that are included in the rate adjustment submission.
- => This form must be submitted as an Excel file and as a PDF file.
- => The format of this exhibit is discussed below. Insert more rows as needed. Only use the first tab for data entry.
- =>
- Market segment refers to Individual ( ND), Small Group (SG), Sole Proprietor (SP), Large Group (LG), Individual Healthy NY (HNY-IND), Small Group Healthy NY (HNY-SG), Individual Medicare Supplement (MS- NS), Small Group Medicare Supplement (MS-SG), and Large Group Medicare Supplement (MS-LG). If the proposed percentage rate change for Sole Proprietor is different from Small Group, then a separate market segment of Sole Proprietor (SP) is to be reported; otherwise, use small group. Use the drop down list to enter the market segment.
- => 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 effective date is the earliest date that the proposed new rate would become effective if approved. The effective period of a new rolling rate may vary depending on the rolling rate structure (e.g., Q1 2013 for a quarterly rolling rate structure.)
- => 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).
- => Provide a list of proposed rate changes for each base medical plan type, by product name/street name. If one policy form is used for more than one product, then a separate row should be entered for each policy form/product name/product street name combination.
- => 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.

**Base Medical Plan Rolling Rate Products**

SERFF# AETN-128901056

Policy Form #	Market Segment	Rating Region	Product Name	Product Street Name	Effective Date of New Rate	Effective Period of New Rate	Proposed Percentage Rate Change		
							Lowest	Highest	Weighted Avg
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12	NY OA MC 3	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12	NY OA MC 4	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible	NY OA MC 3 HSA Compatible	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12	NY OA EPO 1	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12	NY OA EPO 2	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12	NY OA EPO 3	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12	NY OA EPO 4	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12	NY OA EPO 5	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12	NY OA EPO 6	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible	NY OA EPO 5 HSA Compatible	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 MHP	NY OA MC 3 MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12 MHP	NY OA MC 4 MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible MHP	NY OA MC 3 HSA Compatible MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12 MHP	NY OA EPO 1 MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 MHP	NY OA EPO 2 MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12 MHP	NY OA EPO 3 MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 MHP	NY OA EPO 4 MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 MHP	NY OA EPO 5 MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12 MHP	NY OA EPO 6 MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible MHP	NY OA EPO 5 HSA Compatible MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12	NY Indemnity 1	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12 MHP	NY Indemnity 1 MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible	NY OA EPO 2 HSA Compatible	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible	NY OA EPO 4 HSA Compatible	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible MHP	NY OA EPO 2 HSA Compatible MHP	08/01/2013	August-13	8.66%	8.66%	8.66%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible MHP	NY OA EPO 4 HSA Compatible MHP	08/01/2013	August-13	8.66%	8.66%	8.66%

Base Medical Plan Rolling Rate Products

SERFF# AETN-128901056

Policy Form #	Market Segment	Rating Region	Product Name	Product Street Name	Effective Date of New Rate	Effective Period of New Rate	Proposed Percentage Rate Change		
							Lowest	Highest	Weighted Avg
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12	NY OA MC 3	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12	NY OA MC 4	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible	NY OA MC 3 HSA Compatible	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12	NY OA EPO 1	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12	NY OA EPO 2	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12	NY OA EPO 3	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12	NY OA EPO 4	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12	NY OA EPO 5	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12	NY OA EPO 6	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible	NY OA EPO 5 HSA Compatible	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 MHP	NY OA MC 3 MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12 MHP	NY OA MC 4 MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible MHP	NY OA MC 3 HSA Compatible MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12 MHP	NY OA EPO 1 MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 MHP	NY OA EPO 2 MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12 MHP	NY OA EPO 3 MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 MHP	NY OA EPO 4 MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 MHP	NY OA EPO 5 MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12 MHP	NY OA EPO 6 MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible MHP	NY OA EPO 5 HSA Compatible MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12	NY Indemnity 1	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12 MHP	NY Indemnity 1 MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible	NY OA EPO 2 HSA Compatible	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible	NY OA EPO 4 HSA Compatible	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible MHP	NY OA EPO 2 HSA Compatible MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible MHP	NY OA EPO 4 HSA Compatible MHP	09/01/2013	September-13	8.98%	8.98%	8.98%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12	NY OA MC 3	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12	NY OA MC 4	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible	NY OA MC 3 HSA Compatible	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12	NY OA EPO 1	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12	NY OA EPO 2	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12	NY OA EPO 3	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12	NY OA EPO 4	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12	NY OA EPO 5	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12	NY OA EPO 6	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible	NY OA EPO 5 HSA Compatible	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 MHP	NY OA MC 3 MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12 MHP	NY OA MC 4 MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible MHP	NY OA MC 3 HSA Compatible MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12 MHP	NY OA EPO 1 MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 MHP	NY OA EPO 2 MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12 MHP	NY OA EPO 3 MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 MHP	NY OA EPO 4 MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 MHP	NY OA EPO 5 MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12 MHP	NY OA EPO 6 MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible MHP	NY OA EPO 5 HSA Compatible MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12	NY Indemnity 1	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12 MHP	NY Indemnity 1 MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible	NY OA EPO 2 HSA Compatible	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible	NY OA EPO 4 HSA Compatible	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible MHP	NY OA EPO 2 HSA Compatible MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible MHP	NY OA EPO 4 HSA Compatible MHP	10/01/2013	October-13	12.25%	12.25%	12.25%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12	NY OA MC 3	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12	NY OA MC 4	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible	NY OA MC 3 HSA Compatible	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12	NY OA EPO 1	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12	NY OA EPO 2	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12	NY OA EPO 3	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12	NY OA EPO 4	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12	NY OA EPO 5	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12	NY OA EPO 6	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible	NY OA EPO 5 HSA Compatible	11/01/2013	November-13	12.59%	12.59%	12.59%

Base Medical Plan Rolling Rate Products

SERFF# AETN-128901056

Policy Form #	Market Segment	Rating Region	Product Name	Product Street Name	Effective Date of New Rate	Effective Period of New Rate	Proposed Percentage Rate Change		
							Lowest	Highest	Weighted Avg
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 MHP	NY OA MC 3 MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12 MHP	NY OA MC 4 MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible MHP	NY OA MC 3 HSA Compatible MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12 MHP	NY OA EPO 1 MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 MHP	NY OA EPO 2 MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12 MHP	NY OA EPO 3 MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 MHP	NY OA EPO 4 MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 MHP	NY OA EPO 5 MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12 MHP	NY OA EPO 6 MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible MHP	NY OA EPO 5 HSA Compatible MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12	NY Indemnity 1	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12 MHP	NY Indemnity 1 MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible	NY OA EPO 2 HSA Compatible	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible	NY OA EPO 4 HSA Compatible	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible MHP	NY OA EPO 2 HSA Compatible MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible MHP	NY OA EPO 4 HSA Compatible MHP	11/01/2013	November-13	12.59%	12.59%	12.59%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12	NY OA MC 3	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12	NY OA MC 4	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible	NY OA MC 3 HSA Compatible	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12	NY OA EPO 1	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12	NY OA EPO 2	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12	NY OA EPO 3	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12	NY OA EPO 4	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12	NY OA EPO 5	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12	NY OA EPO 6	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible	NY OA EPO 5 HSA Compatible	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 MHP	NY OA MC 3 MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 4-12 MHP	NY OA MC 4 MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA MC 3-12 HSA Compatible MHP	NY OA MC 3 HSA Compatible MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 1-12 MHP	NY OA EPO 1 MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 MHP	NY OA EPO 2 MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 3-12 MHP	NY OA EPO 3 MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 MHP	NY OA EPO 4 MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 MHP	NY OA EPO 5 MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 6-12 MHP	NY OA EPO 6 MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 5-12 HSA Compatible MHP	NY OA EPO 5 HSA Compatible MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12	NY Indemnity 1	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY Indemnity 1-12 MHP	NY Indemnity 1 MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible	NY OA EPO 2 HSA Compatible	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible	NY OA EPO 4 HSA Compatible	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 2-12 HSA Compatible MHP	NY OA EPO 2 HSA Compatible MHP	12/01/2013	December-13	12.93%	12.93%	12.93%
GR-STATHCRGrp 01 NY	SG	ALL	NY OA EPO 4-12 HSA Compatible MHP	NY OA EPO 4 HSA Compatible MHP	12/01/2013	December-13	12.93%	12.93%	12.93%

**EXHIBIT 5 - PART B: DISTRIBUTION OF CONTRACTS AFFECTED BY PROPOSED RATE ADJUSTMENTS for ROLLING Rate Structured Products**

Company Name: Aetna Life Insurance Company  
 NAIC Code: 60054  
 SERFF Tracking #: AETN-128901056

**Instructions:**

- 1) The percentage rate change reflects 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 effective date is the earliest date that the proposed new rate would become effective if approved. The effective period of a new rolling rate may vary depending on the rolling rate structure (e.g., Q1 2013 for a quarterly rolling rate structure)
- 3) The distribution is by number of members or number of contracts. The Company should fill in the appropriate column below (members or contracts) and replace the mm/dd/yy placeholder with the applicable as of date.
- 4) The Weighted Average Percentage should be developed based on the distribution of contracts or members for that market segment/product and for the market segment in total.
- 5) Market segment refers to Individual (IND), Small Group (SG), Sole Proprietor (SP), Large Group (LG), Individual Healthy NY (HNY-IND), Small Group Healthy NY (HNY-SG), Individual Medicare Supplement (MS-INS), Small Group Medicare Supplement (MS-SG), and Large Group Medicare Supplement (MS-LG). If the proposed percentage rate change for Sole Proprietor is different from Small Group, then a separate market segment of Sole Proprietor (SP) is to be reported; otherwise, use small group. Use the drop down list to enter the market segment.
- 6) 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.).
- 7) Provide distribution information for each rolling rate cohort of a rolling rate structure contract 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. Only use the first tab for data entry.
- 9) After each effective period/market segment combination there should be a market segment total row. Enter Total in the "Product" column, the sum of the counts in the various columns, and the market segment weighted avg %.
- 10) This exhibit must be submitted as an Excel file and a PDF file.

**FOR ROLLING RATE STRUCTURE PRODUCTS - Distribution of Rolling Rate Contracts by Proposed Rate Adjustment by Each Rolling Rate Cohort**

SERFF#: AETN-128901056

Effective Date	Effective Period	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Members as of 11/01/2012	Total # of Contracts as of 11/01/2012	Number of (*) 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		
								08/01/2013	August 2013	SG	RA01-RA12, RA14-RA15	MC	8.7%	N/A	420	0	0	0	420	0
08/01/2013	August 2013	SG	RA01-RA12, RA14-RA15	EPO	8.7%	N/A	370	0	0	0	370	0	0	0	0	0	0	0	0	0
08/01/2013	August 2013	SG	RA01-RA12, RA14-RA15	Indemnity	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
08/01/2013	August 2013	SG	RA01-RA12, RA14-RA15	HSA	8.7%	N/A	246	0	0	0	246	0	0	0	0	0	0	0	0	0
08/01/2013	August 2013	Market Segm			8.7%	N/A	1,036	0	0	0	1,036	0	0	0	0	0	0	0	0	0

Effective Date	Effective Period	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Members as of 11/01/2012	Total # of Contracts as of 11/01/2012	Number of (*) 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		
								09/01/2013	September 2013	SG	RA01-RA12, RA14-RA15	MC	9.0%	N/A	644	0	0	0	644	0
09/01/2013	September 2013	SG	RA01-RA12, RA14-RA15	EPO	9.0%	N/A	561	0	0	0	561	0	0	0	0	0	0	0	0	0
09/01/2013	September 2013	SG	RA01-RA12, RA14-RA15	Indemnity	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
09/01/2013	September 2013	SG	RA01-RA12, RA14-RA15	HSA	9.0%	N/A	326	0	0	0	326	0	0	0	0	0	0	0	0	0
09/01/2013	September 2013	Market Segm			9.0%	N/A	1,531	0	0	0	1,531	0	0	0	0	0	0	0	0	0

Effective Date	Effective Period	Market Segment	Rating Region	Product	Weighted Avg %	Total # of Members as of 11/01/2012	Total # of Contracts as of 11/01/2012	Number of (*) 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		
								10/01/2013	October 2013	SG	RA01-RA12, RA14-RA15	MC	12.3%	N/A	388	0	0	0	388	0
10/01/2013	October 2013	SG	RA01-RA12, RA14-RA15	EPO	12.3%	N/A	380	0	0	0	380	0	0	0	0	0	0	0	0	0
10/01/2013	October 2013	SG	RA01-RA12, RA14-RA15	Indemnity	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10/01/2013	October 2013	SG	RA01-RA12, RA14-RA15	HSA	12.3%	N/A	270	0	0	0	270	0	0	0	0	0	0	0	0	0
10/01/2013	October 2013	Market Segm			12.3%	N/A	1,038	0	0	0	1,038	0	0	0	0	0	0	0	0	0

## EXHIBIT 6: SUMMARY OF POLICY FORM AND PRODUCT CHANGES

**Company Name:** Aetna Life Insurance Company

**NAIC Code:** 60054

**SERFF Number:** AETN-128901056

**Instructions:**

- This Exhibit summarizes all benefit/rate changes filed under sections other than §3231(e)(1)/4308(c) that impact the rate tables in this filing.
- 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).
- Enter filing status (approved or pending) using the drop down list. For pending files leave the approval date blank.
- Extend the worksheet to add more rows as needed. Only use the first tab for data entry.

**List of rate filings that have been approved since the prior §3231(e)(1) or §4308(c) rate filing or are currently pending with the Department, which impact the rate tables in this filing.**

Filing Status	SERFF #	NY State Tracking #	Date of Submission	Policy Form #	Product Name (including Street Name)	Brief Description of Benefit/Rate Change	Approval Date
Approved	AENX-G127651429	2011090128	09/26/2011	GR-9N S-10-35 02,	Diagnostic X-ray and Lab	Application of different cost-sharing to x-ray and lab	01/06/2012
Approved	AENX-G128091031	2012020092	02/14/2012	GR-9N 30-015 06	PPO/Traditional	Provide more flexibility for termination of dependents coverage	04/11/2012
Approved	AENX-G127193959	2011060018	06/01/2011	GR-9N 08-029 02	PPO	Compliance with NY S 1803 (Dialysis treatment)	08/15/2011
Approved	AENX-G127384563	2011080169	08/24/2011	GR-29N -5-03 04, G	GENERAL PROVISIONS	Retroactive terminations and premium rebate allocations	12/01/2011
Approved	AENX-G127877968	2011120064	12/08/2011	GR-9N 32-005 03	PPO/Traditional	Adds HRC required rescission	01/12/2012
Approved	AENX-G127181527	2011050189	05/23/2011	GR-9N 31-020 02, G	PPO/Traditional	Revises extension of benefits provision	08/24/2011
Approved	AENX-G127877968	2011120064	12/08/2011	GR-9N-APPEALS 0	Grievances and Appeals	To comply with NY law and HCR	01/10/2012
Approved	AENX-G128173319	2012030128	03/15/2012	GR-9N 13-010 04	Pharmacy	List of drugs that require precertification	05/30/2012
Pending		ADD WOMENS HEALTH					Pending

EXHIBIT 7: HISTORICAL DATA BY EACH POLICY FORM INCLUDED IN RATE ADJUSTMENT FILING

Company Name Aetna Life Insurance Company  
 NAIC Code 60054  
 SERFF Number AETN-128901056

Data Item for Specified Base Medical Policy Form														
1a. Base medical policy form number	1b. Product Name as in Rate Manual	1c. Product Street Name as indicated to consumers	2. Rating Pool Identifier	3. Effective date of rate change (MM/DD/YY)	4. Market Segment [drop down menu]	5. Product type (see above for examples) [drop down menu]	6. Is a rolling rate structure used for this base medical policy form? (Yes or No) [drop down menu]	7. Has base medical policy form aggregation changed from previous filing? (Yes or No) [drop down menu]	8. Is base medical policy form open (new sales allowed) or closed (no new sales) [drop down menu]	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.)	10. Weighted average rate change % proposed across base medical policy form from current rate charged policyholder (including all associated riders)	11. Number of policyholders affected by rate change. (For group business this is number of groups.)	12. Number of covered lives affected by rate change	13. Expected NY statewide loss ratio for base medical policy form including associated riders
GR-STATHCRGrp 01 NY	EPO MC Indemnity	EPO MC Indemnity	SG ALIC	08/01/13	SG	EPO	Yes	No	Open	5	11.08%	1,500	11,364	84.3%

EXHIBIT 7: HISTORICAL DATA BY EACH POLICY FORM INCLUDED IN RATE ADJUSTMENT FILING

		Most Recent Experience Period (NY statewide experience, base medical policy form + associated riders)																					
1a. Base medical policy form number	1b. Product Name as in Rate Manual	14.1 Beginning Date of the experience period (MM/DD/YY)	14.2 Ending Date of the experience period (MM/DD/YY)	14.3 Member months for experience period	14.4 Earned premiums for experience period (\$)	14.5 Standardized earned premiums for experience period (\$)	14.6 Paid claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	14.7 Incurred claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	14.8 Adjustment to the incurred claims for the period due to receipts from the standard direct pay or Healthy NY stop loss pools (enter receipts from the pool as a negative value) (\$)	14.9 Adjustment to the incurred claims for the period due to receipts from or payments to the Regulation 146 pool (enter receipts as a negative value and payments to the pool as a positive value) (\$)	14.10 Administrative expenses for experience period (including commissions and premium taxes, but excluding federal and state income taxes) (\$)	14.11 Earned premiums for experienc e period (\$mpm)	14.12 Standardiz ed premiums for experienc e period (\$mpm)	14.13 Paid claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$mpm)	Incurred claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$mpm)	14.15 Adjustment to the incurred claims for the period due to receipts from the standard direct pay or Healthy NY stop loss pools (enter receipts from the pool as a negative value) (\$mpm)	14.16 Adjustment to the incurred claims for the period due to receipts from or payments to the Regulation 146 pool (enter receipts as a negative value and payments to the pool as a positive value) (\$mpm)	14.17 Administrativ e expenses for experience period (including commissions and premium taxes, but excluding federal and state income taxes) (\$mpm)	14.18 Ratio: Col 14.7/ Col 14.4 (Incurred Claims / Standardize d Earned Premiums)	14.19 Ratio: Col 14.7/ Col 14.5 (Incurred Claims / Standardize d Earned Premiums)	14.20 Ratio:Col 14.10/ Col 14.4 (Administ ration Expenses / Earned Premiums)	14.21 Ratio: (Col 14.7 + Col 14.9 + Col 14.10) / Col 14.4	
GR- STATHCRGrp 01 NY	EPO MC Indemnity	XX	09/01/11	08/31/12	345,491	152,482,638	177,846,800	122,943,731	125,454,023	0	(909,828)	20,127,321	441.35	514.77	355.85	363.12	0.00	(2.63)	58.26	0.823	0.705	0.132	0.949

EXHIBIT 7: HISTORICAL DATA BY EACH POLICY FORM INCLUDED IN RATE ADJUSTMENT FILING

		First Prior Experience Period (NY statewide experience, base medical policy form + associated riders)																				
1a. Base medical policy form number	1b. Product Name as in Rate Manual	15.1 Beginning date of the experience period (MM/DD/YY)	15.2 Ending Date of the experience period (MM/DD/YY)	15.3 Member months for experience period	15.4 Earned premiums for experience period (\$)	15.5 Standardized earned premiums for experience period (\$)	15.6 Paid claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	15.7 Incurred claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	15.8 Adjustment to the incurred claims for the period due to receipts from the standard direct pay or Healthy NY stop loss pools (enter receipts from the pool as a negative value) (\$)	15.9 Adjustment to the incurred claims for the period due to receipts from or payments to the Regulation 146 pool (enter receipts as a negative value and payments to the pool as a positive value) (\$)	15.10 Administrative expenses for experience period (including commissions and premium taxes, but excluding federal and state income taxes) (\$)	15.11 Earned premiums for experience period (\$mpm)	15.12 Standardized premiums for experience period (\$mpm)	15.13 Paid claims for experience period before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$mpm)	15.14 Incurred claims for experience period before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$mpm)	15.15 Adjustment to the incurred claims for the period due to receipts from the standard direct pay or Healthy NY stop loss pools (enter receipts from the pool as a negative value) (\$mpm)	15.16 Adjustment to the incurred claims for the period due to receipts from or payments to the Regulation 146 pool (enter receipts as a negative value and payments to the pool as a positive value) (\$mpm)	15.17 Administrative expenses for experience period (including commissions and premium taxes, but excluding federal and state income taxes) (\$mpm)	15.18 Ratio: Col 15.7/ Col 15.4 (Incurred Claims / Earned Premiums)	15.19 Ratio: Col 15.7/ Col 15.5 (Incurred Claims / Standardized Earned Premiums)	15.20 Ratio: Col 15.10/ Col 15.4 (Administrative Expenses / Earned Premiums)	
GR-STATHCRGrp 01 NY	EPO MC Indemnity	XX	09/01/10	08/31/11	345,153	142,556,177	184,569,008	115,348,346	115,450,371	0	(6,611,815)	18,817,053	413.02	534.75	334.19	334.49	0.00	(19.16)	54.52	0.810	0.626	0.132

EXHIBIT 7: HISTORICAL DATA BY EACH POLICY FORM INCLUDED IN RATE ADJUSTMENT FILING

			Second Prior Experience Period (NY statewide experience, base medical policy form + associated riders)																		
1a. Base medical policy form number	1b. Product Name as in Rate Manual	15.21 Ratio: (Col 15.7 + Col 15.8 + Col 15.9 + Col 15.10) / Col 15.4	16.1 Beginning date of the experience period (MM/DD/Y Y)	16.2 Ending Date of the experienc e period (MM/DD/Y Y)	16.3 Member months for experience period	16.4 Earned premiums for experience period (\$)	16.5 Standardized earned premiums for experience period (\$)	16.6 Paid claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	16.7 Incurred claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$)	16.8 Adjustment to the incurred claims for the period due to receipts from the standard direct pay or Healthy NY stop loss pools (enter receipts from the pool as a negative value) (\$)	16.9 Adjustment to the incurred claims for the period due to receipts from or payments to the Regulation 146 pool (enter receipts as a negative value and payments to the pool as a positive value) (\$)	16.10 Administrativ e expenses for experience period (including commissions and premium taxes, but excluding federal and state income taxes) (\$)	16.11 Earned premiums for experienc e period (\$pmpm)	16.12 Standardiz ed premiums for experienc e period (\$pmpm)	16.13 Paid claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$pmpm)	16.14 Incurred claims for experience period - before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$pmpm)	16.15 Adjustment to the incurred claims due to receipts from the standard direct pay or Healthy NY stop loss pools (enter receipts from the pool as a negative value) (\$pmpm)	16.16 Adjustment to the incurred claims for the period due to receipts from or payments to the Regulation 146 pool (enter receipts as a negative value and payments to the pool as a positive value) (\$pmpm)	16.17 Administrative expenses for experience period (including commissions and premium taxes, but excluding federal and state income taxes) (\$pmpm)	16.18 Ratio: Col 16.7/ Col 16.4 (Incurred Claims / Standardiz ed Earned Premiums)	16.19 Ratio: Col 16.7/ Col16.5 (Incurred Claims / Standardiz ed Earned Premiums)
GR- STATHCRGrp 01 NY	EPO MC Indemnity	0.895	X 09/01/09	X 08/31/10	560,702	213,935,652	347,764,169	198,086,338	198,150,828	0	(10,190,000)	28,238,963	381.55	620.23	353.28	353.40	0.00	(18.17)	50.36	0.926	0.570

EXHIBIT 7: HISTORICAL DATA BY EACH POLICY FORM INCLUDED IN RATE ADJUSTMENT FILING

				Annualized Medical Trend Factors Assumed in Rate Development (%)					Ratios Most Recent Experience Period to First Prior Period						Ratios First Prior Period to Second Prior Period						Ratio Standard Premium to Earned Premium					
1a. Base medical policy form number	1b. Product Name as in Rate Manual	16.20 Ratio: Col 16.10 / (Administrative Expenses / Earned Premiums)	16.21 Ratio: (Col 16.7 + Col 16.8 + Col 16.9 + Col 16.10) / Col 16.4	17.1 All benefits combined, composite	17.2 Due to utilization	17.3 Due to unit cost	17.4 Due to case mix/intensity/other	18.1 Member months	18.2 Earned premiums (\$mpm)	18.3 Standardized premiums (\$mpm)	18.4 Paid claims for experience period before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$mpm)	18.5 Incurred claims for experience period before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$mpm)	18.6 Administrative expenses (including commissions and premium taxes, but excluding federal and state income taxes) (\$mpm)	19.1 Member months	19.2 Earned premiums (\$mpm)	19.3 Standardized premiums (\$mpm)	19.4 Paid claims for experience period before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$mpm)	19.5 Incurred claims for experience period before any adjustment for amounts received from the standard direct pay and Healthy NY stop loss pools and before any adjustment for receipts from or payments to the Regulation 146 pool (\$mpm)	19.6 Administrative expenses (including commissions and premium taxes, but excluding federal and state income taxes) (\$mpm)	20.1 Most Recent Experience Period	20.2 First Prior Experience Period	20.3 Second Prior Experience Period				
GR-STATHCRGrp 01 NY	EPO MC Indemnity	0.132	1.011	XX	11.20%	4.49%	3.63%	2.70%	XX	1.001	1 069	0.963	1.065	1 086	1.069	XX	0.616	1 082	0.862	0 946	0 946	1.082	XX	1.166	1.295	1.626

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

**Premium PMPM**

Cohort	DOS Month													
	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
Jan	347.42	347.72	346.17	346.13	341.90	366.43	369.33	369.64	369.96	368.44	368.29	368.52	369.29	368.70
Feb	357.95	358.20	356.91	357.48	355.29	352.40	378.78	377.99	379.95	380.00	378.96	379.88	380.56	379.31
Mar	367.95	368.14	368.19	369.15	370.46	370.14	375.40	390.73	391.53	388.75	388.30	390.33	389.81	386.69
Apr	382.65	382.10	382.32	380.99	381.49	381.65	381.62	383.42	413.20	418.51	417.58	418.15	419.15	417.92
May	373.02	373.55	373.09	372.77	371.59	372.49	371.14	370.89	401.71	405.33	408.49	407.61	409.23	408.46
Jun	376.90	376.18	375.93	376.91	377.41	377.12	377.03	378.44	377.61	409.94	411.39	414.85	414.50	412.71
Jul	399.11	398.11	399.06	398.43	397.02	396.41	396.01	398.00	398.86	398.74	404.50	413.26	419.74	418.93
Aug	404.34	400.51	400.56	398.25	397.33	395.69	394.55	392.69	390.96	389.39	388.16	395.77	421.91	421.27
Sep	381.71	380.35	378.67	376.34	371.91	378.28	378.82	378.05	375.08	374.63	374.78	374.03	401.04	399.35
Oct	368.18	415.22	413.60	413.87	412.96	408.70	407.45	405.71	404.76	402.71	403.26	403.68	403.81	404.35
Nov	374.08	373.29	417.40	414.49	417.74	418.54	418.32	415.91	416.16	416.09	413.25	414.30	416.62	414.07
Dec	364.95	371.28	371.39	382.09	367.72	394.04	392.97	389.97	391.46	391.51	390.19	389.65	391.41	391.83
Tot	372.02	374.37	375.88	376.16	376.25	381.16	383.64	385.05	389.36	393.00	392.86	394.30	399.75	398.39

**Member Months**

Cohort	DOS Month													
	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
Jan	8,055	8,039	7,994	7,824	4,532	4,330	4,248	4,226	4,226	4,128	4,035	3,979	3,941	3,946
Feb	4,568	4,559	4,554	4,518	4,266	2,788	2,536	2,488	2,447	2,445	2,416	2,380	2,392	2,373
Mar	6,730	6,709	6,639	6,627	6,503	6,498	4,615	4,431	4,359	4,274	4,260	4,223	4,129	4,089
Apr	4,734	4,724	4,690	4,632	4,537	4,442	4,283	2,755	2,584	2,422	2,353	2,316	2,312	2,270
May	4,902	4,925	4,884	4,830	4,768	4,727	4,714	4,610	2,623	2,745	2,673	2,622	2,451	2,418
Jun	6,845	6,740	6,696	6,697	6,620	6,540	6,452	6,289	3,496	3,321	3,121	3,088	3,035	3,035
Jul	3,297	3,253	3,220	3,235	3,151	3,164	3,117	3,074	3,043	2,938	1,818	1,710	1,674	1,679
Aug	3,137	3,068	3,035	2,991	2,946	2,925	2,892	2,870	2,852	2,831	2,804	1,918	1,734	1,710
Sep	4,648	4,566	4,585	4,444	4,384	4,364	4,356	4,350	4,384	4,370	4,331	4,271	2,775	2,633
Oct	3,112	2,850	2,638	2,577	2,517	2,422	2,390	2,366	2,366	2,371	2,329	2,316	2,307	1,721
Nov	3,185	3,131	2,758	2,533	2,474	2,425	2,384	2,322	2,264	2,264	2,250	2,261	2,210	2,183
Dec	4,101	4,063	4,022	3,632	3,535	3,522	3,518	3,495	3,471	3,467	3,455	3,468	3,440	3,435
BoB	57,314	56,627	55,715	54,540	50,233	48,147	45,505	43,332	40,908	37,751	36,045	34,585	32,453	31,492

**Cumulative Rate Increase**

Cohort	DOS Month													
	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
Jan	1.877	1.877	1.877	1.877	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420
Feb	1.877	1.877	1.877	1.877	1.877	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420
Mar	1.877	1.877	1.877	1.877	1.877	1.877	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420
Apr	1.771	1.771	1.771	1.771	1.771	1.771	1.771	1.327	1.327	1.327	1.327	1.327	1.327	1.327
May	1.771	1.771	1.771	1.771	1.771	1.771	1.771	1.771	1.327	1.327	1.327	1.327	1.327	1.327
Jun	1.771	1.771	1.771	1.771	1.771	1.771	1.771	1.771	1.771	1.327	1.327	1.327	1.327	1.327
Jul	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.266	1.266	1.266	1.266
Aug	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.266	1.266	1.266
Sep	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.565	1.266	1.266
Oct	1.933	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.266
Nov	1.933	1.933	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491
Dec	1.933	1.933	1.933	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491	1.491

Historical Rate Increases	
QTR	QRTL To July '13
4Q07	1.063 2.2944
1Q08	1.041 2.2040
2Q08	1.046 2.1071
3Q08	1.046 2.0145
4Q08	1.042 1.9333
1Q09	1.030 1.8770
2Q09	1.060 1.7707
3Q09	1.131 1.5651
4Q09	1.050 1.4906
1Q10	1.050 1.4196
2Q10	1.070 1.3267
3Q10	1.048 1.2658
4Q10	1.000 1.2658
1Q11	1.025 1.2349
2Q11	1.030 1.1990
3Q11	1.030 1.1641
4Q11	1.000 1.1641
1Q12	1.030 1.1302
2Q12	1.030 1.0972
3Q12	1.030 1.0653
4Q12	1.000 1.0653
1Q13	1.010 1.0547
2Q13	1.027 1.0270
Jul-13	1.027 1.0000
Aug-13	1.020
Sep-13	1.003
Oct-13	1.030
Nov-13	1.003
Dec-13	1.003

	Billed Premium*	Std Premium**	Std/Billed
09/2009-08/2010	213,935,652	347,764,169	1.626
09/2010-08/2011	142,556,177	184,569,008	1.295
09/2011-08/2012	152,482,638	177,846,800	1.166

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

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

Premium PMPM		0																				
Cohort	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
Jan	369.50	368.97	412.73	422.09	421.25	420.67	419.49	421.33	419.87	421.68	421.14	424.62	421.70	422.25	441.76	442.49	443.11	441.57	443.08	444.13	445.15	444.37
Feb	382.25	383.96	379.67	427.17	430.57	430.32	430.71	430.94	431.07	430.45	430.96	431.50	431.00	431.81	426.52	444.62	443.96	442.40	445.30	444.63	443.59	443.88
Mar	387.28	387.07	387.44	389.23	422.02	428.11	425.86	427.59	428.16	426.78	427.33	429.89	424.29	424.69	427.05	428.42	449.55	448.00	451.14	450.70	451.72	451.01
Apr	418.00	417.88	416.05	415.78	416.16	443.30	445.97	445.98	443.98	443.90	444.86	446.33	444.18	446.07	441.68	442.71	443.01	464.61	464.31	465.04	466.61	467.04
May	410.90	411.28	409.77	408.76	408.56	407.16	463.28	444.11	449.49	452.35	446.57	442.70	444.40	444.81	443.77	443.83	443.48	442.29	452.56	457.42	461.65	458.62
Jun	413.97	412.69	416.06	417.82	416.36	414.92	415.41	449.91	450.49	447.42	446.70	447.66	447.90	448.36	447.97	447.17	449.05	445.75	446.93	466.52	472.14	473.53
Jul	417.84	422.73	422.83	421.75	422.29	421.41	420.09	418.93	451.99	449.77	450.69	447.87	448.35	448.56	448.31	447.49	449.51	448.32	449.16	448.04	478.74	479.23
Aug	420.41	420.20	421.05	420.78	421.81	420.56	419.82	419.58	422.48	449.38	450.62	460.51	454.03	453.02	454.68	449.69	449.85	448.68	448.09	448.19	449.81	457.23
Sep	408.16	409.61	406.62	407.10	405.23	405.75	406.23	403.24	401.63	402.78	427.84	430.60	430.22	430.89	430.42	429.95	430.88	428.50	429.23	431.43	431.32	429.14
Oct	408.49	407.55	409.90	409.99	409.87	408.32	406.12	405.84	405.13	404.06	403.43	436.27	437.35	436.55	432.67	430.10	432.20	424.92	431.12	432.83	432.67	431.53
Nov	410.49	412.32	417.06	415.82	416.47	417.56	415.76	417.57	418.13	419.25	418.82	420.78	434.43	443.26	444.44	445.13	445.12	444.10	447.74	445.52	448.01	448.09
Dec	391.37	409.80	411.79	409.92	411.25	410.16	410.34	413.17	408.67	408.60	405.51	412.78	409.65	434.38	434.80	431.86	435.57	432.94	435.64	434.76	434.86	433.14
Tot	399.39	401.64	407.47	412.63	417.25	419.58	423.93	426.28	427.83	429.42	430.76	434.59	433.53	436.48	438.54	439.53	442.98	442.71	445.32	447.75	450.74	450.59

Member Months		Member Months																				
Member Months	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
Jan	3,924	3,771	3,812	3,637	3,621	3,595	3,559	3,523	3,482	3,471	3,469	3,431	3,437	3,427	5,130	5,060	5,027	5,010	4,962	4,933	4,904	4,881
Feb	2,322	2,277	2,223	2,520	2,418	2,359	2,289	2,267	2,260	2,225	2,220	2,213	2,192	2,197	2,188	2,863	2,842	2,836	2,808	2,763	2,731	2,696
Mar	4,077	4,071	3,971	3,895	3,879	3,784	3,800	3,737	3,741	3,755	3,755	3,765	3,758	3,746	3,522	3,445	3,824	3,760	3,676	3,645	3,652	3,609
Apr	2,255	2,232	2,120	2,103	2,029	2,125	2,066	2,012	1,974	1,941	1,913	1,873	1,864	1,868	1,827	1,819	1,805	2,314	2,298	2,277	2,260	2,261
May	2,393	2,377	2,346	2,302	2,291	2,270	2,418	2,330	2,305	2,261	2,230	2,192	2,154	2,144	2,038	2,024	1,986	1,948	2,281	2,270	2,256	2,245
Jun	2,991	2,925	2,857	2,829	2,823	2,793	2,748	2,853	2,741	2,755	2,740	2,729	2,685	2,666	2,622	2,503	2,466	2,453	2,427	2,880	2,870	2,835
Jul	1,664	1,554	1,496	1,456	1,441	1,443	1,424	1,375	1,476	1,464	1,461	1,445	1,426	1,407	1,327	1,296	1,276	1,253	1,244	1,217	1,519	1,517
Aug	1,697	1,685	1,676	1,661	1,644	1,635	1,604	1,586	1,553	1,676	1,649	1,616	1,632	1,654	1,602	1,556	1,544	1,522	1,520	1,500	1,482	1,866
Sep	2,561	2,515	2,450	2,439	2,363	2,357	2,326	2,285	2,281	2,225	2,531	2,484	2,444	2,423	2,385	2,363	2,352	2,330	2,319	2,290	2,239	2,223
Oct	1,531	1,509	1,490	1,478	1,462	1,445	1,433	1,398	1,386	1,367	1,348	1,630	1,631	1,611	1,609	1,639	1,617	1,593	1,583	1,533	1,529	1,516
Nov	1,632	1,575	1,564	1,547	1,528	1,536	1,546	1,505	1,499	1,481	1,490	1,447	1,725	1,657	1,674	1,680	1,692	1,691	1,647	1,630	1,628	1,625
Dec	3,400	2,616	2,547	2,476	2,462	2,439	2,426	2,407	2,416	2,365	2,368	2,327	2,305	3,014	2,920	2,913	2,843	2,839	2,829	2,827	2,784	2,783
BoB	30,447	29,107	28,552	28,343	27,961	27,781	27,639	27,278	27,114	26,986	27,174	27,152	27,253	27,814	28,844	29,161	29,274	29,549	29,594	29,765	29,854	30,057

Cumulative Rate		Cumulative Rate Increase																				
Cumulative Rate	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
Jan	1.420	1.420	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130
Feb	1.420	1.420	1.420	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.130	1.130	1.130	1.130	1.130	1.130
Mar	1.420	1.420	1.420	1.420	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.235	1.130	1.130	1.130	1.130	1.130	1.130
Apr	1.327	1.327	1.327	1.327	1.327	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.097	1.097	1.097	1.097	1.097
May	1.327	1.327	1.327	1.327	1.327	1.327	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.097	1.097	1.097	1.097
Jun	1.327	1.327	1.327	1.327	1.327	1.327	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.199	1.097	1.097	1.097
Jul	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164
Aug	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164
Sep	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164
Oct	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164
Nov	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164
Dec	1.491	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.266	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164	1.164

## Exhibit 7B: Development of Rate Action

	Period	Most Recent Experience
Earned Premium	09/2011-08/2012	152,482,638
Standardized Premium	To July 2013	177,846,800
Completed Paid Claims	09/2011-08/2012	125,454,023
MSP Subsidy	09/2011-08/2012	(909,828)
MSP Adjusted Claims	09/2011-08/2012	124,544,195

	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	
<b>Monthlyly Premium Trend</b>	2.0%	0.3%	3.0%	0.3%	0.3%	
<b>Cumulative Premium Trend</b>	1.0200	1.0231	1.0538	1.0569	1.0601	
<b>Claims Trend</b>	1.1120	1.1120	1.1120	1.1120	1.1120	
<b>Claim Trend Months</b>	23.50	24.50	25.50	26.50	27.50	
<b>ProjPrem</b>	181,403,736	181,947,948	187,406,386	187,968,605	188,532,511	
<b>ProjPaidClaims</b>	154,444,745	155,817,130	157,201,710	158,598,594	160,007,890	
<b>ProjMSP%</b>	0.5%	0.5%	0.5%	0.5%	0.5%	
<b>ProjMSP</b>	907,019	909,740	937,032	939,843	942,663	
<b>ProjMSPClaims</b>	153,537,726	154,907,390	156,264,678	157,658,751	159,065,227	
<b>LossRatio</b>	84.6%	85.1%	83.4%	83.9%	84.4%	84.3%
<b>Expenses</b>	4.5%	4.5%	4.5%	4.5%	4.5%	
<b>Premium Taxes</b>	1.6%	1.6%	1.6%	1.6%	1.6%	
<b>Commissions</b>	7.1%	7.1%	7.1%	7.1%	7.1%	
<b>Total Administrative Expenses</b>	13.2%	13.2%	13.2%	13.2%	13.2%	
<b>Pre-tax Profit</b>	2.2%	1.7%	3.4%	2.9%	2.4%	
<b>FIT/SIT</b>	0.8%	0.6%	1.2%	1.0%	0.9%	0.9%
<b>AFIT profit</b>	1.40%	1.08%	2.21%	1.89%	1.57%	1.64%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	

FIT = Federal Income Tax

SIT = State Income Tax

## Exhibit 7C: Small Group Trend - Traditional

	Small Group Trend				AVG 12	
	Data through March 2012				PMPM	Rolling 12
	Med MM	Rx MM	Medical			
		PMPM	Rx PMPM			
200901	49,454	49,441	532.77	90.58		
200902	49,512	49,501	474.12	85.49		
200903	49,975	49,964	558.42	97.83		
200904	50,425	50,415	577.23	103.99		
200905	50,485	50,475	565.45	98.84		
200906	50,914	50,904	632.68	108.92		
200907	50,297	50,288	626.44	104.49		
200908	49,398	49,389	566.27	105.62		
200909	48,463	48,455	605.58	105.32		
200910	47,896	47,888	640.33	110.87		
200911	47,079	47,071	599.59	110.86		
200912	46,110	46,102	613.12	119.04	685.68	
201001	42,680	42,670	623.96	117.37	695.04	
201002	40,808	40,800	639.30	113.65	710.82	
201003	38,737	38,729	700.59	137.06	724.38	
201004	36,910	36,902	709.74	158.21	737.98	
201005	35,209	35,201	672.79	143.13	750.07	
201006	32,173	32,165	793.77	159.05	763.56	
201007	30,821	30,813	720.31	152.29	773.64	
201008	29,536	29,528	732.93	166.09	791.96	
201009	27,677	27,672	672.20	156.68	802.82	
201010	26,707	26,702	722.93	161.65	813.54	
201011	25,880	25,875	705.97	167.03	829.01	
201012	24,763	24,757	668.70	174.52	841.30	22.7%
201101	24,236	24,230	837.13	162.22	862.99	24.2%
201102	24,052	24,046	660.43	157.04	872.50	22.7%
201103	23,684	23,678	705.97	185.81	877.79	21.2%
201104	23,473	23,467	761.29	171.00	882.80	19.6%
201105	23,312	23,305	780.13	178.52	895.83	19.4%
201106	22,958	22,951	727.57	202.80	892.45	16.9%
201107	22,823	22,816	699.51	165.23	892.38	15.3%
201108	22,787	22,785	810.86	182.03	899.54	13.6%
201109	22,927	22,925	717.99	188.00	906.86	13.0%
201110	22,923	22,921	799.81	182.18	915.02	12.5%
201111	22,961	22,958	868.22	187.10	930.37	12.2%
201112	23,421	23,419	785.69	180.26	941.07	11.9%
201201	24,148	24,146	828.74	179.86	941.85	9.1%
201202	24,501	24,499	880.15	187.57	963.56	10.4%
201203	24,646	24,644	798.27	204.32	973.04	10.9%
201204	24,772	24,770	795.34	186.39	977.19	10.7%
201205	24,805	24,804	903.56	197.60	989.56	10.5%
201206	24,928	24,926	850.24	184.53	998.26	11.9%
201207	24,765	24,758	832.00	177.83	1009.86	13.2%
201208	24,725	24,725	874.56	195.85	1016.36	13.0%

Historical Average Trend  
Adjustment  
Trend

11.7%  
-0.5%  
11.2%

## Exhibit 7D: Unit Cost Trend

Line Of Business	Product	Reimbursement Type	DOS	FI Only	
CP	ACAS	ALL	Nov-12	0.00%	
			2012	2013	Average
	Reimb. Type		Latest Estimate	Latest Estimate	Estimate
	<b>Facility</b>				
New York	Total		6.44%	5.63%	6.04%
			2012	2013	Average
	Reimb. Type		Latest Estimate	Latest Estimate	Estimate
	<b>Physician</b>				
New York	Total		0.67%	1.48%	1.07%
			2012	2013	Average
	Reimb. Type		Latest Estimate	Latest Estimate	Estimate
	<b>Total</b>				
New York	Total		3.60%	3.65%	3.63%

### Weights

Facility:	56%
Physician:	44%

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

**Company Name:** Aetna Life Insurance Company

**NAIC Code:** 60054

**SERFF Tracking Number:** AETN-128901056

**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.

New #	Market Segment	Policy Form Number	Product Name as in Rate Manual	Product Street Name	Product Type
14013767	Small Group	GR-STATHCRGrp 01 NY	NY OA MC 3-12	NY OA MC 3	MC
14013768	Small Group	GR-STATHCRGrp 01 NY	NY OA MC 4-12	NY OA MC 4	MC
14013769	Small Group	GR-STATHCRGrp 01 NY	NY OA MC 3-12 HSA Compatible	NY OA MC 3 HSA Compat ble	HSA High Deductible Plans
14013770	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 1-12	NY OA EPO 1	EPO
14013771	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 2-12	NY OA EPO 2	EPO
14013772	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 3-12	NY OA EPO 3	EPO
14013773	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 4-12	NY OA EPO 4	EPO
14013774	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 5-12	NY OA EPO 5	EPO
14013775	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 6-12	NY OA EPO 6	EPO
14013776	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 5-12 HSA Compatible	NY OA EPO 5 HSA Compatible	HSA High Deductible Plans
14013777	Small Group	GR-STATHCRGrp 01 NY	NY OA MC 3-12 MHP	NY OA MC 3 MHP	MC
14013778	Small Group	GR-STATHCRGrp 01 NY	NY OA MC 4-12 MHP	NY OA MC 4 MHP	MC
14013779	Small Group	GR-STATHCRGrp 01 NY	NY OA MC 3-12 HSA Compatible MHP	NY OA MC 3 HSA Compat ble MHP	HSA High Deductible Plans
14013780	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 1-12 MHP	NY OA EPO 1 MHP	EPO
14013781	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 2-12 MHP	NY OA EPO 2 MHP	EPO
14013782	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 3-12 MHP	NY OA EPO 3 MHP	EPO
14013783	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 4-12 MHP	NY OA EPO 4 MHP	EPO
14013784	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 5-12 MHP	NY OA EPO 5 MHP	EPO
14013785	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 6-12 MHP	NY OA EPO 6 MHP	EPO
14013786	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 5-12 HSA Compatible MHP	NY OA EPO 5 HSA Compatible MHP	HSA High Deductible Plans
14013763	Small Group	GR-STATHCRGrp 01 NY	NY Indemnity 1-12	NY Indemnity 1	Indemnity FFS
14013766	Small Group	GR-STATHCRGrp 01 NY	NY Indemnity 1-12 MHP	NY Indemnity 1 MHP	Indemnity FFS
14013761	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 2-12 HSA Compatible	NY OA EPO 2 HSA Compatible	HSA High Deductible Plans
14013762	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 4-12 HSA Compatible	NY OA EPO 4 HSA Compatible	HSA High Deductible Plans
14013764	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 2-12 HSA Compatible MHP	NY OA EPO 2 HSA Compatible MHP	HSA High Deductible Plans
14013765	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 4-12 HSA Compatible MHP	NY OA EPO 4 HSA Compatible MHP	HSA High Deductible Plans
14014818	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 6-12 HSA Compatible	NY OA EPO 6-12 HSA Compatible	HSA High Deductible Plans
14014819	Small Group	GR-STATHCRGrp 01 NY	NY OA EPO 6-12 HSA Compatible MHP	NY OA EPO 6-12 HSA Compatible MHP	HSA High Deductible Plans