

DATE

Subscriber Number:

SUBSCRIBER NAME

ADDRESS 1

ADDRESS 2

CITY, ST ZIP

Re: Proposed Rate Adjustments for 2014

Dear Subscriber:

New York State law requires health plans to submit proposed rate adjustments to the New York State Department of Financial Services (DFS) for review and approval. In accordance with these requirements, Independent Health will be submitting proposed rate adjustments to the DFS for an effective date of [MONTH] 1, 2014.

The premium amounts listed in the enclosed chart are for the health plan you are enrolled in as of June 30, 2013. As you review the proposed rates, please note:

- **These rates do not reflect any contribution that your employer may make toward your plan premium.**
- Your employer may decide to change your plan during the 2014 open enrollment period, which may cause your 2014 premium to be higher or lower than the proposed rates.
- Independent Health is in the process of finalizing benefit changes for 2014, as well as calculating the rate impact for government mandates that will be going into effect next year. As a result, these changes and mandates are not reflected in your group's proposed rates. However, the rates do include the applicable taxes and fees associated with the Affordable Care Act (i.e., the Health Insurance Tax, the Patient-Centered Outcomes Research Institute fee, user fees for operation of the federal risk adjustment program and fees to fund the federal reinsurance pool).
- The DFS may approve our proposed rate adjustment, modify the rate we submit, or disapprove the proposed premium entirely.
- Final confirmation of the approved premium rate for your current plan will be provided to you approximately 60 days before your group's 2014 renewal date.

Comment Period for Proposed Rates

We intend to file our proposed rate adjustments with the DFS on July 10, 2013. If you would like to submit questions, comments or ask for additional information about the 2014 proposed rate request, you will have 30 days from the date we file our rate adjustment application to contact Independent Health or the DFS. Comments to the DFS may be made at the following web address:

<https://myportal.dfs.ny.gov/web/prior-approval/welcome>. All comments submitted to the DFS will be posted to the department's website, with personal identifying information removed. Subscribers should include Independent Health Association, large group, and product name in their written comments.

Independent Health Servicing Department
Attn: Proposed Rates
Independent Health
511 Farber Lakes Drive
Buffalo, NY 14221
E-mail address:
premiumrates@independenthealth.com
Phone Number: (716) 250-7116 or 1-888-503-1264

Health Bureau-Premium Rate Adjustments
New York State Department of Financial Services
One State Street, 2nd Floor
New York, NY 10004-1511
E-mail address: PremiumRateIncreases@dfs.ny.gov

It is necessary for Independent Health to adjust rates for a number of reasons, such as aging population of the region, which contributes to the increase in the use and amount of medical services needed, projected increases in hospital, physician and pharmacy utilization, based on past years' trends, and increases in reimbursement fees to providers, including hospitals and physicians. We have prepared a narrative summary that provides a more detailed, plain English explanation of the reasons why we are seeking a premium rate adjustment. To review this narrative, go to www.independenthealth.com and click on the "2014 Proposed Rates" link in the "Useful Links" section, or visit the DFS website at <https://myportal.dfs.ny.gov/web/prior-approval/welcome>.

Thank you for choosing Independent Health.

Sincerely,



David Courtney
Vice President, Servicing

Verbal translation, alternate formats of written materials, and/or assistance for those with special needs, may be available upon request. (Traducción verbal, formatos alternativos de materiales escritos y/o asistencia para quienes tienen necesidades especiales, disponibles a solicitud.)

Premium Rate Comparison

This chart compares your current plan's 2013 monthly premium rate and the proposed 2014 monthly premium rate. **These rates do not reflect any contribution that your employer may make toward your plan premium.**

[GROUP NAME]

[PLAN NAME]

	2013 Monthly Premium	Proposed Monthly Premium on your 2014 Effective Date (pending DFS approval)
Premium Rate		

DATE

Group Number:

CONTACT NAME

GROUP NAME

ADDRESS 1

ADDRESS 2

CITY, ST ZIP

Re: Proposed Rate Adjustments for 2014

Dear Health Benefits Administrator:

We are writing to inform you that Independent Health will be applying to the New York State Department of Financial Services (DFS) for a rate change effective on your group's 2014 policy renewal date of [MONTH] 1, 2014. The premium amounts listed in the enclosed chart are for the plan you are offering as of June 30, 2013.

As you review the proposed rates, please note:

- Your group's final premium rates may be different if you change benefits or plans on or after July 1, 2013, or during the 2014 open enrollment period.
- Independent Health is in the process of finalizing benefit changes for 2014, as well as calculating the rate impact for government mandates that will be going into effect next year. As a result, these changes and mandates are not reflected in your group's proposed rates. However, the rates do include the applicable taxes and fees associated with the Affordable Care Act (i.e., the Health Insurance Tax, the Patient-Centered Outcomes Research Institute fee, user fees for operation of the federal risk adjustment program and fees to fund the federal reinsurance pool).
- If your group has locked into a fixed-rated premium that varies from the actual premium rate that is ultimately approved by the DFS, any settlement of this variance will be incorporated in the subsequent year renewal.
- The DFS may approve our proposed rate adjustments, modify the rates we submit, or disapprove the proposed premiums entirely.
- We will send you final confirmation of the approved premium rates for your current plan approximately 60 days before your group's 2014 renewal date.

Rate Notification to your Employees

In accordance with New York State law, notification to group subscribers is also required. As such, to assist our groups, we will send a similar proposed 2014 premium rate notification to our subscribers on or before July 10. We encourage you to share this information with others in your

organization who may get questions from your employees. We are also required to notify your employees of the approved premium rates for their current plan approximately 60 days before your group's 2014 renewal date.

Comment Period for Proposed Rates

We intend to file our proposed rate adjustments with the DFS on July 10, 2013. If you would like to submit questions, comments or ask for additional information about the 2014 proposed rate request, you will have 30 days from the date we file our rate adjustment application to contact Independent Health or the DFS. Comments to the DFS may be made at the following web address:

<https://myportal.dfs.ny.gov/web/prior-approval/welcome>. All comments submitted to the DFS will be posted to the department's website, with personal identifying information removed. Employers and subscribers should include Independent Health Association, large group, and product name in their written comments.

Independent Health Servicing Department

Attn: Proposed Rates

Independent Health

511 Farber Lakes Drive

Buffalo, NY 14221

E-mail address:

premiumrates@independenthealth.com

Phone Number: (716) 631-8072 or 1-800-755-5802

Health Bureau-Premium Rate Adjustments

New York State Department of Financial Services

One State Street, 2nd Floor

New York, NY 10004-1511

E-mail address: PremiumRateIncreases@dfs.ny.gov

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We look forward to continuing to provide you and your employees with outstanding service and comprehensive benefits. If you have any questions or would like to learn more about other plans and services we offer that may meet your needs, please contact your Independent Health account manager or your broker.

Sincerely,



David Donovan

Vice President, Sales

Premium Rate Comparison

This chart includes your current group plan's 2013 monthly premium rates and the proposed 2014 monthly premium rates.

[GROUP NAME]

[PLAN NAME]

	2013 Monthly Premium	Proposed Monthly Premium on your 2014 Effective Date (pending DFS approval)
Single		
Employee and Spouse		
Family		
Employee and Child		