

## **Exhibit #3 Narrative Summary**

**Company Name: MVP Health Plan, Inc.**  
**NAIC Code: 95521**  
**SERFF Tracking #: MVPH-129057425**

MVP Health Plan will continue to offer a full range of HMO products to large employer groups in 2014. MVP has filed with the New York State Department of Financial Services a request to change the current premium rates it charges for these products for policy effective dates between 1/1/2014 and 12/31/14. The requested annual renewal rate increases are 3.1%, 2.7%, 2.3% and 1.9% for the First, Second, Third and Fourth Quarter renewals respectively.

The total number of covered members affected by this rate adjustment filing is approximately 85,820.

The premium rate increases being requested are necessary due to the rising cost of providing health insurance. As a provider of health insurance policies, MVP must charge premiums that are sufficient to cover the cost of all of the following: care provided to our members, plan administration, New York State and Federal Government assessments and fees, distribution costs and a contribution to the company reserves to maintain minimum statutory required reserve levels.

The premium rates filed each year are determined based on three main factors:

- Projected Claim Expenses for covered members for the policy effective dates
- Expected Insurance Carrier costs of marketing, selling and administering policies
- Expected Assessments and Fees payable to New York State and the Federal Government

The total of these claim and non claim expenses is compared to the most recently approved premium rates on file to determine the necessary premium rate adjustment to file.

To project the expected claim expense for the 2014 policy effective dates MVP starts with calendar year 2012 historical claim data and make assumptions regarding the anticipated rise in the unit cost and use of medical services. The expected increase in the unit cost of services is generally known and based on MVP's contract negotiations with the Hospitals and Providers in our network. MVP expects an average annual increase in the unit cost of services equal to approximately 3.7%. For the anticipated increase in the use and intensity of services, MVP assumed an average annual increase of approximately 1.2%.

In addition to the medical inflation that is driving up premium rates, MVP is subject to new Federal fees as a result of the Affordable Care Act. These new fees increased the non claim expense component of our filed premium rates approximately 3.1%.

The combination of higher anticipated medical expenses and higher Federal fees is being partially offset by anticipated favorable current premium rate levels. As a result, the annual renewal increases are less than the combined trend and fee increases.