

CARRIER TREND REPORT

JANUARY 2015 ANALYSIS

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1. REPORT OVERVIEW

Oliver Wyman Actuarial Consulting, Inc. developed the Carrier Trend Survey in order to conduct market research in the health insurance and HMO industry. Specific individual carrier or HMO responses are held in strict confidence.

This report summarizes the January 2015 trends from the survey that Oliver Wyman sent to healthcare carriers in November 2014. A summary of the median trends is shown in the table to the right. The coverage specific results are discussed in the Executive Summary. We intend this report to be of use to carriers, brokers, state insurance agencies and other interested parties who are affected by the trends in the cost of healthcare.

This report presents pricing trends used by the participating companies in the development of their rates for January 2015.¹ These trends are used to develop premiums for approximately 110.5 million group members as reported by the participating companies. (We have made no attempt to eliminate the effects that dual coverage may have on these trends.) In addition, this edition of the report reflects pricing trends for about 5.6 million members with individual health policies, about 7.5 million Medicare members and 2.7 million Medicaid members.

Note that the survey results shown in Section 3 of this report are aggregated and stratified by percentile. The intent is to show the range of trends currently being employed by the insurance community as of January 2015. The 100th percentile represents the highest trend reported. The 0th percentile represents the lowest trend reported.

To a limited extent, we asked respondents to provide trends for specific benefit designs. We have not made adjustments to the reported trends if respondents provided trends for benefit designs other than those specified.

Section 4 of this report contains the historical median trends.

| CATEGORY | MEDIAN TREND |
|-------------------------------------|--------------|
| Group Medical Indemnity | 8.70% |
| Group Medical PPO | 8.06% |
| Group Medical POS | 7.50% |
| Group Medical HMO | 6.60% |
| Prescription Drug | 11.00% |
| Group Dental Indemnity | 5.00% |
| Group Dental PPO | 5.00% |
| Group Dental DHMO | 4.50% |
| Group Vision Indemnity | 4.00% |
| Group Vision PPO | 3.16% |
| Group Vision Prepaid | 5.00% |
| Medicare Supplement with Drug | 4.16% |
| Medicare Supplement without Drug | 3.20% |
| Medicare Advantage with Drug | 3.25% |
| Medicare Advantage without Drug | 2.48% |
| Medicare Part D Standard Plan | 6.50% |
| Individual Medical Indemnity | 8.30% |
| Individual Medical PPO | 6.50% |
| Individual Medical POS | 8.00% |
| Individual Medical HMO | 7.40% |
| Group Medical HSA with Drug | 9.00% |
| Group Medical HSA without Drug | 7.50% |
| Individual Medical HSA with Drug | 9.00% |
| Individual Medical HSA without Drug | 8.05% |
| Specific Stop Loss \$50,000 | 13.15% |
| Specific Stop Loss \$150,000 | 15.50% |
| ASO Fees | 3.00% |
| Medicaid | 4.40% |

¹ There are some categories that experienced a significant change in membership from the July 2014 report. Some of the changes in trends may be attributable to a different mix in respondents.

2. EXECUTIVE SUMMARY

The median trends for group medical indemnity and POS products decreased from the July 2014 survey, while the median trends for group medical HMO and PPO products increased from July 2014 levels. The changes seen from the July 2014 survey were minimal for all group medical products. HMO products continue to have the lowest median trend at 6.60%, while group indemnity products are showing the highest median trend at 8.70%.

The prescription drug median trend increased from July 2014 levels. The prescription drug median trend has increased three surveys in a row, with the increase recognized in this survey being the largest increase in several years. The median drug trend is 11.00%.

The median trends for group dental indemnity and PPO products remained unchanged from the July 2014 survey, while the group dental DHMO median trend decreased half a percentage point from the July 2014 survey. The group dental median trends have been hovering around 5.00% for the last three years.

The median trend remained at July 2014 levels for group vision indemnity products, while the median trends for group vision PPO and group vision prepaid products increased. Currently the group vision PPO median trend is 3.16%, while the group vision indemnity median trend is 4.00%.

Medicare Supplement products both with and without prescription drug coverage experienced a slight decrease in the median trend from July 2014 levels. The median trends for Medicare supplement products have been trending downward for several surveys, and the median trend for Medicare Supplement products with prescription drug coverage remains roughly a percentage point higher than Medicare Supplement products not offering drug coverage.

The median trends decreased for both Medicare Advantage (MA) products. The Medicare Part D median trend increased 2.90 percentage points from the July 2014 survey, while the weighted average decreased 0.97 percentage points. After three straight surveys of decreasing median trends, the Medicare Part D median trend has increased to a trend value similar to what was seen in the surveys prior to July 2013. The median trend for MA products with drug coverage continues to show a higher median trend than MA products without drug coverage.

The median trends increased from the July 2014 survey for group and individual medical HSA products without drug coverage, while the median trends for medical HSA products with drug coverage decreased from July 2014 trends. All HSA products have median trends between 7.50% and 9.00%.

The median trends for individual medical HMO, POS, and indemnity products decreased from the July 2014 survey, while the median trends for individual medical PPO products remain unchanged from the July 2014 survey. Indemnity products have the highest median trend among all individual products at 8.30%.

The median trend for \$50,000 Specific Stop Loss increased from the July 2014 survey by 0.50 percentage points to 13.15%. The median trend for \$150,000 Specific Stop Loss increased from the July 2014 survey by 0.47 percentage points to 15.50%.

The Medicaid median trend, sample average, and weighted average increased from the July 2014 survey. The median trend is currently 4.40%.

ASO fees median trend remained the same as the July 2014 survey trend at 3.00%.

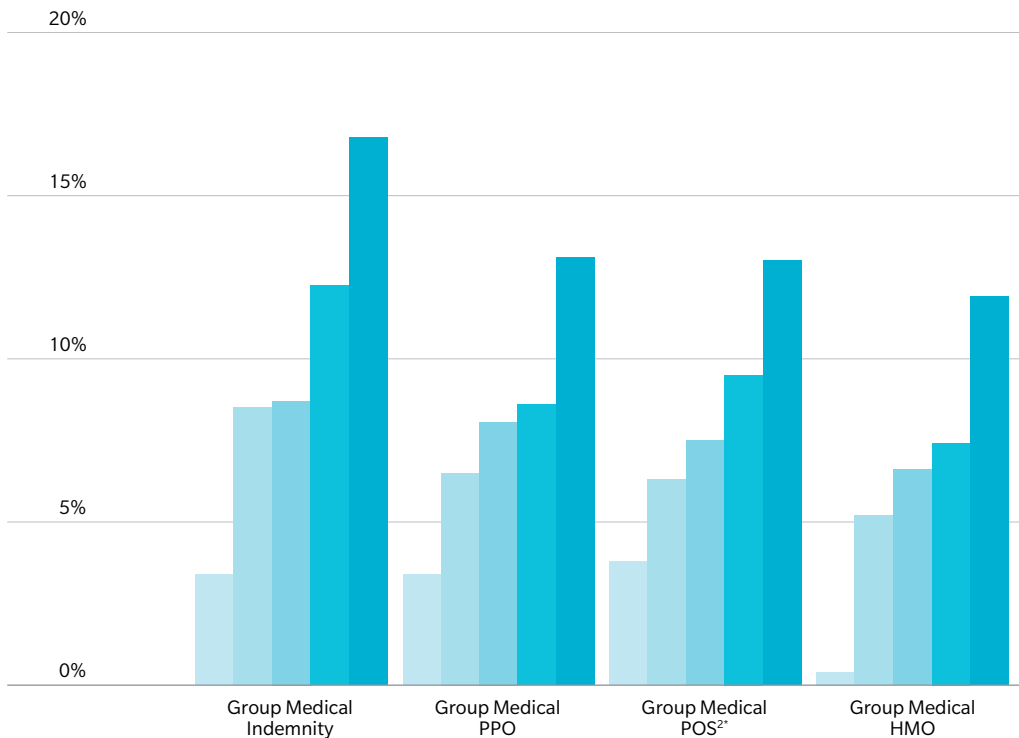
3. RESULTS FOR JANUARY 2015

The following charts show trends for:

- Group Medical
- Prescription Drug and Dental
- Group Vision
- Medicare Supplement Products
- Medicare Advantage Products
- High Deductible Health Plans
- Individual Medical
- Stop Loss, ASO Fees and Medicaid

EXHIBIT 1: GROUP MEDICAL PRICING TRENDS

ANNUAL TREND
25%



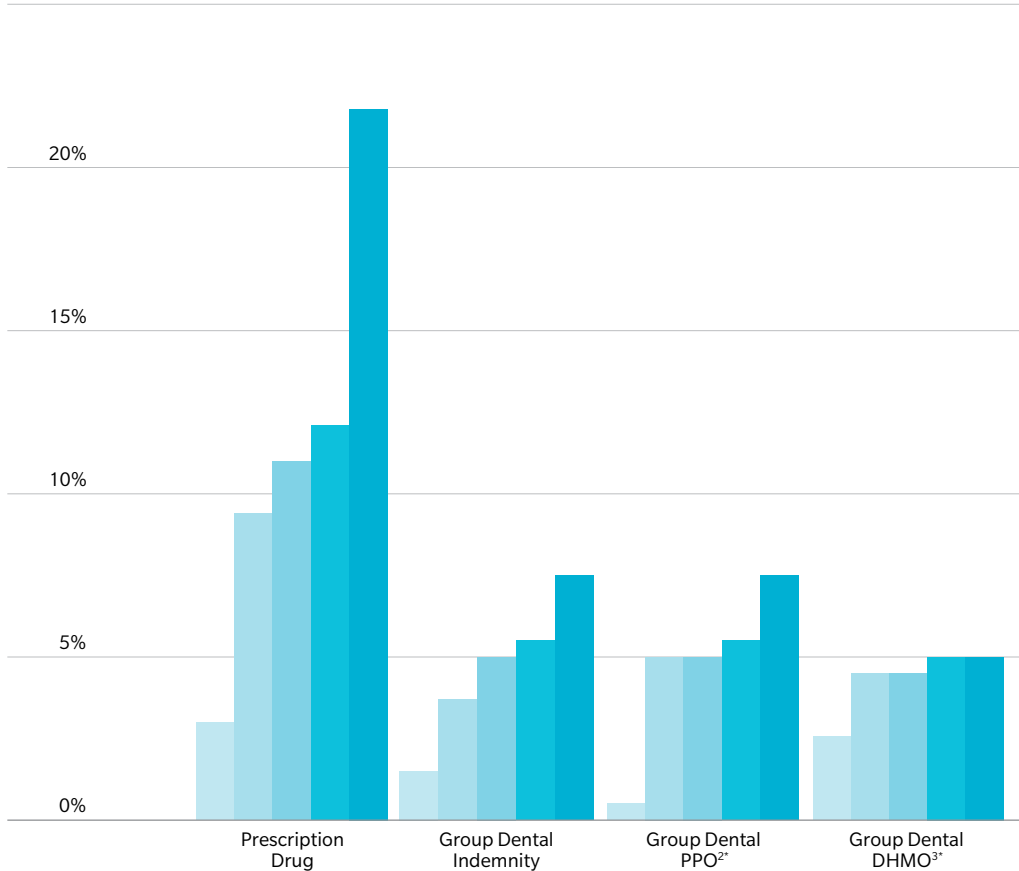
| | Group Medical Indemnity | Group Medical PPO | Group Medical POS ^{2*} | Group Medical HMO |
|------------------------------|-------------------------|-------------------|---------------------------------|-------------------|
| # of Responses | 36 | 61 | 39 | 58 |
| Exposures ^{1*} | 2,204,895 | 60,133,343 | 18,600,046 | 16,634,119 |
| 100 th Percentile | 16.79% | 13.10% | 13.00% | 11.90% |
| 75 th Percentile | 12.25% | 8.60% | 9.50% | 7.42% |
| Median | 8.70% | 8.06% | 7.50% | 6.60% |
| 25 th Percentile | 8.50% | 6.50% | 6.30% | 5.20% |
| 0 th Percentile | 3.40% | 3.40% | 3.80% | 0.40% |
| Sample Average | 9.51% | 7.92% | 7.78% | 7.00% |
| Weighted Average | 9.67% | 7.92% | 9.22% | 6.50% |

1* Based on member counts

2* Percentiles for Group Medical POS are based on the number of respondents, as opposed to members

EXHIBIT 2: PRESCRIPTION DRUG AND DENTAL PRICING TRENDS

ANNUAL TREND
25%



| | Prescription Drug | Group Dental Indemnity | Group Dental PPO ^{2*} | Group Dental DHMO ^{3*} |
|------------------------------|-------------------|------------------------|--------------------------------|---------------------------------|
| # of Responses | 76 | 35 | 44 | 14 |
| Exposures ^{1*} | 65,899,596 | 4,575,482 | 40,801,002 | 4,294,945 |
| 100 th Percentile | 21.80% | 7.50% | 7.50% | 5.00% |
| 75 th Percentile | 12.10% | 5.50% | 5.50% | 5.00% |
| Median | 11.00% | 5.00% | 5.00% | 4.50% |
| 25 th Percentile | 9.40% | 3.70% | 5.00% | 4.50% |
| 0 th Percentile | 3.00% | 1.50% | 0.50% | 2.58% |
| Sample Average | 10.05% | 4.59% | 4.61% | 4.36% |
| Weighted Average | 10.23% | 4.65% | 5.06% | 4.41% |

1* Based on member counts

2* The 25th percentile and the median are the same for Group Dental PPO. These reflect trends from multiple carriers

3* The 100th percentile and the 75th percentile are the same for Group Dental DHMO. These reflect trends from multiple carriers

EXHIBIT 3: GROUP VISION PRICING TRENDS

ANNUAL TREND
25%

20%

15%

10%

5%

0%

| | Group Vision Indemnity ^{2,3*} | Group Vision PPO ^{2,4*} | Group Vision Prepaid ^{2*} |
|------------------------------|--|----------------------------------|------------------------------------|
| # of Responses | 20 | 22 | 3 |
| Exposures ^{1*} | 5,113,816 | 36,428,135 | 618,312 |
| 100 th Percentile | 5.00% | 5.30% | - |
| 75 th Percentile | 4.00% | 4.00% | - |
| Median | 4.00% | 3.16% | 5.00% |
| 25 th Percentile | 3.60% | 2.00% | - |
| 0 th Percentile | 1.00% | 0.00% | - |
| Sample Average | 3.61% | 3.12% | 3.43% |
| Weighted Average | 3.32% | 2.59% | 4.96% |

1* Based on member counts

2* Percentiles for all vision products are based on the number of respondents, as opposed to members

3* The 75th percentile and the median are the same for Group Vision Indemnity. These reflect trends from multiple carriers

4* The zero trend is not an error; at least one carrier reported a zero or negative trend

EXHIBIT 4: MEDICARE SUPPLEMENT PRODUCTS PRICING TRENDS

ANNUAL TREND
25%

20%

15%

10%

5%

0%

Medicare Supplement
with Rx^{2*}

Medicare Supplement
without Rx

of Responses

22

40

Exposures^{1*}

206,359

2,122,972

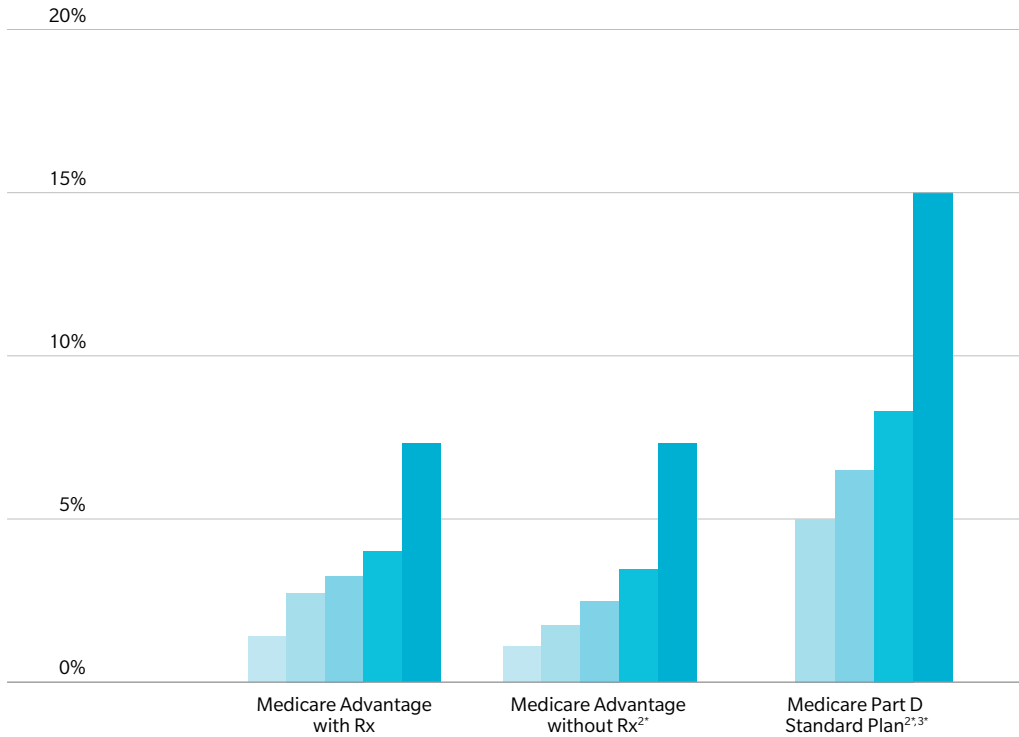
| | | |
|------------------------------|-------|-------|
| 100 th Percentile | 7.30% | 7.30% |
| 75 th Percentile | 5.81% | 4.40% |
| Median | 4.16% | 3.20% |
| 25 th Percentile | 3.40% | 1.75% |
| 0 th Percentile | 0.00% | 0.70% |
| Sample Average | 4.40% | 3.96% |
| Weighted Average | 4.55% | 3.17% |

1* Based on member counts

2* The zero trend is not an error; at least one carrier reported a zero or negative trend

EXHIBIT 5: MEDICARE ADVANTAGE PRODUCTS PRICING TRENDS

ANNUAL TREND
25%



of Responses

30

23

19

Exposures^{1*}

2,307,075

746,746

2,134,618

| | | | |
|------------------------------|-------|-------|--------|
| 100 th Percentile | 7.30% | 7.30% | 15.00% |
| 75 th Percentile | 4.00% | 3.45% | 8.30% |
| Median | 3.25% | 2.48% | 6.50% |
| 25 th Percentile | 2.73% | 1.72% | 5.00% |
| 0 th Percentile | 1.40% | 1.10% | 0.00% |
| Sample Average | 3.35% | 3.08% | 6.62% |
| Weighted Average | 3.40% | 3.75% | 4.87% |

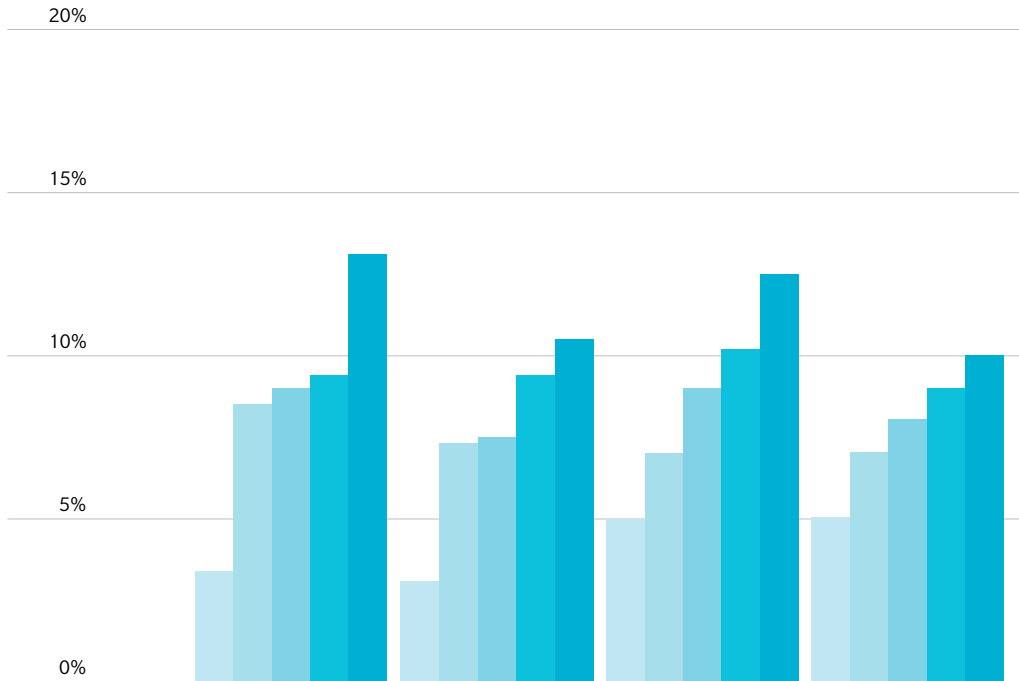
^{1*} Based on member counts

^{2*} Percentiles for Medicare Advantage without Rx and Medicare Part D are based on the number of respondents, as opposed to members

^{3*} The zero trend is not an error; at least one carrier reported a zero or negative trend

EXHIBIT 6: HIGH DEDUCTIBLE HEALTH PLANS PRICING TRENDS

ANNUAL TREND
25%



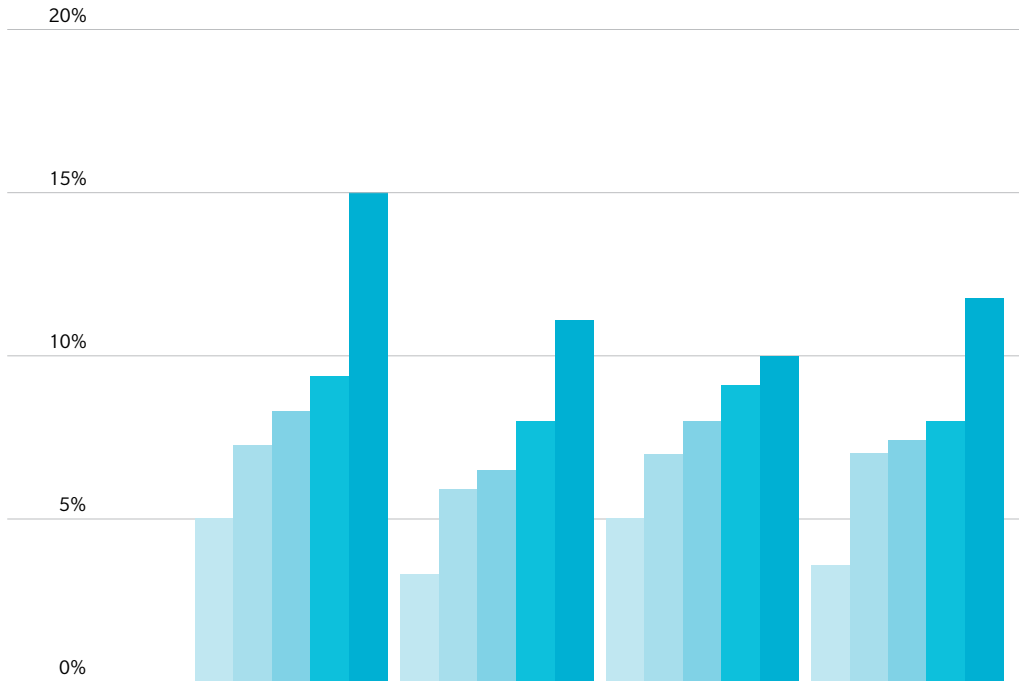
| | Group Medical HSA with Rx | Group Medical HSA without Rx | Individual Medical HSA with Rx | Individual Medical HSA without Rx ^{2*} |
|------------------------------|---------------------------|------------------------------|--------------------------------|---|
| # of Responses | 48 | 23 | 34 | 13 |
| Exposures ^{1*} | 6,804,136 | 6,104,231 | 486,727 | 199,469 |
| 100 th Percentile | 13.10% | 10.50% | 12.50% | 10.00% |
| 75 th Percentile | 9.40% | 9.40% | 10.20% | 9.00% |
| Median | 9.00% | 7.50% | 9.00% | 8.05% |
| 25 th Percentile | 8.50% | 7.30% | 7.00% | 7.04% |
| 0 th Percentile | 3.40% | 3.10% | 5.00% | 5.04% |
| Sample Average | 8.59% | 7.90% | 8.45% | 7.88% |
| Weighted Average | 8.79% | 8.02% | 8.47% | 7.04% |

^{1*} Based on member counts

^{2*} Percentiles for Individual Medical HSA without Rx are based on the number of respondents, as opposed to members

EXHIBIT 7: INDIVIDUAL MEDICAL PRICING TRENDS

ANNUAL TREND
25%



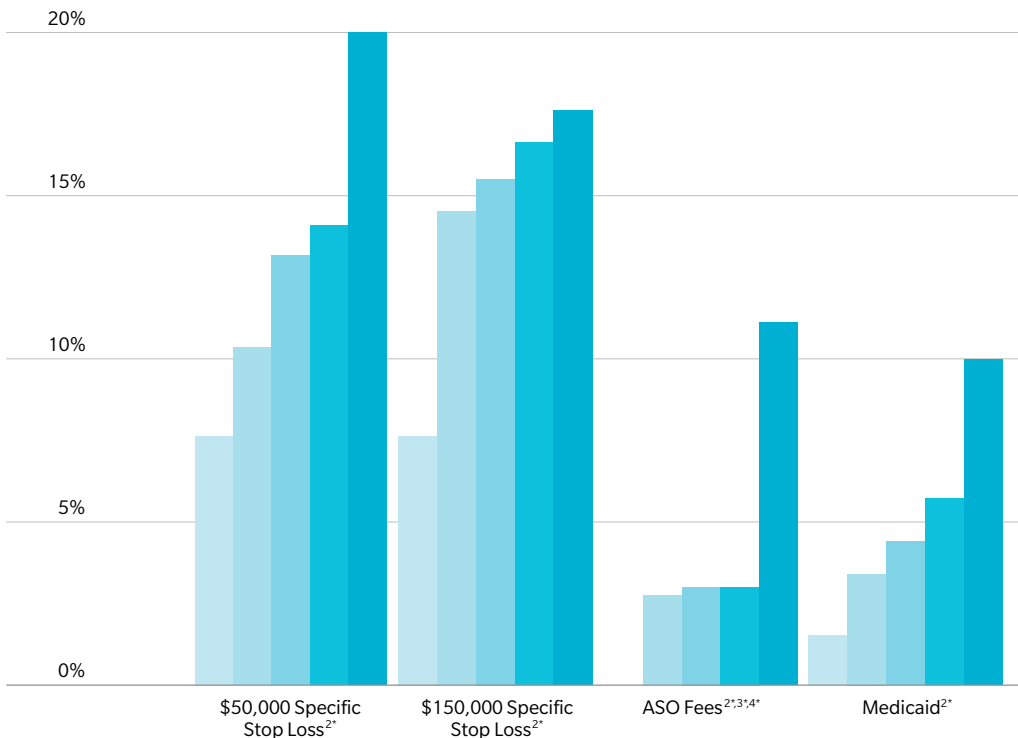
| | Individual Medical Indemnity ^{2*} | Individual Medical PPO | Individual Medical POS ^{2*} | Individual Medical HMO |
|------------------------------|--|------------------------|--------------------------------------|------------------------|
| # of Responses | 15 | 41 | 7 | 25 |
| Exposures ^{1*} | 37,197 | 3,961,526 | 145,881 | 785,535 |
| 100 th Percentile | 15.00% | 11.09% | 10.00% | 11.75% |
| 75 th Percentile | 9.38% | 8.00% | 9.10% | 8.00% |
| Median | 8.30% | 6.50% | 8.00% | 7.40% |
| 25 th Percentile | 7.25% | 5.90% | 6.99% | 7.00% |
| 0 th Percentile | 5.04% | 3.30% | 5.04% | 3.60% |
| Sample Average | 8.60% | 7.67% | 7.89% | 7.75% |
| Weighted Average | 9.21% | 6.98% | 6.66% | 7.51% |

1* Based on member counts

2* Percentiles for Individual Medical Indemnity and Individual Medical POS are based on the number of respondents, as opposed to members

EXHIBIT 8: STOP LOSS, ASO FEES AND MEDICAID PRICING TRENDS

ANNUAL TREND
25%



| | | | | |
|------------------------------|-----------|-----------|------------|-----------|
| # of Responses | 14 | 16 | 28 | 11 |
| Exposures ^{1*} | 1,864,859 | 2,233,627 | 19,214,433 | 2,682,759 |
| 100 th Percentile | 20.00% | 17.60% | 11.10% | 9.98% |
| 75 th Percentile | 14.08% | 16.63% | 3.00% | 5.72% |
| Median | 13.15% | 15.50% | 3.00% | 4.40% |
| 25 th Percentile | 10.34% | 14.51% | 2.75% | 3.40% |
| 0 th Percentile | 7.63% | 7.63% | 0.00% | 1.51% |
| Sample Average | 12.49% | 14.57% | 3.19% | 4.77% |
| Weighted Average | 14.04% | 15.80% | 7.35% | 3.13% |

1* Based on member counts

2* Percentiles for Stop Loss products, ASO fees, and Medicaid are based on the number of respondents, as opposed to members

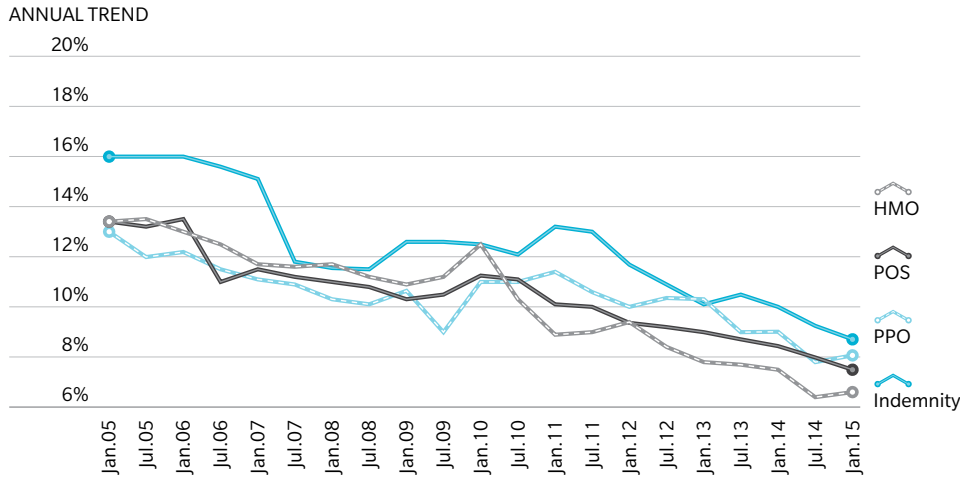
3* The 75th percentile and the median are the same for ASO fees. These reflect trends from multiple carriers

4* The zero trend is not an error; at least one carrier reported a zero or negative trend

4. HISTORICAL EXPERIENCE

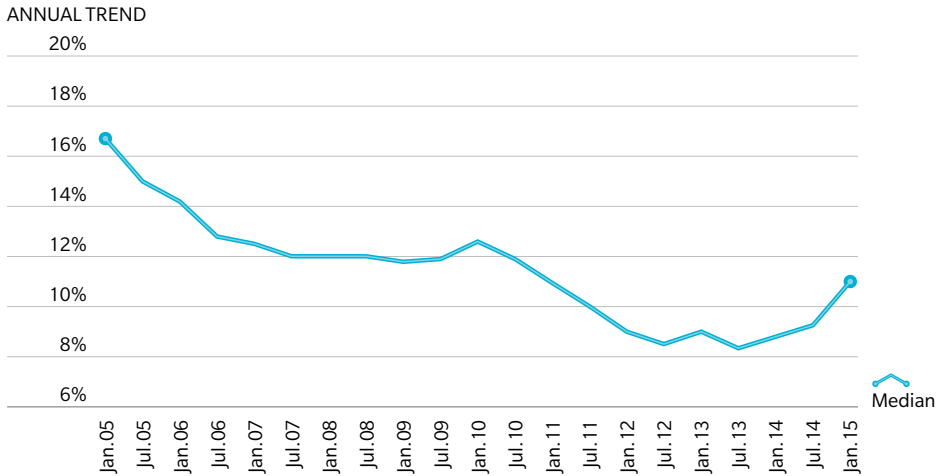
This section shows the median of the trends reported by carriers from January 2005 forward.

EXHIBIT 9: MEDIAN GROUP MEDICAL TRENDS



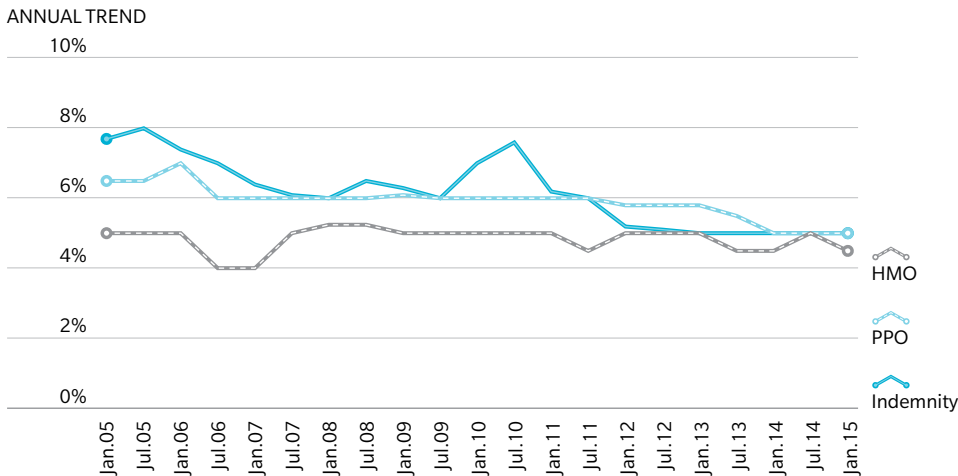
The median trends for group medical indemnity and POS products decreased from the July 2014 survey, while the median trends for group medical HMO and PPO products increased from July 2014 levels. The changes seen from the July 2014 survey were minimal for all group medical products, and the group medical trends range from 6.60% (HMO) to 8.70% (indemnity).

EXHIBIT 10: MEDIAN PRESCRIPTION DRUG TREND



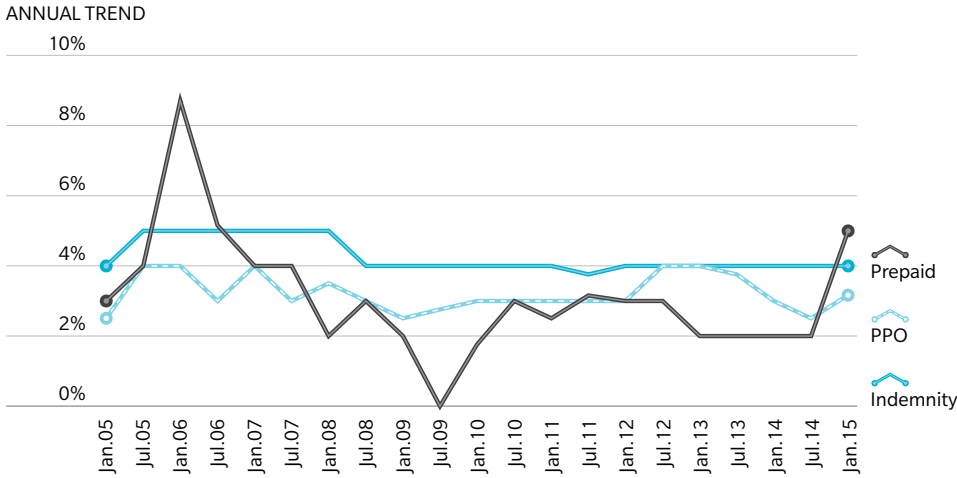
The prescription drug median trend increased from the July 2014 survey. The median trend for this product has increased three surveys in a row, with the increase recognized in this survey being the largest increase in several years. The median trend is currently at 11.00%.

EXHIBIT 11: MEDIAN GROUP DENTAL TRENDS



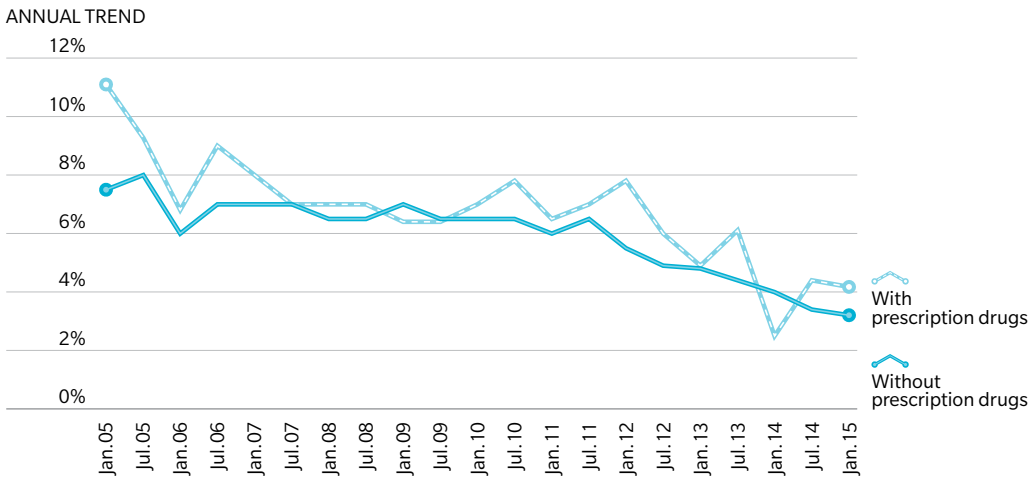
The group dental median trends have been relatively stable, hovering around 5.00% since January 2012. The median trends for group dental indemnity and PPO products remained unchanged from the July 2014 survey, while the group dental DHMO median trend decreased half a percentage point from the July 2014 survey.

EXHIBIT 12: MEDIAN GROUP VISION TRENDS



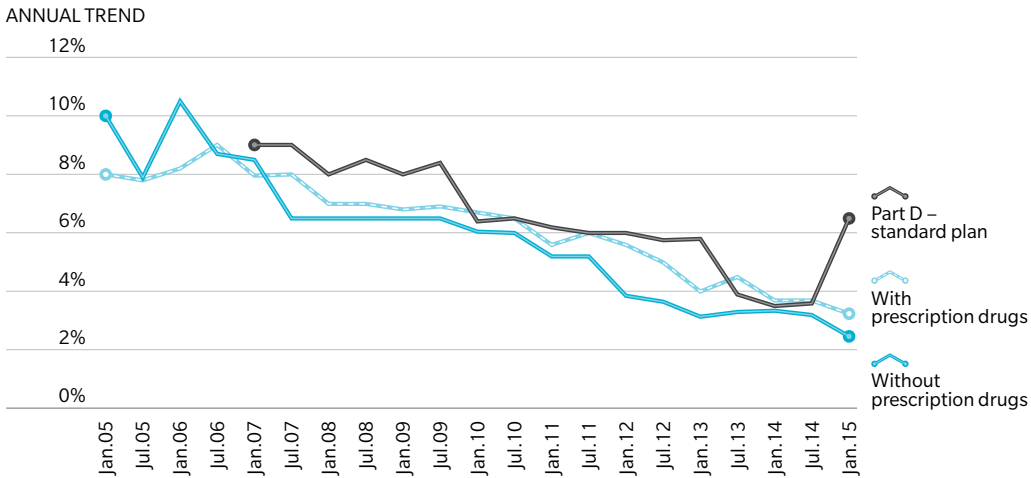
The median trend remained at July 2014 levels for group vision indemnity products, while the median trends for group vision PPO and group vision prepaid products increased. The fluctuation in historical median trend for prepaid products could be due to the small number of respondents, rather than actual pricing trends.

EXHIBIT 13: MEDIAN MEDICARE SUPPLEMENT TRENDS



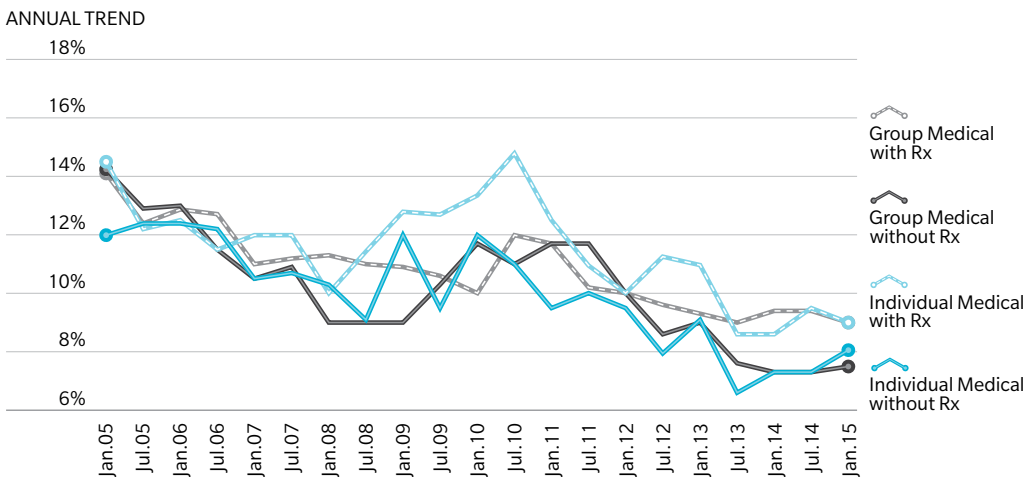
Medicare Supplement products both with and without prescription drug coverage experienced a slight decrease in the median trend from July 2014 levels. Medicare Supplement products with drug coverage continue to show a median trend that is roughly a percentage point higher than Medicare Supplement products without drug coverage.

EXHIBIT 14: MEDIAN MEDICARE ADVANTAGE TRENDS



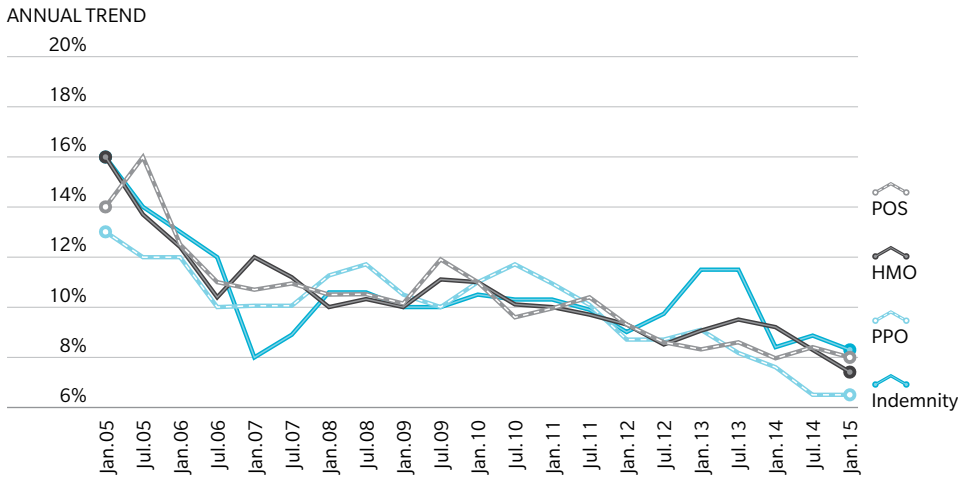
Median trends for Medicare Advantage products with and without drug coverage decreased from the July 2014 survey. After three straight surveys showing decreasing median trends, the Medicare Part D median trend showed a 2.90 percentage point increase, which has brought the median trend back up to a value similar to what was seen in surveys prior to July 2013.

EXHIBIT 15: MEDIAN HIGH DEDUCTIBLE HEALTH PLAN TRENDS



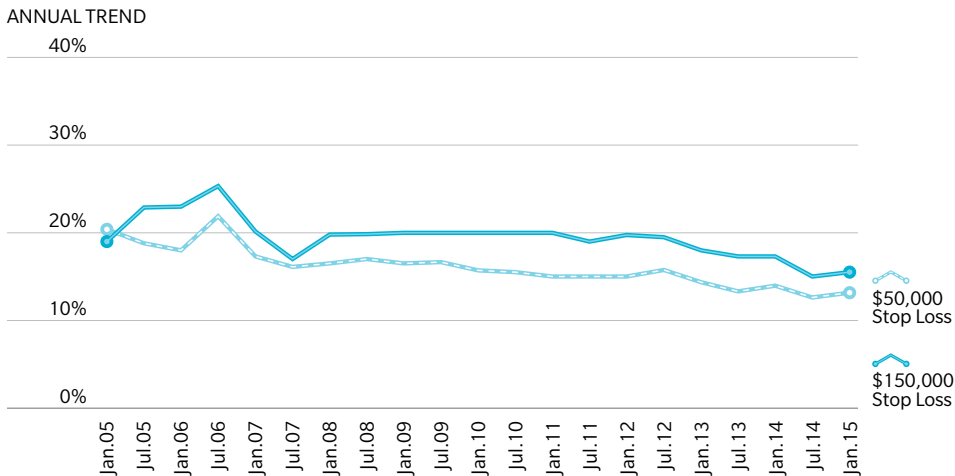
The median trends increased from the July 2014 survey for group and individual medical HSA plans without drug coverage. The median trends for group and individual medical HSA plans with drug coverage decreased from July 2014 trends. All the HSA products have median trends ranging from 7.50% to 9.00%. HSA products with drug coverage are at the top of this range, while HSA products without drug coverage are at the bottom of this range.

EXHIBIT 16: MEDIAN INDIVIDUAL MEDICAL TRENDS



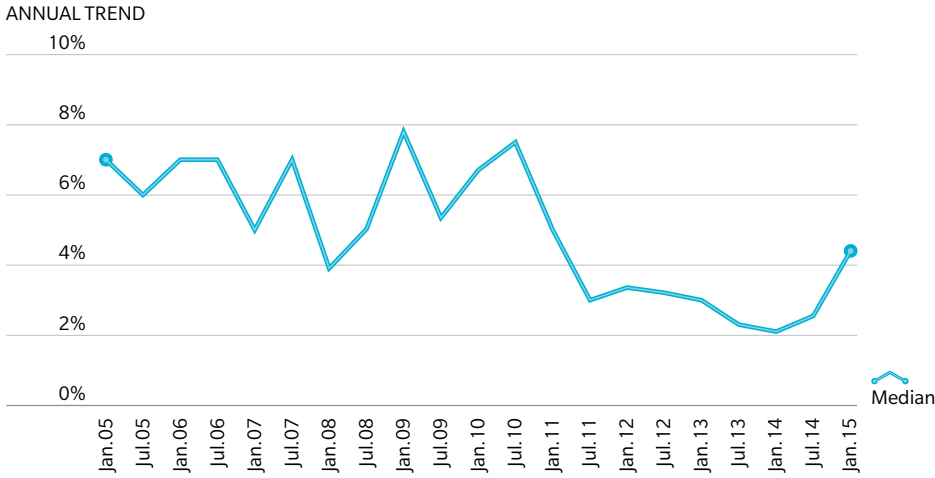
The median trends for individual medical HMO, POS, and indemnity products decreased from the July 2014 survey, while the median trend for individual medical PPO products increased from the July 2014 survey. Individual medical indemnity products continue to show the highest median trend among the individual products at 8.30%.

EXHIBIT 17: MEDIAN SPECIFIC STOP LOSS TRENDS



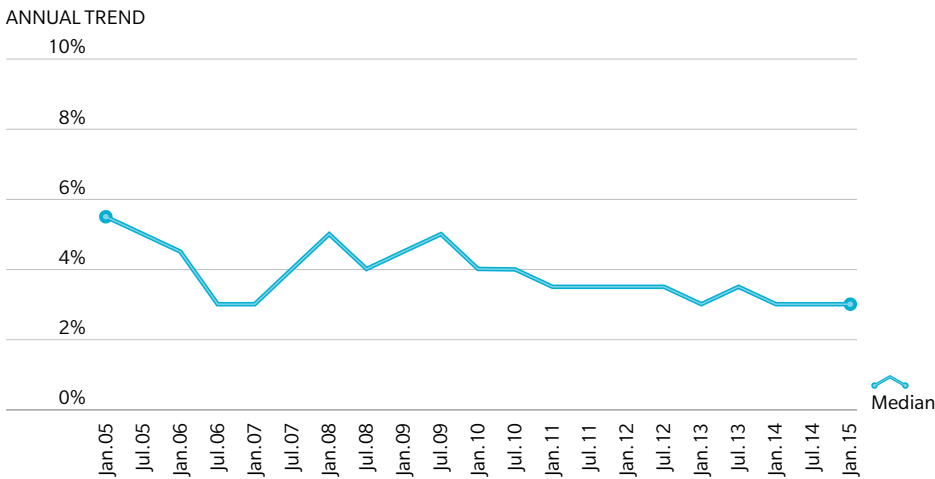
While the stop loss median trends increased from the July 2014 survey, these trends have remained relatively stable since January 2008.

EXHIBIT 18: MEDIAN MEDICAID TREND



The median Medicaid trend increased from the July 2014 survey to 4.40%. The fluctuation in the historical median trend for Medicaid products could be due to the small number of respondents, rather than actual pricing trends.

EXHIBIT 19: MEDIAN ASO FEES TREND



The median trend for ASO fees is 3.00%, which is unchanged from the July 2014 survey. The median trend has been relatively stable since January 2010.

5. PARTICIPATING PROVIDERS

| | |
|---|---|
| Aetna | Group Hospitalization and Medical Service, Inc. |
| American Enterprise | Guarantee Trust Life Insurance Company |
| Ameritas Life Insurance Corp. | Health Care Service Corporation |
| Anthem Blue Cross Blue Shield (Colorado) | Health Net of California, Inc. |
| Anthem Blue Cross Blue Shield (Connecticut) | HealthPlus of Michigan |
| Anthem Blue Cross Blue Shield (Maine) | Highmark Blue Cross Blue Shield |
| Anthem Blue Cross Blue Shield (Nevada) | Highmark Blue Cross Blue Shield of Delaware |
| Anthem Blue Cross Blue Shield (New Hampshire) | Highmark Blue Cross Blue Shield of West Virginia |
| Anthem Blue Cross Blue Shield of Georgia | Highmark Blue Shield |
| Anthem Blue Cross Blue Shield of Indiana | HM Insurance Group |
| Anthem Blue Cross Blue Shield of Kentucky | Horizon Blue Cross Blue Shield New Jersey |
| Anthem Blue Cross Blue Shield of Missouri | Humana |
| Anthem Blue Cross Blue Shield of Ohio | Humana Group |
| Anthem Blue Cross Blue Shield of Virginia | Humana One |
| Anthem Blue Cross Blue Shield United of Wisconsin | Humana Specialty Benefits |
| Anthem Blue Cross of California | Independence Blue Cross |
| Anthem Empire Blue Cross Blue Shield (New York) | Kaiser Foundation Health Plan, Inc. |
| Blue Care Network of Michigan | Medical Mutual |
| Blue Cross and Blue Shield of Illinois | Moda Health |
| Blue Cross and Blue Shield of Kansas City | Network Health Plan |
| Blue Cross and Blue Shield of Louisiana | Nippon Life Insurance Company of America |
| Blue Cross and Blue Shield of Massachusetts | Northeast Delta Dental |
| Blue Cross and Blue Shield of Minnesota | Optima Health |
| Blue Cross and Blue Shield of New Mexico | PacificSource Health Plans |
| Blue Cross and Blue Shield of North Carolina | Paramount Health Care |
| Blue Cross and Blue Shield of Oklahoma | Physicians Health Plan of Northern Indiana, Inc. |
| Blue Cross and Blue Shield of Texas | Premera Blue Cross of Alaska |
| Blue Cross Blue Shield of Alabama | Premera Blue Cross of Washington |
| Blue Cross Blue Shield of Arizona | Priority Health |
| Blue Cross Blue Shield of Michigan | Regence Blue Cross Blue Shield of Oregon |
| Blue Cross Blue Shield of Nebraska | Regence Blue Cross Blue Shield of Utah |
| Blue Shield of California | Regence Blue Shield of Idaho |
| BlueCross BlueShield of Tennessee | Regence Blue Shield of Washington |
| Capital Blue Cross | Security Health Plan of Wisconsin, Inc. |
| CareFirst BlueChoice, Inc. | SelectHealth |
| CareFirst of Maryland, Inc. | Sentry Life Insurance Company |
| CIGNA Health Care | Transamerica Life Insurance Company |
| Davis Vision, Inc. | Trustmark Life Insurance Company |
| Dean Health Plan | Tufts Health Plan |
| Delta Dental of Iowa | United Concordia Companies, Inc. |
| EPIC Life Insurance Company | UnitedHealthcare |
| Everence | Unity Health Plans Insurance Corporation |
| Excellus BlueCross BlueShield (Central New York) | Universal American |
| Excellus BlueCross BlueShield (Rochester) | VOYA Financial |
| Excellus BlueCross BlueShield (Utica-Watertown) | Wellmark Blue Cross and Blue Shield of Iowa |
| Florida Blue | Wellmark Blue Cross and Blue Shield of South Dakota |
| Group Health Cooperative | |

6. EXPOSURES BY LINE OF BUSINESS

| | NUMBER OF CARRIERS RESPONDING | NUMBER OF RESPONSES | TOTAL REPORTED EXPOSURE |
|--------------------------------------|-------------------------------|---------------------|-------------------------|
| GROUP MEDICAL | | | |
| Indemnity | 26 | 36 | 2,204,895 |
| PPO | 44 | 61 | 60,133,343 |
| POS | 34 | 39 | 18,600,046 |
| HMO | 39 | 58 | 16,634,119 |
| | | | 97,572,403 |
| INDIVIDUAL MEDICAL | | | |
| Indemnity | 10 | 15 | 37,197 |
| PPO | 27 | 41 | 3,961,526 |
| POS | 7 | 7 | 145,881 |
| HMO | 24 | 25 | 785,535 |
| | | | 4,930,139 |
| HIGH DEDUCTIBLE HEALTH PLANS | | | |
| Group Medical HSA with Rx | 36 | 48 | 6,804,136 |
| Group Medical HSA without Rx | 17 | 23 | 6,104,231 |
| Individual Medical HSA with Rx | 25 | 34 | 486,727 |
| Individual Medical HSA without Rx | 7 | 13 | 199,469 |
| | | | 13,594,563 |
| PRESCRIPTION DRUG | | | |
| | 48 | 76 | 65,899,596 |
| MEDICARE SUPPLEMENT | | | |
| Products with Rx benefits | 18 | 22 | 206,359 |
| Products without Rx benefits | 33 | 40 | 2,122,972 |
| | | | 2,329,331 |
| MEDICARE ADVANTAGE | | | |
| Products with Rx benefits | 25 | 30 | 2,307,075 |
| Products without Rx benefits | 19 | 23 | 746,746 |
| | | | 3,053,821 |
| MEDICARE PART D STANDARD PLAN | | | |
| | 15 | 19 | 2,134,618 |
| MEDICAID | | | |
| | 11 | 11 | 2,682,759 |
| GROUP DENTAL | | | |
| Indemnity | 21 | 35 | 4,575,482 |
| PPO | 34 | 44 | 40,801,002 |
| DHMO | 14 | 14 | 4,294,945 |
| | | | 49,671,429 |
| GROUP VISION | | | |
| Indemnity | 12 | 20 | 5,113,816 |
| PPO | 18 | 22 | 36,428,135 |
| Prepaid | 2 | 3 | 618,312 |
| | | | 42,160,263 |
| SPECIFIC STOP-LOSS | | | |
| \$50,000 | 12 | 14 | 1,864,859 |
| \$150,000 | 12 | 16 | 2,233,627 |
| | | | 4,098,486 |
| ASO FEES | | | |
| | 22 | 28 | 19,214,433 |

This table shows the number of responses and the exposure by type of coverage. Not all carriers provide the entire range of products surveyed. Some carriers returned more than one response to distinguish trends by region.

The “Number of Responses” and “Total Reported Exposure” columns match the first and second summary rows of the graphs named “# of Responses” and “Exposures” found in Section 3 of the report. The exposure numbers shown are those reported. No attempt has been made to account for any “double counting” resulting from dual coverage.

7. ABOUT US

Oliver Wyman is an international management consulting firm. With more than 3,000 professionals in over 50 cities around the globe, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, organizational transformation leadership development. The firm helps clients optimize their businesses, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. As part of Marsh & McLennan Companies (NYSE: MMC), Oliver Wyman is also able to draw on experts from our sister companies in the areas of brand and identity management, microeconomics, human capital strategies, and insurance security.

The actuarial consulting practice of Oliver Wyman employs over 100 credentialed actuaries in North America across 16 offices. The firm's actuaries provide independent, objective advice by combining a broad range of expertise with specialized knowledge of specific risks. Oliver Wyman is committed to unparalleled mastery in actuarial and risk sciences, continually renewed by the breadth of each consultant's experiences and independent research. The actuarial practice continuously researches methods for evaluating, measuring reporting on risk and provides clear, timely communications in the three primary areas of risk for organizations: property and casualty, life and annuities, and healthcare.

Oliver Wyman's team of health actuaries are the leaders in innovative solutions to the ever changing healthcare environment. As the trusted advisors to insurers, healthcare providers, government agencies, law firms and regulators, clients turn to Oliver Wyman for high-level strategic advice, and the ability to model proposed reforms and respond to changes in regulations on both the state and federal levels. In addition to traditional actuarial services, such as the estimation of premium rates and claim liabilities, Oliver Wyman's health actuarial services include product pricing, rating models, annual statement certification, product feasibility, due diligence, reserve certifications, Medicare Advantage and Medicare Part D pricing and attestations, expert witness testimony and provider contracting models.

DISCLAIMER

The trends and exposures in the Carrier Trend Report are the trends and exposures that carriers provided in the Carrier Trend Survey. No audit was performed on the trends and exposures reported to ensure accuracy. We did follow up with a few carriers that had responses outside the normal range of replies.

Oliver Wyman is providing this Carrier Trend Report as a sample of current carrier pricing trends without endorsing, certifying, or recommending these trends for specific application.

For more information about this report or if you would like to participate in future surveys, please contact Karen K. Bender, FCA, ASA, MAAA or Beth R. Fritchen, FSA, MAAA.

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