OLIVER WYMAN

ANNUAL TAX ON INSURERS ALLOCATED BY STATE

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Background

The Patient Protection and Affordable Care Act (Pub L. 111-148) and the Health Care and Education Reconciliation Act (Pub L. 111-152), collectively "ACA," will impose taxes beginning in 2014 on insurance companies that offer fully-insured coverage. The taxes will be assessed on earned health insurance premiums, with certain exclusions. These taxes are shown in Table 1.

Table 1
Insurer Taxes

Year	Amount
2014	$ 8,000,000,000
2015	11,300,000,000
2016	11,300,000,000
2017	13,900,000,000
2018	14,300,000,000
After 2018	Increases with premium trend

Oliver Wyman was engaged by America's Health Insurance Plans (AHIP) to analyze these insurer taxes and to estimate the allocation of these taxes across each state and by line of business. In this report we have quantified the total premiums by state that will be assessed and estimated per member per year costs of this assessment by line of business.

The next section of our report describes the development of the premiums used as the basis of our analysis. The following section of our report projects the aggregate premium data forward to 2014 through 2023. Finally, in the last section of our report we calculate the per member cost of the insurer taxes.

2

2010 Base Premium

The health insurance taxes that will be collected beginning in 2014 will be allocated to each insurer based on their applicable net premiums for health insurance, but during the year prior to when the taxes are due. For example, the 2014 taxes will be allocated based on 2013 net premiums. The portion of the tax to be paid by each insurer will be based on the proportion of their premiums to total premiums for all covered entities (referred to here as the "denominator"). To develop the base premium for our analysis we start by calculating the total premiums for entities that will be charged the taxes.

Our source for the data is the financial statement data that insurers prepare annually. The data is consistent with the description of sources in our October 31, 2011 report[1] titled "Estimated Premium Impacts of Annual Fees Assessed on Health Insurance Plans." However, this analysis utilized additional exhibits that provided information regarding premium rates by state. To collect the data by state, we used the information from the National Association of Insurance Commissioners' (NAIC) "Health Care Supplemental Exhibits." These exhibits were required beginning in 2012, to calculate the medical loss ratios for individual, small group and large group.

We accumulated the data by identifying all companies that had health insurance premiums during 2010 and pulled the earned premiums by line of business for every state and US territory. The line of business categories represented on the supplement exhibits are different than the lines of business used in our analysis. Therefore, we adjusted the data to be consistent with the lines of business provided in our report. Also, not all companies have yet filed the supplemental exhibits. Specifically, we made the following adjustments:

- Large group data is allocated between large group and Federal Employees Health Benefit Plan based on the data by company used in our prior report.
- Government business is allocated between Medicaid and Medicare based on the data by company used in our prior report.
- Where the supplement exhibits are not completed, we used the direct written premiums by state from Exhibit T of the NAIC Financial Statement to allocate experience for all lines of business by state.

The result of these adjustments is the total base premiums in each state by line of business. These amounts are shown in Exhibit 1 of the Appendix.

Next, we applied the exemptions and adjustments (on a consolidated group basis) in the ACA for each company with respect to the tax (these exemptions and adjustments are detailed in our prior report). These include: eliminating companies that qualify under Section 9010 (c)(2)(C) of the ACA; excluding the first $25 million of premiums and 50% of the next $25 million; and, excluding 50% of the remaining premiums for tax exempt companies. Each of the exemptions is

[1] http://www.ahipcoverage.com/wp-content/uploads/2011/11/Insurer-Fees-report-final.pdf

applied on a pro-rated basis. We determined the overall exemption for each company and allocated the exemption to each state and line of business cell based on the proportion of premium in that cell relative to all premiums for the company. The result of these calculations is the applicable premiums subject to the tax by state and line of business. These amounts are shown in Exhibit 2 of the Appendix.

3

Projection of Results to 2014 and Later

Starting with the base premiums developed in Section 2, we project the premiums forward for the next ten years to assess the aggregate cost of the insurer tax over this time period. Our assumptions are again consistent with the October 31, 2011 report and represent two scenarios: one uses financial statement data as the basis but does not assume any enrollment change (beyond the CBO assumptions for enrollment) between full insurance, which is subject to the tax, and self-insurance, which is not subject to the tax; and one scenario that assumes employers accelerate their use of self-insurance. Table 2 below shows the expected increases in average premiums each year due to the tax underlying the results shown in this report.

Table 2

Estimated Increase in Average Premiums Due to Taxes on Insured Plans

Year	Estimated Increase (Conservative Estimate)	Estimated Increase (Assumes Greater Self-Funding)
2014	1.9%	2.3%
2015	2.6%	3.2%
2016	2.4%	3.1%
2017	2.9%	3.7%
2018	2.8%	3.7%
2019	2.8%	3.7%
2020	2.8%	3.7%
2021	2.8%	3.7%
2022	2.8%	3.7%
2023	2.8%	3.7%

We project the data on a seriatim basis to 2014 and each year following, through 2023. The premiums for each company are projected by state and by line of business and the exemptions for each company are re-applied each year.

We have accumulated all of the taxes for each state that are estimated to be paid through 2023, as well as the percent of the total taxes paid for each state. These amounts are shown in the Appendix in Exhibits 3a and 3b. Although the total taxes do not change between the two exhibits, we provide results for both of the scenarios described above. The difference is a result of changes in the level of self-insurance

To illustrate this further, we provide additional information about the current level of self-insurance in each state. In general, states that have a higher proportion of their population in self-insured plans will pay a smaller proportion of the taxes. In order to better understand the impact of self-insurance on the amount of taxes paid in each state, we provide in Exhibit 4 a

listing of the insured and self-insured members for each state, and the proportion that is fully-insured of the total.[2]

[2] HealthLeaders-InterStudy, Managed Market Surveyor – July 2011

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Per Member Analysis/Results

We used the following data sources to calculate the cost relativities between the states for each line of business:

Individual – Report from AHIP, Individual Health Insurance: A Comprehensive Survey of Premiums, Availability and Benefits, October 2009[3]

Small Group – Report from AHIP, Small Group Health Insurance in 2010: A Comprehensive Survey of Premiums, Product Choices and Benefits, July 2011[4]

Large Group and FEHBP – Kaiser State Health Facts, Average Single and Family Premium per Enrolled Employee For Employer-Based Health Insurance, 2010[5]

Medicare – Kaiser State Health Facts, Medicare Spending Per Enrollee by State, 2009[6]

Medicaid – Kaiser State Health Facts, Medicaid Payments Per Enrollee by State, 2009[7]

Using the cost relativities by state in each of these sources, we calculated estimates of the per contract costs for each state and adjusted the data so that the weighted average across all states was equivalent to the per contract costs shown in our October 31, 2011 report as of 2014. We then applied claim cost trends annually to project the experience to each year through 2023. Next, we applied the percent tax projected for each year to the per contract costs to calculate the applicable tax per contract for each state and line of business.

We grossed up the results to reflect the non-deductibility of the taxes by assuming a 35% overall federal tax rate, reflecting the federal statutory rate for corporate income tax. This implies that for each dollar paid in taxes, an additional $1.54 in premium must be collected. While the actual federal tax rate for any particular insurer (reflecting federal taxes paid by insurers as a percentage of net income) may be less or more than 35%, we found that the 35% was a reasonable assumption. We also note in regard to assuming a federal tax rate of 35% that for conservatism we did not factor in the impact of existing state level percentage of premium based taxes (which would have the effect of increasing our premium impact estimates further).

Finally, we accumulated the results of the annual taxes to calculate aggregate taxes over the ten year period from 2014 to 2023. The results of this state-by-state analysis are shown in the Appendix in Exhibits 5a, 5b, and 5c. Exhibit 5a shows scenario one, which assumes no

[3] http://www.ahip.org/pdfs/2009IndividualMarketSurveyFinalReport.pdf

[4] http://www.ahip.org/Small-Group-Report-2011.aspx

[5] http://www.statehealthfacts.org/comparetable.jsp?typ=4&ind=271&cat=5&sub=67

[6] http://www.statehealthfacts.org/comparemaptable.jsp?cat=6&ind=624

[7] http://www.statehealthfacts.org/comparetable.jsp?ind=183&cat=4

increases in the use of self-insurance (beyond what is assumed in the CBO estimates), and Exhibit 5b shows scenario two, which assumes higher use of self-insurance. Exhibit 5c presents the state-by-state results using an average or mid-point of the two methods.

On average across all states (using an average of the two methods), additional premiums to be paid over the ten-year period would increase by:

- $2,171 for single contracts and $5,140 for family contracts in the individual market;
- $2,794 for single contracts and $6,883 for family contracts in the small-group market; and
- $2,636 for single contracts and $7,186 for family contracts in the large-group market.

In the Medicare market, the premium tax would increase the expected cost of MA coverage per enrollee by $3,604 over the ten-year period. With respect to Medicaid, we estimate that the insurer tax will increase the average cost of Medicaid coverage by $1,523 per enrollee for the period 2014-2023.

Our projections to 2014 and later were developed prior to the Supreme Court's decision on the constitutionality of the ACA. Therefore, the results anticipate the full implementation of the Medicaid expansion programs. We do not know what the impact of less than full implementation will be other than to say that the Medicaid premiums would likely be less than projected and other cells, such as individual insurance, would be more than projected. However, the impact on per contract taxes shown in Exhibit 5 is unclear.

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Considerations and Limitations

While this analysis complies with applicable Actuarial Standards of Practice, users of this analysis should recognize that our projections involve estimates of future events, and are subject to economic and statistical variations from expected values. We have not anticipated any extraordinary changes to the legal, social, or economic environment that might affect the results we show here. For these reasons, no assurance can be given that the emergence of actual results will correspond to the projections in this analysis.

For our analysis, we relied on financial statement data and information provided by SNL Financial, the California Department of Managed Health Care and the Minnesota Department of Health without independent audit. Though we have reviewed the data for reasonableness and consistency, we have not audited or otherwise verified this data. It should also be noted that our review of data may not always reveal imperfections. We have assumed that the data provided is both accurate and complete. The results of our analysis are dependent on this assumption. If this data or information is inaccurate or incomplete, our findings and conclusions may need to be revised.

We have made every attempt to collect all data for health insurance premiums. However, certain data for health plans that may be affected by the insurer taxes may not be publically available and may not be included in our analysis. While this would not likely materially impact the result in the aggregate, actual premiums for specific amounts in the exhibits may be substantially different than shown.

The opinions and conclusions expressed herein reflect technical assessments and analyses and do not reflect statements or views with respect to public policy.

Appendix – Detailed Results by State and Line of Business

Exhibit 1

2010 Base Premiums by State and Line of Business (000s)[8]

State	Individual	Small Group	Large Group	FEHBP	Medicare	Medicaid	Total
AK	$ 51,701	$ 653,145	$ 213,228	$ 71,974	$ 22,728	$ 0	$ 1,012,776
AL	307,483	1,283,454	1,633,831	643,736	2,201,962	0	6,070,465
AR	374,550	455,922	692,627	225,927	871,503	0	2,620,528
AZ	650,197	1,221,232	1,603,165	545,710	4,357,622	5,640,741	14,018,667
CA	6,400,714	20,809,068	46,931,979	92,946	24,983,281	10,397,180	109,615,168
CO	686,970	990,655	3,910,034	597,408	2,129,433	128,963	8,443,463
CT	317,753	1,461,680	3,088,563	217,699	1,330,561	353,527	6,769,783
DC	95,278	566,252	2,304,978	695,999	165,202	375,965	4,203,675
DE	47,867	248,608	1,060,924	98,099	113,067	1,511	1,570,076
FL	1,980,288	4,097,411	9,475,889	1,810,091	13,919,358	2,964,786	34,247,823
GA	1,000,605	1,889,936	3,863,751	1,068,361	3,308,580	2,846,947	13,978,180
HI	91,067	316,771	1,617,129	311,621	950,451	882,327	4,169,366
IA	320,188	938,110	1,307,616	219,912	719,289	123,371	3,628,486
ID	221,469	326,805	795,389	113,942	626,729	0	2,084,334
IL	1,238,062	4,046,388	8,032,886	2,009,468	2,356,858	236,101	17,919,763
IN	490,482	1,841,684	1,599,270	889,578	2,054,218	958,678	7,833,911
KS	330,646	898,576	1,615,090	282,697	636,945	450,486	4,214,439
KY	548,614	857,086	1,296,220	311,459	1,972,549	811,089	5,797,018
LA	535,661	1,440,281	1,238,513	337,629	2,286,460	0	5,838,544
MA	1,094,774	3,594,503	6,556,333	644,895	1,973,551	1,729,485	15,593,542
MD	435,449	1,754,369	2,648,928	2,483,824	867,993	1,194,349	9,384,913
ME	122,882	417,598	865,461	160,799	390,846	0	1,957,587
MI	748,685	2,612,383	8,391,495	558,020	3,680,122	3,795,849	19,786,552
MN	1,042,229	1,706,071	2,578,445	399,855	2,810,432	2,571,519	11,108,551
MO	638,526	1,549,353	3,339,894	604,652	2,498,235	1,115,983	9,746,643
MS	234,993	476,602	529,273	270,889	857,711	0	2,369,468
MT	108,862	293,874	230,376	130,983	293,415	0	1,057,511
NC	1,129,732	1,824,558	2,113,535	772,217	3,103,584	0	8,943,626
ND	133,059	302,142	417,427	80,088	98,850	9,773	1,041,338
NE	238,080	834,067	495,516	189,068	406,805	141,528	2,305,064
NH	167,241	590,197	686,081	207,391	186,810	5,110	1,842,830
NJ	872,737	3,490,555	6,576,473	699,368	2,832,311	2,780,783	17,252,227
NM	154,844	324,256	632,865	236,002	885,290	2,230,720	4,463,977
NV	219,162	532,465	1,223,100	172,737	1,255,109	330,177	3,732,749
NY	1,649,420	7,318,586	26,124,684	1,286,702	11,491,770	1,928,999	49,800,160
OH	550,884	3,578,828	5,458,926	578,428	6,872,571	5,107,842	22,147,478
OK	296,856	839,551	1,825,191	329,659	1,108,704	0	4,399,962
OR	490,264	1,223,325	2,758,669	374,209	2,937,374	1,377,080	9,160,921
PA	1,385,571	4,640,700	10,450,202	1,435,820	10,962,841	7,460,099	36,335,234
RI	79,077	588,898	845,048	101,271	800,334	618,064	3,032,693
SC	401,992	807,104	1,227,691	584,630	1,403,018	1,246,808	5,671,243
SD	165,534	244,522	381,350	117,071	131,348	0	1,039,824
TN	606,984	1,549,295	1,851,574	408,388	3,389,647	4,276,909	12,082,796
TX	2,049,670	4,779,375	8,707,531	1,415,473	8,247,511	5,442,682	30,642,241
UT	260,126	737,859	1,529,875	328,471	825,780	178,489	3,860,600
VA	942,123	2,297,797	4,001,439	2,092,532	1,851,203	1,895,770	13,080,863
VT	83,960	260,745	297,475	63,294	74,247	0	779,721
WA	887,940	2,112,446	4,066,495	940,698	2,666,850	1,366,849	12,041,278
WI	564,273	2,270,749	4,676,318	396,194	2,672,708	1,812,069	12,392,312
WV	85,648	388,340	488,542	272,918	982,547	295,804	2,513,799
WY	68,848	159,918	102,427	63,053	56,187	11,123	461,556
AS	16	0	13	0	25	0	54
GU	9,907	7,524	57,725	35,927	1,591	0	112,673
MP	563	1,779	725	436	54	0	3,557
PR	195,470	519,134	1,003,562	130,702	4,178,218	1,511,577	7,538,662
VI	2,730	15,242	5,035	167	6,342	0	29,517
Total	$ 33,808,706	$ 98,987,774	$ 205,426,780	$ 29,111,091	$ 147,808,731	$ 76,607,109	$ 591,750,191

[8] Although represented in our 2010 data, Connecticut discontinued their Medicaid health plans at the end of 2010. We have removed these premiums in future years.

Exhibit 2

2010 Applicable Premiums (Denominator) by State and Line of Business (000s)

State	Individual	Small Group	Large Group	FEHBP	Medicare	Medicaid	Total
AK	$ 50,040	$ 640,230	$ 208,498	$ 70,994	$ 21,817	$ 0	$ 991,579
AL	295,456	1,259,809	1,517,459	637,515	1,788,069	0	5,498,308
AR	353,625	424,824	595,601	218,197	537,431	0	2,129,678
AZ	580,983	1,187,857	1,546,135	532,218	3,843,906	3,682,040	11,373,139
CA	5,240,556	15,737,257	35,426,573	92,669	15,970,924	3,850,001	76,317,980
CO	593,119	961,046	3,852,271	595,984	2,039,426	23,030	8,064,876
CT	312,725	1,448,788	3,063,134	217,361	1,315,066	352,289	6,709,363
DC	91,500	557,759	2,178,505	692,483	161,733	102,245	3,784,225
DE	44,572	235,539	1,008,936	91,291	98,308	1,504	1,480,150
FL	1,876,223	3,947,088	8,955,147	1,791,508	11,736,209	2,663,480	30,969,655
GA	970,803	1,805,401	3,776,072	1,066,304	2,836,422	2,822,267	13,277,269
HI	88,974	258,667	1,551,465	305,885	926,711	675,613	3,807,315
IA	305,582	916,058	1,256,365	217,032	699,623	122,552	3,517,212
ID	215,114	317,419	762,335	110,402	567,058	0	1,972,328
IL	1,176,033	3,935,171	7,789,681	2,003,289	2,233,655	232,555	17,370,384
IN	462,268	1,703,789	1,374,114	887,796	1,896,065	468,094	6,792,126
KS	314,384	872,303	1,533,190	276,381	623,197	277,589	3,897,044
KY	531,920	843,962	1,221,758	310,831	1,706,467	29,135	4,644,073
LA	515,774	1,377,234	1,151,495	331,496	1,506,854	0	4,882,853
MA	753,843	3,136,922	5,799,599	628,304	1,738,778	851,222	12,908,668
MD	426,067	1,738,388	2,615,378	2,471,086	825,120	1,188,385	9,264,424
ME	117,145	412,659	851,455	160,567	282,835	0	1,824,661
MI	690,580	2,153,564	6,818,024	490,144	3,079,270	1,734,180	14,965,762
MN	980,556	1,621,428	2,315,960	387,586	1,633,634	836,046	7,775,210
MO	588,700	1,508,557	3,161,705	599,558	2,091,724	1,034,652	8,984,896
MS	218,059	459,852	479,358	260,948	707,238	0	2,125,455
MT	98,279	264,349	196,781	120,039	217,930	0	897,378
NC	1,097,574	1,788,431	1,989,074	765,265	2,905,570	0	8,545,914
ND	123,259	273,672	365,346	75,818	95,448	8,025	941,568
NE	212,377	797,937	466,661	182,948	399,034	141,175	2,200,132
NH	121,829	581,714	675,825	207,098	182,428	5,101	1,773,995
NJ	800,423	3,466,862	6,459,411	695,832	2,715,663	2,724,148	16,862,339
NM	139,826	311,288	612,811	230,016	826,530	2,184,809	4,305,280
NV	212,765	458,154	1,079,192	172,467	1,179,232	328,671	3,430,481
NY	1,525,368	7,109,044	25,368,202	1,251,274	9,403,286	1,804,014	46,461,188
OH	485,839	3,452,642	5,264,110	573,983	6,176,447	2,301,130	18,254,151
OK	279,116	826,860	1,726,198	328,621	1,019,860	0	4,180,655
OR	458,369	1,098,550	2,468,067	371,902	2,312,929	898,900	7,608,717
PA	1,356,548	4,566,134	10,153,549	1,346,525	9,764,516	4,805,459	31,992,731
RI	71,290	572,736	782,895	98,821	779,396	237,600	2,542,738
SC	335,136	789,158	1,177,940	575,435	815,640	1,204,033	4,897,342
SD	150,773	213,291	269,772	115,205	129,294	0	878,335
TN	551,919	1,529,588	1,809,648	405,019	3,152,044	4,254,490	11,702,708
TX	1,970,927	4,687,711	8,340,180	1,411,514	6,962,899	3,211,644	26,584,875
UT	248,352	718,979	1,419,717	326,191	785,230	176,120	3,674,589
VA	928,549	2,263,011	3,824,809	2,082,651	1,739,795	1,344,433	12,183,248
VT	73,594	204,442	245,485	54,588	71,051	0	649,160
WA	869,107	2,084,903	3,732,755	929,545	2,189,575	808,307	10,614,192
WI	423,347	1,764,563	3,939,947	393,788	1,957,617	1,466,021	9,945,283
WV	78,311	365,294	441,050	268,721	922,967	280,700	2,357,043
WY	57,439	136,299	63,991	52,465	54,680	9,255	374,129
AS	15	0	13	0	24	0	52
GU	5,179	2,905	22,607	13,906	1,588	0	46,185
MP	228	687	300	169	54	0	1,438
PR	131,623	472,981	940,345	127,746	756,353	818,784	3,247,832
VI	2,549	15,171	3,995	163	5,367	0	27,245
Total	$ 30,604,511	$ 90,278,927	$ 184,650,889	$ 28,625,544	$ 118,389,987	$ 49,959,698	$ 502,509,557

Exhibit 3

Aggregate Taxes 2014 to 2023 by State (000s)

	Scenario 1		Scenario 2	
State	Fees	% of Total	Fees	% of Total
AK	$ 308,220	0.2%	$ 299,869	0.2%
AL	1,522,082	1.0%	1,514,543	1.0%
AR	661,257	0.5%	664,953	0.5%
AZ	3,015,317	2.1%	3,105,687	2.1%
CA	22,411,854	15.4%	22,276,770	15.3%
CO	2,331,329	1.6%	2,314,816	1.6%
CT	1,834,953	1.3%	1,807,934	1.2%
DC	1,149,997	0.8%	1,118,879	0.8%
DE	449,801	0.3%	437,484	0.3%
FL	8,484,769	5.8%	8,573,723	5.9%
GA	3,959,369	2.7%	4,007,825	2.7%
HI	1,087,917	0.7%	1,091,837	0.7%
IA	1,052,977	0.7%	1,046,920	0.7%
ID	577,793	0.4%	578,038	0.4%
IL	5,249,553	3.6%	5,165,823	3.5%
IN	1,959,471	1.3%	1,961,691	1.3%
KS	1,182,823	0.8%	1,176,119	0.8%
KY	1,322,624	0.9%	1,333,623	0.9%
LA	1,417,970	1.0%	1,420,146	1.0%
MA	3,890,328	2.7%	3,846,075	2.6%
MD	2,818,963	1.9%	2,791,163	1.9%
ME	543,686	0.4%	534,989	0.4%
MI	4,373,056	3.0%	4,361,547	3.0%
MN	2,401,954	1.6%	2,421,789	1.7%
MO	2,631,068	1.8%	2,637,181	1.8%
MS	611,247	0.4%	613,122	0.4%
MT	271,833	0.2%	271,004	0.2%
NC	2,481,825	1.7%	2,500,263	1.7%
ND	302,303	0.2%	299,558	0.2%
NE	670,812	0.5%	669,117	0.5%
NH	542,680	0.4%	532,735	0.4%
NJ	5,022,452	3.4%	5,018,636	3.4%
NM	1,293,439	0.9%	1,339,984	0.9%
NV	958,683	0.7%	966,910	0.7%
NY	13,342,351	9.1%	13,164,859	9.0%
OH	4,994,102	3.4%	5,026,192	3.4%
OK	1,207,991	0.8%	1,196,895	0.8%
OR	2,110,985	1.4%	2,124,159	1.5%
PA	8,967,959	6.1%	9,045,883	6.2%
RI	705,413	0.5%	705,452	0.5%
SC	1,492,231	1.0%	1,509,339	1.0%
SD	291,916	0.2%	291,369	0.2%
TN	3,403,431	2.3%	3,504,408	2.4%
TX	7,738,493	5.3%	7,788,507	5.3%
UT	1,080,317	0.7%	1,073,651	0.7%
VA	3,704,570	2.5%	3,691,670	2.5%
VT	207,480	0.1%	205,027	0.1%
WA	3,158,504	2.2%	3,153,548	2.2%
WI	2,937,413	2.0%	2,936,296	2.0%
WV	632,416	0.4%	639,553	0.4%
WY	125,337	0.1%	125,112	0.1%
AS	16	0.0%	17	0.0%
GU	15,817	0.0%	15,540	0.0%
MP	507	0.0%	502	0.0%
PR	954,250	0.7%	967,234	0.7%
VI	8,338	0.0%	8,277	0.0%
Total	$ 145,874,243	100.0%	$ 145,874,243	100.0%

Exhibit 4

Insured Membership by State

State	Fully Insured Commercial Market	Self Insured Commercial Market
AK	18.5%	81.5%
AL	46.1%	53.9%
AR	35.2%	64.8%
AZ	33.5%	66.5%
CA	74.0%	26.0%
CO	43.3%	56.7%
CT	39.5%	60.5%
DC	87.5%	12.5%
DE	38.4%	61.6%
FL	42.1%	57.9%
GA	29.4%	70.6%
HI	80.6%	19.4%
IA	37.8%	62.2%
ID	50.7%	49.3%
IL	42.8%	57.2%
IN	22.8%	77.2%
KS	45.5%	54.5%
KY	28.6%	71.4%
LA	65.9%	34.1%
MA	51.7%	48.3%
MD	50.6%	49.4%
ME	46.7%	53.3%
MI	57.0%	43.0%
MN	37.8%	62.2%
MO	36.7%	63.3%
MS	33.4%	66.6%
MT	23.5%	76.5%
NC	29.9%	70.1%
ND	35.7%	64.3%
NE	33.0%	67.0%
NH	33.5%	66.5%
NJ	46.1%	53.9%
NM	36.1%	63.9%
NV	41.1%	58.9%
NY	73.3%	26.7%
OH	30.8%	69.2%
OK	40.1%	59.9%
OR	52.6%	47.4%
PA	54.7%	45.3%
RI	52.2%	47.8%
SC	33.4%	66.6%
SD	45.2%	54.8%
TN	29.2%	70.8%
TX	33.0%	67.0%
UT	45.7%	54.3%
VA	40.9%	59.1%
VT	49.4%	50.6%
WA	47.5%	52.5%
WI	43.6%	56.4%
WV	34.3%	65.7%
WY	12.8%	87.2%
GU	0.0%	100.0%
PR	86.3%	13.7%
Total	46.5%	53.5%

Exhibit 5a

Aggregate Taxes per Contract for 2014 to 2023 – Scenario 1

State	Individual Single	Individual Family	Small Group Single	Small Group Family	Large Group Single	Large Group Family	Medicare	Medicaid
AK	$ 2,131	$ 4,244	$ 3,029	$ 6,228	$ 2,837	$ 6,430	$ 2,708	$ 0
AL	1,602	3,699	2,039	5,043	2,132	5,606	2,987	0
AR	1,463	3,524	1,762	4,354	1,947	5,338	2,750	0
AZ	1,717	3,460	2,338	5,778	2,312	6,263	2,889	1,169
CA	1,708	4,292	2,441	6,046	2,243	6,243	3,365	849
CO	1,611	3,882	2,479	6,124	2,159	6,049	2,682	1,314
CT	2,031	5,542	2,640	6,517	2,473	6,725	3,407	0
DC	1,976	4,535	2,810	6,656	2,631	6,870	3,428	2,201
DE	1,982	4,377	2,815	6,421	2,636	6,629	3,202	1,431
FL	1,849	4,267	2,523	6,239	2,386	6,790	3,657	1,004
GA	1,870	4,842	2,334	5,761	2,232	5,925	3,021	957
HI	1,503	3,598	2,138	5,280	2,003	5,448	2,351	1,236
IA	1,511	3,667	2,148	5,305	2,069	5,982	2,601	1,307
ID	1,576	3,395	2,242	4,981	2,099	5,140	2,421	0
IL	1,647	4,130	2,582	6,376	2,361	6,641	3,261	1,136
IN	1,698	4,076	2,357	5,819	2,337	6,272	3,025	1,212
KS	1,515	3,615	2,229	5,506	2,196	6,081	2,895	1,528
KY	1,588	3,908	1,915	4,739	2,183	6,030	2,961	1,418
LA	1,860	3,945	2,263	5,587	2,474	5,976	3,596	0
MA	2,981	8,687	2,790	6,902	2,525	6,598	3,466	1,940
MD	1,681	4,163	2,389	6,107	2,236	6,302	3,518	1,771
ME	2,353	4,746	2,229	5,506	2,588	6,584	2,711	0
MI	1,651	3,921	2,015	4,983	2,196	5,940	3,357	1,194
MN	1,726	4,585	2,398	5,930	2,315	6,280	2,748	1,973
MO	1,579	3,699	2,234	5,528	2,145	5,762	2,989	1,565
MS	1,643	4,097	2,303	5,696	2,189	6,206	3,277	0
MT	1,915	3,904	2,357	5,818	2,247	5,563	2,329	0
NC	1,514	3,348	2,367	5,855	2,321	6,163	2,994	0
ND	1,653	3,741	1,743	4,310	2,201	5,666	2,445	1,830
NE	1,709	3,907	2,830	6,990	2,329	5,972	2,808	1,461
NH	1,986	5,015	3,026	7,479	2,406	6,869	2,692	1,679
NJ	1,805	4,193	2,566	6,153	2,403	6,350	3,658	1,990
NM	1,678	4,201	2,384	6,164	2,232	6,360	2,495	1,412
NV	1,898	4,001	2,199	5,440	2,224	5,644	2,979	1,031
NY	3,842	8,692	3,201	7,908	2,434	6,654	3,564	2,156
OH	1,579	3,727	2,229	5,512	2,176	5,911	3,165	1,473
OK	1,866	3,889	2,438	6,017	2,171	5,827	3,073	0
OR	1,817	4,102	2,582	6,020	2,419	6,215	2,534	1,510
PA	1,666	4,172	2,211	5,461	2,312	6,120	3,244	1,782
RI	2,771	7,263	2,768	6,482	2,591	6,691	3,110	2,063
SC	1,857	4,006	2,431	6,006	2,254	5,979	2,960	1,246
SD	1,658	3,740	2,359	5,490	2,206	5,666	2,504	0
TN	1,826	3,895	2,367	5,855	2,216	5,751	3,082	1,141
TX	1,860	4,225	2,466	6,094	2,307	6,562	3,528	1,177
UT	1,575	3,764	1,900	4,690	2,098	5,700	2,560	1,317
VA	1,870	4,172	2,303	5,701	2,312	6,283	2,695	1,412
VT	1,811	4,054	2,574	5,948	2,411	6,139	2,680	0
WA	1,745	4,234	1,915	4,743	2,321	6,409	2,611	1,284
WI	1,886	4,337	2,450	6,060	2,510	6,567	2,737	1,564
WV	1,728	4,235	3,263	8,061	2,300	6,412	2,868	1,410
WY	1,822	4,146	2,593	6,085	2,425	6,278	2,510	1,541
Average	$ 1,898	$ 4,494	$ 2,443	$ 6,017	$ 2,305	$ 6,282	$ 3,153	$ 1,331

Exhibit 5b

Aggregate Taxes per Contract for 2014 to 2023 – Scenario 2

State	Individual Single	Individual Family	Small Group Single	Small Group Family	Large Group Single	Large Group Family	Medicare	Medicaid
AK	$ 2,744	$ 5,465	$ 3,900	$ 8,020	$ 3,653	$ 8,280	$ 3,483	$ 0
AL	2,063	4,763	2,626	6,494	2,745	7,219	3,842	0
AR	1,884	4,538	2,269	5,607	2,507	6,874	3,537	0
AZ	2,211	4,455	3,011	7,440	2,977	8,065	3,716	1,505
CA	2,199	5,527	3,143	7,785	2,888	8,039	4,328	1,093
CO	2,074	4,999	3,192	7,886	2,780	7,790	3,450	1,692
CT	2,615	7,136	3,399	8,392	3,185	8,660	4,382	0
DC	2,544	5,840	3,618	8,571	3,388	8,847	4,409	2,834
DE	2,552	5,636	3,625	8,268	3,394	8,536	4,119	1,843
FL	2,381	5,495	3,249	8,034	3,073	8,744	4,704	1,293
GA	2,408	6,235	3,005	7,418	2,874	7,630	3,886	1,232
HI	1,935	4,633	2,753	6,799	2,579	7,016	3,024	1,592
IA	1,946	4,722	2,766	6,831	2,664	7,703	3,346	1,683
ID	2,029	4,372	2,887	6,414	2,703	6,619	3,114	0
IL	2,121	5,318	3,325	8,210	3,040	8,552	4,195	1,463
IN	2,187	5,249	3,035	7,493	3,009	8,077	3,891	1,561
KS	1,951	4,655	2,870	7,090	2,828	7,831	3,724	1,968
KY	2,045	5,032	2,466	6,102	2,811	7,765	3,809	1,826
LA	2,395	5,080	2,914	7,194	3,186	7,696	4,626	0
MA	3,839	11,186	3,593	8,888	3,251	8,496	4,458	2,498
MD	2,165	5,361	3,076	7,864	2,879	8,115	4,525	2,281
ME	3,030	6,111	2,870	7,090	3,333	8,478	3,487	0
MI	2,126	5,049	2,595	6,416	2,828	7,649	4,318	1,538
MN	2,223	5,904	3,088	7,636	2,981	8,087	3,535	2,541
MO	2,033	4,763	2,877	7,118	2,762	7,420	3,845	2,015
MS	2,116	5,276	2,966	7,335	2,819	7,992	4,215	0
MT	2,466	5,027	3,035	7,492	2,894	7,164	2,996	0
NC	1,950	4,311	3,048	7,539	2,989	7,936	3,851	0
ND	2,129	4,817	2,244	5,550	2,834	7,296	3,145	2,357
NE	2,201	5,031	3,644	9,001	2,999	7,690	3,612	1,881
NH	2,557	6,458	3,897	9,631	3,098	8,845	3,463	2,162
NJ	2,324	5,399	3,304	7,923	3,094	8,177	4,705	2,563
NM	2,161	5,410	3,070	7,937	2,874	8,190	3,209	1,818
NV	2,444	5,152	2,832	7,005	2,864	7,268	3,832	1,328
NY	4,947	11,193	4,122	10,183	3,134	8,569	4,584	2,776
OH	2,033	4,799	2,870	7,098	2,802	7,612	4,071	1,897
OK	2,403	5,008	3,139	7,748	2,796	7,504	3,953	0
OR	2,340	5,282	3,325	7,752	3,115	8,003	3,260	1,944
PA	2,145	5,372	2,847	7,032	2,977	7,881	4,173	2,295
RI	3,568	9,353	3,564	8,347	3,337	8,616	4,000	2,657
SC	2,391	5,159	3,130	7,734	2,902	7,699	3,808	1,604
SD	2,135	4,816	3,038	7,069	2,841	7,296	3,221	0
TN	2,351	5,016	3,048	7,539	2,854	7,406	3,964	1,469
TX	2,395	5,441	3,175	7,847	2,971	8,450	4,538	1,516
UT	2,028	4,847	2,447	6,039	2,702	7,340	3,293	1,696
VA	2,408	5,372	2,966	7,341	2,977	8,091	3,467	1,818
VT	2,332	5,220	3,314	7,659	3,105	7,905	3,447	0
WA	2,247	5,452	2,466	6,108	2,989	8,253	3,359	1,653
WI	2,429	5,585	3,155	7,803	3,232	8,457	3,521	2,014
WV	2,225	5,453	4,202	10,380	2,962	8,257	3,689	1,816
WY	2,346	5,339	3,339	7,836	3,123	8,084	3,229	1,984
Average	$ 2,444	$ 5,786	$ 3,145	$ 7,748	$ 2,968	$ 8,090	$ 4,056	$ 1,714

Exhibit 5c

Aggregate Taxes per Contract for 2014 to 2023 – Average of Scenario 1 and Scenario 2

State	Individual Single	Individual Family	Small Group Single	Small Group Family	Large Group Single	Large Group Family	Medicare	Medicaid
AK	$ 2,438	$ 4,855	$ 3,465	$ 7,124	$ 3,245	$ 7,355	$ 3,096	$ 0
AL	1,832	4,231	2,332	5,768	2,439	6,413	3,415	0
AR	1,673	4,031	2,015	4,980	2,227	6,106	3,144	0
AZ	1,964	3,958	2,674	6,609	2,645	7,164	3,303	1,337
CA	1,954	4,909	2,792	6,916	2,566	7,141	3,847	971
CO	1,843	4,440	2,836	7,005	2,470	6,919	3,066	1,503
CT	2,323	6,339	3,020	7,454	2,829	7,693	3,895	0
DC	2,260	5,187	3,214	7,613	3,010	7,858	3,919	2,518
DE	2,267	5,007	3,220	7,345	3,015	7,583	3,660	1,637
FL	2,115	4,881	2,886	7,136	2,729	7,767	4,181	1,148
GA	2,139	5,539	2,670	6,590	2,553	6,777	3,453	1,095
HI	1,719	4,116	2,446	6,039	2,291	6,232	2,688	1,414
IA	1,728	4,195	2,457	6,068	2,367	6,843	2,973	1,495
ID	1,803	3,883	2,565	5,697	2,401	5,879	2,768	0
IL	1,884	4,724	2,953	7,293	2,701	7,596	3,728	1,299
IN	1,942	4,662	2,696	6,656	2,673	7,174	3,458	1,386
KS	1,733	4,135	2,550	6,298	2,512	6,956	3,309	1,748
KY	1,816	4,470	2,190	5,421	2,497	6,898	3,385	1,622
LA	2,128	4,512	2,589	6,391	2,830	6,836	4,111	0
MA	3,410	9,937	3,191	7,895	2,888	7,547	3,962	2,219
MD	1,923	4,762	2,733	6,985	2,558	7,209	4,022	2,026
ME	2,692	5,429	2,550	6,298	2,960	7,531	3,099	0
MI	1,889	4,485	2,305	5,700	2,512	6,795	3,838	1,366
MN	1,974	5,245	2,743	6,783	2,648	7,183	3,141	2,257
MO	1,806	4,231	2,555	6,323	2,454	6,591	3,417	1,790
MS	1,879	4,686	2,634	6,515	2,504	7,099	3,746	0
MT	2,190	4,466	2,696	6,655	2,570	6,363	2,662	0
NC	1,732	3,830	2,708	6,697	2,655	7,050	3,423	0
ND	1,891	4,279	1,994	4,930	2,518	6,481	2,795	2,093
NE	1,955	4,469	3,237	7,995	2,664	6,831	3,210	1,671
NH	2,272	5,736	3,461	8,555	2,752	7,857	3,077	1,921
NJ	2,065	4,796	2,935	7,038	2,749	7,264	4,182	2,276
NM	1,919	4,805	2,727	7,051	2,553	7,275	2,852	1,615
NV	2,171	4,577	2,515	6,223	2,544	6,456	3,405	1,179
NY	4,395	9,942	3,661	9,046	2,784	7,611	4,074	2,466
OH	1,806	4,263	2,550	6,305	2,489	6,761	3,618	1,685
OK	2,134	4,448	2,789	6,882	2,483	6,665	3,513	0
OR	2,078	4,692	2,953	6,886	2,767	7,109	2,897	1,727
PA	1,906	4,772	2,529	6,247	2,645	7,000	3,708	2,038
RI	3,170	8,308	3,166	7,414	2,964	7,654	3,555	2,360
SC	2,124	4,582	2,781	6,870	2,578	6,839	3,384	1,425
SD	1,897	4,278	2,698	6,280	2,523	6,481	2,862	0
TN	2,089	4,455	2,708	6,697	2,535	6,578	3,523	1,305
TX	2,128	4,833	2,821	6,971	2,639	7,506	4,033	1,346
UT	1,802	4,305	2,173	5,365	2,400	6,520	2,926	1,506
VA	2,139	4,772	2,634	6,521	2,645	7,187	3,081	1,615
VT	2,072	4,637	2,944	6,804	2,758	7,022	3,064	0
WA	1,996	4,843	2,190	5,425	2,655	7,331	2,985	1,469
WI	2,157	4,961	2,802	6,932	2,871	7,512	3,129	1,789
WV	1,977	4,844	3,732	9,221	2,631	7,335	3,279	1,613
WY	2,084	4,742	2,966	6,960	2,774	7,181	2,869	1,763
Average	$ 2,171	$ 5,140	$ 2,794	$ 6,883	$ 2,636	$ 7,186	$ 3,604	$ 1,523

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