

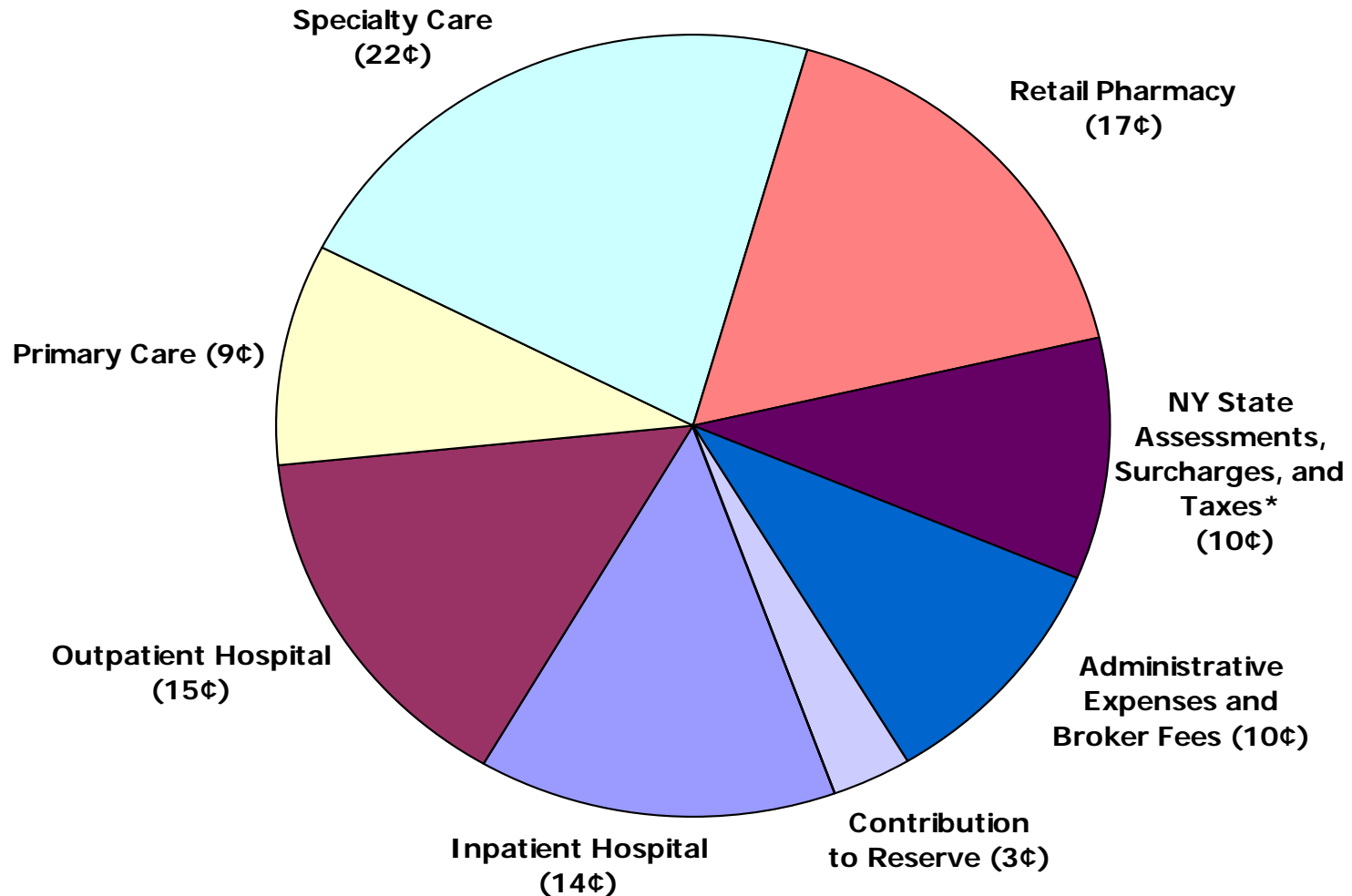
New York Deficit Reduction Plan and State Budget Surcharges and Assessment Increases Impacting Premium

HCRA Covered Lives Assessment: This assessment applies to each New York resident who has commercial health care coverage. It applies to self-insured and fully insured plans. The assessment was increased by \$240M (&120M to be applied retroactively from October 2008 through March 2009, \$120M for January 1, 2009 through March 31, 2010)

Section 332 Assessment: This assessment is designed to fund the operation of the Department of Insurance and is borne by all licensed insurers in the state, including life, and property and casualty insurers, though health insurers are responsible for 60% of the total collected. It impacts fully insured plans only. The assessment was increased by \$380M (\$180M to be applied retroactively from January 2008 through December 31, 2008, and \$200M to be applied from January 2009 through December 31, 2009).

Patient Services Surcharge: This surcharge is increasing effective April 1, 2009, from 8.95% to 9.63%. This surcharge would affect both fully insured and self-insured plans, to generate \$126M, for the period April 1, 2009 through March 31, 2010.

Spending \$1 of Health Care Insurance Premium



* Includes impact of 2010 New York State Budget and Deficit Reduction Bill (DRP)

State Fees and Taxes are in the Premium Rates

With the enactment of the DRP, the CLA has increased 73% since 2003

