

2014 PROJECTED EMPIRE PLAN EXPERIENCE AS OF 12/31/2014

In (000's)

	EMPIRE	UNITED HEALTHCARE MEDICAL				Value Options MHSA				CVS Caremark	TOTAL
	BLUE CROSS		NY	PA			NY	PA		DRUG	
		Core	Enhancement	Enhancement	Combined	Core	Enhancement	Enhancement	Combined		
A Premium (1)	2,428,790	2,073,032	296,861	296,079	2,665,972	157,946	9,828	11,669	179,443	1,598,840	6,873,045
B Incurred Claims (2)	2,366,261	1,911,681	271,100	275,939	2,458,720	121,177	16,021	13,474	150,672	1,674,381	6,650,034
C Administrative Expense (3)	100,748	143,745	14,953	15,194	173,892	10,762	1,423	1,197	13,382	22,189	310,211
D Gain/(Loss) (A-B-C)	(38,219)	17,606	10,808	4,946	33,360	26,007	(7,616)	(3,002)	15,389	(97,730)	(87,200)

(1) Earned Premium - Premium which pays for coverage for the period reported (accrual basis).

(2) Incurred Claims - Represents the cost of covered services provided during the period reported by the Empire Plan vendors (accrual basis).

(3) Administrative Expenses - All charges by the Empire Plan vendors other than for the payment of claims. Includes the vendors' cost to administer the program, interest charges, and other retention.

Source: Vendors' 2014 4th Quarter Experience Reports.

2014 PROJECTED EMPIRE PLAN EXPERIENCE AS OF 6/30/2014

In (000's)

	EMPIRE	UNITED HEALTHCARE MEDICAL				Value Options MHSA				CVS Caremark	TOTAL
	BLUE CROSS		NY	PA			NY	PA		DRUG	
		Core	Enhancement	Enhancement	Combined	Core	Enhancement	Enhancement	Combined		
A Premium (1)	2,428,786	2,076,462	297,944	295,795	2,670,201	157,863	9,836	11,664	179,363	1,598,435	6,876,785
B Incurred Claims (2)	2,346,434	1,942,761	280,754	282,104	2,505,619	132,671	16,009	12,898	161,578	1,599,777	6,613,408
C Administrative Expense (3)	100,669	145,693	15,103	15,170	175,966	11,001	1,327	1,070	13,398	24,679	314,712
D Gain/(Loss) (A-B-C)	(18,317)	(11,992)	2,087	(1,479)	(11,384)	14,191	(7,500)	(2,304)	4,387	(26,021)	(51,335)

(1) Earned Premium - Premium which pays for coverage for the period reported (accrual basis).

(2) Incurred Claims - Represents the cost of covered services provided during the period reported by the insurance company (accrual basis).

(3) Administrative Expenses - All charges by the insurance carrier other than for the payment of claims. Includes carrier's cost to administer the program, interest charges, and other retention.

Source: Vendors' 2014 2nd Quarter Experience Reports.

2014 PROJECTED EMPIRE PLAN EXPERIENCE AS OF 9/30/2014

In (000's)

	EMPIRE	UNITED HEALTHCARE MEDICAL				Value Options MHSA				CVS Caremark	TOTAL
	BLUE CROSS		NY	PA			NY	PA		DRUG	
		Core	Enhancement	Enhancement	Combined	Core	Enhancement	Enhancement	Combined		
A Premium (1)	2,427,166	2,071,855	296,750	295,773	2,664,378	157,870	9,824	11,657	179,351	1,597,681	6,868,576
B Incurred Claims (2)	2,342,638	1,913,496	275,789	281,107	2,470,392	122,436	14,844	12,958	150,238	1,600,854	6,564,122
C Administrative Expense (3)	100,513	146,355	15,109	15,366	176,830	10,894	1,321	1,153	13,368	25,212	315,923
D Gain/(Loss) (A-B-C)	(15,985)	12,004	5,852	(700)	17,156	24,540	(6,341)	(2,454)	15,745	(28,385)	(11,469)

(1) Earned Premium - Premium which pays for coverage for the period reported (accrual basis).

(2) Incurred Claims - Represents the cost of covered services provided during the period reported by the insurance company (accrual basis).

(3) Administrative Expenses - All charges by the insurance carrier other than for the payment of claims. Includes carrier's cost to administer the program, interest charges, and other retention.

Source: Vendors' 2014 3rd Quarter Experience Reports.

2016 Premium Projections Empire Plan With Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
<u>Optimistic Projections</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>
Individual Plan Prime	656.23	687.64	4.8%	641.39	677.04	5.6%
Family Plan Prime	1,595.52	1,668.10	4.5%	1,559.83	1,641.01	5.2%
Aggregate			4.6%			5.3%
 <u>Best Estimate Projections</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>
Individual Plan Prime	656.23	707.74	7.8%	641.39	697.14	8.7%
Family Plan Prime	1,595.52	1,717.82	7.7%	1,559.83	1,690.73	8.4%
Aggregate			7.7%			8.4%
 <u>Pessimistic Projections</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>	 <u>2015</u>	 <u>2016</u>	 <u>% Change</u>
Individual Plan Prime	656.23	727.84	10.9%	641.39	717.24	11.8%
Family Plan Prime	1,595.52	1,767.54	10.8%	1,559.83	1,740.45	11.6%
Aggregate			10.8%			11.6%

(1) Represents premiums set to fund all self insured costs.

(2) Represents cost to a participating employer.

2016 Premium Projections Empire Plan Without Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
<u>Optimistic Projections</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>
Individual Plan Prime	493.41	508.38	3.0%	481.69	497.78	3.3%
Family Plan Prime	1,257.61	1,296.08	3.1%	1,228.40	1,268.99	3.3%
Aggregate			3.1%			3.3%
<u>Best Estimate Projections</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>
Individual Plan Prime	493.41	522.94	6.0%	481.69	512.34	6.4%
Family Plan Prime	1,257.61	1,334.29	6.1%	1,228.40	1,307.20	6.4%
Aggregate			6.1%			6.4%
<u>Pessimistic Projections</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>	<u>2015</u>	<u>2016</u>	<u>% Change</u>
Individual Plan Prime	493.41	537.50	8.9%	481.69	526.90	9.4%
Family Plan Prime	1,257.61	1,372.50	9.1%	1,228.40	1,345.41	9.5%
Aggregate			9.1%			9.5%

(1) Represents premiums set to fund all self insured costs.

(2) Represents cost to a participating employer.

PARTICIPATING EMPLOYER RATES 2007-2016 MONTHLY RATES				
REPRESENTS ENROLLEES WITH RX DRUG COVERAGE				
	Gross Rate (1)	% Change	Net Rate (2)	% Change
Individual				
2007 (3)	493.70	6.6%	462.74	7.0%
2008	517.06	4.7%	483.37	4.5%
2009	508.00	-1.8%	481.52	-0.4%
2010	536.22	5.6%	499.07	3.6%
2011	599.25	11.8%	561.83	12.6%
2012 (4)	646.04	7.8%	612.26	9.0%
2013	622.25	-3.7%	609.56	-0.4%
2014	633.04	1.7%	617.51	1.3%
2015	656.23	3.7%	641.39	3.9%
2016 Projected	707.74	7.8%	697.14	8.7%
Average Percent Increase				
From Inception (1985)		6.9%		7.0%
Most Recent 10 Years		4.4%		5.0%
Most Recent 5 Years		3.5%		4.5%
Family				
2007 (3)	1,123.91	7.5%	1,056.23	8.2%
2008	1,191.70	6.0%	1,118.71	5.9%
2009	1,190.98	-0.1%	1,132.44	1.2%
2010	1,248.31	4.8%	1,165.06	2.9%
2011	1,390.76	11.4%	1,308.84	12.3%
2012 (4)	1,500.45	7.9%	1,423.94	8.8%
2013	1,499.54	-0.1%	1,470.65	3.3%
2014	1,534.36	2.3%	1,499.61	2.0%
2015	1,595.52	4.0%	1,559.83	4.0%
2016 Projected	1,717.82	7.7%	1,690.73	8.4%
Average Percent Increase				
From Inception (1985)		7.4%		7.5%
Most Recent 10 Years		5.2%		5.7%
Most Recent 5 Years		4.4%		5.3%

(1) Represents premiums charged by the carriers (2006-2013) and premiums set to fund all self insured costs (2014-2015).

(2) Represents the premium charged to a participating employer.

(3) Rates presented do not include Medicare Part B surcharge.

(4) Reflects rates effective 7/1/2012.

PARTICIPATING EMPLOYER RATES 2007-2016 MONTHLY RATES REPRESENTS ENROLLEES WITHOUT RX DRUG COVERAGE				
	Gross Rate (1)	% Change	Net Rate (2)	% Change
2007 (3)	338.77	9.0%	322.24	10.7%
2008	358.10	5.7%	343.35	6.6%
2009	359.79	0.5%	346.01	0.8%
2010	383.85	6.7%	361.11	4.4%
2011	422.70	10.1%	407.98	13.0%
2012 (4)	470.89	11.4%	450.01	10.3%
2013	473.37	0.5%	466.99	3.8%
2014	472.25	-0.2%	464.40	-0.6%
2015	493.41	4.5%	481.69	3.7%
2016 Projected	522.94	6.0%	512.34	6.4%
<u>Average Percent Increase</u>				
From Inception (1985)		6.5%		6.6%
Most Recent 10 Years		5.4%		5.9%
Most Recent 5 Years		4.4%		4.7%
Family				
2007 (3)	809.96	9.1%	770.95	10.8%
2008	870.96	7.5%	835.62	8.4%
2009	883.85	1.5%	850.83	1.8%
2010	938.53	6.2%	884.48	4.0%
2011	1,034.74	10.3%	999.11	13.0%
2012 (4)	1,142.72	10.4%	1,092.47	9.3%
2013	1,190.63	4.2%	1,174.47	7.5%
2014	1,198.84	0.7%	1,179.71	0.4%
2015	1,257.61	4.9%	1,228.40	4.1%
2016 Projected	1,334.29	6.1%	1,307.20	6.4%
<u>Average Percent Increase</u>				
From Inception (1985)		7.2%		7.2%
Most Recent 10 Years		6.1%		6.6%
Most Recent 5 Years		5.3%		5.6%

(1) Represents premiums charged by the carriers (2006-2013) and premiums set to fund all self insured costs (2014-2015).

(2) Represents the premium charged to a participating employer.

(3) Rates presented do not include Medicare Part B surcharge.

(4) Reflects rates effective 7/1/2012.