

**2016 PROJECTED EMPIRE PLAN EXPERIENCE AT 12/31/2016**  
**In (000's)**

	EMPIRE	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK	TOTAL
	BLUE CROSS	NY	PA	Combined		NY	PA	Combined		DRUG	
		Core	Enhancement	Enhancement	Combined	Core	Enhancement	Enhancement	Combined		
A Premium (1)	2,726,829	2,243,159	314,316	322,628	2,880,103	159,895	23,885	18,495	202,275	1,927,605	7,736,812
B Incurred Claims (2)	2,715,444	2,149,606	309,622	332,924	2,792,152	148,445	23,800	20,303	192,548	1,705,511	7,405,655
C Administrative Expense (3)	96,811	148,828	15,657	16,705	181,190	11,581	1,789	1,520	14,890	29,297	322,188
D Gain/(Loss) (A-B-C)	(85,426)	(55,275)	(10,963)	(27,001)	(93,239)	(131)	(1,704)	(3,328)	(5,163)	192,797	8,969

(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: Vendor 2016 4th Quarter Reports

**2016 PROJECTED EMPIRE PLAN EXPERIENCE AT 9/30/2016**  
**In (000's)**

	EMPIRE	UNITED HEALTHCARE MEDICAL				BEACON HEALTH OPTIONS MHSA				CVS CAREMARK	TOTAL
	BLUE CROSS	NY	PA	Combined		NY	PA	Combined		DRUG	
		Core	Enhancement	Enhancement	Combined	Core	Enhancement	Enhancement	Combined		
A Premium (1)	2,717,259	2,230,261	311,722	322,130	2,864,113	159,310	23,744	18,483	201,537	1,921,711	7,704,620
B Incurred Claims (2)	2,704,766	2,162,860	310,105	329,554	2,802,519	150,683	21,058	17,847	189,588	1,702,315	7,399,188
C Administrative Expense (3)	96,728	151,329	15,644	16,529	183,502	11,828	1,648	1,400	14,876	29,159	324,265
D Gain/(Loss) (A-B-C)	<u>(84,235)</u>	<u>(83,928)</u>	<u>(14,027)</u>	<u>(23,953)</u>	<u>(121,908)</u>	<u>(3,201)</u>	<u>1,038</u>	<u>(764)</u>	<u>(2,927)</u>	<u>190,237</u>	<u>(18,833)</u>

(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: Vendor 2016 3rd Quarter Reports

## 2018 Premium Projections Empire Plan With Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
<u>Optimistic Projections</u>						
Individual Coverage	737.16	774.29	5.0%	722.61	766.60	6.1%
Family Coverage	1,846.14	1,954.72	5.9%	1,813.90	1,937.18	6.8%
<b>Aggregate</b>			<b>5.7%</b>			<b>6.7%</b>
<u>Best Estimate Projections</u>						
Individual Coverage	737.16	790.53	7.2%	722.61	782.84	8.3%
Family Coverage	1,846.14	1,995.69	8.1%	1,813.90	1,978.15	9.1%
<b>Aggregate</b>			<b>7.9%</b>			<b>8.9%</b>
<u>Pessimistic Projections</u>						
Individual Coverage	737.16	806.75	9.4%	722.61	799.06	10.6%
Family Coverage	1,846.14	2,036.58	10.3%	1,813.90	2,019.04	11.3%
<b>Aggregate</b>			<b>10.2%</b>			<b>11.2%</b>

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

(2) Represents cost to a participating employer.

## 2018 Premium Projections Empire Plan Without Drug Coverage

	Monthly Gross Premium Rates (1)			Monthly Net Premium Rates (2)		
	<u>2017</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
<u>Optimistic Projections</u>						
Individual Coverage	548.57	576.71	5.1%	545.24	573.41	5.2%
Family Coverage	1,442.64	1,528.66	6.0%	1,434.09	1,520.27	6.0%
<b>Aggregate</b>			<b>5.8%</b>			<b>5.9%</b>
<u>Best Estimate Projections</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Individual Coverage	548.57	586.84	7.0%	545.24	583.54	7.0%
Family Coverage	1,442.64	1,556.45	7.9%	1,434.09	1,548.06	7.9%
<b>Aggregate</b>			<b>7.7%</b>			<b>7.8%</b>
<u>Pessimistic Projections</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Individual Coverage	548.57	596.95	8.8%	545.24	593.65	8.9%
Family Coverage	1,442.64	1,584.16	9.8%	1,434.09	1,575.77	9.9%
<b>Aggregate</b>			<b>9.6%</b>			<b>9.7%</b>

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

(2) Represents cost to a participating employer.

<b>PARTICIPATING EMPLOYER RATES</b>				
<b>2009-2018 MONTHLY RATES</b>				
<b>REPRESENTS ENROLLEES WITH RX DRUG COVERAGE</b>				
	<b>Gross Rate (1)</b>	<b>% Change</b>	<b>Net Rate (2)</b>	<b>% Change</b>
<b>Individual</b>				
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 (3)	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	695.47	6.0%	680.91	6.2%
2017	737.16	6.0%	722.61	6.1%
2018 Projected	790.53	7.2%	782.84	8.3%
<b><u>Average Percent Increase</u></b>				
From Inception (1985)		6.9%		6.9%
Most Recent 10 Years		4.4%		5.0%
Most Recent 5 Years		4.9%		5.2%
<b>Family</b>				
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 (3)	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	1,719.56	7.8%	1,682.33	7.9%
2017	1,846.14	7.4%	1,813.90	7.8%
2018 Projected	1,995.69	8.1%	1,978.15	9.1%
<b><u>Average Percent Increase</u></b>				
From Inception (1985)		7.5%		7.5%
Most Recent 10 Years		5.4%		5.9%
Most Recent 5 Years		5.9%		6.1%

(1) Represents premiums charged by the carriers (2006-2013) and premiums set to fund all self insured costs (2014-2018).

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

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

<b>PARTICIPATING EMPLOYER RATES</b>				
<b>2009-2018 MONTHLY RATES</b>				
<b>REPRESENTS ENROLLEES WITHOUT RX DRUG COVERAGE</b>				
<b>Individual</b>	<b>Gross Rate (1)</b>	<b>% Change</b>	<b>Net Rate (2)</b>	<b>% Change</b>
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 (3)	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	506.79	2.7%	492.32	2.2%
2017	548.57	8.2%	545.24	10.7%
2018 Projected	586.84	7.0%	583.54	7.0%
<b><u>Average Percent Increase</u></b>				
From Inception (1985)		6.5%		6.6%
Most Recent 10 Years		5.1%		5.5%
Most Recent 5 Years		4.4%		4.6%
<b>Family</b>				
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 (3)	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	1,318.09	4.8%	1,281.05	4.3%
2017	1,442.64	9.4%	1,434.09	11.9%
2018 Projected	1,556.45	7.9%	1,548.06	7.9%
<b><u>Average Percent Increase</u></b>				
From Inception (1985)		7.2%		7.3%
Most Recent 10 Years		6.0%		6.4%
Most Recent 5 Years		5.5%		5.8%

(1) Represents premiums charged by the carriers (2006-2013) and premiums set to fund all self insured costs (2014-2018).

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

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