

Exhibit P

[Redacted]

[Redacted]

April 2, 2013

The Honorable Fred Upton
Chairman
U.S. House of Representatives
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515-6115

Dear Chairman Upton:

On behalf of [Redacted] I am pleased to respond to your letter
of March 14, 2013, [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

As you know, shortly after we received the Committee's letter, a member of our team asked Committee staff for some clarification of the scope of the Committee's request, and for a short extension of time to respond. We are grateful for the additional information staff provided us that helped us gather those documents that most directly address the Committee's specific interests. We also appreciate the time given to us to assure that we collected the best information available. We want to assist the Committee in whatever manner we can, and we believe that we are complying with the instructions we've received. We will certainly supplement this response if the Committee requests.

We ask the Committee to recognize the substantial harm to consumers that could be caused by public disclosure of certain information that we have provided. Neither our premiums nor the range of our increases for 2014 have been made publicly available. [REDACTED] [REDACTED] f our competitors were to learn of our proposed premiums or increases before they finalize theirs, they could increase their proposed premiums to match or slightly underprice ours, thereby harming competition and consumers.

We have marked information that falls within this category with the legend "CONFIDENTIAL/PROPRIETARY/TRADE SECRET/COMPETITIVELY SENSITIVE." We respectfully request that the Committee refrain from disclosing this material outside of the Committee either verbally or in writing.

We look forward to working with the Committee on these matters.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2014 ACA Impact: New Market Fees

New Fees	Individual Market	Group Market
Exchange Fee	3% Exchange Plans	4% Exchange Plans <i>(SG only)</i>
Insurer Fee	2.3% (est.)	2.3% (est.)
Reinsurance Fee	\$5.25 pmpm	\$5.25 pmpm
Risk Adjustment User Fee	\$0.96 pmpy	\$0.96 pmpy <i>(SG only)</i>
Total ACA Expenses (est.)	5% – 7%	4% – 8%

- There are significant increases in new market fees to help fund the programs established by the ACA

Group Market: Components of 2014 Rate Impact

New Fees	Small Group	Large Group: FI	Large Group: ASO
Exchange Fee	4% Exchange Plans	NA	NA
Insurer Fee	2.3% (est.)	2.3% (est.)	NA
Reinsurance Fee	\$5.25 pmpm	\$5.25 pmpm	\$5.25 pmpm
Risk Adjustment User Fee	\$0.96 pmpy <i>(SG only)</i>	NA	NA
Total ACA Expenses (est.)	4% – 8%	3% – 4%	1% – 2% <i>premium equivalent</i>

- Aggregate rate impact for group business mostly driven by new fees.
- Small Group will have rate-disruption due to transition to risk-adjusted market
- Unclear how much employer dumping will occur due to availability of subsidized GI coverage in individual market

Individual Market: Components of 2014 Rate Impact

Components	Estimated Impact	Background
Health Status	20% – 50%	<ul style="list-style-type: none"> • Underwriting going away • Risk Pooling of High-Risk Pools • Mandate/Subsidies mitigate gaming
Induced Utilization	2 – 8%	<ul style="list-style-type: none"> • While richer plan designs provide greater member protection, they still encourage higher utilization
Reinsurance Protection	(9% – 10%)	<ul style="list-style-type: none"> • Reinsurance provides significant protection in 2014
Medical Inflation	6% – 10%	<ul style="list-style-type: none"> • Medical inflation may be lower than historical range of 8-12% due to pooling of risk
New ACA Fees	5% – 7%	<ul style="list-style-type: none"> • New government fees help fund the low-income subsidies and reinsurance protection
Aggregate Impact <u>before</u> Subsidies	23% – 66%	<ul style="list-style-type: none"> • Families earning > 400% of FPL will likely be subject to large rate increases
Low-Income Subsidies	(40% on average)	<ul style="list-style-type: none"> • Subsidies are available to low-income households • Aggregate subsidies are worth roughly 40% of gross premiums

Individual Market: Additional Considerations

- To drive membership growth on the Exchange, competitors are likely to target the cost-savings by
 - Strongly **narrowing their networks**
 - **Provider re-contracting** initiatives
 - **Reduce broker commissions**
 - These efforts will have a downward impact on premiums
- There is significant uncertainty in the level of health risk in the new 2014 market-wide pool, given this is a brand-new market.
- Future years may be subject to large premium adjustments, as carriers better understand the new market.