

Exhibit G

[REDACTED]

[REDACTED]

April 1, 2013

BY HAND DELIVERY
ATTN: Mr. Sean Hayes

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

HIGHLY CONFIDENTIAL
PROPRIETARY INFORMATION
PROVIDED TO THE COMMITTEE ON
ENERGY AND COMMERCE ON
BEHALF OF [REDACTED]
PURSUANT TO LETTER REQUEST
DATED MARCH 14, 2013.

Dear Chairman Upton:

This letter is submitted on behalf of [REDACTED] in response to your letter, dated March 14, 2013, requesting [REDACTED] to provide the Committee on Energy and Commerce (“the Committee”) with certain information and documents relating to the effect of the Patient Protection and Affordable Care Act (“PPACA”) on premiums.

Based on our conversations with your staff, I understand that the Committee appreciates the sensitive nature of the information sought in your letter. [REDACTED] may suffer substantial competitive harm if such information were made publicly available or otherwise became available to other participants in the Company’s industry. Furthermore, [REDACTED] remains concerned that the public availability of this information could impact the Company’s obligations under federal securities laws.

Pursuant to discussions with your Counsel on the Subcommittee on Oversight and Investigations, Mr. Sean Hayes, regarding the scope of your requests and the timing of [REDACTED] response, and in light of the Company’s serious concerns about the sensitive nature of the requested information, enclosed please find documents responsive to Mr. Hayes’ requests [REDACTED]

¹ Information has been redacted to the extent such information is not responsive to the Committee’s requests. Documents have also been redacted in part regarding certain business confidential and proprietary information.

As the Committee is aware, there are many public studies and reports that have been generated regarding the potential effect of PPACA on health insurance premiums. [REDACTED] points out that a review of these and other reports makes clear the extraordinary complexity in predicting the effects of the many provisions of PPACA that could ultimately influence the cost of health care. While many of these reports and studies come to differing conclusions, they are consistent in recognizing that the impact of PPACA is not uniform across all Americans, and that the impact is likely to vary based on the unique attributes of each state's health care system and market, as well as by various demographic factors, such as age. Accordingly, it is important to note that the documents being produced by [REDACTED] in response to the Committee's request do not purport to predict or estimate the overall impact of these provisions. Rather, these documents have been prepared in the ordinary course of business, and address the potential impact of certain specific components of PPACA. As the Committee is also aware, regulations and guidance regarding the implementation of PPACA continue to be released, and each of these will have an impact on the ultimate costs associated with PPACA. Thus, documents and estimates created before the promulgation of certain regulations or guidance will not reflect any changes in assumptions that might be influenced by those pronouncements. Consequently, it is important to note that any documents produced that estimate what premiums will ultimately be, in whole or in part, are just that – estimates. They will not necessarily reflect premiums that may be charged in the marketplace, which are shaped not only by PPACA, but by the multiple other factors influencing premiums, including both unit cost and utilization trends.

In addition, [REDACTED] has asked me to share its assessment of one of PPACA's most significant cost drivers – Section 9010, the health insurer fee. Starting on January 1, 2014, PPACA levies a new \$100 billion fee on health insurance plans through a regressive and discriminatory excise tax on premiums paid by consumers. Effectively a sales tax, the fee has the impact of increasing the cost of coverage for the fully insured commercial market as well as the applicable public programs, including Medicare Advantage and Medicaid managed care. The amount of the tax starts at \$8 billion in 2014 and rises thereafter. The tax also has a number of more specific, highly undesirable characteristics. With its focus on fully insured coverage, the tax will impact the cost of coverage for individuals and small businesses most significantly. Moreover, because the tax is non-deductible – rare as a matter of tax policy – it has the effect of layering a tax upon tax, which serves to increase the impact on consumers. It is widely understood that taxing the provision of health insurance will only make health insurance more costly for consumers, employers, and public program beneficiaries.

The Honorable Fred Upton

April 1, 2013

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As noted, this letter and accompanying information and documents contain or constitute highly confidential proprietary information of [REDACTED]

[REDACTED] While Congress may request such information, the law protects against the disclosure of confidential, trade secret, and proprietary information. [REDACTED] respectfully requests that the Committee employ safeguards to limit access to this information, and that your staff and all those who may review information and documents on behalf of the Committee afford these documents the maximum protection available to information provided to the Committee and protect against the disclosure of this confidential proprietary information. We also respectfully request advance notice of any contemplated disclosure of [REDACTED] confidential information and a reasonable opportunity to object. Please direct any such notice to me.

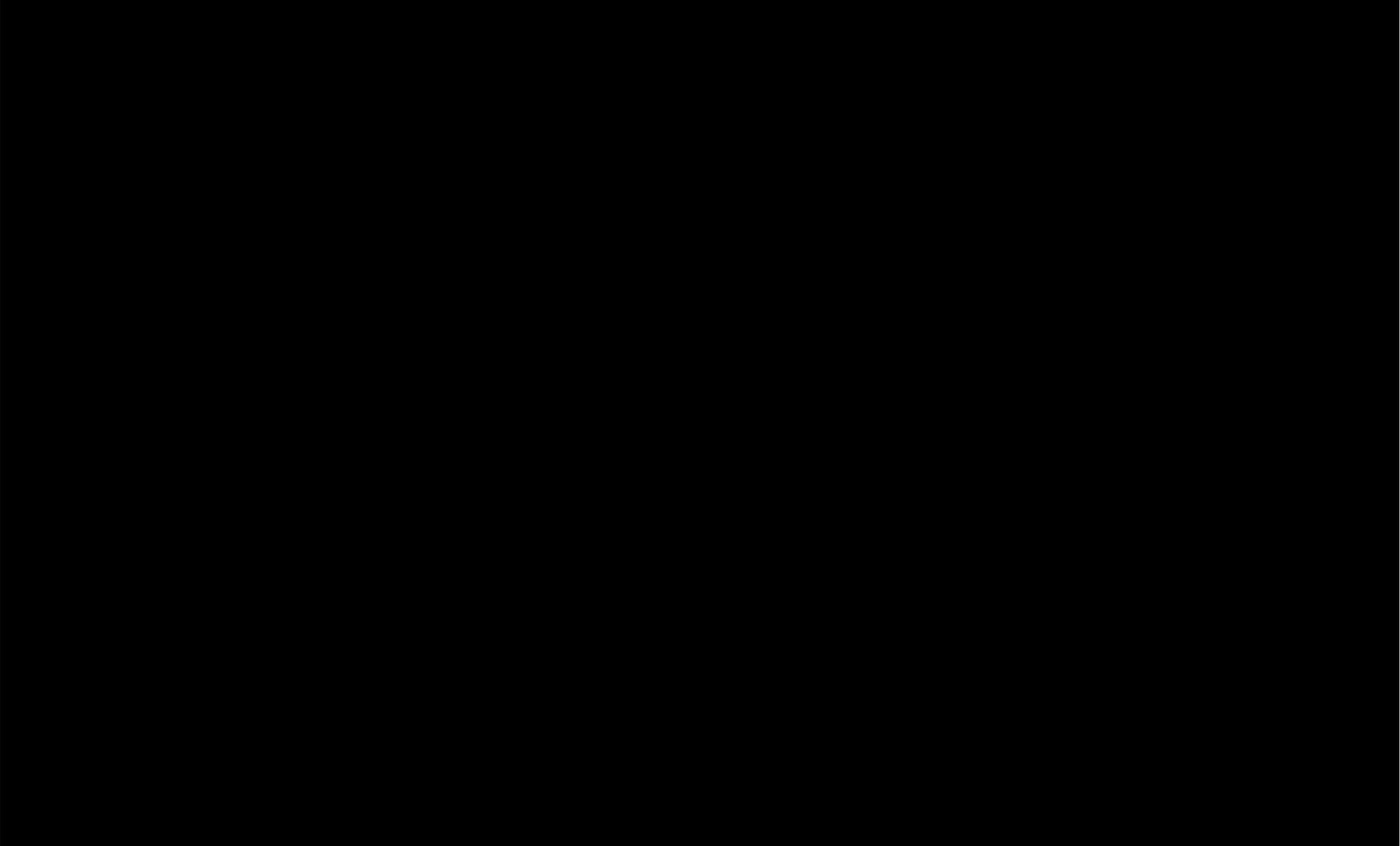
[REDACTED] has used its best efforts to be as responsive as possible in responding to your requests based on its understanding of the terms used in the requests, and our conversations with Committee staff. In providing information and documents in response to the Committee's requests, [REDACTED] does not waive, nor does it intend to waive, any of its rights or privileges with respect to this inquiry by the Committee, including any applicable attorney-client, work product or other evidentiary privilege, or any objection to the letter request from the Committee.

[REDACTED]

cc: The Honorable Joe Barton
The Honorable Tim Murphy
The Honorable Joseph Pitts
The Honorable Marsha Blackburn
The Honorable Michael Burgess
The Honorable Henry Waxman
The Honorable John Dingell
The Honorable Diana DeGette
The Honorable Frank Pallone



AV Calculator



Metal Tiers and A/V Calc

1. Exchanges & EHB - plan changes (e.g. [REDACTED])
2. Metal Tiers and A/V Calc
3. Premium Subsidies
4. HCC Sharing Subsidies - [REDACTED] variations, MV Calc, [REDACTED] plans
5. Network Changes - names, ECPs
6. 3R Modeling
7. Taxes & Fees

Topics

- AV Calculator Description
 - MV Calculator
- Metal Levels
 - Existing CA SBG Distribution
- Potential Rate Disruption – AZ Example
- AV Calculator Model
- CA Exchange Plans
 - Including [REDACTED] Variation Example

AV Calculator Description

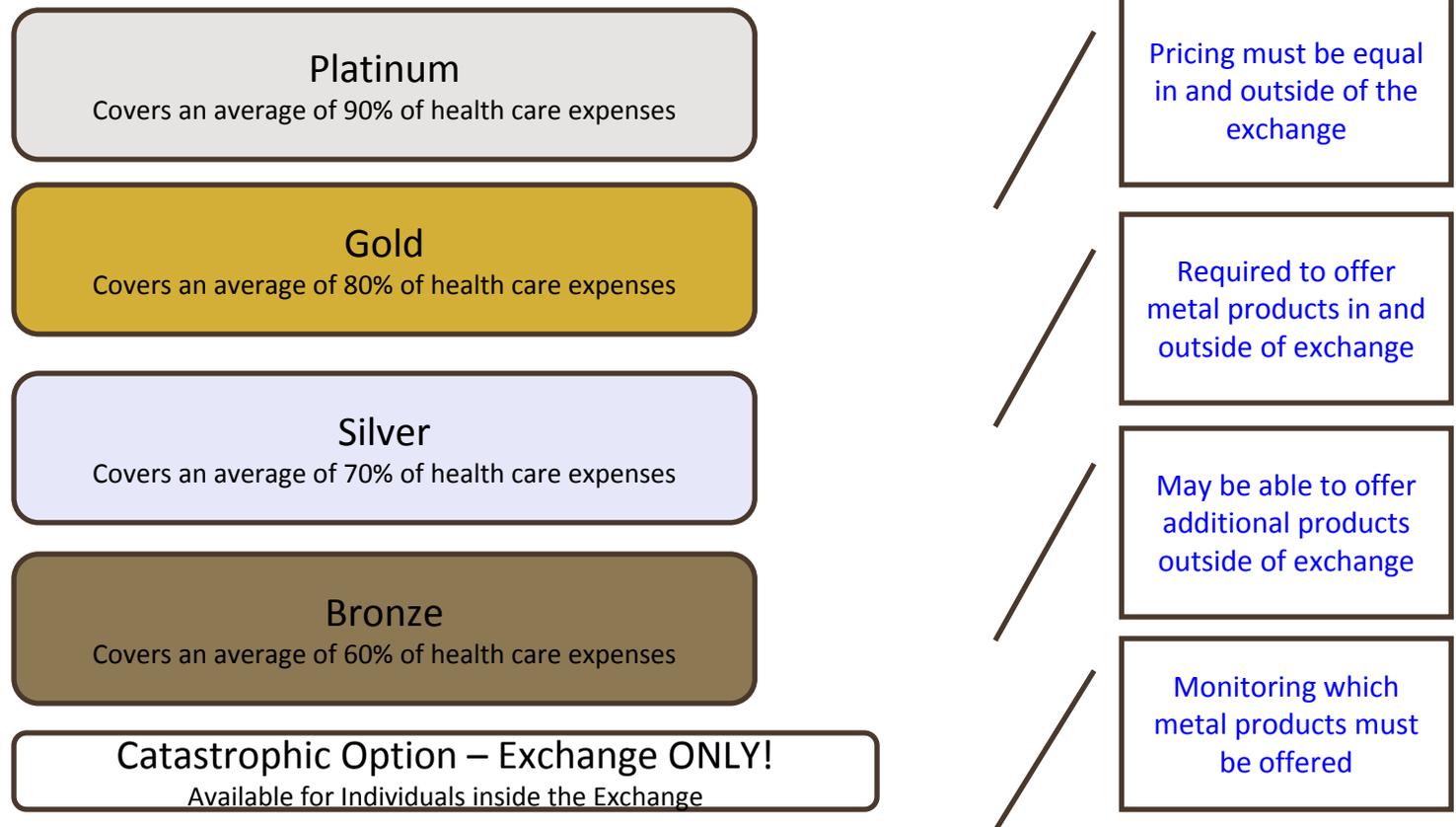
- AV is a measure of the percentage of expected health care costs (for EHB) a health plan will cover based on the experience of a standard population
- AV is calculated based on the cost-sharing provisions for the EHB.
 - Copays, coinsurance, deductibles, OOP max
- Designed to help consumers compare QHPs and non-grandfathered individual and small group market plans

MV Calculator Description

- Minimum Value calculator has the same structure as the AV calculator
- To be used for large employer sponsored plans (self-funded and insured) to determine if their medical plan satisfies the 60% level of covered expenses
- If the minimum value is less than 60%, their employees may be eligible for a premium tax credit.
- Employer would be assessed a payment by the government if any FTE receives a premium tax credit

Metal Levels

- Plans will only be able to be set to specific actuarial values (e.g. 60%,70%,80%,90%), with a maximum variation of +/- 2%
- Plans will be categorized into the following actuarial levels:



PAGES 6-8 REDACTED
NON-RESPONSIVE



- AZ's cheapest PPO plan
 - PPO 1 plan - \$15/\$60, \$10000, 100%/50%, No OOP max
 - Not eligible due to high deductible and no OOP max
 - Single EE rate, Age 30, Maricopa County - \$185.29
- Next cheapest AZ PPO plan with deductible near the max (max is \$6,500)
 - PPO 7 plan - \$30/\$60, \$6000, 100%/50%, No OOP max
 - Priced close to the Silver level with an OOP max of \$6,500
 - Single EE rate, Age 30, Maricopa County - \$237.83
- Starting in 2014, in this example, members would see their rates increase by about 30%

PAGES 10-17 REDACTED
NON-RESPONSIVE



2014 Based on 2013 Budgeted Premiums
2/4/2013

	By Company	Total Consolidated Company
2013 Premiums (1)		
Premium Exclusion		
Medicare Supplemental Exclusion		
Taxable Premiums		REDACTED
Industry Premiums (2)		
HIT - base fee w/out addl tax		
HIT as a % of premiums (3)	REDACTED	1.52%
Federal Tax rate		
Federal Tax		
State Premium Tax rate		
State Income Tax rate (4)		
State Tax Rate, net of federal deduction		
State Tax		REDACTED
Federal and State Tax Gross up		
Total Tax & Gross up		
Effective Tax Rate (incl gross up)		
Total HIT & addl tax		
HIT/Taxes as a % of premiums (3)		2.45%

(1) With Duals
(2) Per Oliver Wyman Study dated June, 2012
(3) Additional % load on premiums to account for HIT
(4) State statutory rate, net of expected apportionment %

2014 Based on 2013 Budgeted Premiums
2/4/2013

By Company/By Product

Total
Consolidated
Company/Product

2013 Premiums (1)
Premium Exclusion
Medicare Supplemental Exclusion
Taxable Premiums

REDACTED

Industry Premiums (2)

HIT - base fee w/out addl tax
HIT as a % of premiums (3)

1.52%

REDACTED

Federal Tax rate
Federal Tax

State Premium Tax rate
State Income Tax rate (4)
State Tax Rate, net of federal deduction
State Tax

Federal and State Tax Gross up

Total Tax & Gross up
Effective Tax Rate (incl gross up)

REDACTED

Total HIT & addl tax
HIT/Taxes as a % of premiums (3)

2.45%

(1) With Duals
(2) Per Oliver Wyman Study dated June, 2012
(3) Additional % load on premiums to account for HIT

2014 Based on 2013 Budgeted Premiums
2/4/2013

By Product

		Total Consolidated Product
2013 Premiums (1)		REDACTED
Premium Exclusion		
Medicare Supplemental Exclusion		
Taxable Premiums		
Industry Premiums (2)	REDACTED	
HIT - base fee w/out addl tax		
HIT as a % of premiums (3)		1.52%
Federal Tax rate		REDACTED
Federal Tax		
State Tax Rate, net of federal deduction		
State Tax		
Federal and State Tax Gross up		
Total Tax & Gross up		
Effective Tax Rate (incl gross up)		
Total HIT & addl tax		
HIT/Taxes as a % of premiums (3)		2.45%

(1) With Duals

(2) Per Oliver Wyman Study dated June, 2012

(3) Additional % load on premiums to account for HIT

**2014 [REDACTED] Impact of Health Insurer Fee
Taxable and Tax-Exempt Companies**

	Taxable Company Data				Tax Exempt Company Data	
	Without Fee	Without Premium Adj	Prem Adj for fee	Prem Adj for fee/taxes	Without Fee	Prem Adj for fee
Adjusted Premiums		10,000,000,000	10,000,000,000	10,000,000,000		10,000,000,000
Total Industry Premium tax base		554,000,000,000	554,000,000,000	554,000,000,000		554,000,000,000
% Market Share		1.8051%	1.8051%	1.8051%		1.8051%
% Includible in Fee calculation		100%	100%	100%		50%
Company Portion of \$8.0B Insurer Fee		144,404,332	144,404,332	144,404,332		72,202,166
Premium increase		0	144,404,332	234,803,792		72,202,166
Income tax increase		0	(55,595,668)	(90,399,460)		0
	Financials				Financials	
	Without Fee	Without Premium Adj	Prem Adj for fee	Prem Adj for fee/taxes	Without Fee	Prem Adj for fee
Premiums	10,000,000,000	10,000,000,000	10,144,404,332	10,234,803,792	10,000,000,000	10,072,202,166
Health care costs	(8,500,000,000)	(8,500,000,000)	(8,500,000,000)	(8,500,000,000)	(8,500,000,000)	(8,500,000,000)
G&A and other	(1,200,000,000)	(1,344,404,332)	(1,344,404,332)	(1,344,404,332)	(1,200,000,000)	(1,272,202,166)
Pretax income	300,000,000	155,595,668	300,000,000	390,399,460	300,000,000	300,000,000
Tax provision	(115,500,000)	(115,500,000)	(171,095,668)	(205,899,460)	0	0
Net Income	184,500,000	40,095,668	128,904,332	184,500,000	300,000,000	300,000,000
Tax rate	38.5%	74.2%	57.0%	52.7%	0.0%	0.0%

Note:

- 1) [REDACTED]
- 2) Does not include effect of Pharmaceutical fee, effective 2011. Fee is \$2.5B for 2011, \$2.8B for 2012-3, \$3B for 2014-6.
- 3) Does not include effect of Medical Device tax, effective 2013. Tax is 2.3% on sale price of device.

[REDACTED]

[REDACTED]

**2015 [REDACTED] Impact of Health Insurer Fee
Taxable and Tax-Exempt Companies**

	Taxable Company Data				Tax Exempt Company Data	
	Without Fee	Without Premium Adj	Prem Adj for fee	Prem Adj for fee/taxes	Without Fee	Prem Adj for fee
Adjusted Premiums		10,600,000,000	10,600,000,000	10,600,000,000		10,600,000,000
Total Industry Premium tax base		587,000,000,000	587,000,000,000	587,000,000,000		587,000,000,000
% Market Share		1.8058%	1.8058%	1.8058%		1.8058%
% Includible in Fee calculation		100%	100%	100%		50%
Company Portion of \$11.3B Insurer Fee		204,054,514	204,054,514	204,054,514		102,027,257
Premium increase		0	204,054,514	331,795,959		102,027,257
Income tax increase		0	(78,560,988)	(127,741,444)		0
	Financials				Financials	
	Without Fee	Without Premium Adj	Prem Adj for fee	Prem Adj for fee/taxes	Without Fee	Prem Adj for fee
Premiums	10,600,000,000	10,600,000,000	10,804,054,514	10,931,795,959	10,600,000,000	10,702,027,257
Health care costs	(9,010,000,000)	(9,010,000,000)	(9,010,000,000)	(9,010,000,000)	(9,010,000,000)	(9,010,000,000)
G&A and other	(1,250,000,000)	(1,454,054,514)	(1,454,054,514)	(1,454,054,514)	(1,250,000,000)	(1,352,027,257)
Pretax income	340,000,000	135,945,486	340,000,000	467,741,444	340,000,000	340,000,000
Tax provision	(130,900,000)	(130,900,000)	(209,460,988)	(258,641,444)	0	0
Net Income	209,100,000	5,045,486	130,539,012	209,100,000	340,000,000	340,000,000
Tax rate	38.5%	96.3%	61.6%	55.3%	0.0%	0.0%

Note:

- 1) [REDACTED]
- 2) Does not include effect of Pharmaceutical fee, effective 2011. Fee is \$2.5B for 2011, \$2.8B for 2012-3, \$3B for 2014-6.
- 3) Does not include effect of Medical Device tax, effective 2013. Tax is 2.3% on sale price of device.

[REDACTED]

[REDACTED]