



Dora
Department of Regulatory Agencies

Division of Insurance

Colorado Health Insurance Cost Information Summary- Aggregated Company Data

2011

In accordance with § 10-16-111(4)(a)(b)&(c), C.R.S.





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Division of Insurance
Jim Riesberg
Commissioner of Insurance

Division of Insurance

The Division of Insurance is pleased to present the results of the 2011 Colorado Health Insurance Cost Report pursuant to § 10-16-111(4)(a), C.R.S. This report presents an aggregated summary of the costs of providing healthcare in the state of Colorado, as reported by insurance carriers that provide healthcare services in Colorado. This information will be useful to consumers, the industry and the public in determining the factors that drive insurance premiums in our state.

In 2008, the Colorado General Assembly passed and the Governor signed into law House Bill 08-1389 regarding the insurance rates paid by citizens of the state of Colorado. The bill's intent is to ensure that insurance coverage be accessible to all Coloradans, and that in order to provide accessible, affordable coverage, insurance rates should not be excessive, inadequate or unfairly discriminatory. In accordance with Section 9 of the bill, § 10-16-111(4)(a), C.R.S., health insurance carriers doing business in the state of Colorado are required to report a variety of health insurance cost information to the Division of Insurance. The Commissioner of Insurance is required to aggregate this data and publish the information on the Division's website.

To aid in the submission of this data, the Division prepared a Health Insurance Cost Report to be completed by each insurer. A total of 373 insurers submitted this report on their costs for 2011. As required, the report below is an aggregated summary of the data collected.

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2011 Health Cost Report Aggregated Summary as required by C.R.S. § 10-16-111(4)¹

Statute Requirement	Average Per Company	Total Sum of All Companies	Percent of Colorado Earned Health Insurance Premium
Direct Written Premium for Colorado Health Insurance Business	\$19,605,171.54	\$7,312,728,983.98	
Direct Earned Premium for Colorado Health Insurance Business	\$19,701,351.48	\$7,348,604,102.04	
Total Adjusted Capital	\$6,214,911.68	\$2,318,162,057.90	
Authorized Control-level RBC	\$947,999.84	\$353,603,939.48	
Reserves On Hand	\$9,511,626.51	\$3,547,836,687.96	48.28%
Change in Contract Reserves	\$406,450.03	\$151,605,861.38	2.06%
Investment Income	\$890,595.49	\$332,192,116.40	4.52%
Net Income	\$779,592.26	\$290,787,913.58	3.96%
Surplus	\$3,784,726.71	\$1,411,703,062.26	19.21%
Capital	\$2,226,778.01	\$830,588,196.69	11.30%
Net Colorado Reinsurance Recoveries in 2011	\$403,904.92	\$150,656,535.91	2.05%
Net Ceded Colorado Reinsurance Premiums in 2011	\$833,183.47	\$310,777,433.67	4.23%
Dividends to Stockholders	\$361,331.76	\$134,776,745.33	1.83%
Executive Compensation	\$77,869.49	\$29,045,320.97	0.40%
Executive Salaries	\$43,716.70	\$14,207,926.93	0.19%
Executive Stock Options	\$18,927.60	\$6,151,469.18	0.08%
Executive Bonuses	\$26,725.92	\$8,685,924.86	0.12%
Administrative Expenditures	\$3,358,388.52	\$1,252,678,916	17.05%
Advertising or Marketing Expenditures	\$181,708.03	\$67,777,093.87	0.92%
Charitable Contributions	\$119,518.09	\$44,580,247.35	0.61%
Dividends Returned to Colorado Policyholders	\$21,025.30	\$7,842,435.63	0.11%
Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses	\$267,999.61	\$99,963,856.27	1.36%
Insurance Producer Commissions	\$677,415.70	\$252,676,055.09	3.44%
Legal Expenses	\$19,173.51	\$7,151,719.57	0.10%
Non-executive Staff Salaries	\$956,827.06	\$356,896,493.30	4.86%
Paid Lobbying Expenditures	\$2,740.42	\$1,022,178.52	0.01%
Federal Income Taxes	\$324,546.99	\$121,056,026.57	1.65%
State and Local Taxes, Licenses and Fees	\$194,863.71	\$72,684,164.14	0.99%
All Other Administrative Expenses	\$592,570.10	\$221,028,646	3.01%
The Cost of Providing or Arranging Healthcare Services	\$15,695,396.43	\$5,854,382,866.67	79.67%
Administrative Ratio ²			17.05%
Actual Benefits Ratio ³			79.67%
Provision for Profit and Contingencies			3.29%

¹The statistics reported are based on the data reported by the companies that responded to a request for information from the Colorado Division of Insurance as required by C.R.S. § 10-16-111(4). Companies were asked to report information on all types of health insurance written in the state of Colorado, including but not limited to major medical, dental, vision, accidental death and dismemberment, disability income, long-term care, and credit accident and health insurance. The Executive Salaries were reported by companies on a nationwide basis and were allocated to Colorado health only business by the Division of Insurance on a direct earned premium basis. The executives included are those reported on the Supplemental Compensation exhibit that accompanies the Annual Financial Statement. Non-executive staff salaries include all salaries of those not reported under executive salaries.

²The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio.

³The Cost of Providing or Arranging Healthcare Services is equal to a company's Direct Losses Incurred and used to determine the Actual Benefits Ratio.

INDIVIDUAL MARKET

Statute Requirement - Individual	Average Per Company	Total Sum of All Companies	Percent of Colorado Earned Health Insurance Premium
Premiums			
Colorado Direct Written Premium	\$5,237,453.98	\$1,628,848,188.91	
Colorado Direct Earned Premium	\$5,200,433.52	\$1,617,334,824.02	
Reinsurance & Dividends			
Net Ceded Colorado Reinsurance Premiums	\$321,473.85	\$99,978,366.85	6.18%
Net Colorado Reinsurance Recoveries	\$288,944.36	\$89,861,697.41	5.56%
Dividends Paid to Colorado Policyholders			
Reserves	\$6,060,189.75	\$1,884,719,013.64	116.53%
Total Reserves on hand as of 12/31/2011	\$354,761.10	\$110,330,701.85	6.82%
Change in Contract Reserves			
Expenses	\$105,872.48	\$32,926,341.38	2.04%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$353,713.96	\$110,005,040.75	6.80%
Producer Commissions	\$22,272.38	\$6,926,710.84	0.43%
Administrative Expenses	\$1,092,166.14	\$339,663,670.28	21.00%
The Cost of providing or arranging healthcare services			
Incurred Losses	\$3,980,430.85	\$1,237,913,995.27	76.54%
Administrative Ratio¹	\$1,574,024.96	\$489,521,763.25	30.27%
Actual Benefits Ratio	\$3,980,430.85	\$1,237,913,995.27	76.41%
Average Provision for Profit and Contingencies			-6.68%

Covered Lives	
Number of Colorado covered lives as of 12/31/2010	1,219,095
Number of Colorado covered lives as of 12/31/2011	1,278,967
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	893,566
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	941,678
Number of Member Months in 2011	14,928,618
Number of Carriers reported in survey	311

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio.

LARGE GROUP

Statute Requirement –Large Group	Average Per Company	Total Sum of All Companies	Percent of Colorado Earned Health Insurance Premium
Premiums			
Colorado Direct Written Premium	\$28,327,510.07	\$4,447,419,081.17	
Colorado Direct Earned Premium	\$28,632,289.74	\$4,495,269,488.84	
Reinsurance & Dividends			
Net Ceded Colorado Reinsurance Premiums	\$531,684.92	\$83,474,531.67	1.86%
Net Colorado Reinsurance Recoveries	\$555,752.84	\$87,253,196.32	1.94%
Dividends Paid to Colorado Policyholders	\$466.39	\$73,223.79	0.00%
Reserves			
Total Reserves on hand as of 12/31/2011	\$9,026,422.44	\$1,417,148,323.15	31.53%
Change in Contract Reserves	\$236,269.64	\$37,094,332.90	0.83%
Expenses			
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$320,055.20	\$50,248,667.01	1.12%
Producer Commissions	\$656,474.79	\$103,066,541.63	2.29%
Administrative Expenses	\$2,704,304.99	\$424,575,883.08	9.44%
The Cost of providing or arranging healthcare services			
Incurred Losses	\$23,059,619.77	\$3,620,360,304.63	80.54%
Administrative Ratio¹	\$3,681,301.37	\$577,964,315.51	12.86%
Actual Benefits Ratio	\$23,059,619.77	\$3,620,360,304.63	80.54%
Average Provision for Profit and Contingencies			6.61%

Covered Lives¹	
Number of Colorado covered lives as of 12/31/2010	7,561,175
Number of Colorado covered lives as of 12/31/2011	8,006,021
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	4,283,871
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	4,771,781
Number of Colorado group/policies as of 12/31/2010	441,964
Number of Colorado group/policies as of 12/31/2011	475,733
Number of Member Months in 2011	88,976,091
Number of Carriers reported in survey	157

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio.

SMALL GROUP

Statute Requirement –Small Group	Average Per Company	Total Sum of All Companies	Percent of Colorado Earned Health Insurance Premium
Premiums			
Colorado Direct Written Premium	\$12,242,195.19	\$1,236,461,713.90	
Colorado Direct Earned Premium	\$12,237,621.68	\$1,235,999,789.18	
Reinsurance & Dividends			
Net Ceded Colorado Reinsurance Premiums	(\$334,182.44)	(\$33,752,426.59)	-2.73%
Net Colorado Reinsurance Recoveries	(\$261,963.94)	(\$26,458,357.82)	-2.14%
Dividends Paid to Colorado Policyholders	\$8,341.59	\$842,501.00	0.07%
Reserves			
Total Reserves on hand as of 12/31/2011	\$2,435,340.11	\$245,969,351.16	19.90%
Change in Contract Reserves	\$41,394.32	\$4,180,826.64	0.34%
Expenses			
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$166,226.22	\$16,788,847.88	1.36%
Producer Commissions	\$392,123.49	\$39,604,472.72	3.20%
Administrative Expenses	\$1,266,901.15	\$127,957,015.92	10.35%
The Cost of providing or arranging healthcare services			
Incurred Losses	\$9,862,461.06	\$996,108,566.77	80.59%
Administrative Ratio¹	\$1,833,592.45	\$185,192,837.51	14.98%
Actual Benefits Ratio	\$9,862,461.06	\$996,108,566.77	80.59%
Average Provision for Profit and Contingencies			4.43%

Covered Lives	
Number of Colorado covered lives as of 12/31/2010	1,480,317
Number of Colorado covered lives as of 12/31/2011	1,360,639
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	932,589
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	929,487
Number of Colorado group/policies as of 12/31/2010	83,985
Number of Colorado group/policies as of 12/31/2011	80,644
Number of Member Months in 2011	16,112,429
Number of Carriers reported in survey	101

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio.

**SMALL GROUP
Health Benefit Plans**

	Basic Plans	Standard Plans	HSA-Qualified	All Other Small Group Plans	Totals
Indemnity	0	0	0	887	887
PPO	564	586	13,387	55,841	70,378
HMO	733	247	13,032	79,602	93,614
Multi-Option	18	0	34,090	58,525	92,633
Totals	1,315	833	60,509	194,855	257,512

A small employer is defined as one having 50 employees or less. There were 15 such companies used to determine these statistics, which were collected using the Small Group Activity Report published by the Division for 2011. These companies only reported health benefit plans.

"Health benefit plan" does not include: Accident only; credit; dental; vision; Medicare supplement; benefits for long-term care, home health care, community-based care, or any combination thereof; disability income insurance; liability insurance including general liability insurance and automobile liability insurance; coverage for on-site medical clinics; coverage issued as a supplement to liability insurance, workers' compensation or similar insurance; or automobile medical payment insurance. The term also excludes specified disease, hospital confinement indemnity, or limited benefit health insurance if such types of coverage do not provide coordination of benefits and are provided under separate policies or certificates. Solely with respect to the provisions of section 10-16-118 (1) (b) concerning creditable coverage for individual policies, the term excludes individual short-term limited duration health insurance policies issued after January 1, 1999. This means such policies do not have to recognize creditable coverage.

Comprehensive Major Medical

Comprehensive Major Medical	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$633,288,798	\$1,082,388,483	\$703,379,225	\$2,419,056,507	\$26,294,092	
Colorado Direct Earned Premium	\$628,390,477	\$1,083,422,432	\$703,311,168	\$2,415,124,077	\$26,251,349	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$6,709,377	(\$7,782,709)	(\$36,615,162)	(\$37,688,495)	(\$409,658)	-1.56%
Net Colorado Reinsurance Recoveries	\$7,664,171	(\$6,262,732)	(\$29,819,393)	(\$28,417,954)	(\$308,891)	-1.18%
Reserves						
Total Reserves on hand as of 12/31/2011	\$100,522,883	\$165,307,441	\$97,513,933	\$363,344,257	\$3,949,394	15.04%
Change in Contract Reserves	\$2,546,500	\$924,318	\$1,078,261	\$4,549,079	\$49,447	0.19%
Expenses						
Dividends Paid to Colorado Policyholders	\$9,311	(\$8,300)	\$0	\$1,011	\$11	0.00%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$23,645,275	\$19,415,325	\$11,452,852	\$54,513,452	\$592,538	2.26%
Producer Commissions	\$63,006,759	\$27,837,229	\$18,973,359	\$109,817,347	\$1,193,667	4.55%
Administrative Expenses	\$114,189,771	\$109,268,757	\$84,578,325	\$308,036,853	\$3,348,227	12.75%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$480,330,500	\$855,706,326	\$538,451,086	\$1,874,487,911	\$20,374,869	77.61%
Administrative Ratio¹	31.96%	14.45%	16.35%	19.56%		
Actual Benefits Ratio	76.44%	78.98%	76.56%	77.61%		
Average Provision for Profit and Contingencies	-8.40%	6.57%	7.09%	2.83%		

Covered Lives – Comprehensive Major Medical	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	267,545	533,490	190,267	991,302
Number of Colorado covered lives as of 12/31/2011	259,202	617,999	192,485	1,069,686
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	155,956	269,025	102,429	527,410
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	148,200	307,312	106,890	562,402
Number of Member Months in 2011	3,167,669	7,036,948	2,039,912	12,244,529
Companies with Earned Premiums	63	17	12	92

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio.

HMO

HMO	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$79,563,916	\$1,803,930,537	\$400,124,933	\$2,283,619,386	\$99,287,799	
Colorado Direct Earned Premium	\$79,529,642	\$1,803,385,215	\$398,066,817	\$2,280,981,674	\$99,173,116	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$28,726	\$1,679,929	\$205,987	\$1,914,641	\$83,245	0.08%
Net Colorado Reinsurance Recoveries	(\$17,980)	\$1,643,735	(\$112,879)	\$1,512,876	\$65,777	0.07%
Reserves						
Total Reserves on hand as of 12/31/2011	\$1,978,824	\$56,696,799	\$18,679,280	\$77,354,903	\$3,363,257	3.39%
Change in Contract Reserves	\$74,595,134	(\$1,783)	\$0	\$74,593,351	\$3,243,189	3.27%
Expenses						
Dividends Paid to Colorado Policyholders	\$0	\$0	\$0	\$0	\$0	0.00%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$651,098	\$13,645,273	\$4,247,364	\$18,543,735	\$806,249	0.81%
Producer Commissions	\$1,233,027	\$10,056,977	\$9,642,378	\$20,932,382	\$910,104	0.92%
Administrative Expenses	\$6,646,238	\$134,714,309	\$27,157,557	\$168,518,104	\$7,326,874	7.39%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$74,595,134	\$1,484,393,728	\$350,751,614	\$1,909,740,476	\$83,032,195	83.72%
Administrative Ratio¹	10.73%	8.78%	10.31%	9.12%		
Actual Benefits Ratio	93.80%	82.31%	88.11%	83.72%		
Average Provision for Profit and Contingencies	-4.52%	8.90%	1.57%	7.16%		

Covered Lives - HMO	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	31,296	443,448	97,915	572,659
Number of Colorado covered lives as of 12/31/2011	31,511	399,595	62,214	493,320
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	20,822	210,299	56,229	287,350
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	22,248	204,295	15,180	241,723
Number of Member Months in 2011	353,753	4,867,323	1,223,785	6,444,861
Companies with Earned Premiums	8	9	6	23

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio.

Association Business

Association Business	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium		\$1,868,490	\$15,629,491	\$17,497,981	\$1,249,856	
Colorado Direct Earned Premium		\$1,921,706	\$15,628,532	\$17,550,238	\$1,253,588	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums		\$715,173	\$2,035	\$717,208	\$51,229	4.09%
Net Colorado Reinsurance Recoveries		\$828,168	\$6,897	\$835,065	\$59,647	4.76%
Reserves						
Total Reserves on hand as of 12/31/2011		\$460,806	\$1,980,239	\$2,441,045	\$174,360	13.91%
Change in Contract Reserves		(\$92,523)	(\$713)	(\$93,236)	(\$6,660)	-0.53%
Expenses						
Dividends Paid to Colorado Policyholders		\$0	\$0	\$0	\$0	0.00%
Expenditures for disease or case management programs or patient education and other cost containment expenses		\$4,873	\$205,113	\$209,986	\$14,999	1.20%
Producer Commissions		\$164,227	\$502,443	\$666,670	\$47,619	3.80%
Administrative Expenses		\$157,856	\$2,207,900	\$2,365,756	\$168,983	13.48%
The Cost of providing or arranging healthcare services						
Incurred Losses		\$1,379,310	\$11,650,173	\$13,029,483	\$930,677	74.24%
Administrative Ratio¹		17.01%	18.65%	18.48%		
Actual Benefits Ratio		71.78%	74.54%	74.24%		
Average Provision for Profit and Contingencies		11.21%	6.80%	7.28%		

Covered Lives – Association Business	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010		10,350	3,466	13,816
Number of Colorado covered lives as of 12/31/2011		11,033	4,787	15,820
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010		8,721	1,955	10,676
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011		9,446	3,418	12,864
Number of Member Months in 2011		37,177	41,746	78,923
Companies with Earned Premiums		7	7	14

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

Accident Only and Accidental Death & Dismemberment

AD&D	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$38,317,298	\$149,021,440	\$4,543,277	\$191,882,015	\$864,333	
Colorado Direct Earned Premium	\$38,470,760	\$146,022,177	\$4,485,628	\$188,978,565	\$851,255	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$1,755,396	\$9,068,816	\$448,901	\$11,273,113	\$50,780	5.97%
Net Colorado Reinsurance Recoveries	\$1,339,905	\$7,553,288	\$326,900	\$9,220,093	\$41,532	4.88%
Reserves						
Total Reserves on hand as of 12/31/2011	\$34,992,850	\$63,097,590	\$4,854,743	\$102,945,183	\$463,717	54.47%
Change in Contract Reserves	\$682,479	\$2,091,370	\$229,366	\$3,003,214	\$13,528	1.59%
Expenses						
Dividends Paid to Colorado Policyholders	\$12,905	\$64	\$0	\$12,969	\$58	0.01%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$59,199	\$577,149	\$2,041	\$638,389	\$2,876	0.34%
Producer Commissions	\$5,050,555	\$10,146,344	\$614,819	\$15,811,718	\$71,224	8.37%
Administrative Expenses	\$7,113,890	\$14,842,258	\$1,018,374	\$22,974,522	\$103,489	12.16%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$16,851,896	\$53,933,556	\$2,044,904	\$72,830,356	\$328,065	38.54%
Administrative Ratio¹	31.81%	17.51%	36.45%	20.87%		
Actual Benefits Ratio	43.80%	36.94%	45.59%	38.54%		
Average Provision for Profit and Contingencies	24.39%	45.56%	17.96%	40.59%		

Covered Lives - AD&D	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	258,898	3,056,327	814,030	4,129,255
Number of Colorado covered lives as of 12/31/2011	275,112	3,202,892	703,103	4,181,108
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	179,723	1,666,941	584,995	2,431,659
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	188,837	2,044,275	591,314	2,824,426
Number of Member Months in 2011	3,163,861	34,707,076	8,463,728	46,334,664
Companies with Earned Premiums	108	78	36	222

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

Credit Health

Credit Health	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$691,388	\$3,373,540	(\$88,004)	\$3,976,924	\$124,279	
Colorado Direct Earned Premium	\$1,055,246	\$3,942,570	\$113,389	\$5,111,204	\$159,725	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$834,146	\$359,320	\$12,712	\$1,206,177	\$37,693	23.60%
Net Colorado Reinsurance Recoveries	\$77,919	\$8,618	(\$8,774)	\$77,764	\$2,430	1.52%
Reserves						
Total Reserves on hand as of 12/31/2011	\$1,873,460	\$6,712,598	(\$1,420,121)	\$7,165,937	\$223,936	140.20%
Change in Contract Reserves	(\$116,107)	\$209,070	(\$11,638)	\$81,326	\$2,541	1.59%
Expenses						
Dividends Paid to Colorado Policyholders	\$0	\$0	\$0	\$0	\$0	0.00%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$17,508	\$17,071	\$0	\$34,579	\$1,081	0.68%
Producer Commissions	\$362,030	\$406,855	\$55,065	\$823,950	\$25,748	16.12%
Administrative Expenses	\$232,573	\$1,296,994	\$9,939	\$1,539,505	\$48,110	30.12%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$331,872	\$1,482,249	\$244,466	\$2,058,587	\$64,331	40.28%
Administrative Ratio¹	58.01%	43.65%	57.33%	46.92%		
Actual Benefits Ratio	31.45%	37.60%	215.60%	40.28%		
Average Provision for Profit and Contingencies	10.54%	18.75%	-172.93%	12.81%		

Covered Lives – Credit Health	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	8,697	45,009	9,013	62,719
Number of Colorado covered lives as of 12/31/2011	7,103	39,559	7,102	53,764
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	8,645	43,788	9,013	61,446
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	7,084	38,310	7,108	52,502
Number of Member Months in 2011	84,150	495,734	89,616	669,500
Companies with Earned Premiums	13	13	6	32

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

Dental

Dental	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$14,024,150	\$251,563,821	\$61,205,005	\$326,792,976	\$2,593,595	
Colorado Direct Earned Premium	\$13,983,505	\$247,944,487	\$63,686,183	\$325,614,175	\$2,584,239	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	(\$61,598)	\$14,457,996	\$192,435	\$14,588,833	\$115,784	4.48%
Net Colorado Reinsurance Recoveries	(\$30,280)	\$12,576,168	\$264,341	\$12,810,229	\$101,668	3.93%
Reserves						
Total Reserves on hand as of 12/31/2011	\$3,129,207	\$125,978,029	\$37,156,800	\$166,264,036	\$1,319,556	51.06%
Change in Contract Reserves	\$58,713	\$7,320,197	\$1,982,053	\$9,360,963	\$74,293	2.87%
Expenses						
Dividends Paid to Colorado Policyholders	\$0	\$8	\$190	\$198	\$2	0.00%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$101,767	\$1,653,887	\$454,126	\$2,209,780	\$17,538	0.68%
Producer Commissions	\$1,064,625	\$9,897,535	\$3,418,826	\$14,380,986	\$114,135	4.42%
Administrative Expenses	\$2,453,035	\$35,989,089	\$9,794,084	\$48,236,209	\$382,827	14.81%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$8,029,755	\$197,368,987	\$56,599,853	\$261,998,595	\$2,079,354	80.46%
Administrative Ratio¹	25.88%	19.17%	21.46%	19.91%		
Actual Benefits Ratio	57.42%	79.60%	88.87%	80.46%		
Average Provision for Profit and Contingencies	16.69%	1.22%	-10.33%	-0.37%		

Covered Lives - Dental	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	46,554	849,517	203,350	1,099,422
Number of Colorado covered lives as of 12/31/2011	57,256	912,061	200,321	1,169,638
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	30,912	261,034	77,519	369,465
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	36,525	269,954	74,136	380,615
Number of Member Months in 2011	629,505	10,546,420	2,402,716	13,578,642
Companies with Earned Premiums	36	51	39	126

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

Disability Income

Disability Income	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$109,204,837	\$207,973,616	\$16,254,849	\$333,433,302	\$1,377,824	
Colorado Direct Earned Premium	\$110,312,380	\$203,635,261	\$17,594,483	\$331,542,124	\$1,370,009	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$19,499,962	\$2,953,844	\$695,542	\$23,149,348	\$95,658	6.98%
Net Colorado Reinsurance Recoveries	\$26,494,144	\$9,237,264	\$851,742	\$36,583,150	\$151,170	11.03%
Reserves						
Total Reserves on hand as of 12/31/2011	\$493,279,707	\$617,560,340	\$50,235,559	\$1,161,075,606	\$4,797,833	350.20%
Change in Contract Reserves	\$1,540,157	\$5,112,298	\$285,732	\$6,938,187	\$28,670	2.09%
Expenses						
Dividends Paid to Colorado Policyholders	\$6,441,067	\$75,082	\$842,235	\$7,358,384	\$30,407	2.22%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$626,623	\$3,218,716	\$38,656	\$3,883,995	\$16,050	1.17%
Producer Commissions	\$9,050,032	\$13,662,003	\$1,838,396	\$24,550,431	\$101,448	7.40%
Administrative Expenses	\$15,629,443	\$39,824,891	\$2,788,181	\$58,242,516	\$240,672	17.57%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$92,401,253	\$193,439,676	\$9,751,007	\$295,591,936	\$1,221,454	89.16%
Administrative Ratio¹	28.78%	27.88%	31.30%	28.36%		
Actual Benefits Ratio	83.76%	94.99%	55.42%	89.16%		
Average Provision for Profit and Contingencies	-12.54%	-22.88%	13.28%	-17.52%		

Covered Lives –Disability Income	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	102,980	1,071,884	41,855	1,216,719
Number of Colorado covered lives as of 12/31/2011	102,993	1,022,298	43,534	1,168,825
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	102,243	1,069,308	40,871	1,212,422
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	102,250	1,020,782	42,781	1,165,813
Number of Member Months in 2011	1,216,848	11,562,245	507,632	13,286,724
Companies with Earned Premiums	153	56	33	242

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

Limited Benefit Plans

Limited Benefit Plans	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$58,773,738	\$20,353,619	\$6,226,478	\$85,353,835	\$493,375	
Colorado Direct Earned Premium	\$58,836,699	\$19,289,665	\$6,147,263	\$84,273,628	\$487,131	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$1,801,286	\$4,510,664	\$788,251	\$7,100,200	\$41,042	8.43%
Net Colorado Reinsurance Recoveries	\$1,282,277	\$2,776,782	\$698,209	\$4,757,268	\$27,499	5.65%
Reserves						
Total Reserves on hand as of 12/31/2011	\$119,762,220	\$15,568,219	\$16,151,514	\$151,481,953	\$875,618	179.75%
Change in Contract Reserves	\$8,061,297	\$392,405	\$180,360	\$8,634,062	\$49,908	10.25%
Expenses						
Dividends Paid to Colorado Policyholders	\$4,907	\$0	\$56	\$4,963	\$29	0.01%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$162,187	\$101,111	(\$346)	\$262,952	\$1,520	0.31%
Producer Commissions	\$7,237,732	\$2,355,625	\$888,253	\$10,481,610	\$60,587	12.44%
Administrative Expenses	\$9,444,239	\$2,673,003	\$1,016,390	\$13,133,632	\$75,917	15.58%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$28,307,460	\$8,746,400	\$3,302,086	\$40,355,946	\$233,271	47.89%
Administrative Ratio¹	28.64%	26.59%	30.98%	28.34%		
Actual Benefits Ratio	48.11%	45.34%	53.72%	47.89%		
Average Provision for Profit and Contingencies	23.25%	28.06%	15.30%	23.77%		

Covered Lives – Limited Benefit Plans	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	213,784	51,192	11,446	276,422
Number of Colorado covered lives as of 12/31/2011	212,856	65,471	10,192	288,519
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	119,797	36,606	8,076	164,479
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	119,560	42,537	7,448	169,545
Number of Member Months in 2011	2,448,355	699,229	128,669	3,276,253
Companies with Earned Premiums	109	39	25	173

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

Long Term Care

Long Term Care	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$188,714,807	\$32,041,128	\$176,983	\$220,932,918	\$2,008,481	
Colorado Direct Earned Premium	\$181,377,998	\$29,223,566	\$109,492	\$210,711,057	\$1,915,555	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$44,014,681	\$11,057,438	(\$35,282)	\$55,036,837	\$500,335	26.12%
Net Colorado Reinsurance Recoveries	\$42,518,882	\$5,649,260	\$162,146	\$48,330,287	\$439,366	22.94%
Reserves						
Total Reserves on hand as of 12/31/2011	\$1,001,365,752	\$178,858,544	\$4,463,473	\$1,184,687,769	\$10,769,889	562.23%
Change in Contract Reserves	\$96,234,840	\$19,933,406	\$22,610	\$116,190,856	\$1,056,281	55.14%
Expenses						
Dividends Paid to Colorado Policyholders	\$258,483	\$2	\$0	\$258,485	\$2,350	0.12%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$342,972	\$167,137	\$449	\$510,558	\$4,641	0.24%
Producer Commissions	\$9,561,609	\$787,810	\$35,426	\$10,384,845	\$94,408	4.93%
Administrative Expenses	\$29,177,432	\$5,290,480	\$73,090	\$34,541,002	\$314,009	16.39%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$112,365,181	\$12,682,008	\$40,287	\$125,087,476	\$1,137,159	59.36%
Administrative Ratio¹	21.69%	21.37%	99.52%	21.69%		
Actual Benefits Ratio	61.95%	43.40%	36.79%	59.36%		
Average Provision for Profit and Contingencies	16.36%	35.23%	-36.31%	18.95%		

Covered Lives – Long Term Care	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	102,408	51,725	331	154,464
Number of Colorado covered lives as of 12/31/2011	105,534	41,969	313	147,816
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	95,139	52,210	306	147,655
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	95,743	41,949	292	137,984
Number of Member Months in 2011	1,232,809	505,716	3,761	1,742,286
Companies with Earned Premiums	87	23		110

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

Vision

Vision	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$729,448	\$58,942,965	\$3,895,181	\$63,567,595	\$1,381,904	
Colorado Direct Earned Premium	\$721,823	\$58,987,539	\$3,872,014	\$63,581,376	\$1,382,204	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$544	\$6,956,416	(\$96,534)	\$6,860,425	\$149,140	10.79%
Net Colorado Reinsurance Recoveries	\$467	\$4,775,636	(\$165,639)	\$4,610,464	\$100,227	7.25%
Reserves						
Total Reserves on hand as of 12/31/2011	\$256,867	\$5,462,004	\$693,831	\$6,412,702	\$139,407	10.09%
Change in Contract Reserves	\$28,826	\$14,346	\$5,997	\$49,169	\$1,069	0.08%
Expenses						
Dividends Paid to Colorado Policyholders	\$0	\$0	\$20	\$20	\$0	0.00%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$7,604	\$66,073	\$51,435	\$125,113	\$2,720	0.20%
Producer Commissions	\$132,387	\$1,013,840	\$152,895	\$1,299,122	\$28,242	2.04%
Administrative Expenses	\$226,508	\$8,054,931	\$506,260	\$8,787,699	\$191,037	13.82%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$273,260	\$45,608,986	\$2,759,742	\$48,641,988	\$1,057,435	76.50%
Administrative Ratio¹	50.77%	15.49%	18.35%	16.06%		
Actual Benefits Ratio	37.86%	77.32%	71.27%	76.50%		
Average Provision for Profit and Contingencies	11.37%	7.19%	10.37%	7.44%		

Covered Lives – Vision	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	7,296	946,496	107,549	1,061,341
Number of Colorado covered lives as of 12/31/2011	9,114	961,270	89,690	1,060,074
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	4,147	427,342	36,877	468,366
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	5,332	432,549	33,014	470,894
Number of Member Months in 2011	97,504	11,697,962	1,068,918	12,864,384
Companies with Earned Premiums	7	23	16	46

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

Medicare Supplement

Medicare Supplement	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$152,687,482	\$89,962,161	\$1,971,528	\$244,621,171	\$2,244,231	
Colorado Direct Earned Premium	\$152,838,847	\$89,808,350	\$1,973,141	\$244,620,338	\$2,244,223	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$18,463,772	(\$8,939,396)	\$382,400	\$9,906,775	\$90,888	4.05%
Net Colorado Reinsurance Recoveries	\$13,118,180	(\$7,150,962)	\$353,005	\$6,320,223	\$57,984	2.58%
Reserves						
Total Reserves on hand as of 12/31/2011	\$83,899,585	\$14,772,552	\$8,130,825	\$106,802,963	\$979,844	43.66%
Change in Contract Reserves	\$1,035,436	\$268,132	\$50,336	\$1,353,904	\$12,421	0.55%
Expenses						
Dividends Paid to Colorado Policyholders	\$200,038	\$0	\$0	\$200,038	\$1,835	0.08%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$1,093,217	\$1,596,728	\$30	\$2,689,976	\$24,679	1.10%
Producer Commissions	\$8,910,002	\$2,185,042	\$186,483	\$11,281,527	\$103,500	4.61%
Administrative Expenses	\$21,302,984	\$9,610,780	\$271,017	\$31,184,781	\$286,099	12.75%
The Cost of providing or arranging healthcare services						
Incurred Losses	\$113,044,089	\$71,295,059	\$1,487,187	\$185,826,336	\$1,704,829	75.97%
Administrative Ratio¹	20.61%	14.91%	23.19%	18.54%		
Actual Benefits Ratio	73.96%	79.39%	75.37%	75.97%		
Average Provision for Profit and Contingencies	5.42%	5.70%	1.44%	5.49%		

Covered Lives – Med Supp	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	65,926	38,251	900	105,076
Number of Colorado covered lives as of 12/31/2011	73,030	41,983	891	115,904
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	65,032	38,250	900	104,181
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	72,584	41,983	891	115,458
Number of Member Months in 2011	825,518	503,974	10,693	1,340,185
Companies with Earned Premiums	92	8	9	109

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

All Other

All Other	Individual	Large Group	Small Group	Total Sum of All Companies	Average Per Company	Percent of Colorado Earned Health Premium
Premiums						
Colorado Direct Written Premium	\$352,852,325	\$478,555,880	\$2,568,790	\$833,976,995	\$10,830,870	
Colorado Direct Earned Premium	\$351,817,447	\$540,244,976	\$1,006,010	\$893,068,433	\$11,598,291	
Reinsurance						
Net Ceded Colorado Reinsurance Premiums	\$6,932,077	\$4,789,167	\$213,868	\$11,935,111	\$155,001	1.34%
Net Colorado Reinsurance Recoveries	(\$2,585,989)	\$21,096,437	\$200,411	\$18,710,859	\$242,998	2.10%
Reserves						
Total Reserves on hand as of 12/31/2011	\$43,657,658	\$106,612,704	\$1,532,218	\$151,802,580	\$1,971,462	17.00%
Change in Contract Reserves	\$258,599	\$455,015	(\$391,444)	\$322,170	\$4,184	0.04%
Expenses						
Dividends Paid to Colorado Policyholders	\$0	\$36	\$0	\$36	\$0	0.00%
Expenditures for disease or case management programs or patient education and other cost containment expenses	\$6,218,891	\$7,811,547	\$30,428	\$14,060,866	\$182,609	1.57%
Producer Commissions	\$4,396,285	\$17,626,411	\$52,977	\$22,075,672	\$286,697	2.47%
Administrative Expenses	\$42,954,737	\$75,801,840	\$144,327	\$118,900,904	\$1,544,168	13.31%
The Cost of providing or arranging healthcare services						
Incurring Losses	\$293,203,560	\$502,216,061	\$1,118,040	\$796,537,661	\$10,344,645	89.19%
Administrative Ratio¹	15.23%	18.74%	22.64%	17.36%		
Actual Benefits Ratio	83.34%	92.96%	111.14%	89.19%		
Average Provision for Profit and Contingencies	1.43%	-11.70%	-33.77%	-6.55%		

Covered Lives – All Other	Individual	Large Group	Small Group	Total
Number of Colorado covered lives as of 12/31/2010	113,712	110,361	554	224,627
Number of Colorado covered lives as of 12/31/2011	145,256	154,794	163	300,213
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2010	111,151	52,092	541	163,784
Number of Colorado individual subscribers/certificate holders/policyholders as of 12/31/2011	143,315	81,309	141	224,765
Number of Member Months in 2011	1,708,646	1,457,254	2,073	3,167,973
Companies with Earned Premiums	48	22	7	77

¹The total of Advertising or Marketing Expenditures, Charitable Contributions, Dividends Returned to Colorado Policyholders, Expenditures for Disease or Case Management Programs or Patient Education and Other Cost Containment Expenses, Insurance Producer Commissions, Legal Expenses, Non-executive Staff Salaries, Paid Lobbying Expenditures, Federal Income Taxes, State and Local Taxes, Licenses and Fees and All Other Administrative Expenses is used to calculate the Administrative Ratio

Trend – Colorado Health Insurance

“Trend” or “trending” means any procedure for projecting losses to the average date of loss, or of projecting premium or exposures to the average date of writing. The tables below demonstrate the number of companies that submitted Medical trend in the Health Cost Survey out of 357 companies.

Individual

Line of Business	Medical trend due solely to provider price changes	Medical trend due solely to utilization changes	Medical trend due solely to medical cost-shifting	Medical trend due solely to new medical procedures and technology	Total Medical Trend
Comp MM	30	28	24	25	38
Dental	9	9	6	7	14
HMO	9	9	8	7	9
Limited Benefit Plan	10	10	7	8	21
Med Supp	23	18	15	16	46
All Other	10	10	8	8	12
Total Individual	91	84	68	71	140

Large Group

Line of Business	Medical trend due solely to provider price changes	Medical trend due solely to utilization changes	Medical trend due solely to medical cost-shifting	Medical trend due solely to new medical procedures and technology	Total Medical Trend
Comp MM	13	13	9	9	14
Dental	16	14	6	6	20
HMO	11	11	8	9	11
Limited Benefit Plan	4	5	3	4	9
Med Supp	4	4	3	3	4
All Other	5	5	4	5	6
Total Large Group	53	52	33	36	64

Small Group

Line of Business	Medical trend due solely to provider price changes	Medical trend due solely to utilization changes	Medical trend due solely to medical cost-shifting	Medical trend due solely to new medical procedures and technology	Total Medical Trend
Comp MM	11	11	10	9	12
Dental	10	8	3	3	13
HMO	8	8	7	6	9
Limited Benefit Plan	2	2	2	3	6
Med Supp	2	2	2	2	5
All Other	2	2	2	2	2
Total Small Group	35	33	26	25	47

Medical Trend

	Medical Provider Price Increases	Medical Utilization Changes	Medical Cost Shifting	Medical Procedures and Technology	Total Medical
Individual	2.71%	7.43%	-0.44%	-1.33%	12.84%
Large Group	3.08%	0.24%	0.52%	0.13%	4.43%
Small Group	2.54%	-0.18%	0.14%	1.01%	3.53%

	Line of Business	Average of Medical trend due solely to provider price changes	Average of Medical trend due solely to utilization changes	Average of Medical trend due solely to medical cost-shifting	Average of Medical trend due solely to new medical procedures and technology	Average of Total Medical Trend
Individual						
	Accident Only & AD&D	0.00%	0.00%	0.00%	0.00%	10.00%
	All Other Premiums	1.00%	11.41%	1.76%	2.89%	18.79%
	Comprehensive MM	4.31%	4.94%	0.46%	0.04%	9.77%
	Credit Health	0.00%	79.39%	0.00%	0.00%	79.39%
	Dental	3.35%	1.50%	0.00%	0.01%	5.63%
	Disability Income	0.00%	-7.57%	0.00%	0.00%	-7.44%
	HMO	11.72%	-4.91%	-0.78%	-20.31%	4.78%
	Limited Benefit Plans	6.35%	-5.72%	0.06%	0.06%	9.94%
	Long-Term Care	0.00%	0.00%	0.00%	0.00%	6.20%
	Medicare Supplement	3.09%	2.72%	-6.36%	2.70%	4.13%
	Vision	0.00%	0.00%	0.00%	0.00%	0.00%
	Individual Total	2.71%	7.43%	-0.44%	-1.33%	12.84%
Large Group						
	Accident Only AD&D	0.00%	0.00%	0.00%	0.00%	3.03%
	All Other Premiums	10.01%	-5.54%	-0.12%	1.00%	5.33%
	Association Business	0.00%	0.00%	0.00%	0.00%	0.00%
	Comprehensive MM	5.08%	2.00%	0.13%	0.70%	7.68%
	Credit Health	0.00%	0.00%	0.00%	0.00%	0.00%
	Dental	3.60%	1.61%	0.75%	0.50%	5.20%
	Disability Income	0.00%	0.00%	0.00%	0.00%	5.00%
	HMO	10.74%	-1.68%	2.11%	-2.22%	10.72%
	Limited Benefit Plans	3.30%	1.69%	0.00%	0.50%	3.15%
	Long-Term Care	0.00%	0.00%	0.00%	0.00%	0.00%
	Medicare Supplement	1.10%	2.20%	0.00%	0.00%	3.40%
	Stop Loss	5.16%	1.20%	0.94%	1.20%	10.66%
	Vision	1.00%	1.67%	3.00%	0.02%	3.44%
	Large Group Total	3.08%	0.24%	0.52%	0.13%	4.43%
Small Group						
	Accident Only & AD&D	5.00%	0.00%	0.00%	0.00%	4.74%
	All Other Premiums	0.00%	0.00%	0.00%	0.00%	0.00%
	Association Business	4.29%	-11.25%	-4.53%	-0.66%	-12.16%
	Comprehensive MM	3.59%	0.86%	-0.23%	0.09%	4.38%
	Credit Health	5.00%	0.00%	0.00%	0.00%	5.00%
	Dental	2.05%	1.92%	-0.16%	0.00%	3.78%
	Disability Income	0.00%	0.00%	0.00%	0.00%	0.00%
	HMO	7.64%	-1.94%	-0.63%	2.30%	5.48%
	Limited Benefit Plans	0.00%	0.00%	0.00%	7.00%	6.02%
	Long-Term Care	0.00%	0.00%	0.00%	0.00%	0.00%
	Medicare Supplement	0.00%	0.00%	0.00%	0.00%	6.01%
	Stop Loss	4.42%	6.67%	4.40%	4.40%	19.81%
	Vision	1.00%	1.43%	3.00%	0.00%	2.83%
	Small Group Total	2.54%	-0.18%	0.14%	1.01%	3.53%
Grand Total		2.78%	2.23%	0.10%	0.01%	6.61%

Pharmaceutical Trend

The tables below demonstrate the number of companies that submitted Pharmaceutical trend in the Health Cost Survey out of 357 companies.

Individual

Line of Business	Rx trend due solely to pharmaceutical price changes	Rx trend due solely to utilization changes	Rx trend due solely to cost-shifting	Prescription drug trend due solely to introductions of new brand name and generic drugs	Total Rx Trend
Comp MM	26	27	18	22	37
Dental	4	4	4	4	4
HMO	9	9	8	8	9
Limited Benefit Plan	9	9	9	9	11
Med Supp	11	11	11	11	11
All Other	9	9	8	7	10
Total Individual	68	69	58	61	82

Large Group

Line of Business	Rx trend due solely to pharmaceutical price changes	Rx trend due solely to utilization changes	Rx trend due solely to cost-shifting	Prescription drug trend due solely to introductions of new brand name and generic drugs	Total Rx Trend
Comp MM	12	12	9	9	12
Dental	6	6	5	5	6
HMO	11	11	9	9	12
Limited Benefit Plan	4	3	3	3	4
Med Supp	4	3	3	3	4
All Other	5	5	5	5	6
Total Large Group	42	40	34	34	44

Small Group

Line of Business	Rx trend due solely to pharmaceutical price changes	Rx trend due solely to utilization changes	Rx trend due solely to cost-shifting	Prescription drug trend due solely to introductions of new brand name and generic drugs	Total Rx Trend
Comp MM	11	11	9	10	12
Dental	3	3	3	3	3
HMO	8	8	7	7	9
Limited Benefit Plan	2	2	2	2	2
Med Supp	2	2	2	2	2
All Other	2	2	2	2	2
Total Small Group	28	28	25	26	30

Pharmaceutical Trend

	Rx Price Trend	Rx Utilization Trend	Rx Cost Shifting Trend	Rx New Drug Trend	Total Rx Trend
Individual	1.36%	2.62%	0.95%	0.53%	7.67%
Large Group	4.45%	1.00%	0.80%	0.46%	6.69%
Small Group	1.37%	0.50%	0.71%	0.20%	3.62%

	Line of Business	Average of Rx trend due solely to pharmaceutical price changes	Average of Rx trend due solely to utilization changes	Average of Rx trend due solely to cost-shifting	Average of Rx trend due solely to introductions of new brand name and generic drugs	Average of Total Rx Trend
Individual						
	Accident Only AD&D	0.00%	0.00%	0.00%	0.00%	3.94%
	All Other Premiums	2.89%	13.15%	-10.10%	0.00%	7.73%
	Comprehensive MM	2.74%	3.64%	0.49%	0.17%	8.74%
	Credit Health	0.00%	0.00%	0.00%	0.00%	0.00%
	Dental	0.00%	0.00%	0.00%	0.00%	2.13%
	Disability Income	0.00%	0.00%	0.00%	0.00%	0.00%
	HMO	4.73%	2.24%	18.10%	2.94%	29.92%
	Limited Benefit Plans	-0.95%	6.26%	1.02%	-0.75%	18.31%
	Long-Term Care	0.00%	0.00%	0.00%	0.00%	0.00%
	Medicare Supplement	5.53%	3.50%	0.92%	3.50%	13.60%
	Vision	0.00%	0.00%	0.00%	0.00%	0.00%
	Individual Total	1.36%	2.62%	0.95%	0.53%	7.67%
Large Group						
	Accident Only AD&D	0.00%	0.00%	0.00%	0.00%	0.00%
	All Other Premiums	20.09%	1.82%	1.67%	-0.10%	23.47%
	Association Business	0.00%	0.00%	0.00%	0.00%	0.00%
	Comprehensive MM	8.43%	2.45%	0.81%	0.78%	12.20%
	Credit Health	0.00%	0.00%	0.00%	0.00%	0.00%
	Dental	4.75%	1.82%	0.30%	1.40%	8.44%
	Disability Income	0.00%	0.00%	0.00%	0.00%	0.00%
	HMO	5.74%	1.82%	5.95%	3.93%	17.95%
	Limited Benefit Plans	0.00%	0.30%	0.00%	0.00%	0.30%
	Long-Term Care	0.00%	0.00%	0.00%	0.00%	0.00%
	Medicare Supplement	0.00%	2.90%	0.00%	0.00%	2.90%
	Stop Loss	18.80%	1.85%	1.66%	0.02%	21.70%
	Vision	0.00%	0.00%	0.00%	0.00%	0.00%
	Large Group Total	4.45%	1.00%	0.80%	0.46%	6.69%
Small Group						
	Accident Only AD&D	0.00%	0.00%	0.00%	0.00%	0.00%
	All Other Premiums	0.00%	0.00%	0.00%	0.00%	0.00%
	Association Business	7.47%	-4.42%	-0.60%	-0.10%	2.35%
	Comprehensive MM	7.16%	0.61%	0.79%	0.78%	9.26%
	Credit Health	0.00%	0.00%	0.00%	0.00%	0.00%
	Dental	0.00%	0.00%	0.00%	0.00%	0.00%
	Disability Income	0.00%	0.00%	0.00%	0.00%	0.00%
	HMO	4.37%	2.87%	7.90%	2.82%	15.44%
	Limited Benefit Plans	0.00%	0.00%	0.00%	0.00%	0.00%
	Long-Term Care	0.00%	0.00%	0.00%	0.00%	0.00%
	Medicare Supplement	0.00%	0.00%	0.00%	0.00%	0.00%
	Stop Loss	-1.20%	7.40%	1.20%	-0.90%	20.00%
	Vision	0.00%	0.00%	0.00%	0.00%	0.00%
	Small Group Total	1.37%	0.50%	0.71%	0.20%	3.62%
Grand Total		2.45%	1.30%	0.81%	0.39%	5.90%

2011 Colorado Health Benefit Plan Coverage Summary by Company Type

2011 Colorado Health Benefit Plan Coverage Summary by Company Type			
Colorado 2011	Earned Premium	Incurred Losses	Pure Direct Loss Ratio
Health Companies			
Individual Coverage	\$370,974,274	\$302,681,472	81.59%
Small Group Coverage	\$737,303,145	\$595,933,007	80.83%
Large Group Coverage	\$2,594,278,469	\$2,306,523,261	88.91%
Government Coverage	\$1,025,218,246	\$937,518,131	91.45%
Other Excluded Business	\$35,715,904	\$26,845,871	75.17%
Other Health Coverage	\$43,847,397	\$54,761,722	124.89%
Health Company Totals	\$4,807,337,435	\$4,224,263,464	87.87%
Property Companies			
Individual Coverage	\$4,982,838	\$3,790,458	76.07%
Small Group Coverage	\$0	\$0	N/A
Large Group Coverage	\$857,029	\$859,839	100.33%
Government Coverage	\$0	\$0	N/A
Other Excluded Business	\$2,523,925	\$1,487,268	58.93%
Other Health Coverage	\$9,095,266	\$20,049,954	220.44%
Property Company Totals	\$17,459,059	\$26,187,519	149.99%
Life Companies			
Individual Coverage	\$344,825,089	\$283,008,629	82.07%
Small Group Coverage	\$397,048,548	\$316,297,881	79.66%
Large Group Coverage	\$684,599,689	\$515,483,512	75.30%
Government Coverage	\$384,641,938	\$317,404,012	82.52%
Other Excluded Business	\$315,113,884	\$238,463,511	75.68%
Other Health Coverage	\$225,547,360	\$169,973,448	75.36%
Life Company Totals	\$2,351,776,508	\$1,840,630,993	78.27%
Fraternal Companies			
Individual Coverage	\$163,509	\$718,324	439.32%
Small Group Coverage	\$0	\$0	N/A
Large Group Coverage	\$0	\$0	N/A
Government Coverage	\$0	\$0	N/A
Other Excluded Business	\$88,351	\$49,510	56.04%
Other Health Coverage	\$766,820	\$600,749	78.34%
Fraternal Company Totals	\$1,018,681	\$1,368,582	134.35%
Total All Health Benefit Plans			
Colorado Totals	\$7,177,591,683	\$6,092,450,559	84.88%

2011 Total Colorado Health Coverage Summary by Company Type

2011 Total Colorado Health Coverage Summary by Company Type				
Health Companies	Written Premium	Earned Premium	Incurred Losses	Pure Direct Loss Ratio
Health Companies				
Individual Comprehensive	\$445,972,888	\$444,745,331	\$366,562,492	82.42%
Group Comprehensive	\$2,683,129,188	\$2,683,164,837	\$2,353,113,790	87.70%
Medicare Supplement	\$37,857,754	\$37,189,697	\$27,842,829	74.87%
Vision Only	\$46,978,943	\$46,980,616	\$36,144,219	76.93%
Dental Only	\$959,490,884	\$960,845,678	\$783,249,970	81.52%
Federal Employees Health Benefit Plan	\$662,766,135	\$646,474,703	\$613,098,955	94.84%
Title XVIII Medicare	\$1,783,049,691	\$1,781,869,807	\$1,531,366,830	85.94%
Title XIX Medicaid	\$47,891,535	\$47,893,627	\$39,660,419	82.81%
Other	\$77,608,796	\$77,961,195	\$86,889,048	111.45%
Health Companies Total	\$6,744,745,814	\$6,727,125,491	\$5,837,928,552	86.78%
Property Companies				
Group accident and health	\$59,242,615	\$54,840,096	\$32,865,142	59.93%
Credit A&H (group and individual)	\$1,240,617	\$1,204,654	\$313,046	25.99%
Collectively renewable A&H	\$645	\$607	-\$27,402	-4514.33%
Non-cancelable A&H	\$443	\$18,216	-\$8	-0.04%
Guaranteed renewable A&H	\$22,924,060	\$11,252,884	\$20,814,462	184.97%
Non-renewable for stated reasons only	\$1,800,855	\$1,886,145	\$1,439,784	76.33%
Other accident only	\$119,074	\$121,109	\$45,674	37.71%
Medicare Title XVIII exempt from state taxes or fees	\$0	\$0	\$0	N/A
All other A&H	\$1,325,988	\$1,266,112	\$613,181	48.43%
Federal employees health benefits program premium	\$0	\$0	\$0	N/A
Property Companies Total	\$86,654,297	\$70,589,823	\$56,063,879	79.42%
All Health Coverage				
Colorado Totals	\$14,094,353,819	\$14,183,385,772	\$11,490,942,564	81.02%

Health Companies	Written Premium	Earned Premium	Incurred Losses	Pure Direct Loss Ratio
Life Companies				
Group Policies	\$2,015,387,291	\$2,009,695,039	\$1,553,855,746	77.32%
Federal employees health benefits program premium	\$22,760,338	\$22,491,975	\$18,617,119	82.77%
Credit (group and individual)	\$3,747,388	\$5,033,199	\$1,828,906	36.34%
Collectively renewable policies	\$369,816	\$381,266	\$178,684	46.87%
Medicare Title XVIII exempt from state taxes or fees	\$447,107,333	\$521,192,508	\$424,353,309	81.42%
Non-cancelable (other individual certificates)	\$81,403,041	\$81,485,434	\$81,391,740	99.89%
Guaranteed renewable (other individual certificates)	\$419,506,101	\$420,072,370	\$250,828,869	59.71%
Non-renewable for stated reasons only (other individual certificates)	\$213,361,986	\$207,653,871	\$168,781,727	81.28%
Other accident only (other individual certificates)	\$1,424,203	\$1,422,683	\$1,191,104	83.72%
All other (other individual policies)	\$41,657,811	\$41,243,387	\$28,362,440	68.77%
Totals (other individual certificates)	\$757,353,145	\$751,877,746	\$530,555,881	70.56%
Totals (collectively renewable and other individual policies)	\$3,246,725,313	\$3,310,671,729	\$2,529,389,650	76.40%
Life Companies total	\$7,250,803,766	\$7,373,221,207	\$5,589,335,175	75.81%
Fraternal Companies				
Collectively renewable certificates	\$122	\$0	\$0	N/A
Non-cancelable (other individual certificates)	\$765,943	\$746,228	\$530,453	71.08%
Guaranteed renewable (other individual certificates)	\$11,287,446	\$11,605,252	\$7,090,348	61.10%
Non-renewable for stated reasons only (other individual certificates)	\$36,900	\$36,765	-\$49,113	-133.59%
Other accident only (other individual certificates)	\$11,139	\$11,386	\$18,546	162.88%
Medicare Title XVIII exempt from state taxes or fees	\$0	\$0	\$0	N/A
All other (other individual certificates)	\$48,392	\$49,620	\$24,724	49.83%
Fraternal Companies Total	\$12,149,942	\$12,449,251	\$7,614,958	61.17%
All Health Coverage				
Colorado Totals	\$14,094,353,819	\$14,183,385,772	\$11,490,942,564	81.02%