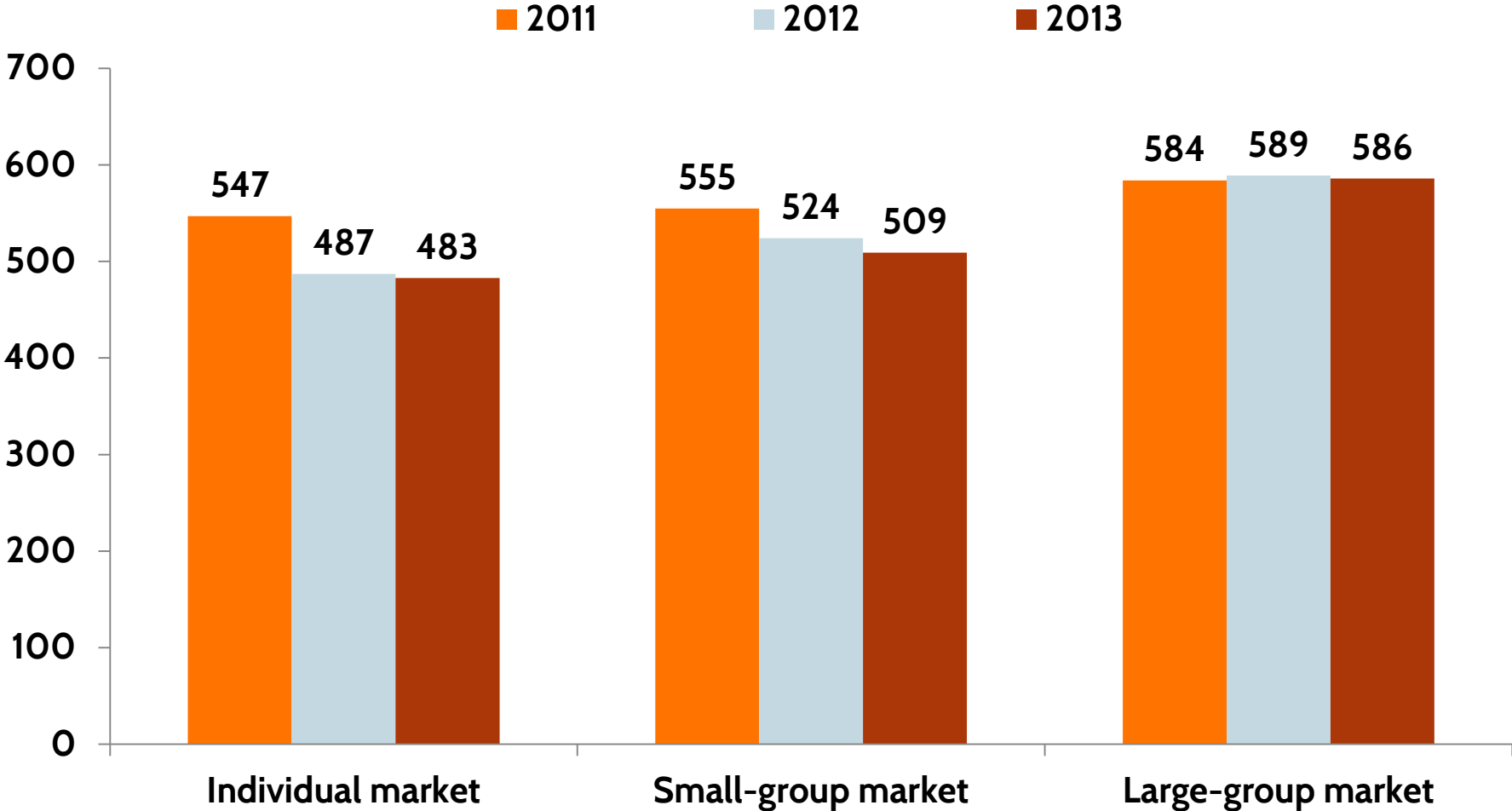


Exhibit 1. Number of Credible Health Plans, by Market Segment

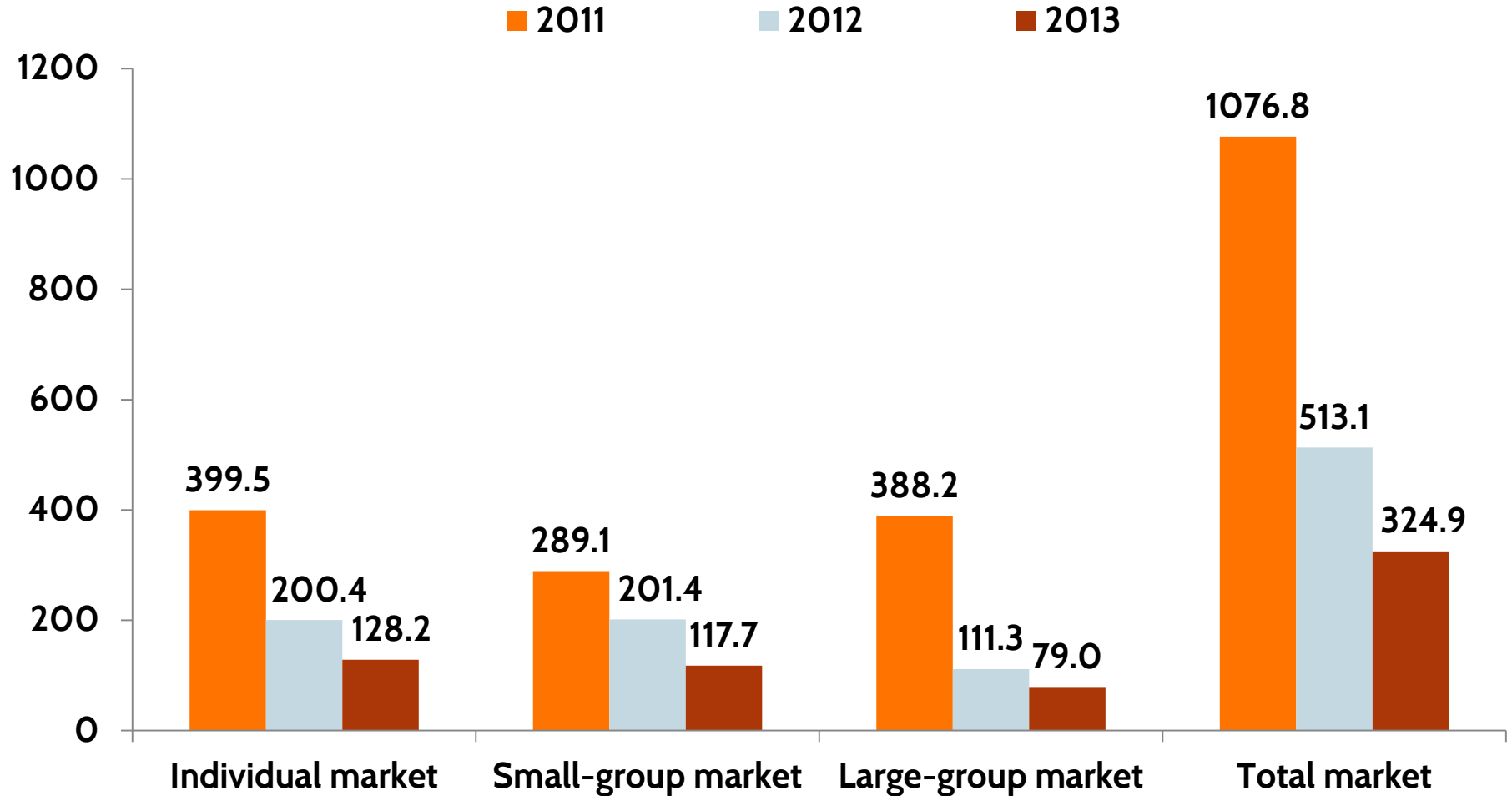
Insurers with 1,000 or more members, by market



Source: Authors' analysis of Centers for Medicare and Medicaid Services medical loss ratio and rebate data.

Exhibit 2. Rebates by Market Segments, 2011–2013

Dollars in millions



Source: Authors' analysis of Centers for Medicare and Medicaid Services rebate data.

Exhibit 3. Medical Loss Ratios and Rebates by Insurance Market Segment, 2011–2013

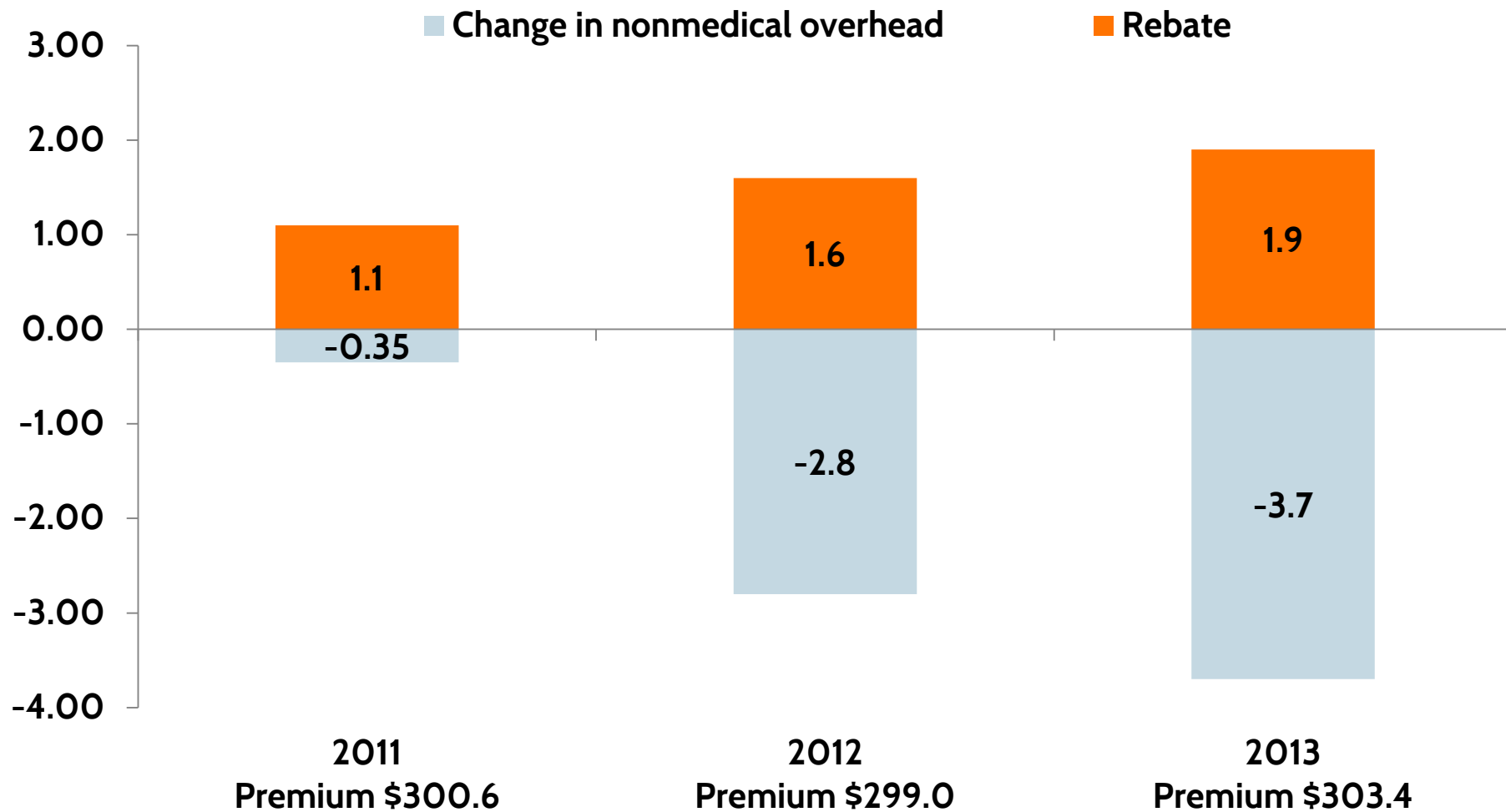
	Individual market				Small-group market				Large-group market			
	2011	2012	2013	Change	2011	2012	2013	Change	2011	2012	2013	Change
	n=548	n=655	n=747	2013- 2011	n=562	n=622	n=667	2013- 2011	n=587	n=663	n=697	2013- 2011
Median adjusted MLR	82.5%	84.5%	84.9%	2.4%	84.6%	85.3%	85.0%	0.4%	89.2%	89.6%	89.3%	0.1%
Percent of credible insurers owing rebate	38%	35%	31%	-7%	20%	18%	18%	-2%	18%	15%	13%	-5%
Median rebate per member	\$108	\$95	\$100	-\$8	\$116	\$86	\$29	-\$87	\$99	\$57	\$61	-\$38
Total rebate paid (in millions)	\$399.5	\$200.4	\$128.2	-\$271.3	\$289.1	\$201.4	\$117.7	-\$171.4	\$388.2	\$111.3	\$79.0	-\$309.2

Note: Insurers with actuarial “credibility” are those with enough enrollment to be subject to the MLR rule. Adjusted MLRs are defined in note 8 on page 10.

Source: Authors’ analysis of Centers for Medicare and Medicaid Services medical loss ratio and rebate data.

Exhibit 4. Cumulative Rebate and Nonmedical Overhead Reduction, 2011–2013

Dollars in billions



Source: Authors' analysis of Centers for Medicare and Medicaid Services medical loss ratio and rebate data.

Exhibit 5. Components of Insurance Premiums, 2011–2013

			All markets	
				2013–2011
(in \$ billions and % of premium)	2011	2012	2013	% pt. change
Net premium	\$300.6	\$299.0	\$303.4	
Net medical claims	\$261.3	\$261.5	\$264.4	
	86.9%	87.5%	87.1%	0.2%
Quality improvement	\$2.2	\$2.4	\$2.4	
	0.7%	0.8%	0.8%	0.1%
Nonmedical overhead*:	\$37.1	\$35.0	\$36.6	
	12.3%	11.7%	12.1%	-0.2%
Broker expense	\$8.7	\$8.4	\$8.3	
	2.9%	2.8%	2.7%	-0.2%
Other admin. expense	\$21.0	\$19.9	\$21.3	
	7.0%	6.7%	7.0%	0.0%
Underwriting gain/loss	\$7.4	\$6.8	\$7.0	
	2.5%	2.2%	2.3%	-0.2%

* Nonmedical overhead percentage equals sum of broker expense, other admin. expense, and underwriting gain/loss percentages.

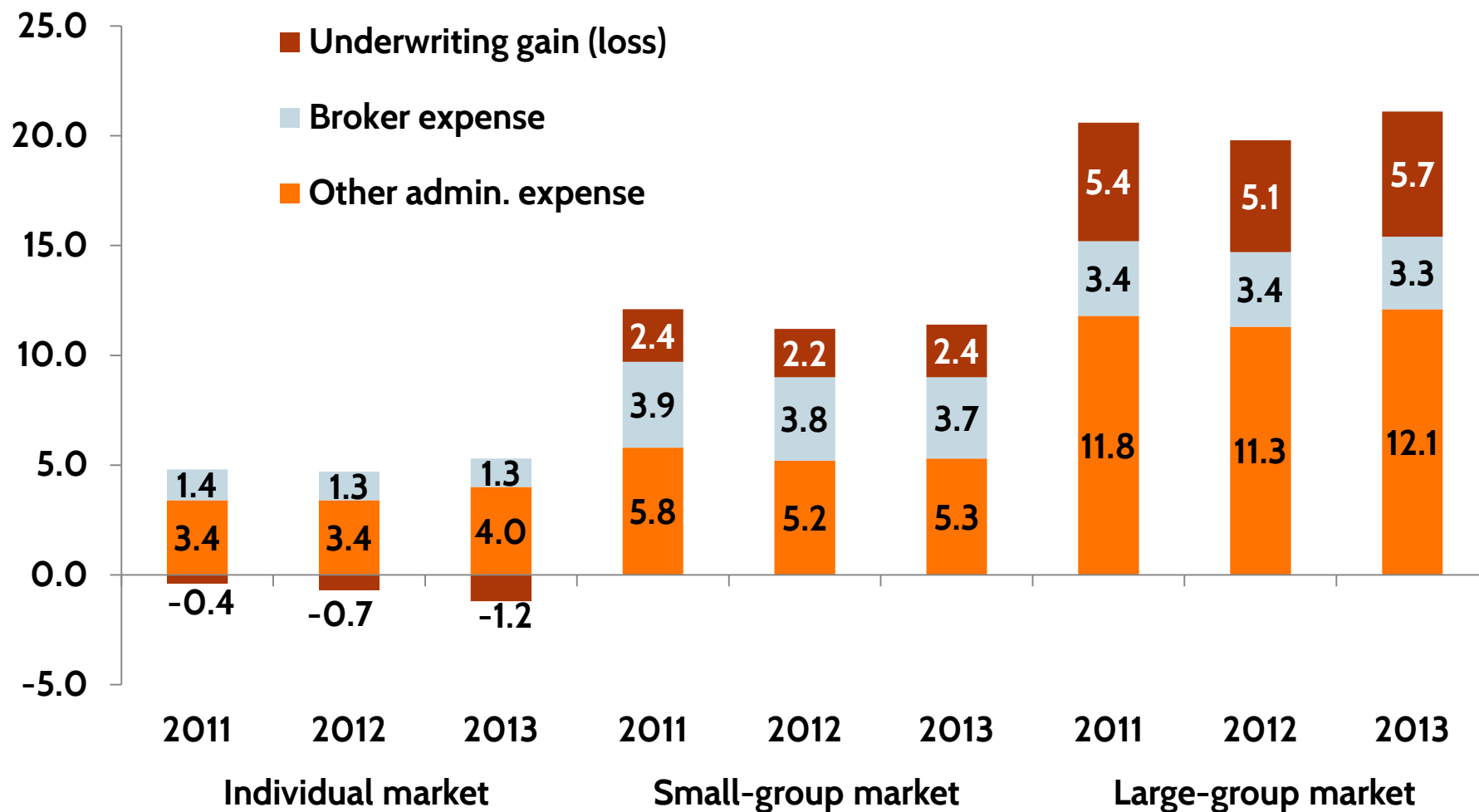
Note: Overhead consists of profits plus administrative and sales costs.

See the appendix on page 9 for analysis by markets.

Source: Authors' analysis of National Association of Insurance Commissioners and Centers for Medicare and Medicaid Services medical loss ratio and rebate data.

Exhibit 6. Overhead Components, 2011–2013, by Market

Dollars in billions



Note: The appendix on page 9 provides total premium and overhead for each column. Overhead consists of profits plus administrative and sales costs.

Source: Authors' analysis of National Association of Insurance Commissioners and Centers for Medicare and Medicaid Services medical loss ratio and rebate data.