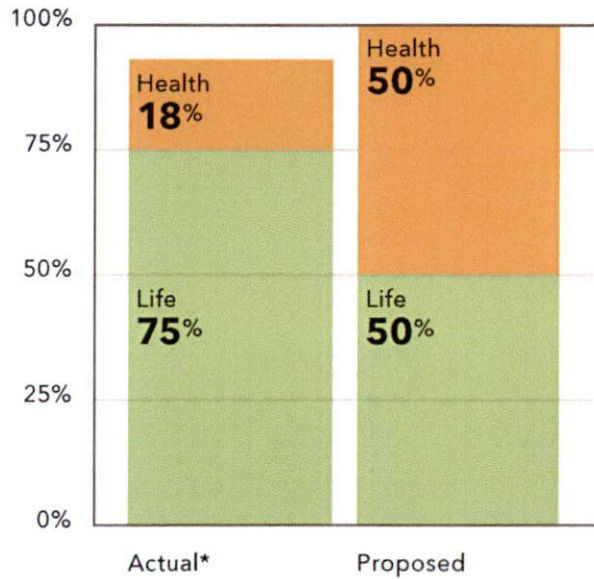
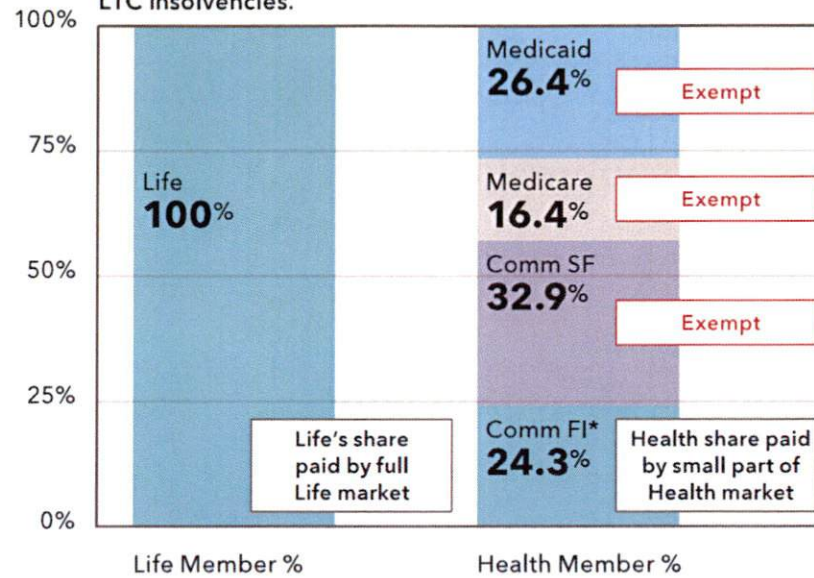


NAIC data show that life insurers sell 75% of the LTC policies market; the proposed 50/50 split increases health insurer's subsidizes responsibility.



\*Actual sales of long-term care policies/NAIC data by parent company. Figures do not add up to 100% because P&C owns remaining 6%.

Life insurers can spread their share of any assessment across their entire book of business; health insurance exemptions make the individual, large group and small group market pay a disproportionate share for LTC insolvencies.

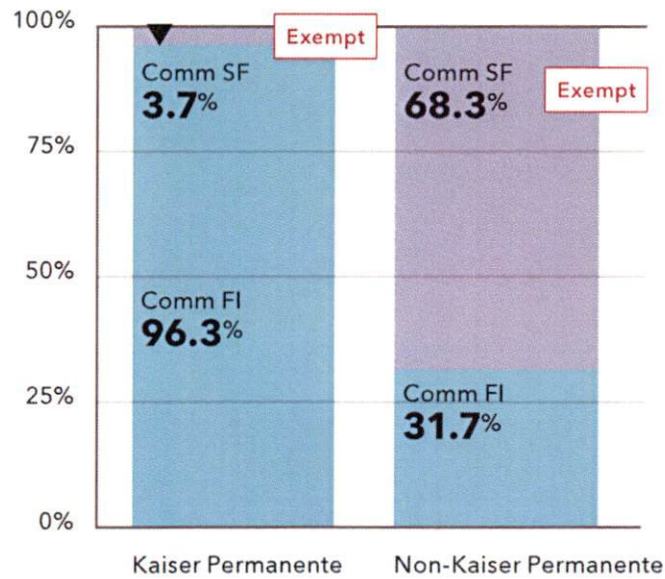


\*All Comm Individual, incl. exchanges; most Comm SmGroup, incl. exchanges; some Comm LgGroup.

Health membership percentages calculated from DRG: Managed Market Surveyor, July 2017.

### Percentage of Commercial Membership

Kaiser Permanente Colorado has a much lower proportion of self-funded (SF) business than the rest of the market.

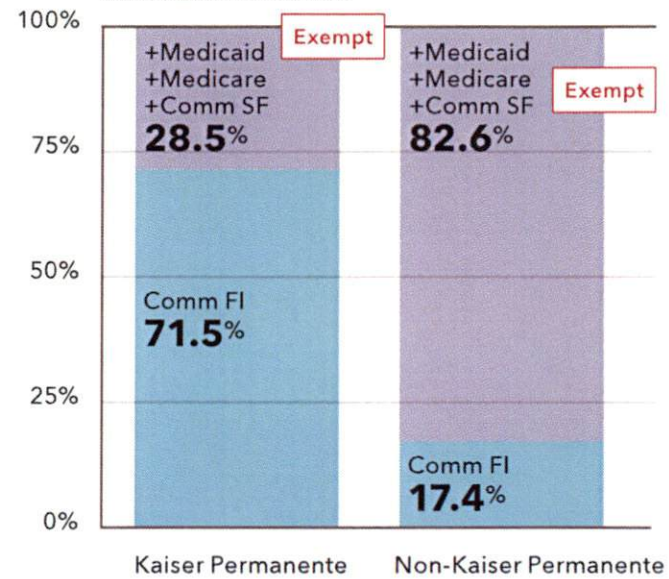


Health membership percentages calculated from DRG: Managed Market Surveyor, July 2017

Kaiser Permanente membership percentages calculated from internal Kaiser Permanente monthly membership report, July 2017

### Percentage of All Membership

Kaiser Permanente Colorado has a much higher proportion of fully insured (FI) commercial business than the rest of the market.



Health membership percentages calculated from DRG: Managed Market Surveyor, July 2017

Kaiser Permanente membership percentages calculated from internal Kaiser Permanente monthly membership report, July 2017

**Hypothetically examples Colorado assessments in the event of a long-term care insolvencies**

**Example Colorado Assessments**

		\$50M	\$100M	\$120M	\$150M	\$200M	
<b>Life</b>		<b>\$25M</b>	<b>\$50M</b>	<b>\$60M</b>	<b>\$75M</b>	<b>\$100M</b>	} Life pays 50%
<b>Commercial insured</b>	<b>Health (non-HMO)</b>	<b>\$13M</b>	<b>\$26M</b>	<b>\$32M</b>	<b>\$39M</b>	<b>\$53M</b>	} Spread across several carriers
	<b>HMOs (non-KP)</b>	<b>\$4M</b>	<b>\$8M</b>	<b>\$9M</b>	<b>\$11M</b>	<b>\$15M</b>	} Spread across several carriers
	<b>KP Insured</b>	<b>\$8M</b>	<b>\$16M</b>	<b>\$19M</b>	<b>\$24M</b>	<b>\$32M</b>	} Borne by 1 carrier
<b>Exempt</b>	Self-Funded	\$0	\$0	\$0	\$0	\$0	
	Medicare	\$0	\$0	\$0	\$0	\$0	
	Medicaid	\$0	\$0	\$0	\$0	\$0	