

**Did the commission reductions you've made occur in 2010 or 2011? Note this applies only to Wellpath, Connecticut General, Golden Rule, American Republic, World and Aetna¹
 Relating to item #5 in the October 18, 2011 letter from CMS/CCIIO**

Issuer	Response
Aetna Life	Commission reductions occurred in 2011 only, not in 2010.
Connecticut General	Connecticut General's commission reductions impacted new policies sold in 2011. We did not make commission reductions for business sold prior to January 1, 2011.
Golden Rule	Golden Rule's commission reductions occurred in January 2011 for future premiums of policies issued 7/1/2010 or later.
Wellpath Select	The Company did not make any adjustments to commissions during 2010. However, quickly after U.S. Department of Health and Human Services (HHS) issued the interim final MLR rule late in November 2010 and beginning in January 2011, the Company made significant reductions in commission that approached 50% in some cases. Before 2011, the Company's typical commission structure was 27% / 7% (first year/renewals.) Beginning in January 2011, our commission structure was changed to 14% / 4% which represented a 48% reduction on first year commissions and a 43% decrease on renewing business. The commission changes were implemented as a direct outcome of the ACA's new MLR requirements under Section 2718. These commission changes have created significant disruption to the market and to consumer access to our individual product, which is reflected in a material decrease in policies issued to new members. For the period covering January to October 2011, individual policies issued by the Company to new members decreased by 11% over the comparable time period in 2010. In addition, the number of brokers selling the Company's products dropped by 62% from January 2011 to September 2011. We expect both the number of policies issued to new members and the numbers of brokers to substantially worsen if we are required to drop our commission scales again. As the Department knows, most North Carolina residents covered through individual health plans purchase coverage with the assistance of brokers who help educate those individuals about their choices and options tailored to their specific circumstances. Simply put, as a result of this destabilization in the market attributable to the 80% MLR standard, North Carolina consumers are having a more difficult time accessing brokers and therefore individual coverage.

¹ No information is included for American Republic and World as those companies have given NCDOL notice of their withdrawal from the individual health insurance market in NC.