

Med Supp Market Trends: Where We Are Today; Where Are Things Headed?

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- New Sales premiums in Med Supp market has doubled in the last 10 years
 - \$2.1 Billion sales premium in 2006
 - \$4.2 Billion sales premium in 2016

* CSG Actuarial Estimates based on NAIC data and other sources

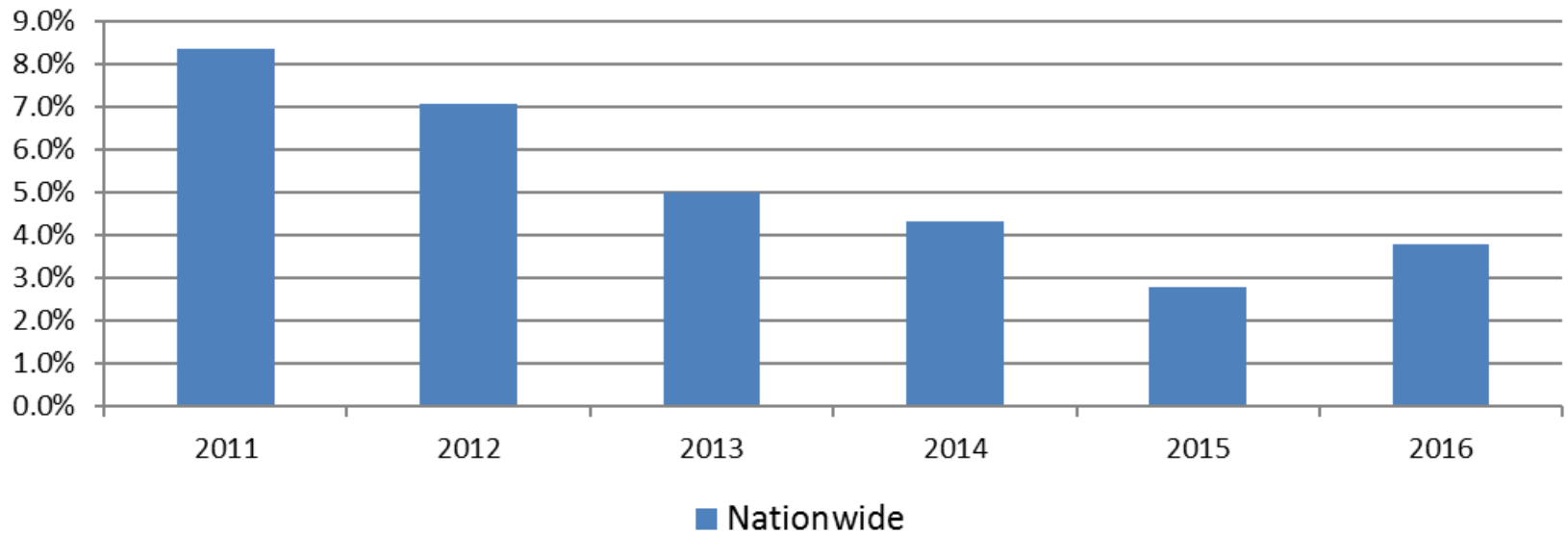
- Approximately 31% more individuals in Med Supp market than 10 years ago
 - 10.0 Million enrollees in 2006
 - 13.1 Million in 2016

* Based on NAIC data and other sources

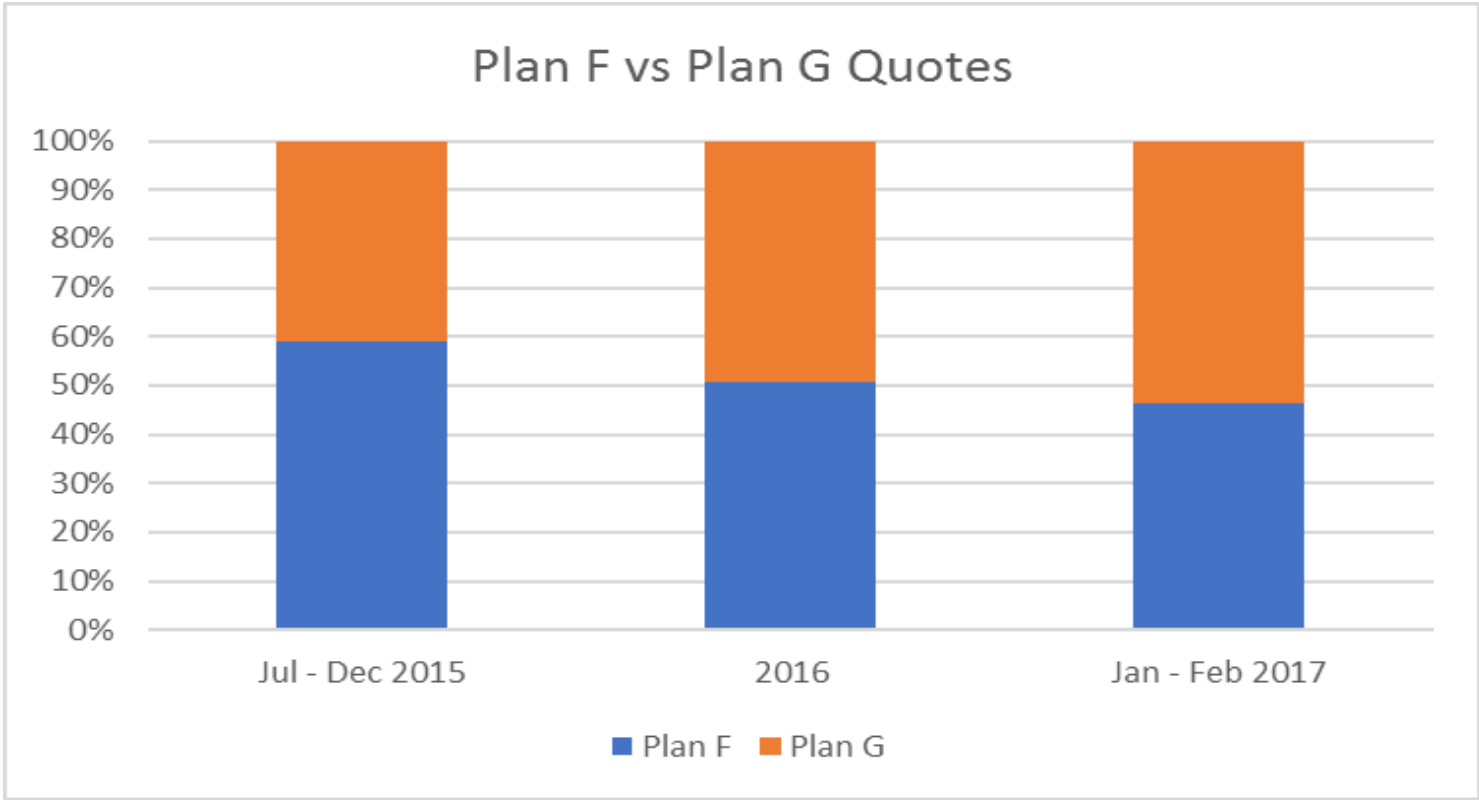
- Approximately 40% more carriers in Med Supp market than 10 years ago
 - 35 separate carriers* in 2006
 - 50 separate carriers* in 2016

* At the parent company level, also counting BC/BS organizations as 1

Medicare Supplement Average New Business Premium Rate Increases

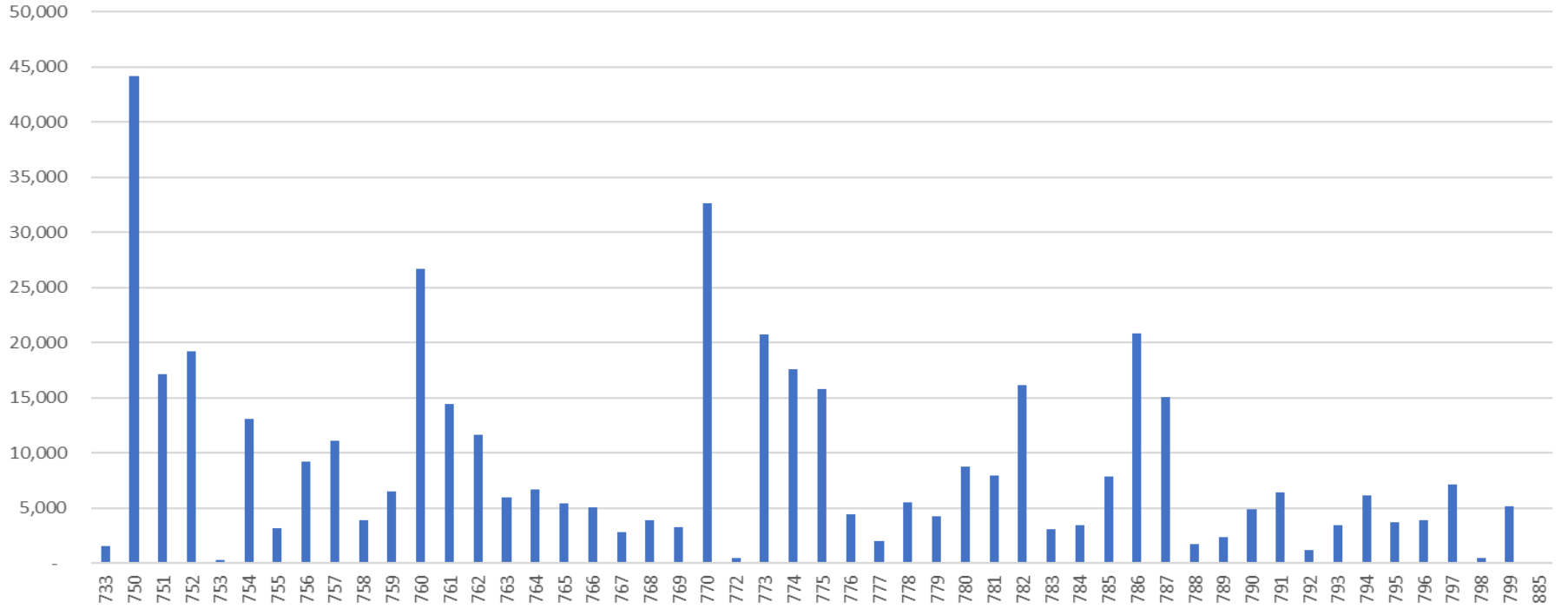


*Source: CSG Actuarial competitive database

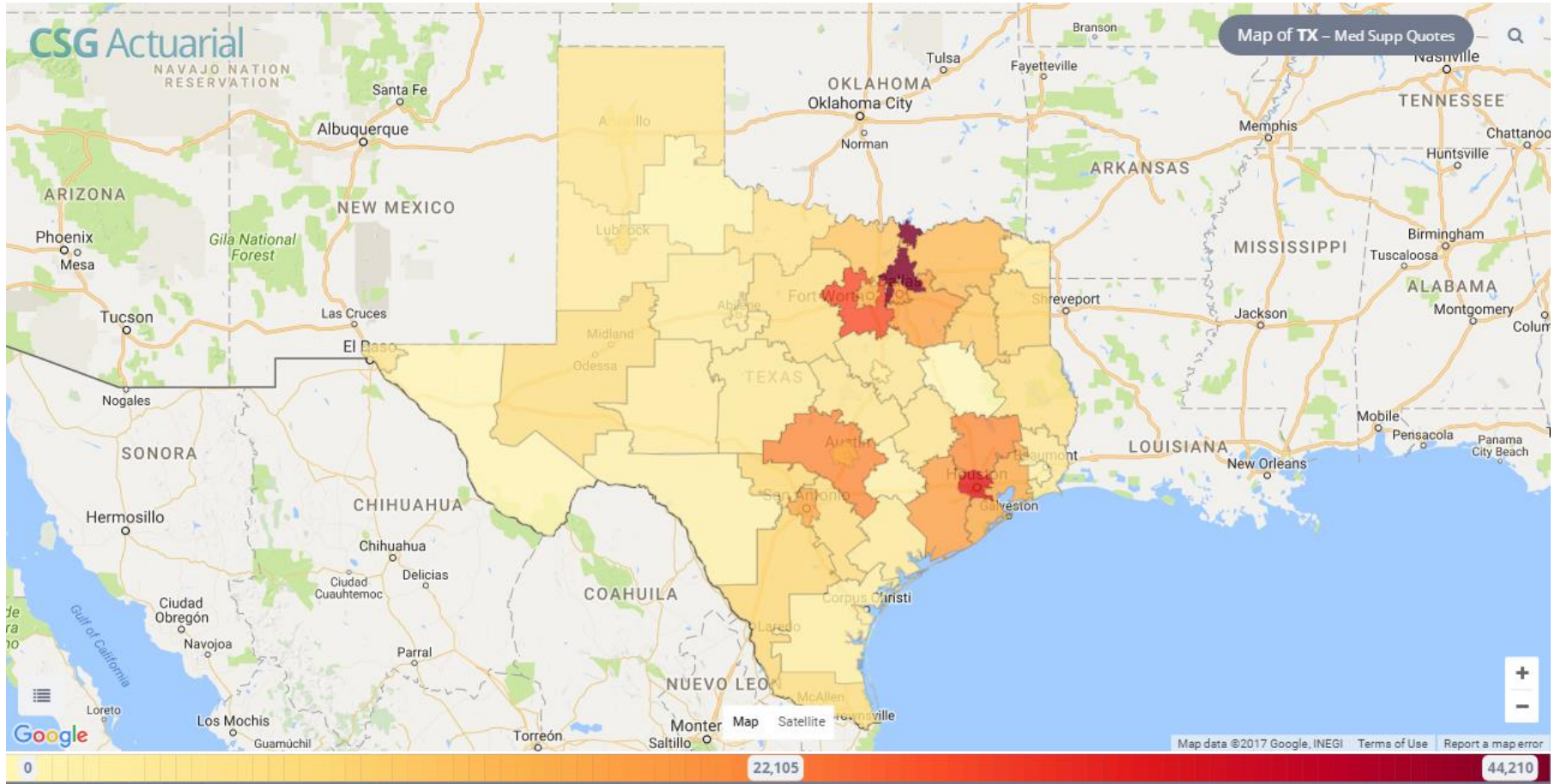


*Source: CSG Actuarial's Market Edge quoting data

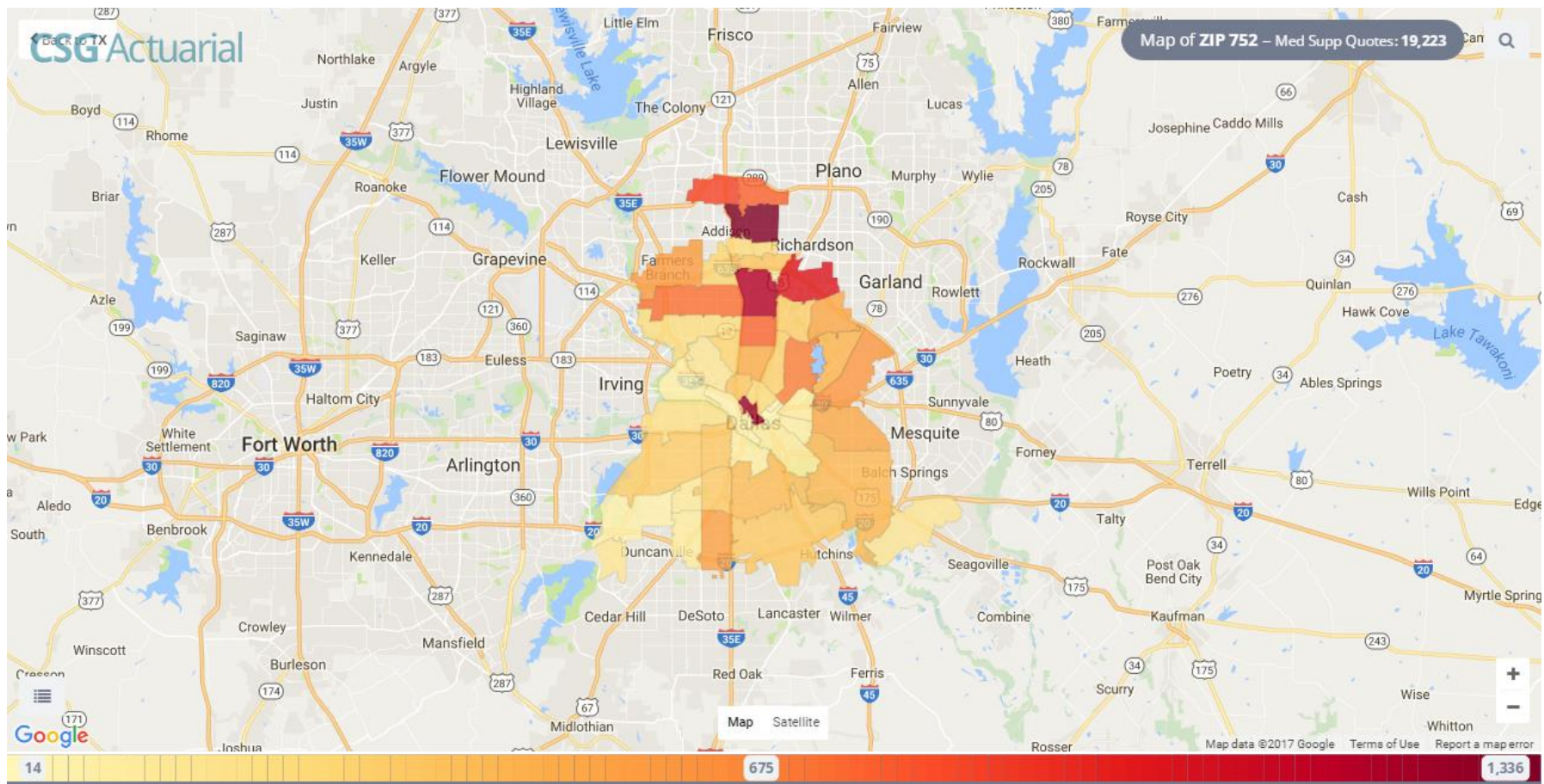
2016 Texas Medicare Supplement Quotes by 3 Digit Zipcode



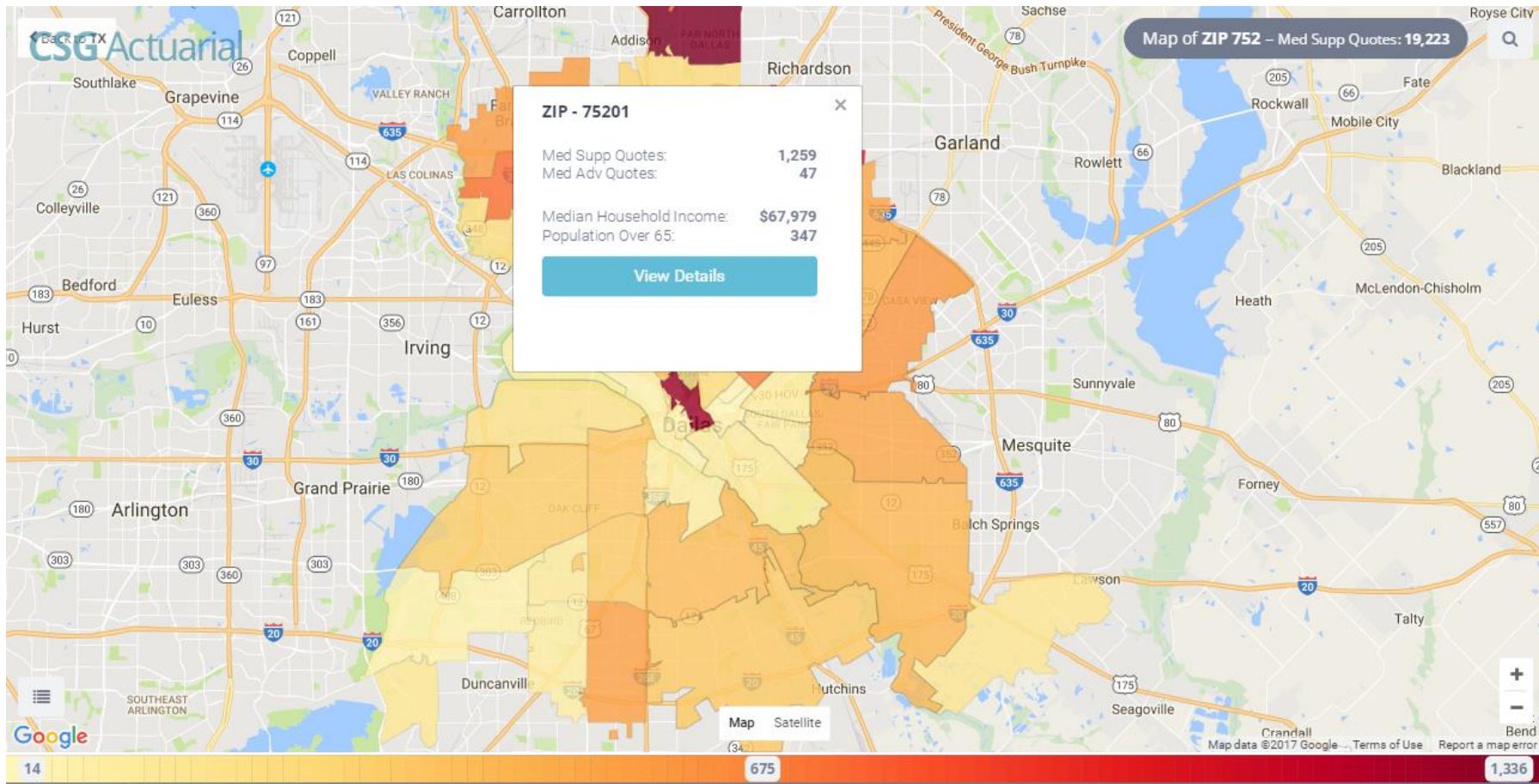
*Source: CSG Actuarial's Market Edge quoting data



*Screenshot from CSG Actuarial's Market Edge tool

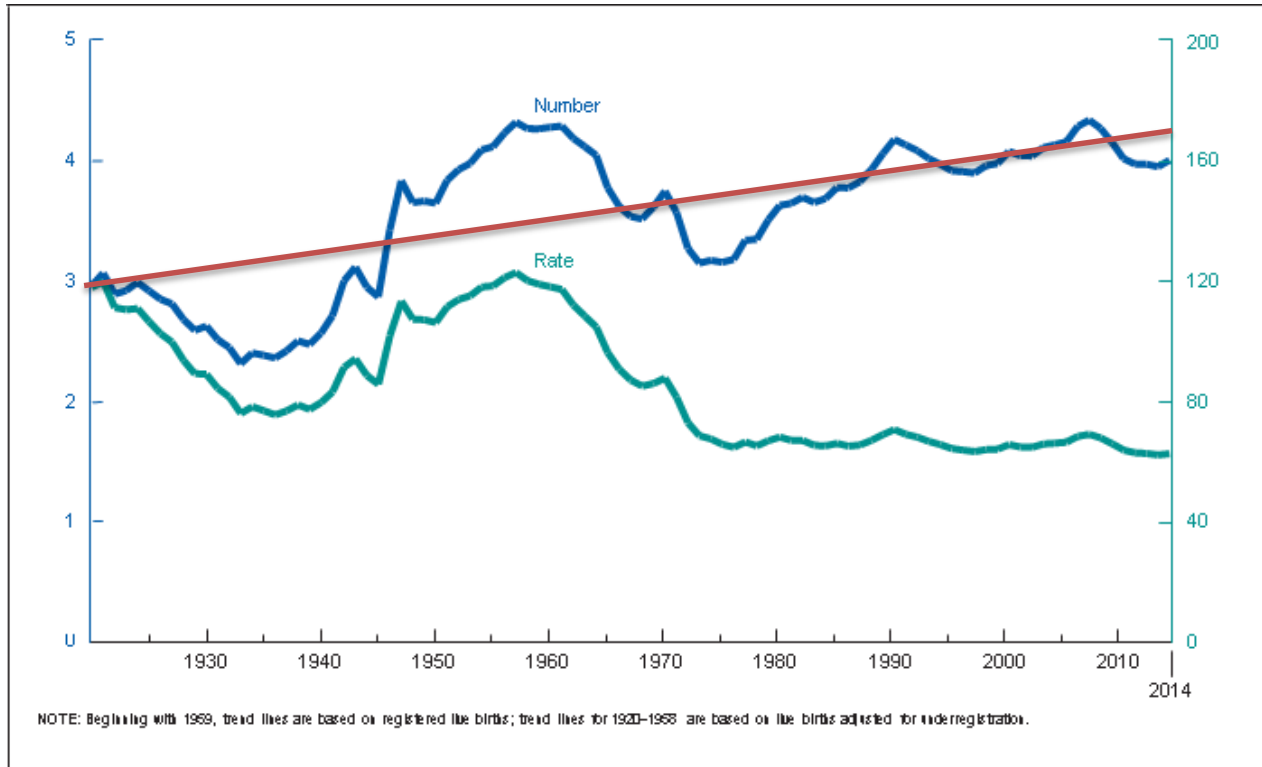


*Screenshot from CSG Actuarial's Market Edge tool



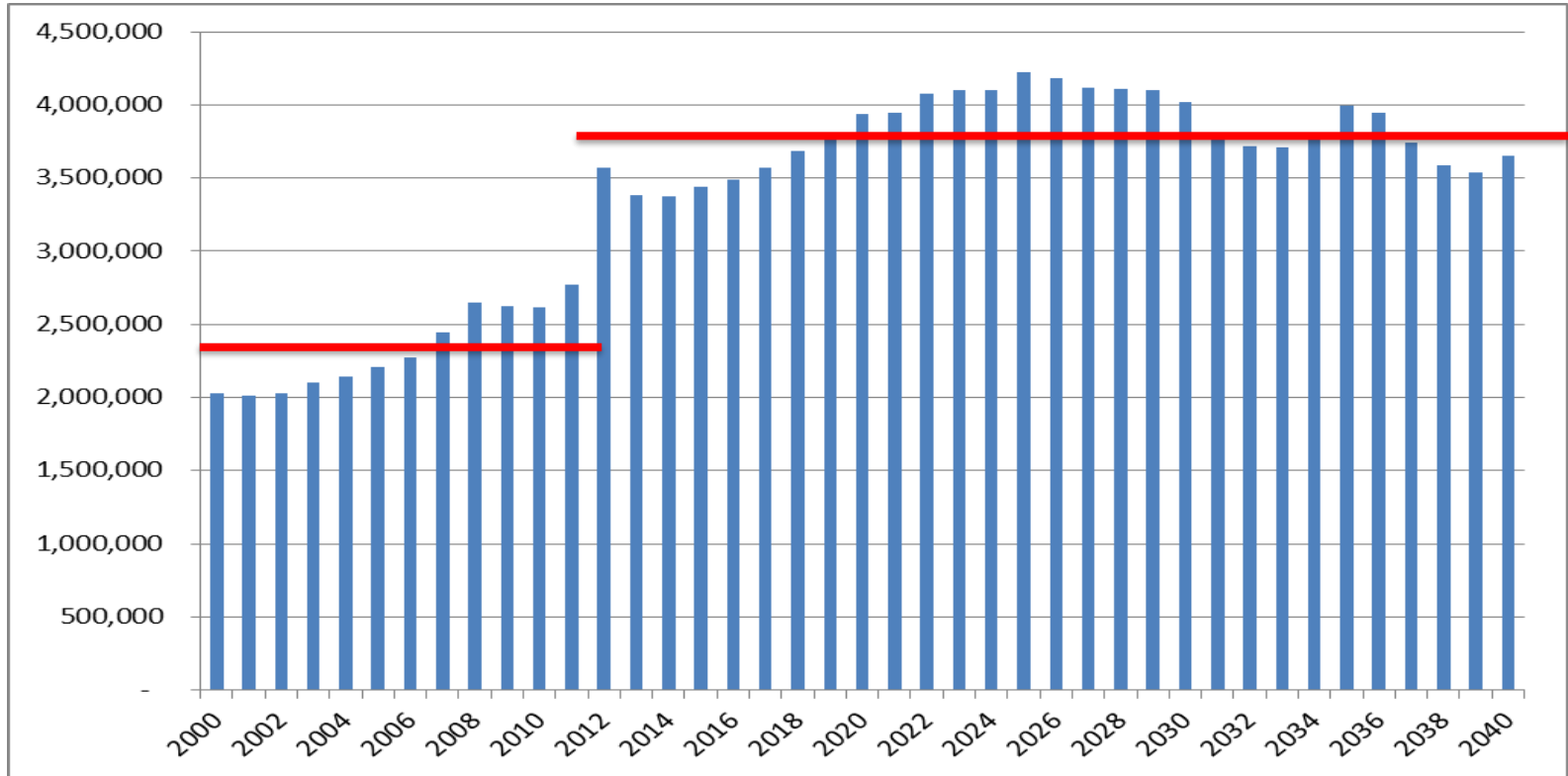
*Screenshot from CSG Actuarial's Market Edge tool

United States Births



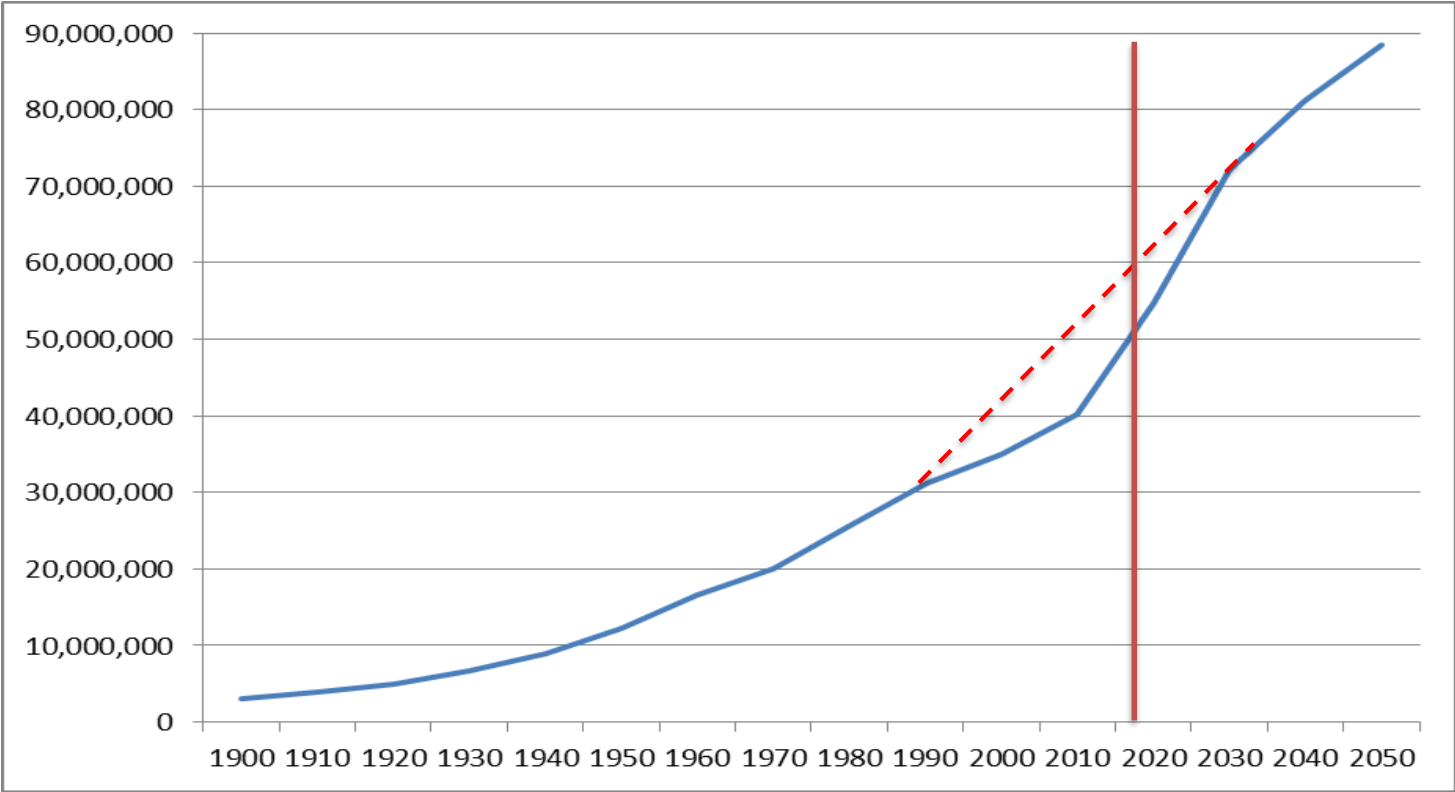
The chart is from National Vital Statistics Reports, Vol. 64, No. 12, December 23, 2015, page 3

Individuals Turning 65 Each Year



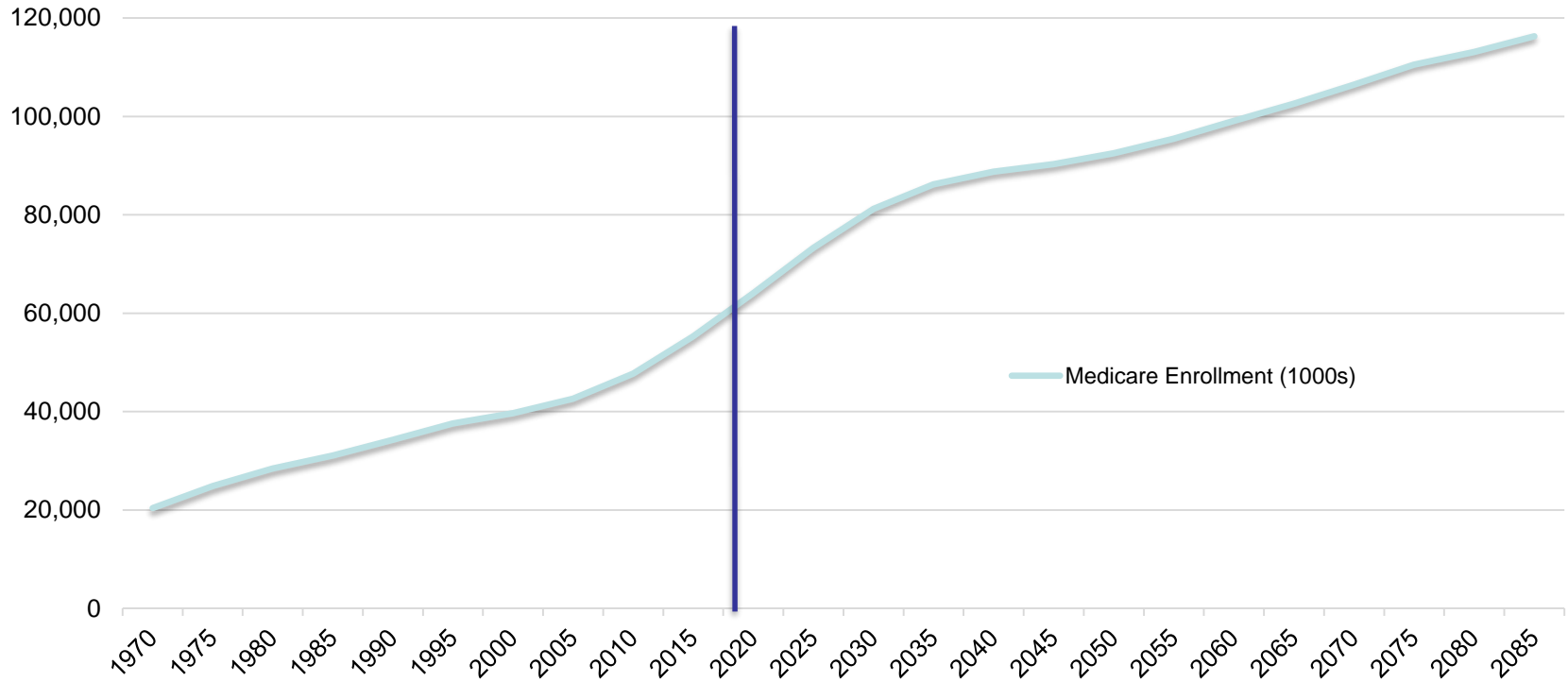
Source: census.gov – 2000 and 2010 census information

Age 65+ Population



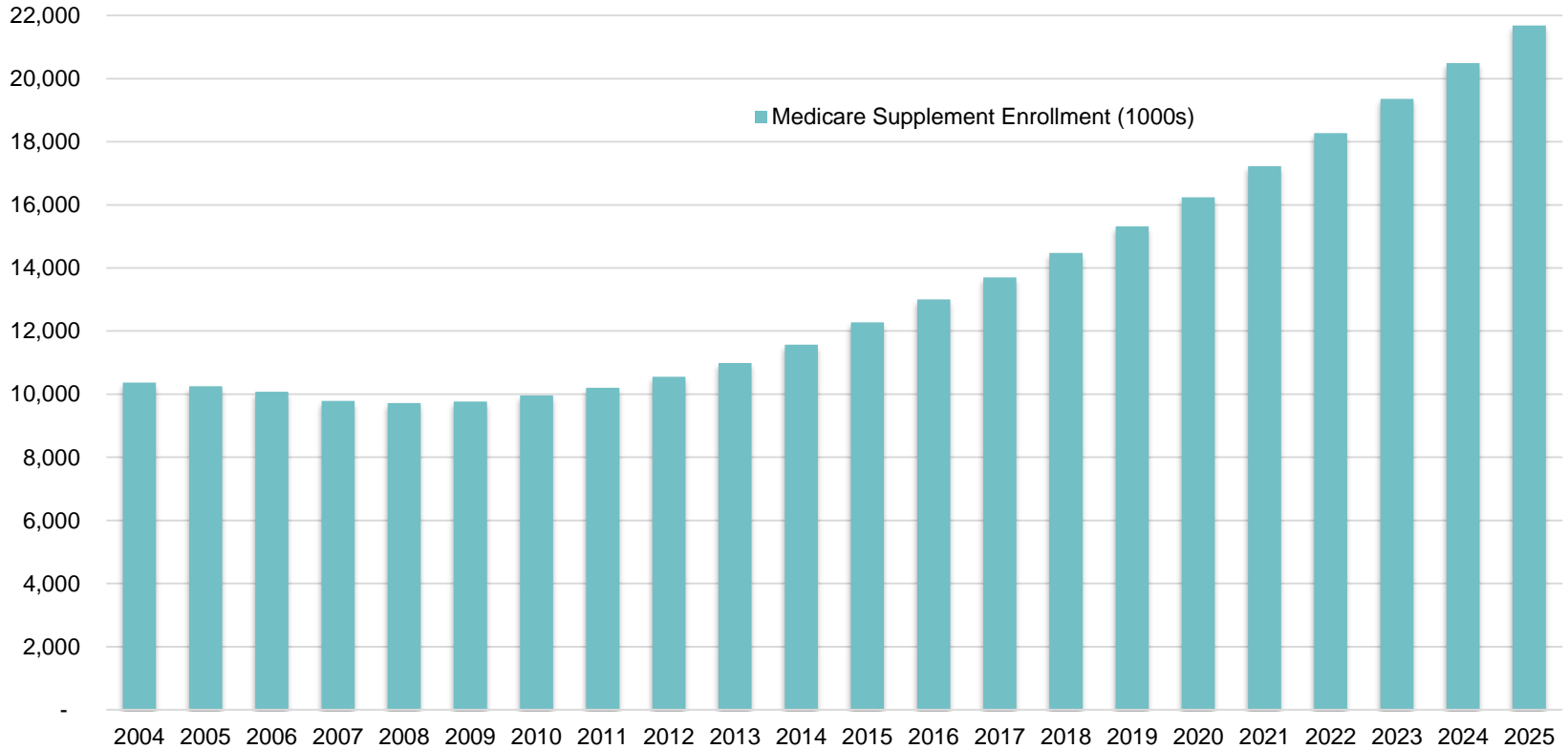
Source: census.gov

Past & Projected Medicare Enrollment



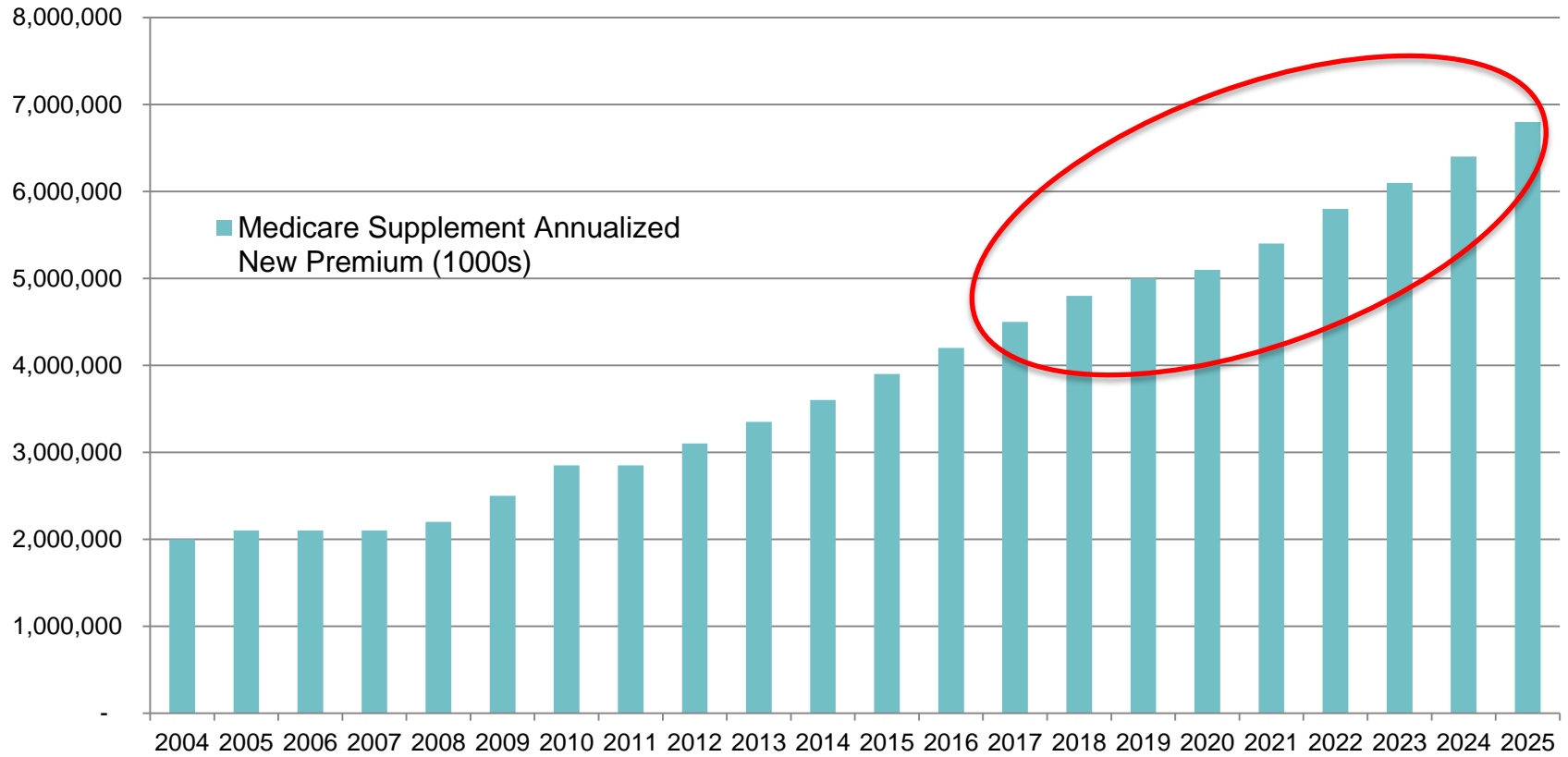
Source: 2016 Medicare Trustees Report

Past & Projected Medicare Supplement Enrollment



Source: NAIC Medicare Supplement Experience data, other sources, CSG Actuarial Projections

Annualized New Sales Premium



Source: NAIC Medicare Supplement Experience data, other sources, CSG Actuarial Projections