

SERFF Tracking #:

AEGB-128972852

State Tracking #:

Company Tracking #:

MLHI5100GP RATES

State: District of Columbia

Filing Company:

Monumental Life Insurance Company

TOI/Sub-TOI: H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity

Product Name: MLHI5100GP

Project Name/Number: AMA/AGIA HIP PRODUCT/H034-GSPS

### Rate Information

Rate data applies to filing.

Filing Method: Approval

Rate Change Type: Neutral

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Monumental Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Sheet	MLHI5100GP	New		Std HIP Rates0113.pdf,

## Monumental Life Insurance Company

### Hospital Indemnity Insurance Benefits

#### Sample Monthly Premium Rates

<b>Benefits</b>	<b>Rated Benefit</b>	<b>Monthly Premium</b>
Hospital Confinement	\$10 / Day	.74
Common Accident Confinement	\$10 / Day	.07
Cancer Confinement	\$10 / Day	.03
Intensive Care	\$10 / Day	.12
Skilled Nursing Facility	\$10 / Day	.34
Outpatient Surgery	\$1000 / Year	20.65
Emergency Outpatient Surgical Procedures	\$10 / Day	.27
Emergency Outpatient Surgical Facility	\$10 / Day	.27
Outpatient Diagnostic X-Rays	\$10 / Day	.27
Outpatient Diagnostic Laboratory Tests	\$10 / Day	.27
Physician Visits	\$10 / Day	.27
Emergency Room	\$100 / Day	1.43
Ambulance Services	\$100 / Day	.27
Physical Therapy	\$10 / Day	.93
<b>Other Riders</b>	<b>Rated Benefit</b>	<b>Monthly Premium</b>
AD&D Benefit Rider	\$1000	.06
Pregnancy Indemnity Benefit Rider	\$10 / Day	.01
Recuperation Benefit Rider	\$10 / Day	.74
Inpatient Surgical and Anesthesia Benefit Rider	\$1000 / \$100 Year	10.97

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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Cover Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	Not applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	DC HIP Memo 04-08-2013.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	Included in memo
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
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TOI/Sub-TOI:

H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity

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<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



Administrative Office | 100 light Street | Baltimore | Maryland 21202

April 8, 2013

NAIC #: 468-66281      FEIN #: 52-0419790  
Re: Monumental Life Insurance Company  
Group Hospital Indemnity Insurance Policy  
Initial filing of forms and rates  
Form MLHI5100GP et al.

ATTN: Actuarial Division

Enclosed please find the rate file and actuarial memo corresponding to our group hospital indemnity forms filing under SERFF tracking number AEGB-128937852. The forms are currently being held in abeyance at your Department, pending the outcome of this rate filing.

The forms are new and do not replace any existing forms. This product is intended for use by association groups and will be marketed on a direct mail, direct response basis or through licensed resident agents.

Please feel free to contact me at (213) 741-7101 or via e-mail at [paula.sachs@transamerica.com](mailto:paula.sachs@transamerica.com) if you have any questions or need any additional information to complete your review of this filing. Thank you in advance for your time and attention.

A handwritten signature in blue ink that reads 'Paula Sachs'.

Paula Sachs, HIA, ALHC, FLMI, ACS  
Contract Development

# Monumental Life Insurance Company

## Actuarial Memorandum

### Hospital Indemnity Insurance Benefits

#### **General Comments**

This is a new policy form filing. The policy pays benefits in the event of Hospital Confinement.

#### **Benefits**

Monumental Life's policy offers a Hospital Confinement Benefit that pays the amount stated in the policy for hospitalization. Additional Riders offered under this plan are Accidental Death and Dismemberment, Pregnancy Indemnity, Recuperation and Inpatient Surgical and Anesthesia. For a listing of all benefits included in the policy, please reference the policy form.

#### **Renewability Clause**

This policy is renewable at the policyholder's or the company's option subject to the payment of premiums when due.

#### **Applicability**

Under this program, both new issues and renewals are anticipated.

#### **Underwriting**

This policy is written without underwriting.

#### **Issue Age Range**

Policies are issued from age 35 through age 75. Policies are rated using either a common rate for all members of a group, or on an attained age basis within a group.

#### **Solicitation**

This policy is designed to be sold on a direct response basis.

#### **Average Size**

The estimated average annual premium per certificate is estimated to be \$225.

#### **Overall Premium Impact**

As this is a new form filing, this does not apply.

# Monumental Life Insurance Company

## Actuarial Memorandum

### Hospital Indemnity Insurance Benefits

#### Gross Premium Assumptions

1. Mortality/Morbidity: Claim data was developed from a variety of sources, including NCHS data, Injury Facts, National Hospital Discharge Survey and the National Hospital Ambulatory Medical Survey.
2. Expenses: Assumed expenses are:  
Maintenance and Claims - All Years – 7.5%  
Marketing / Solicitation Expenses – First Year Only – 14.5%
3. Compensation: All years - 17%
4. Anticipated Loss Ratio: The anticipated loss ratio for the policy form and all riders is 55% over the lifetime of the policy.
5. Lapse Rates:

First year	15.5%
Renewal	15.5%
6. Trend Assumptions:  
Medical – we expect that the pricing of this product can be modified in the future, dependent on changes in utilization and medical technology advances.

#### Experience Rating

It is our intention to provide for long term rate stability. The manual rates provided represent those rates that will be charged when a group begins coverage with no prior experience. These rates will be adjusted as needed by group, based on the following credibility formula:

$$P^1 = \frac{Ze + (1 - Z)M}{M} \bullet P$$

Where:

$$Z = \sqrt{\frac{n}{1082}}$$

$n$  = the number of claims for that given block of business

$e$  = the case loss ratio

$M$  = the manual loss ratio

$P$  = manual premium rates

$P^1$  = new case rate



**Monumental Life Insurance Company**

Actuarial Memorandum

Hospital Indemnity Insurance Benefits

**Certification**

To the best of my knowledge and judgment, this entire rate filing is in compliance with the applicable laws of the state and the rules of the Department of Insurance and the benefits are reasonable in relation to the premium.

A handwritten signature in black ink that reads "Stephen M. Baloga, ASA". The signature is written in a cursive style.

Stephen M. Baloga, A.S.A., M.A.A.A  
Assistant Vice President and Actuary