

State: District of Columbia
TOI/Sub-TOI: H21 Health - Other/H21.000 Health - Other
Product Name: DC ALIC SG 3Q13
Project Name/Number: DC ALIC Small Group Rate Manual 7/1/2013/

Filing Company: Aetna Life Insurance Company

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/15/2013
Submitted Date	04/15/2013

Dear Darniece Shirley,

Introduction:

Response 1

Comments:

Please see attached letter.

Related Objection 1

Applies To:

- DC Rate Manual - 3Q13 ALIC.pdf , [GR-9N, GR-29N] (Rate)
- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Consumer Disclosure Form (Supporting Document)
- Rate Summary Worksheet (Supporting Document)

Comments: The State will not allow requests for preapproved Effective Date Factors or any other preapproved requests. All references requesting preapproval should be removed from the filing and revised to reflect an update.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied - Item:	Response Letter
Comments:	Please see attached letter.
Attachment(s):	DC Response Letter - ALIC 3Q13.pdf

No Form Schedule items changed.

SERFF Tracking #:

AETN-128943972

State Tracking #:

Company Tracking #:

DCALICSG0713

State:

District of Columbia

Filing Company:

Aetna Life Insurance Company

TOI/Sub-TOI:

H21 Health - Other/H21.000 Health - Other

Product Name:

DC ALIC SG 3Q13

Project Name/Number:

DC ALIC Small Group Rate Manual 7/1/2013/

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Frances Casale

SERFF Tracking #:

AETN-128943972

State Tracking #:

Company Tracking #:

DCALICSG0713

State: District of Columbia
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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
 Rate Change Type: Increase
 Overall Percentage of Last Rate Revision: %
 Effective Date of Last Rate Revision:
 Filing Method of Last Filing:

Company Rate Information

Company Name:	Company Rate Change:	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):
Aetna Life Insurance Company	Increase	10.500%	10.500%	\$391,958	133	\$3,793,220	10.600%	9.800%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		607			207	38		
Policy Holders:		87			36	10		

State: District of Columbia **Filing Company:** Aetna Life Insurance Company
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Rate Review Detail

COMPANY:

Company Name: Aetna Life Insurance Company
 HHS Issuer Id: 38234
 Product Names: Aetna Preferred Provider Organization
 Trend Factors:

FORMS:

New Policy Forms:
 Affected Forms:
 Other Affected Forms: GR-9N, GR-29N

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 10,222
 Benefit Change: None
 Percent Change Requested: Min: 9.8 Max: 10.6 Avg: 10.5

PRIOR RATE:

Total Earned Premium: 3,793,220.00
 Total Incurred Claims: 2,869,554.00
 Annual \$: Min: 348.06 Max: 678.61 Avg: 390.73

REQUESTED RATE:

Projected Earned Premium: 4,135,209.00
 Projected Incurred Claims: 3,395,609.00
 Annual \$: Min: 390.05 Max: 760.48 Avg: 437.87

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State Tracking #:**Company Tracking #:**

DCALICSG0713

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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		DC Rate Manual - 3Q13 ALIC.pdf	GR-9N, GR-29N	New		DC Rate Manual - 3Q13 ALIC.pdf,

District of Columbia Small Group Premium Rate Manual Aetna Life Insurance Company

The following steps are used to calculate premium rates for each plan per small group.

1. **Base Rate Table** – Table of starting premium rates.
2. **Plan Relativity Factor** – Rate factor for each unique plan design.

Base Rate X Plan Relativity Factor = Rate for Unique Plan

The product identifier will identify the plan. For each product identifier, there will be a plan relativity factor.
3. **Area Factor** - Rate factor to reflect differences in cost by geographic area.

Base Rate X Plan Relativity Factor X Area Factor = Rate for that Plan for that Rating Area
4. **Effective Date Factor** – Premium rate level adjustment factor to reflect differences in cost by effective date.
5. **Rate Sheets** (1 x 2 x 3 x 4 steps above)
Format will be the same as base rate table.
6. **Industry (SIC) Factor** – Rate factor to reflect differences in cost by industry.
This factor will be based on the SIC code of the group.
7. **Group Size Factor** – Rate factor to reflect differences in morbidity and administrative costs by size of group. This factor will be based on the size of the group.
8. **Medical Rate Adjustment Factor** – Rate factor to reflect differences in costs due to medical conditions of members in each group. For new business, information from medical questionnaires completed by each subscriber will be used to determine the Medical Rate-Up Factor. For renewal business, the factor will be determined using a relative risk score calculated for each small group using predictive modeling techniques.
9. **Class of Business Factor** – Rate factor to reflect a specific class of business. This factor will not currently be used in DC and will be equal to 1.00, which will have no impact on a group's rates.
10. **Multiple Option Factor** – Rate factor to reflect the additional morbidity costs associated with a group offering more than one plan to their employees. This factor will not currently be used in DC and will be equal to 1.00, which will have no impact on a group's rates.

**District of Columbia
Small Group Premium Rate Manual
Aetna Life Insurance Company**

11. **Tabular rates** (5 x 6 x 7 x 8 x 9 x 10 steps above)

12. **Composite rates** – Rates by rate tier, i.e., without age brackets

This step converts the tabular rates from Step 11 into composite rates by contract type in the following way:

This calculation first applies the age distribution for the entire group to the tabular rates for each tier to calculate an average premium rate over all ages for each contract type. Then each of these premium rates is adjusted by a single factor so that the total premium for the group using the composite rates calculated in this step is equal to the total premium for the group using the tabular rates from Step 11.

Area Factor Table

Rating Area Name	Area Factor
Washington	1.000

Size Factor Table

Number of Employees	Case Size Factors
1	1.350
2	1.250
3 - 4	1.100
5 - 9	1.050
10 - 14	1.025
15 - 50+	1.000

Class of Business Factor Table

Classes	Class of Business Factor
All	1.000

Multiple Option Factor Table

Options	Multiple Option Factor
All	1.000

Medical Rate Up Adjustment Range

	Medical Rate Up
Range	0% - 230%

Base Rate Table

<u>Age Bracket</u>	<u>Male</u>				<u>Female</u>			
	<u>Single</u>	<u>Couple</u>	<u>Eee & Child</u>	<u>Family</u>	<u>Single</u>	<u>Couple</u>	<u>Eee & Child</u>	<u>Family</u>
<25	\$ 108.68	\$ 359.98	\$ 225.95	\$ 413.08	\$ 153.02	\$ 396.84	\$ 337.44	\$ 449.77
25-29	\$ 111.95	\$ 370.81	\$ 232.75	\$ 425.51	\$ 157.63	\$ 408.79	\$ 347.61	\$ 463.32
30	\$ 115.32	\$ 381.97	\$ 239.76	\$ 438.32	\$ 162.37	\$ 421.08	\$ 358.06	\$ 477.26
31	\$ 118.79	\$ 393.46	\$ 246.97	\$ 451.51	\$ 167.26	\$ 433.77	\$ 368.85	\$ 491.63
32	\$ 122.37	\$ 405.32	\$ 254.41	\$ 465.11	\$ 172.29	\$ 446.81	\$ 379.94	\$ 506.42
33	\$ 126.05	\$ 417.51	\$ 262.06	\$ 479.10	\$ 177.48	\$ 460.27	\$ 391.38	\$ 521.67
34	\$ 129.84	\$ 430.06	\$ 269.94	\$ 493.51	\$ 182.82	\$ 474.12	\$ 403.16	\$ 537.37
35	\$ 133.75	\$ 443.01	\$ 278.07	\$ 508.37	\$ 188.32	\$ 488.38	\$ 415.29	\$ 553.53
36	\$ 137.78	\$ 456.36	\$ 286.45	\$ 523.68	\$ 193.99	\$ 503.09	\$ 427.79	\$ 570.20
37	\$ 141.93	\$ 470.11	\$ 295.08	\$ 539.46	\$ 199.83	\$ 518.23	\$ 440.67	\$ 587.36
38	\$ 146.20	\$ 484.25	\$ 303.96	\$ 555.69	\$ 205.84	\$ 533.82	\$ 453.92	\$ 605.03
39	\$ 150.60	\$ 498.82	\$ 313.10	\$ 572.41	\$ 212.04	\$ 549.90	\$ 467.60	\$ 623.25
40	\$ 155.13	\$ 513.83	\$ 322.52	\$ 589.63	\$ 218.42	\$ 566.44	\$ 481.67	\$ 642.01
41	\$ 159.80	\$ 529.30	\$ 332.23	\$ 607.38	\$ 224.99	\$ 583.48	\$ 496.15	\$ 661.32
42	\$ 164.61	\$ 545.23	\$ 342.23	\$ 625.66	\$ 231.76	\$ 601.04	\$ 511.08	\$ 681.22
43	\$ 169.56	\$ 561.62	\$ 352.52	\$ 644.48	\$ 238.74	\$ 619.14	\$ 526.48	\$ 701.73
44	\$ 174.66	\$ 578.52	\$ 363.13	\$ 663.86	\$ 245.93	\$ 637.79	\$ 542.33	\$ 722.87
45	\$ 179.92	\$ 595.94	\$ 374.06	\$ 683.85	\$ 253.33	\$ 656.98	\$ 558.65	\$ 744.62
46	\$ 185.34	\$ 613.89	\$ 385.33	\$ 704.45	\$ 260.96	\$ 676.76	\$ 575.48	\$ 767.04
47	\$ 190.92	\$ 632.37	\$ 396.93	\$ 725.66	\$ 268.81	\$ 697.12	\$ 592.79	\$ 790.12
48	\$ 196.67	\$ 651.42	\$ 408.89	\$ 747.52	\$ 276.90	\$ 718.10	\$ 610.63	\$ 813.90
49	\$ 202.59	\$ 671.03	\$ 421.19	\$ 770.02	\$ 285.23	\$ 739.71	\$ 629.00	\$ 838.38
50	\$ 208.69	\$ 691.23	\$ 433.88	\$ 793.21	\$ 293.82	\$ 761.98	\$ 647.94	\$ 863.63
51	\$ 214.97	\$ 712.03	\$ 446.93	\$ 817.07	\$ 302.66	\$ 784.91	\$ 667.43	\$ 889.61
52	\$ 221.44	\$ 733.46	\$ 460.38	\$ 841.67	\$ 311.77	\$ 808.53	\$ 687.52	\$ 916.39
53	\$ 228.11	\$ 755.56	\$ 474.25	\$ 867.02	\$ 321.15	\$ 832.86	\$ 708.21	\$ 943.96
54	\$ 234.98	\$ 778.31	\$ 488.53	\$ 893.13	\$ 330.82	\$ 857.94	\$ 729.53	\$ 972.39
55	\$ 242.05	\$ 801.73	\$ 503.23	\$ 920.00	\$ 340.78	\$ 883.77	\$ 751.50	\$ 1,001.66
56	\$ 249.34	\$ 825.88	\$ 518.39	\$ 947.71	\$ 351.04	\$ 910.37	\$ 774.12	\$ 1,031.82
57	\$ 256.85	\$ 850.75	\$ 534.00	\$ 976.26	\$ 361.61	\$ 937.79	\$ 797.43	\$ 1,062.89
58	\$ 264.58	\$ 876.35	\$ 550.07	\$ 1,005.64	\$ 372.50	\$ 966.03	\$ 821.45	\$ 1,094.90
59	\$ 272.54	\$ 902.72	\$ 566.62	\$ 1,035.89	\$ 383.72	\$ 995.13	\$ 846.19	\$ 1,127.88
60	\$ 280.74	\$ 929.88	\$ 583.67	\$ 1,067.06	\$ 395.28	\$ 1,025.10	\$ 871.68	\$ 1,161.85
61	\$ 289.20	\$ 957.90	\$ 601.26	\$ 1,099.21	\$ 407.19	\$ 1,055.99	\$ 897.95	\$ 1,196.86
62	\$ 297.91	\$ 986.75	\$ 619.37	\$ 1,132.32	\$ 419.46	\$ 1,087.81	\$ 925.01	\$ 1,232.93
63	\$ 306.89	\$ 1,016.50	\$ 638.04	\$ 1,166.45	\$ 432.10	\$ 1,120.59	\$ 952.88	\$ 1,270.08
64	\$ 316.14	\$ 1,047.13	\$ 657.27	\$ 1,201.61	\$ 445.12	\$ 1,154.36	\$ 981.59	\$ 1,308.35
65+ (P)	\$ 320.90	\$ 1,062.90	\$ 667.17	\$ 1,219.70	\$ 451.82	\$ 1,171.74	\$ 996.37	\$ 1,328.05
65+ (S)	\$ 325.66	\$ 1,078.67	\$ 677.06	\$ 1,237.79	\$ 458.52	\$ 1,189.11	\$ 1,011.14	\$ 1,347.74

Effective Date Factor Table

Effective Date	Factor
07/01/2013	1.6987
08/01/2013	1.6987
09/01/2013	1.6987
10/01/2013	1.7208
11/01/2013	1.7208
12/01/2013	1.7208

Industry Factor (SIC) Table
(Confidential and Proprietary Information)

SIC Range		Factor	Description
From	To		
0111	0119	0.98	Cash Grains
0131	0139	0.98	Field Crops, except Cash Grains
0161	0161	0.98	Vegetables and Melons
0171	0179	0.98	Fruit and Tree Nuts
0181	0182	0.98	Horticulture Specialties
0191	0191	0.98	General Farms, Primarily Crop
0211	0291	1.07	Agriculture Production-Livestock
0711	0722	0.98	Soil Preparation Services, Crop Planting, Cultivating and Crop Harvesting by Machine
0723	0723	0.98	Crop Preparation except Cotton Ginning
0724	0724	0.98	Cotton Ginning
0741	0742	0.98	Veterinary Services
0751	0752	0.98	Animal Services, except Veterinary
0761	0762	0.98	Farm Labor and Management Services
0781	0783	1.00	Landscape and Horticultural Services
0811	0851	1.03	Forestry
0912	0919	1.13	Commercial Fishing
0921	0921	1.00	Fish Hatcheries and Preserves
0971	0971	1.03	Hunting and Trapping, and Game Propagation
1011	1031	1.15	Iron, Copper, Lead, and Zinc Ores
1041	1044	1.15	Gold and Silver Ores
1061	1081	1.15	Ferroalloy (except Vanadium) Ores, and Metal Mining Services
1094	1099	1.15	Miscellaneous Metal Ores
1221	1222	1.15	Bituminous Coal and Lignite Mining
1231	1231	1.15	Anthracite Mining
1241	1241	1.15	Coal Mining Services
1311	1321	1.00	Crude Petroleum, Natural Gas, and Natural Gas Liquids
1381	1389	1.00	Oil and Gas Field Services
1411	1429	1.03	Dimension Stone, Crushed and Broken Stone Including Riprap
1442	1446	1.03	Sand and Gravel
1455	1459	1.03	Clay, Ceramic, and Refractory Minerals
1474	1479	1.03	Chemical and Fertilizer Mineral Mining
1481	1499	1.03	Nonmetallic Minerals Services (except Fuel)
1521	1522	1.02	General Building Contractors-Residential Buildings
1531	1531	1.06	Operative Builders
1541	1541	1.00	General Building Contractors-Industrial Buildings and Warehouses
1542	1542	0.98	General Building Contractors-Non-Residential Buildings Other than Code 1541
1611	1611	1.03	Highway and Street Construction
1622	1629	1.03	Heavy Construction, except Highway and Street
1711	1711	1.03	Plumbing, Heating, and Air Conditioning
1721	1721	1.03	Painting and Paper Hanging
1731	1731	1.03	Electrical Work
1741	1741	1.03	Masonry, Stone Setting, and Other Stone Work
1742	1742	1.03	Plastering, Drywall, Acoustical, and Insulation Work
1743	1743	1.03	Terrazzo, Tile, Marble, and Mosaic Work
1751	1752	1.03	Carpentry and Floor Work
1761	1761	1.03	Roofing, Siding, and Sheet Metal Work
1771	1771	1.03	Concrete Work

Industry Factor (SIC) Table
(Confidential and Proprietary Information)

SIC Range		Factor	Description
From	To		
1781	1781	1.03	Water Well Drilling
1791	1791	1.03	Structural Steel Erection
1793	1793	1.03	Glass and Glazing Work
1794	1794	1.03	Excavation Work
1795	1795	1.03	Wrecking and Demolition Work
1796	1796	1.03	Other Installation/Erection of Building Equipment
1799	1799	1.03	Other Special Trade Contractors
2011	2015	0.98	Meat Products
2021	2038	0.98	Dairy Products, Canned, Frozen, and Preserved Fruits, Vegetables, and Food Specialties
2041	2048	0.98	Grain Mill Products
2051	2052	0.98	Bakery Products
2053	2053	0.98	Frozen Baking Products, except Bread
2061	2063	0.98	Cane Sugar and Beet Sugar
2064	2068	0.98	Other Sugar and Confectionery Products
2074	2079	0.98	Fats and Oils
2082	2087	0.98	Beverages
2091	2091	0.98	Canned and Cured Fish and Seafoods
2092	2092	0.98	Fresh or Frozen Packaged Fish and Seafoods
2095	2095	0.98	Roasted Coffee
2096	2096	0.98	Potato Chips and Similar Snacks
2097	2097	0.98	Manufactured Ice (except Dry Ice)
2098	2098	0.98	Macaroni, Spaghetti, Vermicelli, and Noodles
2099	2099	0.98	Other Food Preparations
2111	2141	1.00	Tobacco Products
2211	2211	1.00	Broadwoven Fabric Mills-Cotton
2221	2221	1.00	Broadwoven Fabric Mills-Man Made Fiber and Silk
2231	2231	1.00	Broadwoven Fabric Mills-Wool
2241	2241	1.00	Narrow Fabrics and Other Smallwares Mills
2251	2259	1.03	Knitting Mills
2261	2269	1.00	Dyeing and Finishing Textiles, except Wool Fabrics and Knit Goods
2273	2273	1.00	Carpets and Rugs
2281	2284	1.00	Yarn and Thread Mills
2295	2299	1.00	Miscellaneous Textile Goods
2311	2329	0.96	Men's, Youth's, and Boy's Suits, Coats, Overcoats, Shirts, and Nightwear
2331	2342	0.96	Women's, Misses', and Juniors' Outerwear, Undergarments
2353	2353	0.96	Hats, Caps, and Millinery
2361	2369	0.96	Girls', Children's, and Infants' Outerwear
2371	2399	1.00	Fur Goods, Miscellaneous Apparel and Textiles
2411	2411	1.00	Logging Camps and Logging Contractors
2421	2429	1.00	Sawmills and Planing Mills
2431	2431	1.00	Millwork
2434	2434	0.97	Wood Kitchen Cabinets
2435	2435	0.97	Hardwood, Veneer, and Plywood
2436	2436	0.97	Softwood Veneer, and Plywood
2439	2439	0.97	Other Structural Wood Members
2441	2449	0.97	Wood Containers
2451	2452	0.97	Wood Buildings and Mobile Homes

Industry Factor (SIC) Table
(Confidential and Proprietary Information)

SIC Range		Factor	Description
From	To		
2491	2499	0.97	Miscellaneous Wood Products
2511	2519	0.97	Household Furniture
2521	2522	0.97	Office Furniture
2531	2531	0.97	Public Building and Related Furniture
2541	2542	0.97	Partitions, Shelving, Lockers, and Office and Storage Fixtures
2591	2599	0.97	Miscellaneous Furniture and Fixtures
2611	2611	1.00	Pulp Mills
2621	2621	1.00	Paper Mills
2631	2631	1.00	Paperboard Mills
2652	2657	1.00	Paperboard Containers and Boxes
2671	2679	1.03	Converted Paper and Paperboard Products except Containers and Boxes
2711	2711	1.00	Newspaper-Publishing and Printing
2721	2789	1.00	Miscellaneous Publishing and Printing
2791	2796	1.00	Service Industries for the Printing Trade
2812	2819	1.02	Industrial Inorganic Chemicals
2821	2824	1.02	Plastic Materials, Synthetic Resins, and Other Man Made Fibers, except Glass
2833	2834	1.00	Medicinal Chemicals, Botanical Products, Pharmaceutical Preparations
2835	2836	0.98	In Vitro and In Vivo Diagnostic Substances and Biological Products
2841	2844	0.97	Soap, Detergents, and Cleaning Preparations, Perfumes, Cosmetics, and Other Toilet Preparations
2851	2851	0.97	Paints, Varnishes, Lacquers, Enamels, and Allied Products
2861	2869	0.97	Industrial Organic Chemicals
2873	2879	0.97	Agricultural Chemicals
2891	2891	0.98	Adhesives and Sealants
2892	2892	0.98	Explosives
2893	2895	0.98	Printing Ink and Carbon Black
2899	2899	0.98	Other Chemicals and Chemical Preparations
2911	2952	1.03	Petroleum Refining; Paving and Roofing Materials
2992	2999	1.03	Miscellaneous Products of Petroleum and Coal
3011	3011	1.00	Tires and Inner Tubes
3021	3069	1.00	Other Rubber Products
3081	3089	0.94	Miscellaneous Plastic Products
3111	3111	1.00	Leather Tanning and Refinishing
3131	3149	1.00	Footwear, except Rubber
3151	3199	1.00	Other Leather Products
3211	3211	1.05	Flat Glass
3221	3231	1.05	Glass, Glassware, and Glass Products
3241	3241	1.05	Cement, Hydraulic
3251	3259	1.05	Structural Clay Products
3261	3269	1.05	Pottery and Related Products
3271	3275	1.05	Concrete, Gypsum, and Other Plaster Products
3281	3281	1.05	Cut Stone and Stone Products
3291	3291	1.05	Abrasive Products
3292	3292	1.05	Asbestos Products
3295	3299	1.05	Miscellaneous Nonmetallic Mineral Products
3312	3317	1.06	Blast Furnaces, Steel Works, and Rolling and Finishing Mills
3321	3325	1.06	Iron and Steel Foundries
3331	3339	1.06	Primary Smelting and Refining of Nonferrous Metals

Industry Factor (SIC) Table
(Confidential and Proprietary Information)

SIC Range		Factor	Description
From	To		
3341	3341	1.06	Secondary Smelting and Refining of Nonferrous Metals
3351	3357	1.06	Rolling, Drawing, and Extruding of Nonferrous Metals
3363	3369	1.06	Nonferrous Foundries (Castings)
3398	3399	1.06	Miscellaneous Primary Metal Products
3411	3412	0.97	Metal Cans and Shipping Containers
3421	3429	0.97	Cutlery, Handtools, and General Hardware
3431	3433	0.97	Heating Equipment, except Electric and Warm Air, and Plumbing Fixtures
3441	3441	0.97	Fabricated Structural Metal
3442	3442	1.00	Metal Doors, Sash, Frames, Molding and Trim
3443	3443	1.00	Fabricated Plate Work (Boiler Shops)
3444	3444	1.00	Sheet Metal Work
3446	3446	1.00	Architectural and Ornamental Metal Work
3448	3448	1.00	Prefabricated Metal Buildings and Components
3449	3449	1.00	Miscellaneous Structural Metal Work
3451	3452	1.00	Screw Machine Products, Bolts, Nuts, Screws, Rivets, and Washers
3462	3469	1.00	Metal Forgings and Stampings
3471	3479	1.00	Coating, Engraving and Allied Services
3482	3483	1.00	Ammunition
3484	3484	1.00	Small Arms
3489	3489	1.00	Other Ordnance and Accessories
3491	3499	0.97	Miscellaneous Fabricated Metal Products
3511	3519	1.00	Engines and Turbines
3523	3524	1.00	Farm and Garden Machinery & Equip.
3531	3537	0.98	Construction, Mining, and Materials Handling, Machinery and Equipment
3541	3549	0.95	Metal Working Machinery and Equipment
3552	3569	0.95	Industrial Machinery
3571	3579	0.95	Computer and Office Equipment
3581	3589	0.95	Refrigeration and Service Industry Machinery
3592	3599	0.95	Miscellaneous Industrial and Commercial Machinery, except Electrical
3612	3613	0.96	Electric Transmission and Distribution Equipment
3621	3648	0.96	Electrical Industrial Apparatus, Household Appliances, Electrical Lighting and Wiring Equipment
3651	3652	0.96	Household Audio and Video Equipment, and Audio Recordings
3661	3669	0.96	Communication Equipment
3671	3679	0.96	Electronic Components and Accessories
3691	3699	0.96	Miscellaneous Electrical Machinery, Equipment and Supplies
3711	3716	0.98	Motor Vehicles and Motor Vehicle Equipment
3721	3728	0.98	Aircraft and Parts
3731	3731	0.98	Ship Building and Repairing
3732	3732	0.98	Boat Building and Repairing
3743	3743	0.98	Railroad Equipment
3751	3751	0.98	Motorcycles, Bicycles, and Parts
3761	3769	0.98	Guided Missiles and Space Vehicles and Parts
3792	3792	0.98	Travel Trailers and Campers
3795	3795	0.98	Tanks and Tank Components
3799	3799	0.98	Other Transportation Equipment
3812	3812	0.94	Search, Detection, Navigation and Aeronautical Equipment
3821	3829	0.96	Laboratory Apparatus and Analytical, Optical, Measuring, and Controlling Instruments

Industry Factor (SIC) Table
(Confidential and Proprietary Information)

SIC Range		Factor	Description
From	To		
3841	3845	0.96	Surgical, Medical, and Dental Instruments and Supplies
3851	3851	0.96	Ophthalmic Goods
3861	3861	0.94	Photographic Equipment and Supplies
3873	3873	0.94	Watches, Clocks, Clockwork Operated Devices and Parts
3911	3915	0.94	Jewelry, Silverware and Plated Ware
3931	3931	0.97	Musical Instruments
3942	3949	0.97	Dolls, Toys, Games and Sporting and Athletic Goods
3951	3955	0.97	Pens, Pencils, and Other Artists' Materials
3961	3965	0.97	Costume Jewelry, Novelties, Notions
3991	3999	0.97	Miscellaneous Manufacturing Industries
4011	4013	1.02	Railroads
4111	4119	1.06	Local and Suburban Passenger Transportation.
4121	4121	1.12	Taxicabs
4131	4131	1.06	Intercity and Rural Highway Bus Transportation
4141	4142	1.06	Bus Charter Services
4151	4151	1.06	School Buses
4173	4173	1.04	Terminal and Service Facilities for Motor Vehicle Passenger Transportation
4212	4212	1.04	Local Trucking without Storage
4213	4215	1.04	Trucking, except Local, Local Trucking with Storage; Courier Service
4221	4221	1.04	Farm Product Warehousing and Storage
4222	4222	1.02	Refrigerated Warehousing
4225	4225	1.02	General Warehousing and Storage
4226	4226	1.02	Special Warehousing and Storage
4231	4231	1.02	Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation
4311	4311	1.00	United States Postal Service
4412	4412	1.02	Deep Sea Foreign Transportation of Freight
4424	4424	1.02	Deep Sea Domestic Transportation of Freight
4432	4432	1.02	Freight Transportation on the Great Lakes-St. Lawrence Seaway
4449	4449	1.02	Other Water Transportation of Freight
4481	4489	1.02	Water Transportation of Passengers
4491	4499	1.02	Services Incidental to Water Transportation.
4512	4513	0.97	Scheduled Air Transportation and Air Courier Services
4522	4522	0.97	Air Transportation, Non Scheduled
4581	4581	0.97	Airports Flying Fields, and Airport Terminal Services
4612	4619	1.05	Pipe Lines, except Natural Gas
4724	4729	1.06	Arrangement of Passenger Transportation
4731	4731	0.98	Arrangement of Transportation of Freight and Cargo
4741	4789	0.98	Other Transportation Services
4812	4813	0.97	Telephone Communications
4822	4899	0.98	Radio and Television Broadcasting Stations and Other Communication Services
4911	4911	0.97	Electric Services
4922	4925	1.00	Gas Production and Distribution
4931	4939	0.98	Combination Electric and Gas, and Other Utility Services
4941	4941	0.98	Water Supply
4952	4959	0.98	Sanitary Services
4961	4961	0.98	Steam and Air Conditioning Supply
4971	4971	0.98	Irrigation Systems
5012	5015	0.98	Motor Vehicles and Motor Vehicle Parts and Supplies

Industry Factor (SIC) Table
(Confidential and Proprietary Information)

SIC Range		Factor	Description
From	To		
5021	5021	1.02	Furniture
5023	5023	1.02	Home Furnishings
5031	5039	1.04	Lumber and Other Construction Materials
5043	5049	0.99	Professional and Commercial Equipment and Supplies
5051	5052	0.99	Metals and Minerals, except Petroleum
5063	5064	0.99	Electrical Apparatus and Equipment, Wiring Supplies, and Construction Materials; Electrical
5065	5065	0.99	Other Electrical Goods
5072	5078	1.00	Hardware, Plumbing and Heating Equipment and Supplies
5082	5087	1.00	Machinery, Equipment and Supplies
5088	5088	1.00	Transportation Equipment and Supplies, except Motor Vehicles
5091	5092	1.00	Sporting, Recreational and Hobby Goods, Toys, and Supplies
5093	5093	1.15	Scrap and Waste Materials
5094	5099	0.94	Miscellaneous Durable Goods
5111	5113	1.00	Paper and Paper products
5122	5122	0.94	Drugs, Drug Proprietaries and Druggists' Sundries
5131	5139	1.00	Apparel, Piece Goods, Notions
5141	5149	0.98	Groceries and Related Products
5153	5153	0.95	Grain and Field Beans
5154	5159	0.95	Livestock; Farm-Product Raw Materials
5162	5169	0.95	Chemicals and Allied Products
5171	5172	0.95	Petroleum and Petroleum Products
5181	5182	0.95	Beer, Wine, and Distilled Alcoholic Beverages
5191	5199	1.00	Miscellaneous Nondurable Goods
5211	5211	1.03	Lumber and Other Building Materials Dealers
5231	5231	1.03	Paint, Glass, and Wallpaper Stores
5251	5261	1.03	Hardware Stores, Retail Nurseries, Lawn and Garden Supply Stores
5271	5271	1.03	Mobile Home Dealers
5311	5399	1.00	General Merchandise Stores
5411	5411	0.98	Grocery Stores
5421	5421	0.98	Meat and Fish Markets, Including Freezer Provisioners
5431	5431	0.98	Fruit and Vegetable Markets
5441	5441	0.98	Candy, Nut and Confectionery Stores
5451	5451	0.98	Dairy Products Stores
5461	5461	0.98	Retail Bakeries
5499	5499	0.98	Miscellaneous Food Stores
5511	5511	1.10	Motor Vehicle Dealers-New and Used Cars
5521	5521	1.10	Motor Vehicle Dealers- Used Cars
5531	5531	1.10	Auto and Home Supply Stores
5541	5541	1.10	Gasoline Service Stations
5551	5551	1.12	Boat Dealers
5561	5561	1.12	Recreational and Utility Trailer Dealers
5571	5571	1.12	Motorcycle Dealers
5599	5599	1.12	Other Vehicle Dealers, not elsewhere classified
5611	5651	0.98	Apparel and Accessory Stores
5661	5661	0.98	Shoe Stores
5699	5699	0.98	Miscellaneous Apparel and Accessory Stores

Industry Factor (SIC) Table
(Confidential and Proprietary Information)

SIC Range		Factor	Description
From	To		
5712	5719	1.02	Home Furniture and Furnishings
5722	5722	1.04	Appliance Stores
5731	5736	0.97	Radio, Television, Consumer Electronics, and Music Stores
5812	5812	1.05	Restaurants
5813	5813	1.05	Bars and Taverns
5912	5912	1.00	Drug Stores and Proprietary Stores
5921	5921	1.06	Liquor Stores
5932	5932	1.06	Used Merchandise Stores
5941	5949	1.00	Miscellaneous Shopping Goods Stores
5961	5963	1.05	Non-store Retailers
5983	5989	1.05	Fuel Dealers
5992	5992	1.00	Florists
5993	5999	1.00	Other Retail Stores, except Florists
6011	6149	0.97	Depository and Non-depository Credit Institutions
6153	6163	1.00	Business Credit Institutions and Mortgage Bankers And Brokers
6211	6289	0.97	Securities and Commodities, Dealers, Exchanges and Services
6311	6399	1.00	Insurance Carriers
6411	6411	1.00	Insurance Agents, Brokers and Service
6512	6519	1.00	Real Estate Operators (except Developers) and Lessors
6531	6531	1.00	Real Estate Agent and Managers
6541	6553	1.00	Title Abstract Offices, Land Subdividers and Developers
6712	6799	0.97	Holding and Other Investment Offices
7011	7041	1.00	Hotels, Rooming Houses, Camps, and Other Lodging Places
7211	7219	0.97	Laundry, Cleaning and Garment Services
7221	7221	1.00	Photographic Studios, Portrait
7231	7241	1.08	Beauty Shops, Barber Shops
7251	7261	1.03	Shoe Repair Shops, Shoe Shine Parlors, Hat Cleaning Shops, Funeral Service and Crematories
7291	7299	1.06	Miscellaneous Personal Services
7311	7311	0.95	Advertising Agencies
7312	7319	0.95	Other Advertising
7322	7331	1.03	Credit / Mercantile Reporting Agencies, Collection Agencies, Direct Mail Advertising Services
7334	7334	0.94	Photocopying and Duplicating Services
7335	7336	0.94	Commercial Photography, Art, and Graphic Design
7338	7338	0.94	Secretarial and Court Reporting Services
7342	7349	1.00	Services to Dwellings and Other Buildings
7352	7352	0.97	Medical Equipment Rental and Leasing
7353	7359	0.97	Misc. Equipment Rental and Leasing
7361	7363	1.00	Personnel Supply Services
7371	7379	0.94	Computer Programming, Data Processing and Other Computer Related Services
7381	7381	0.97	Detective and Armored Car Services
7382	7382	0.97	Security System Services
7383	7383	1.02	News Syndicates
7384	7384	1.02	Photo Finishing Laboratories
7389	7389	1.00	Other Business Services
7513	7519	1.03	Automotive Rental and Leasing, (without Drivers)
7521	7521	1.03	Automobile Parking
7532	7539	1.03	Automotive Repair Shops
7542	7549	1.09	Automotive Services, except Repair

Industry Factor (SIC) Table
(Confidential and Proprietary Information)

SIC Range		Factor	Description
From	To		
7622	7629	1.03	Electrical Repair Shops
7631	7641	1.03	Watch, Clock, Jewelry, Reupholstery and Furniture Repair
7692	7692	1.05	Welding Repair
7694	7699	1.05	Other Repair Shops and Related Services
7812	7833	1.06	Motion Pictures
7841	7841	1.00	Video Tape Rental
7911	7911	1.09	Dance Studio, Schools & Halls
7922	7929	1.09	Theatrical Producers, Bands, Orchestras and Entertainers
7933	7933	1.05	Bowling Centers
7941	7948	1.05	Professional Sports, Clubs and Racing (including Track Operation)
7991	7996	1.05	Physical Fitness Facilities, Public Golf Courses, Coin-Operated Amusement Devices, Amusement
7997	7999	1.00	Other Amusement and Recreation Services
8011	8011	1.08	Offices and Clinics of Doctors of Medicine
8021	8021	1.04	Offices and Clinics of Dentists
8031	8031	1.08	Offices and Clinics of Doctors of Osteopathy
8041	8041	1.08	Offices and Clinics of Chiropractors
8042	8042	1.04	Offices and Clinics of Optometrists
8043	8049	1.08	Offices and Clinics of Other Health Practitioners
8051	8059	1.06	Nursing Care and Personal Care Facilities
8062	8069	1.12	Hospitals
8071	8071	1.06	Medical Laboratories
8072	8072	1.06	Dental Laboratories
8082	8099	1.06	Home Health Care Services: Other Health and Allied Services
8111	8111	1.05	Legal Services
8211	8211	0.98	Elementary and Secondary Schools
8221	8222	0.98	Colleges, Universities, Professional Schools, and Junior Colleges
8231	8231	0.98	Libraries
8243	8244	0.98	Data Processing Schools, Business and Secretarial Schools
8249	8249	0.98	Vocational Schools, (except Vocational High Schools)
8299	8299	0.98	Other Schools and Educational Services
8322	8322	1.02	Individual and Family Social Services
8331	8331	1.02	Job Training and Vocational Rehabilitation Services
8351	8351	1.02	Child Day Care Services
8361	8361	1.02	Residential Care
8399	8399	1.02	Other Social Services
8412	8422	0.96	Museums, Art Galleries, Botanical and Zoological Gardens
8611	8611	1.03	Business Associations
8621	8651	1.03	Professional Membership, Labor Unions, Civic, Social, Fraternal and Political Organizations
8661	8661	1.00	Religious Organizations
8699	8699	1.00	Other Membership Organizations
8711	8713	0.98	Engineering, Architectural and Surveying Offices
8721	8721	1.00	Accounting, Auditing, and Bookkeeping Services
8731	8732	0.96	Commercial, Physical & Non-Physical Research
8733	8733	0.96	Noncommercial Research Organizations
8734	8734	0.96	Testing Laboratories
8741	8748	0.99	Management and Public Relations Services

Industry Factor (SIC) Table
(Confidential and Proprietary Information)

SIC Range		Factor	Description
From	To		
8811	8811	1.05	Private Households
8999	8999	0.96	Other Services (i.e., writers, artists)
9111	9131	1.03	Executive and Legislative Bodies
9199	9199	1.03	All Departments Combined
9211	9211	0.98	Courts
9221	9221	1.15	Police Protection (Written Alone)
9222	9222	1.06	Legal Counsel and Prosecution
9223	9223	1.15	Correctional Institutions
9224	9224	1.15	Fire Protection (Written Alone)
9229	9229	1.06	Other Public Order and Safety
9311	9451	1.06	Public Finance, Taxation and Monetary Policy, Administration of Human Resources Programs
9511	9532	1.06	Administration of Environmental Quality and Housing Programs
9611	9661	0.98	Administration of Economic Programs
9711	9711	1.06	National Security
9721	9721	1.06	International Affairs

Plan Relativity Factor Table
(Confidential and Proprietary Information)

Benefit Descriptions																
PPID	Plan Relativity Factor	Primary Copay	Specialist Copay	SPU Copay	SPU Coins	Hospital Copay	Hospital Coins	ERroom Copay	MBR Ded	Family Ded	Annual Max	Life Max	MBR Coins Limit	Family Coins Limit	Coins %	Rx
14012809	1.245601	\$20	\$30	\$50		\$250/Adm		\$150	N/A	N/A	N/A	Unlimited	\$1,500	\$3,000	0%	\$10/\$25/\$50
14012810	1.219293	\$20	\$30	\$50		\$250/Adm		\$150	N/A	N/A	N/A	Unlimited	\$1,500	\$3,000	0%	\$10/\$35/\$60
14012811	1.144879	\$20	\$40	\$300		\$500/Adm		\$200	N/A	N/A	N/A	Unlimited	\$2,000	\$4,000	0%	\$10/\$35/\$60
14012812	1.054757	\$25	\$50		10%		10%	\$200	N/A	N/A	N/A	Unlimited	\$2,500	\$5,000	10%	\$10/\$35/\$60
14012813	0.893833	\$30	\$50		20% aft ded		20% aft ded	20% aft ded	\$1,000	\$2,000	N/A	Unlimited	\$3,000	\$6,000	20%	\$10/\$35/\$60
14012814	0.795862	\$20 after ded	\$40 after ded	\$300 after ded		\$500/Adm. after ded		\$200 after ded	\$1,500	\$3,000	N/A	Unlimited	\$3,000	\$6,000	0%	\$10/35/60 after ded
14012815	0.625355	\$30 after ded	\$50 after ded	\$200 after ded		\$300/Day, 5 Day Max, after ded		\$200 after ded	\$2,500	\$5,000	N/A	Unlimited	\$5,000	\$10,000	0%	\$10/35/60 after ded
14012816	1.518471	30% after ded	30% after ded		30% after ded		30% after ded	30% after ded	\$500	\$1,000	N/A	Unlimited	\$3,000	\$6,000	30%	\$10/\$35/\$60

Note:

- 1) This table includes unique PPIDs for various benefit plan feature combinations, with only the major benefit categories illustrated. Additional benefit plan features apply, e.g. Rx features and mandated offers, and are taken into account when determining the Plan Relativity Factor.
- 2) This table does not include every plan in force, but does include all of those plans that are actively being marketed.
- 3) To comply with new Federal Mental Health parity rules, Aetna will offer a MHP versions of a currently offered small group plan to those small groups that have greater than 50 lives. The MHP plans factors will have a 1% load applied to the underlying small group plan.
- 4) Plan sponsors will be asked to sign an attestation form certifying whether any underlying plan (any plan sponsor-funded arrangement or third party plan or combination of them) is being used to directly or indirectly subsidize/fund/ reimburse any part of an insured's or enrollee's network deductible expenses at any time during the plan year and if so, at what percentage. In the event that a plan sponsor certifies to Aetna that greater than 50% of the network deductible is being funded/subsidized/reimbursed, a 10% load will be applied to rates to account for this effective plan change. If the plan sponsor does not certify to the level of subsidization/funding/reimbursement, the 10% load will be applied.

State: District of Columbia
TOI/Sub-TOI: H21 Health - Other/H21.000 Health - Other
Product Name: DC ALIC SG 3Q13
Project Name/Number: DC ALIC Small Group Rate Manual 7/1/2013/

Filing Company: Aetna Life Insurance Company

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	Attached, please find the 3Q13 District of Columbia Small Group rate filing cover letter for Aetna Life Insurance Company
Attachment(s):	DC Cover Letter - ALIC 3Q13.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	Filing is being made by the insurer.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	Attached, please find the 3Q13 District of Columbia Small Group rate filing submission for Aetna Life Insurance Company The attachments in this section include, the cover letter, form numbers, an NAIC form, and Actuarial Memorandum (with Actuarial Certification and supporting documentation).
Attachment(s):	DC 3Q13 SG ALIC Supporting Documentation.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	Attached, please find the 3Q13 District of Columbia Small Group Actuarial Certification for Aetna Life Insurance Company
Attachment(s):	QBS DC ALIC Actuarial Cert 3Q13.pdf
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	This filing is not a Property and Casualty filing.
Attachment(s):	

SERFF Tracking #:

AETN-128943972

State Tracking #:

Company Tracking #:

DCALICSG0713

State: District of Columbia
 TOI/Sub-TOI: H21 Health - Other/H21.000 Health - Other
 Product Name: DC ALIC SG 3Q13
 Project Name/Number: DC ALIC Small Group Rate Manual 7/1/2013/

Filing Company: Aetna Life Insurance Company

Item Status:	
Status Date:	
Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	This filing is not a Property and Casualty filing.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	The proposed rate action for the filing is below the "subject to review" threshold
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Rate Summary Worksheet
Bypass Reason:	The proposed rate action in the filing are below the "subject to review" threshold
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Response Letter
Comments:	Please see attached letter.
Attachment(s):	DC Response Letter - ALIC 3Q13.pdf
Item Status:	
Status Date:	



980 Jolly Road
Mail Code U12S
Blue Bell, PA 19422
(215)-775-3837
Fax: (215)-775-6441

March 15, 2013

Mr. Efren Tanheco
[Supervising Actuary](#)
District of Columbia Department of Insurance & Securities Regulation
810 First Street NE, 6th Floor
Washington, DC 20002

Subject: Aetna Life Insurance Company
DCALICSG0713 Small Group Premium Rate Filing
Effective dates starting July 1, 2013
NAIC Number 001 60054
Form Numbers: [GR-9N](#) and [GR-29N](#)

Dear Mr. Tanheco:

I am writing to request approval of the attached Aetna Life Insurance Company rate manual. This filing is for effective dates July 1, 2013 through December 31, 2013. This rate filing conforms to the benefit plan provisions required by the Patient Protection and Affordable Care Act (P.L. 111-148) of 2010.

The purpose of this filing is to comply with the District of Columbia, Department of Insurance, Securities and Banking, DC ST § 31-3311.04.

The annual manual rate change requested for 3Q13 is 10.5% (excluding demographic changes). Additionally, Aetna Health Inc. is requesting preapproval for a 1.3% increase for the effective date factor for 4Q13. This is being done in an effort to reduce the number of rate filing submissions.

The proposed change for the rating period July 1, 2013 through December 31, 2013 is not greater than the 10% threshold and will not trigger the federal review requirements as specified under 45 CFR Part 154.

The purpose of this rate filing is to comply with regulatory rate filing requirements. This filing is not intended to be used for other purposes. We have tried to present this information in a manner that will facilitate your review of the rates submitted. If there is something more that we can do to improve the process or you would like us to do differently in the future, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew J. Owen". The signature is written in a cursive, flowing style.

Andrew J. Owen
Actuarial Manager

Attachments



980 Jolly Road
Mail Code U12S
Blue Bell, PA 19422
(215)-775-3837
Fax: (215)-775-6441

March 15, 2013

Mr. Efren Tanheco
[Supervising Actuary](#)
District of Columbia Department of Insurance & Securities Regulation
810 First Street NE, 6th Floor
Washington, DC 20002

Subject: Aetna Life Insurance Company
DCALICSG0713 Small Group Premium Rate Filing
Effective dates starting July 1, 2013
NAIC Number 001 60054
Form Numbers: [GR-9N](#) and [GR-29N](#)

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Sincerely,

A handwritten signature in black ink, appearing to read "Andrew J. Owen". The signature is written in a cursive, flowing style.

Andrew J. Owen
Actuarial Manager

Attachments

Life, Accident & Health, Annuity, Credit Transmittal Document

1.	Prepared for the State of	District of Columbia
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2.	Department Use Only
	State Tracking ID

3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
	Aetna Life Insurance Company 1302 Concourse Drive, Suite 402 Linthicum, MD 2109		Accident & Health		00160054		

4.	Contact Name & Address	Telephone #	Fax #	E-mail Address
	Andrew Owen 980 Jolly Road Blue Bell PA 19422	215-775-3837	215-775-6441	OwenAJ@Aetna.com

5.	Requested Filing Mode	<input checked="" type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____
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6.	Company Tracking Number	DCALICSG0713
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7.	<input checked="" type="checkbox"/> New Submission <input type="checkbox"/> Resubmission Previous file # _____
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8.	Market	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise Group <input checked="" type="checkbox"/> Small <input type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____
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9.	Type of Insurance	H21 Health - Other
-----------	--------------------------	---------------------------

10.	Product Coding Matrix Filing Code	H21.000 Health - Other
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11.	Submitted Documents	<input type="checkbox"/> FORMS <input type="checkbox"/> Policy <input type="checkbox"/> Outline of Coverage <input type="checkbox"/> Certificate <input type="checkbox"/> Application/Enrollment <input type="checkbox"/> Rider/Endorsement <input type="checkbox"/> Advertising <input type="checkbox"/> Schedule of Benefits <input type="checkbox"/> Other <u>Rates</u> x New Rate <input type="checkbox"/> Revised Rate <input type="checkbox"/> FILING OTHER THAN FORM OR RATE: Please explain: _____ <u>SUPPORTING DOCUMENTATION</u> <input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Third Party Authorization <input type="checkbox"/> Association Bylaws <input type="checkbox"/> Trust Agreements <input type="checkbox"/> Statement of Variability <input type="checkbox"/> Certifications <input type="checkbox"/> Actuarial Memorandum <input checked="" type="checkbox"/> Other DC ALIC SG 0713 Rate Manual & Actuarial Certification
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12.	Filing Submission Date	March 15, 2013	
13	Filing Fee (If required)	Amount _____	Check Date _____
		Retaliatory <input type="checkbox"/> Yes <input type="checkbox"/> No	Check Number _____
14.	Date of Domiciliary Approval		
15.	Filing Description:		
<p>This filing is for effective dates July 1, 2013 – December 31, 2013. This rate filing conforms to the benefit plan provisions required by the Patient Protection and Affordable Care Act (P.L. 111-148) of 2010.</p>			

16.	Certification (If required)		
<p>I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of _____.</p>			
Print Name <u>Andrew Owen</u>		Title <u>Actuarial Manager</u>	
Signature 		Date: <u>March 15, 2013</u>	

17.	Form Filing Attachment	
This filing transmittal is part of company tracking number		N/A
This filing corresponds to rate filing company tracking number		N/A

	Document Name	Form Number		Replaced Form Number
	Description			Previous State Filing Number
01			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
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08			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

LH FFA-1

18.		Rate Filing Attachment		
This filing transmittal is part of company tracking number				
This filing corresponds to form filing company tracking number		N/A		
Overall percentage rate indication (when applicable)				
Overall percentage rate impact for this filing		10.5% annual change		
	Document Name	Affected Form Numbers		Previous State Filing Number
	Description			
01		GR-9N	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request 10.5% - 10.5% <input type="checkbox"/> Other _____	
02		GR-29N	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request 10.5% - 10.5% <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> New <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> New <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> New <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> New <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> New <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> New <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> New <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> New <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

Aetna Life Insurance Company – District of Columbia
3Q13 Filing - Small Group Business

Actuarial Memorandum

Statement of Purpose for Filing

This actuarial memorandum supports Aetna Life Insurance Company commercial base rates for District of Columbia small groups effective [July 1, 2013 – December 31, 2013](#). The purpose of this memorandum is to comply with the District of Columbia, Department of Insurance, Securities and Banking, Health Insurance Rate Filing Procedures and to provide adequate supporting information for our proposed rates pursuant to the DC Official Code, Title 31, Subtitle IV, Chapter 34.

This rate filing conforms to the benefit plan provisions required by the Patient Protection and Affordable Care Act (P.L. 111-148) of 2010.

A. Description of Benefits

The Aetna Life Insurance Company – District of Columbia Small Group Business Rate Manual included in this rate filing, contains worksheets and instructions for calculating the premium rates for the benefit plans available from Aetna Life Insurance Company (ALIC).

B. Renewability Provision

Group contracts are effective for a 12 month period at the end of which they are renewable at the discretion of the employer (i.e. guaranteed renewal).

C. Applicability

The benefit plans and corresponding rates apply to small group new and renewal business.

D. Marketing Method

ALIC uses brokers as well as internal sales staff to market our small group benefit plans.

E. Underwriting Methodologies

For groups less than 26 eligible subscribers, Aetna requires the completion of an individual medical questionnaire. For groups with 26-50 eligible subscribers, Aetna requires the completion of a group medical questionnaire.

F. Issue Age Limits

Not applicable

G. Premium Basis

We have updated our base claim cost (medical and pharmacy) for this filing using the most recent 12 month of experience data. We develop our base rate using a national pricing model that projects manual premium rates and medical cost ratios.

H. Nature of Rate Change and Proposed Rate/Methodology Change

Summary of Methodology Changes From Prior Filing

There are no proposed rating methodology changes proposed in this rate filing.

Summary of Rate Changes From Prior Filing

The manual rate change results from the proposed change in the effective date factor.

We are proposing a quarterly increase of **1.3% for 3Q13 through 4Q13**; this quarterly rate increase is reflected in our **Effective Date Factors** table.

I. For Each Change, Indication if New or Modified

This is a new request for a manual base rate change for this time period.

J. For Each Change Comparison to Status Quo

Not applicable

K. Summary of How Each Proposed Modification Differs from Corresponding Current/Approved Rate/Methodology

There are no proposed rating methodology changes proposed in this rate filing.

L. Summary of Each Proposed New Rule

Not Applicable

M. Overall Premium Impact of Filing on DC Policyholders

Annual Average Renewal Rate Change

The weighted average annual renewal rate increase, weighted by premium, for **3Q13** renewals is **10.5%**

The proposed change for the rating period **July 1, 2013 through December 31, 2013** is not greater than the 10% threshold and will not trigger the federal review requirements as specified under 45 CFR Part 154.

Exhibit A, shows the manual rate change history for the most recent **24** months. The rate changes shown include changes to the Base Rates (Effective Date Factor and Area Factor (not applicable)) and the rating characteristics factors (Benefit Factor Change). The implemented rate changes shown in the exhibit is equal to the change in product of the Effective Date Factor Change and the Base Rate, times the Benefit Factor Change and Area Factor Change (if applicable). The weighted average renewal rate increase is calculated as the weighted average of the Annual Change, weighted by the Renewal Cohort Premium.

N. Filed Minimum Required Loss Ratio

Small group rate filings do not have a minimum loss ratio requirement.

O. Interest Rate Assumptions

Not Applicable

P. Trend Assumptions

The medical cost trend assumption used in the development of the manual rates for 3Q13-2Q14 is 9.3% for CY 2013 and CY 2014.

The trends utilized for the projections were developed based on small group experience for plans for the DC market. Actual historical net claims are reviewed at the market and product level. An aggregate trend for these markets is then determined using the market and product membership weights to remove the impact of product and market mix.

The data utilized in the trend analysis was based on the claim data incurred from November 2011 – October 2012 paid through November 2012. This was the most recent data available at the time these rates were developed. From the monthly claim data, calendar year PMPMs are calculated for each market and product. This use of Calendar Year PMPMs is intended to reduce the impact of seasonality. The net trends for each market and product are then calculated by dividing the PMPMs year over year. The aggregate net trend used as the starting point for the projection is calculated as the member weighted average of the market and product net trends.

To develop the pricing trend (or gross trend) for 2012, the aggregate net trend for Calendar Year 2012 is normalized for demographics and plan design based on the filed characteristic factors. Additional adjustments are made based on items that were believed to have had an effect on the experience data such as changes in provider reimbursements, increase in COBRA benefits and an increase in claims due to seasonal flu and snow. The changes in unit price contracted for hospital and professional services and the estimated increase in claims expected as a result of increased COBRA benefits and the estimated increase in claims due to seasonal flu and snow were developed by our Medical Economics Unit.

The pricing trend for 2013 and 2014 is developed by applying the value of the expected changes to the above listed items to the 2012 pricing trend.

Q. Persistency

Not Applicable

R. Long Term Care Insurance

Not Applicable

S. Actuarial Certification

An Actuarial Certification is attached.

T. Expenses

Below is a table which shows the projected expenses for the rating period.

Category	
Commission	5.8%
General Expenses	8.0%
Taxes, Licenses and Fees	2.3%
Total Incurred Expenses	16.0%

To: Aetna Life Insurance Company
From: [David M. Walker, ASA, MAAA](#)
Date: March 15, 2013
Re: **Actuarial Certification of Premium Rates**

I, [David M. Walker](#), am an employee of Aetna Inc. and a member of the American Academy of Actuaries. I have reviewed the enclosed rates submitted by Aetna Life Insurance Company for Washington D.C.

These rates reflect the negotiated prices from the provider contracts and the expected utilization experience of the plan.

I relied upon financial records and summaries prepared by responsible officers and employees of Aetna Life Insurance Company. In other respects, my analysis included review of assumptions that I considered necessary.

For preparation of the rates, items identified above:

- (i). are computed in accordance with commonly accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- (ii). meet the requirements of Washington D.C,
- (iii). make a good and sufficient provision for all unpaid claims of the organization under the terms of its contracts and agreements, and
- (iv). include appropriate provision for all actuarial items which ought to be established where allowed by law.

A target medical loss ratio of 88.0% was used.

These rates are appropriate for quotes delivered for effective dates beginning [July 1, 2013](#). The proposed change is an increase greater than the 10% threshold and will trigger the federal review requirements as specified under 45 CFR Part 154.

This rate filing conforms to the benefit plan provisions required by the Patient Protection and Affordable Care Act (P.L. 111-148) of 2010.

In my opinion, the enclosed rates are reasonable in relation to the anticipated experience of Aetna Life Insurance Company. They are neither excessive nor inadequate, nor unfairly discriminatory.



David M. Walker
ASA, MAAA

03/015/2013

Date

**Aetna Life Insurance Company
District of Columbia
Manual Rate Change Summary
Groups with 2-50 Eligible Subscribers**

	Effective Date Factor	Base Rate Single Male EE 35	Effective Base Rate *	Benefit Factor Change	Area Factor Change			
01/01/2012	1.5115	\$133.75	\$202.16	1.000	NA			
02/01/2012	1.5115	\$133.75	\$202.16	1.000	NA			
03/01/2012	1.5115	\$133.75	\$202.16	1.000	NA			
04/01/2012	1.5372	\$133.75	\$205.60	1.000	NA			
05/01/2012	1.5372	\$133.75	\$205.60	1.000	NA			
06/01/2012	1.5372	\$133.75	\$205.60	1.000	NA	Monthly Change		
07/01/2012	1.5526	\$133.75	\$207.66	1.000	NA	1.036		
08/01/2012	1.5526	\$133.75	\$207.66	1.036	NA		Quarterly	Annual
09/01/2012	1.5526	\$133.75	\$207.66	1.000	NA	1.000		
10/01/2012	1.5930	\$133.75	\$213.06	1.000	NA	1.026	2.6%	
11/01/2012	1.5930	\$133.75	\$213.06	1.000	NA	1.000	2.6%	
12/01/2012	1.5930	\$133.75	\$213.06	1.000	NA	1.000	2.6%	
01/01/2013	1.6344	\$133.75	\$218.60	1.000	NA	1.026	2.6%	
02/01/2013	1.6344	\$133.75	\$218.60	1.000	NA	1.000	2.6%	
03/01/2013	1.6344	\$133.75	\$218.60	1.000	NA	1.000	2.6%	
04/01/2013	1.6769	\$133.75	\$224.29	1.000	NA	1.026	2.6%	
05/01/2013	1.6769	\$133.75	\$224.29	1.000	NA	1.000	2.6%	
06/01/2013	1.6769	\$133.75	\$224.29	1.000	NA	1.000	2.6%	
07/01/2013	1.6987	\$133.75	\$227.20	1.000	NA	1.013	1.3%	13.3%
08/01/2013	1.6987	\$133.75	\$227.20	1.000	NA	1.000	1.3%	9.4%
09/01/2013	1.6987	\$133.75	\$227.20	1.000	NA	1.000	1.3%	9.4%
10/01/2013	1.7208	\$133.75	\$230.16	1.000	NA	1.013	1.3%	8.0%
11/01/2013	1.7208	\$133.75	\$230.16	1.000	NA	1.000	1.3%	8.0%
12/01/2013	1.7208	\$133.75	\$230.16	1.000	NA	1.000	1.3%	8.0%

Average Increase 3Q13 10.5%

* Effective Date Factor x Base Rate (Single Male EE 35)
Monthly Change = Change in Effective Base Rate x Benefit Factor Change

**District Of Columbia
Loss Ratio Exhibit
Small Group: 2-50 Life Market Only**

District of Columbia					
Year	Member Months	Premium	Claims	Loss Ratio	
2010	9,440	\$ 3,666,852	\$ 2,187,672	59.7%	
2011	8,607	\$ 3,322,487	\$ 1,668,420	50.2%	
2012	7,927	\$ 2,964,555	\$ 1,987,530	67.0%	
Countrywide					
Year	Member Months	Premium	Claims	Loss Ratio	
2010	6,096,674	\$ 1,929,317,574	\$ 1,608,165,755	83.4%	
2011	5,228,790	\$ 1,767,146,900	\$ 1,415,836,591	80.1%	
2012	5,029,961	\$ 1,738,798,366	\$ 1,409,688,576	81.1%	

To: Aetna Life Insurance Company
From: [David M. Walker, ASA, MAAA](#)
Date: March 15, 2013
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In my opinion, the enclosed rates are reasonable in relation to the anticipated experience of Aetna Life Insurance Company. They are neither excessive nor inadequate, nor unfairly discriminatory.



David M. Walker
ASA, MAAA

03/015/2013

Date



980 Jolly Road
Mail Code U12S
Blue Bell, PA 19422
(215)-775-3837
Fax: (215)-775-6441

April 15, 2013

Ms. Darniece Shirley
District of Columbia Department of Insurance & Securities Regulation
810 First Street NE, 6th Floor
Washington, DC 20002

Subject: Aetna Life Insurance Company
DCALICSG0713 Small Group Premium Rate Filing
Effective dates July 1, 2013 through December 31, 2013
NAIC Number 001 60054
Form Numbers: [GR-9N](#) and [GR-29N](#)

Dear Ms. Shirley:

I am writing in response to your objection letter in SERFF regarding the rate filing for Aetna Life Insurance Company for effective dates July 1, 2013 through December 31, 2013.

For clarity, your question has been restated below along with our response.

The State will not allow requests for preapproved "Effective Date Factors" or any other preapproved requests. All references requesting preapproval should be removed from the filing and revised to reflect an update.

In response to a similar objection for our Small Group filings submitted last year, Aetna representatives participated in a call with DISB representatives on May 2, 2012, to discuss the issue.

Aetna pointed out that this request for preapproved future quarters of trend is common and allowed in other States (e.g. Maryland and Virginia). We further explained that the purpose for a request for a preapproved trend is being made in an effort to reduce the number of rate filing submissions and review of these submissions. This would also be beneficial to the DISB and place a lesser burden on your resources.

Subsequently, on 5/18/2012, the rate filing in question was approved by Mr. Tanheco with the following comment, "The Annual Trending (per the Actuarial Memo's stated amount) will be permitted."

We request that we continue to be permitted to file for prospective quarters consistent with the earlier approval.

Please contact me at 215-775-2717 if you have any questions regarding the attached information.

Sincerely,

A handwritten signature in cursive script that reads "Frances Casale".

Frances Casale
LEC Actuarial
Southeast Region