

State: District of Columbia **Filing Company:** National Union Fire Insurance Company of Pittsburgh, Pa.

TOI/Sub-TOI: H02G Group Health - Accident Only/H02G.000 Health - Accident Only

Product Name: Specialty Markets

Project Name/Number: CAP Rate Correction/NUFIC14CAP01

Filing at a Glance

Company: National Union Fire Insurance Company of Pittsburgh, Pa.

Product Name: Specialty Markets

State: District of Columbia

TOI: H02G Group Health - Accident Only

Sub-TOI: H02G.000 Health - Accident Only

Filing Type: Rate

Date Submitted: 07/15/2014

SERFF Tr Num: AGDE-129636539

SERFF Status: Assigned

State Tr Num:

State Status:

Co Tr Num: NUFIC14CAP01

Implementation: On Approval

Date Requested:

Author(s): Penny Berry, Veronica Bullock, Bernard Ganley, Ted Lioumis, Melinda Ramos

Reviewer(s): Darniece Shirley (primary), Alula Selassie, John Morgan

Disposition Date:

Disposition Status:

Implementation Date:

State Filing Description:

State: District of Columbia **Filing Company:** National Union Fire Insurance Company of Pittsburgh, Pa.

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General Information

Project Name: CAP Rate Correction Status of Filing in Domicile: Not Filed
 Project Number: NUFIC14CAP01 Date Approved in Domicile:
 Requested Filing Mode: Informational Domicile Status Comments: Not filed in domicile state of Pennsylvania as this is deregulated.

Explanation for Combination/Other: Market Type: Group
 Submission Type: New Submission Group Market Size: Small and Large
 Group Market Type: Employer, Association, Trust Overall Rate Impact:
 Filing Status Changed: 07/16/2014
 State Status Changed: Deemer Date:
 Created By: Ted Lioumis Submitted By: Ted Lioumis
 Corresponding Filing Tracking Number:

Filing Description:
 RE: National Union Fire Insurance Company of Pittsburgh, Pa.
 NAIC # 012-19445, FEIN 25-0687550
 Group Accident Insurance
 Informational Filing

National Union Fire Insurance Company of Pittsburgh, Pa. (NUFIC) hereby submits the following amendatory memorandum for your review and approval.

The purpose of this memorandum is to amend the referenced rate filing to address typographical errors, omissions, and to provide clarifications of rating calculations. This memorandum is provided for informational purposes and is not intended to impact existing or future rates.

The amendatory memorandum is enclosed.

We appreciate your review and look forward to your approval of these forms. Please don't hesitate to contact me if you have any questions concerning this submission.

Respectfully submitted,

Company and Contact

Filing Contact Information

Ted Lioumis, Filing Analyst ted.lioumis@aig.com
 503 Carr Road 888-396-5369 [Phone] 31745 [Ext]
 Wilmington, DE 19809 302-830-4466 [FAX]

State: District of Columbia **Filing Company:** National Union Fire Insurance Company of Pittsburgh, Pa.
TOI/Sub-TOI: H02G Group Health - Accident Only/H02G.000 Health - Accident Only
Product Name: Specialty Markets
Project Name/Number: CAP Rate Correction/NUFIC14CAP01

Filing Company Information

National Union Fire Insurance Company of Pittsburgh, Pa. 503 Carr Road 3rd Floor Wilmington, DE 19809 (888) 396-5369 ext. 31722[Phone]	CoCode: 19445 Group Code: 12 Group Name: AIG FEIN Number: 25-0687550	State of Domicile: Pennsylvania Company Type: State ID Number:
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Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

SERFF Tracking #:

AGDE-129636539

State Tracking #:

Company Tracking #:

NUFIC14CAP01

State: District of Columbia

Filing Company:

National Union Fire Insurance Company of Pittsburgh, Pa.

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Rate Information

Rate data applies to filing.

Filing Method: Informational

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:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
National Union Fire Insurance Company of Pittsburgh, Pa.	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

SERFF Tracking #:

AGDE-129636539

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

NUFIC14CAP01

State:

District of Columbia

Filing Company:

National Union Fire Insurance Company of Pittsburgh, Pa.

TOI/Sub-TOI:

H02G Group Health - Accident Only/H02G.000 Health - Accident Only

Product Name:

Specialty Markets

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CAP Rate Correction/NUFIC14CAP01

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Amendment to Rate Manual	C11656(REV 3-99)DBG, et al.	Other	Previous State Filing Number: AGNY-128817946 Rate Action Other Explanation: Typographical Correction	CAP Amendment Memo_DC_AGN-128817946.pdf,

National Union Fire Insurance Company of Pittsburgh, Pa.

**Amendment to Rate Manual
Group Accident Insurance Policy
Form Number C11656(REV 3-99)DBG, et al.**

A. Summary

Scope & Purpose

The purpose of this memorandum is to amend rate filing AGNY-128817946 to address typographical errors, omissions, and to provide clarifications of rating calculations. The typographical errors impact several benefits, which are listed below. Rate factors for the natural disaster benefit omitted in the above filing are included in this memorandum. This memorandum also amends the premium calculation in *Table 7: Premium Structure* to clarify its use. This rate filing is not intended for any other purpose.

I. Benefits containing Typographical Errors, and Amended Factors

a) Accident Medical Expense Benefit, Rate Manual page 17

Adjustment Factor for Maximum Number of Accidents Per Calendar Year

<u>Maximum Accidents</u>	<u>Adjustment Factor (Filed)</u>	→	<u>Amended</u>
5	1.000	→	0.990
10	0.995	→	0.995
15	0.990	→	1.000

b) Accident Medical Expense Benefit, Rate Manual page 17

Adjustment Factor for Different Incurral Periods from the Date of the Accident

<u>Time for Specific Loss to Occur</u>	<u>Adjustment Factor (Filed)</u>	→	<u>Amended</u>
24 Hours	0.990	→	0.990
48 Hours	1.005	→	1.000
72 Hours	1.000	→	1.005

c) Carjacking Benefit – Percentage of Principal Sum, Rate Manual page 24

Benefit amount range bullet point, page 24:

Filed: “Benefit amounts range from \$500 to \$100,000 in \$500 increments and \$100,000 to \$1,000,000 in \$25,000 increments.”

Amended: “Benefit amounts range from \$1,000 to \$1,000,000 (in \$1,000 increments to \$10,000, then \$5,000 increments to \$50,000, then \$10,000 increments to \$100,000, then \$25,000 increments to the maximum).”

Table of Premium Loads, page 25:

Maximum Dollar Limit Imposed on Rider Benefit = \$70,000;

Limiting Percentage of Principal Sum = 45.0%

	<u>Filed</u>	→	<u>Amended</u>
Table Value =	3561.00%		35.61%

National Union Fire Insurance Company of Pittsburgh, Pa.

**Amendment to Rate Manual
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d) Elder Survivor Benefit – Dollar Amount, Rate Manual page 34

Option 1—Lump Sum

<u>Elder Survivor Benefit</u>	<u>% Load (Filed)</u>		<u>Amended</u>
...	...	→	...
\$3,000	0.04%	→	0.40%
...	...	→	...

e) Natural Disaster Benefit – Percentage of Principal Sum, Rate Manual page 54

Table of Premium Loads, pages 54 & 55:

- i. Maximum Dollar Limit Imposed on Rider Benefit;
- ii. Limiting Percentage of Principal Sum

<u>i. Max \$</u>	<u>ii. Lim%</u>	<u>Value (Filed)</u>		<u>Amended</u>
\$5,000	10%	423%	→	4.23%
\$80,000	100%	58.160x0	→	58.16%
\$90,000	50%	41,81%	→	41.81%
\$100,000	100%	6714%	→	67.14%

f) Seat Belt Benefit – Percentage of Principal Sum Amount, Rate Manual page 70

Table of Premium Loads, pages 71 & 72:

<u>Limiting Percentage of PS (Filed)</u>		<u>Amended</u>
...	→	...
65.0%	→	65.0%
10.0%	→	70.0%
15.0%	→	75.0%
80.0%	→	80.0%
...	→	...

National Union Fire Insurance Company of Pittsburgh, Pa.

**Amendment to Rate Manual
Group Accident Insurance Policy
Form Number C11656(REV 3-99)DBG, et al.**

g) Escalator Benefit, Rate Manual page 41

Table of Premium Loads, page 41:

i. PS Increase Annually % Increase

ii. # of Increases

<u>i. PS % Inc</u>	<u>ii. # Inc</u>	<u>% Increase to AD</u>	
		<u>Prem (Filed)</u>	<u>Amended</u>
2%	3	104%	→ 4%
2%	4	104%	→ 4%
2%	5	105%	→ 5%
3%	3	105%	→ 5%
3%	4	106%	→ 6%
3%	5	107%	→ 7%
4%	3	107%	→ 7%
4%	4	109%	→ 9%
4%	5	110%	→ 10%
5%	3	109%	→ 9%
5%	4	111%	→ 11%
5%	5	113%	→ 13%
6%	3	111%	→ 11%
6%	4	113%	→ 13%
6%	5	115%	→ 15%
7%	3	113%	→ 13%
7%	4	116%	→ 16%
7%	5	118%	→ 18%
8%	3	115%	→ 15%
8%	4	118%	→ 18%
8%	5	121%	→ 21%
9%	3	117%	→ 17%
9%	4	121%	→ 21%
9%	5	124%	→ 24%
10%	3	119%	→ 19%
10%	4	123%	→ 23%
10%	5	127%	→ 27%

National Union Fire Insurance Company of Pittsburgh, Pa.

**Amendment to Rate Manual
Group Accident Insurance Policy
Form Number C11656(REV 3-99)DBG, et al.**

II. Benefits containing Factor Omissions, and Amended Factors

a) Natural Disaster Benefit – Percentage of Principal Sum, Rate Manual page 54

Table of Premium Loads, page 54 – 56:

Below are the filed rate loads, with values inserted for benefit limits of \$15,000, \$45,000, \$60,000, and \$75,000. These benefit limits are contained in the filed form, but were not included in the rate manual. The premium load values of these inserted benefit limits were derived by linear interpolation of directly adjacent cells.

Limiting Percentage of Principal Sum	MAXMUM DOLLAR LIMIT IMPOSED ON RIDER BENEFIT							
	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
3.00%	2.94%	2.97%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4.00%	3.72%	3.86%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
5.00%	4.32%	4.65%	4.97%	5.00%	5.00%	5.00%	5.00%	5.00%
10.00%	6.71%	7.68%	8.65%	9.30%	9.62%	9.89%	9.94%	9.97%
15.00%	7.80%	9.53%	11.25%	12.18%	12.97%	13.62%	14.16%	14.43%
20.00%	8.46%	10.95%	13.43%	14.70%	15.62%	16.54%	17.30%	17.95%
25.00%	8.84%	11.69%	14.54%	16.79%	18.09%	19.06%	19.99%	20.81%
30.00%	9.18%	12.40%	15.61%	17.91%	20.14%	21.45%	22.51%	23.43%
35.00%	9.46%	12.86%	16.26%	18.98%	21.27%	23.50%	24.80%	25.84%
40.00%	9.64%	13.28%	16.92%	19.84%	22.35%	24.64%	26.86%	28.13%
45.00%	9.82%	13.58%	17.33%	20.49%	23.41%	25.72%	28.01%	29.77%
50.00%	9.99%	13.83%	17.67%	21.15%	24.07%	26.79%	29.08%	31.33%
75.00%	10.54%	14.82%	19.10%	22.96%	26.51%	30.06%	33.18%	36.10%
100.00%	10.87%	15.43%	19.99%	24.10%	28.21%	31.80%	35.35%	38.82%

Limiting Percentage of Principal Sum	MAXMUM DOLLAR LIMIT IMPOSED ON RIDER BENEFIT							
	\$50,000	\$60,000	\$70,000	\$75,000	\$80,000	\$90,000	\$100,000	\$125,000
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
15.00%	14.70%	14.85%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
20.00%	18.60%	19.19%	19.78%	19.83%	19.87%	19.96%	20.00%	20.00%
25.00%	21.62%	22.70%	23.78%	24.05%	24.31%	24.75%	24.84%	25.00%
30.00%	24.35%	25.80%	27.25%	27.78%	28.31%	28.85%	29.39%	29.86%
35.00%	26.87%	28.57%	30.27%	30.92%	31.57%	32.85%	33.39%	34.64%
40.00%	29.40%	31.24%	33.08%	33.84%	34.59%	35.89%	37.20%	38.74%
45.00%	31.52%	33.57%	35.61%	36.53%	37.45%	38.92%	40.22%	42.74%
50.00%	33.57%	35.85%	38.13%	39.05%	39.97%	41.81%	43.24%	46.50%
75.00%	39.02%	43.62%	48.21%	49.94%	51.66%	54.27%	56.27%	60.88%
100.00%	42.29%	47.94%	53.58%	55.87%	58.16%	62.75%	67.14%	73.49%

National Union Fire Insurance Company of Pittsburgh, Pa.

**Amendment to Rate Manual
Group Accident Insurance Policy
Form Number C11656(REV 3-99)DBG, et al.**

III. Clarification of Premium Calculation

a) Table 7 – Premium Structure, Rate Manual page 88 & 89

Passages have been inserted to clarify the calculation of fixed dollar benefits and additional benefit riders, as well as to address our calculation procedures in unique or unexpected circumstances.

TABLE 7

PREMIUM STRUCTURE

Premium payments may be remitted weekly, bi-weekly, monthly, quarterly, semi-annually, or annually. Annual premium rates are converted to other premium payment modes by applying the appropriate factor for the modal premium adjustment schedule.

Part #

Part A

- (1) AD (Or ADD) premium rate per \$1,000
x Number of units of principal sum (to three decimal places)
x Age 70 + reduction factor loads (if applicable)
x Optional exclusion factors (if applicable)
- (2) x Volume discount factor (if applicable)
- (3) x Premium adjustment factor (if applicable)
- (4) x Industry factor (if applicable)
- (5) x Location code factor (if applicable)
- (6) x (1 + Benefit riders with percentage of premium loadings)

Part B

- (1) (Benefit riders with premium rates per \$ of benefit (such as Accident Medical Expense, Day Care Rev7-12, Tuition Rev 7-12, etc) ÷ average number of units of principal sum per person)

PLUS

(Aircraft, Security Evacuation Benefit, and War Risk Coverage: estimated total account benefit exposure x applicable rate(s) ÷ estimated total account principal sum units)

The below factors apply to both benefit riders with premium rates per \$ of benefit and aircraft, security evacuation, and war risk coverage.

- (2) x Number of units of principal sum (to three decimal places)
- (3) x Optional exclusion factors (if applicable)
- (4) x Volume discount factor (if applicable)
- (5) x Premium adjustment factor (if applicable)
- (6) x Industry factor (if applicable)
- (7) x Location code factor (if applicable)

National Union Fire Insurance Company of Pittsburgh, Pa.

**Amendment to Rate Manual
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Part C

(1) = (Part A + Part B) x Underwriting Adjustment Factor

The criteria for underwriting adjustments are as follows:

- i. Consistently favorable or unfavorable claim patterns
- ii. Account exposure changes; the addition or deletion of subsidiaries; change in the demographics of the group, etc.
- iii. Account persistency with current or prior carriers
- iv. Level of the employer's premium contribution
- v. Employee turnover rate too high or too low
- vi. Anticipated antiselection due to participation level in the voluntary plans
- vii. The expiring rate of the account from other carriers is significantly different than the formula rate
- viii. Business information provided such as premium, loss experience, exposure, is incomplete, inconsistent or incorrect
- ix. Other AIG insurance coverage
- x. Use of alternative sales methods

Overall underwriting adjustment will be up to $\pm 25\%$. The magnitude of the adjustments to the formula rate will depend on the number of factors that apply in a given situation and the importance of those factors.

Part D

(1) For accounts that have a permissible loss ratio other than 65%, adjust the rates using the formula below:

$[\text{Part C (1)}] \times 65\% \div \text{permissible loss ratio}$

National Union Fire Insurance Company of Pittsburgh, Pa.

**Amendment to Rate Manual
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B. Actuarial Certification

I, Olga Zalevsky, am a Member of the American Academy of Actuaries and meet the Qualification Standards of Actuarial Opinion as adopted by the American Academy of Actuaries. I certify that, to the best of my knowledge and judgment:

- (I) The entire filing is in compliance with the applicable laws of this state;
- (II) The entire filing is in compliance with all applicable Actuarial Standards of Practice;
- (III) The benefits provided are reasonable in relation to the proposed premiums; and
- (IV) The premium schedule is not excessive, inadequate, or unfairly discriminatory.



Olga Zalevsky, FSA, MAAA
June 2014

State: District of Columbia
TOI/Sub-TOI: H02G Group Health - Accident Only/H02G.000 Health - Accident Only
Product Name: Specialty Markets
Project Name/Number: CAP Rate Correction/NUFIC14CAP01
Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa.

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	The cover letter information is contained in the filing discription area of the general information tab of this SERFF filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	Not applicable as this is not a third party filer.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum
Bypass Reason:	This is a correctional filing to a previously approved rate manual. There are no changes to the previously approved Actuarial Memorandum found under the SERFF Filing AGNY-128817946. The corrections set forth in this filing address typographical errors, omissions and provide clarifications of rating calculations.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	This is a correctional filing to a previously approved rate manual. There are no changes to the previously approved Actuarial Memorandum found under the SERFF Filing AGNY-128817946. The corrections set forth in this filing address typographical errors, omissions and provide clarifications of rating calculations.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Not applicable as this is not a P&C filing.
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

AGDE-129636539

State Tracking #:

Company Tracking #:

NUFIC14CAP01

State: District of Columbia

Filing Company:

National Union Fire Insurance Company of Pittsburgh, Pa.

TOI/Sub-TOI: H02G Group Health - Accident Only/H02G.000 Health - Accident Only

Product Name: Specialty Markets

Project Name/Number: CAP Rate Correction/NUFIC14CAP01

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	Not applicable as this is not a P&C filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	Not applicable as this is not a QHP.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	Not applicable as this is not a QHP.
Attachment(s):	
Item Status:	
Status Date:	