

State: District of Columbia **Filing Company:** Dentegra Insurance Company
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental
Product Name: DIC AARP 2015 DC Rate
Project Name/Number: DIC AARP 2015 DC Rate/DIC AARP 2015 DC Rate

Filing at a Glance

Company: Dentegra Insurance Company
Product Name: DIC AARP 2015 DC Rate
State: District of Columbia
TOI: H10G Group Health - Dental
Sub-TOI: H10G.000 Health Dental
Filing Type: Rate
Date Submitted: 07/18/2014
SERFF Tr Num: DDPa-129638185
SERFF Status: Assigned
State Tr Num:
State Status:
Co Tr Num: DIC AARP 2015 RATE
Implementation: On Approval
Date Requested:
Author(s): Connie Roth, Rachel Herzke, Noel Brennan, Alisa Koelling, Brandy Christian
Reviewer(s): Darniece Shirley (primary), Alula Selassie, John Morgan
Disposition Date:
Disposition Status:
Implementation Date:
State Filing Description:

State: District of Columbia **Filing Company:** Dentegra Insurance Company
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General Information

Project Name: DIC AARP 2015 DC Rate Status of Filing in Domicile: Pending
Project Number: DIC AARP 2015 DC Rate Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Large
Group Market Type: Association Overall Rate Impact: 4.1%
Filing Status Changed: 07/23/2014
State Status Changed: Deemer Date:
Created By: Alisa Koelling Submitted By: Alisa Koelling
Corresponding Filing Tracking Number:

Filing Description:

Dentegra Insurance Company is submitting a Large Group Stand-alone Dental Insurance rate filing change for approval on behalf of the AARP Dental Insurance Plan pursuant to District of Columbia law.

The enclosed rates will apply to the following forms:

1. CC-DN-DC(DELTUSA1-2004)D - Certificate of Coverage approved by your Department on May 18, 2005.
2. ARP-DIC-COC-AMEND-ST-1 - Certificate of Coverage Amendment approved on November 9, 2010 (SERFF# DDPA-126752215).
3. ARP-DIC-COC-AMEND-ST-2 - Certificate of Coverage Amendment approved on September 30, 2011 (SERFF# DDPA-127642350).
4. ARP-DIC-COC-AMEND-ST-3 - Certificate of Coverage Amendment approved on October 17, 2012 (SERFF# DDPA-128711747).
5. ARP-DIC-COC-AMEND-ST-4 - Certificate of Coverage Amendment approved on August 16, 2013 (SERFF#DDPA-129116983).
6. ARP-DIC-COC-AMEND-ST-5 - Certificate of Coverage Amendment submitted on July 10, 2014 (SERFF# DDPA-129627123).

Rates are based on 100% experience and are designed to be fully breakeven on a 5 year projection. Based on the national experience of each benefit plan, the required increase for the service portion of the rates are a 3.4% increase in rates for Plan A and a 1.0% decrease in rates for Plan B. Additionally, Dentegra is increasing basic restorations copayment to 60% to both plans with an expected claim cost increase of 1.7%. The combined effect of these changes is a 5.0% increase in rates for Plan A and 0.6% increase for Plan B as outlined in the Actuarial Memorandum.

As the AARP Dental Insurance Plan is a national plan, the rates and Actuarial Memo included in this filing will be used nationally. We are required by several states to file in the situs state which is the District of Columbia. We will submit rates to those states requiring their review and approval once the national rates are approved by your Department.

Our previous rate filing that became effective January 1, 2014 was filed under SERFF Tracking No. DDPA-129116982 and approved on August 29, 2013.

Our effective date of use of the rates will be January 1, 2015 or the earlier of the date the filing is approved or deemed approved by your Department.

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Thank you for assisting us in this filing process. If there are any questions, please contact me at (916) 861-1974 or at akoelling@dentegra.com.

Sincerely,
Alisa Koelling
Regulatory Analyst

Company and Contact

Filing Contact Information

Alisa Koelling (Dentegra), Regulatory Analyst	akoelling@dentegra.com
100 First Street	916-861-1974 [Phone]
San Francisco, CA 94105	

Filing Company Information

Dentegra Insurance Company	CoCode: 73474	State of Domicile: Delaware
100 First Street	Group Code: 2479	Company Type: LAH
San Francisco, CA 94105	Group Name: Dentegra Group, Inc.	State ID Number:
(866) 714-7730 ext. [Phone]	FEIN Number: 75-1233841	

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

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Filing Company: Dentegra Insurance Company

Rate Information

Rate data applies to filing.

Filing Method: Review & Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 4.670%
Effective Date of Last Rate Revision: 01/01/2014
Filing Method of Last Filing: Review & Approval

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):
Dentegra Insurance Company	4.100%	4.100%	\$0	0	\$0	4.100%	4.100%

SERFF Tracking #:

DDPA-129638185

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

DIC AARP 2015 RATE

State: District of Columbia**Filing Company:**

Dentegra Insurance Company

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental**Product Name:** DIC AARP 2015 DC Rate**Project Name/Number:** DIC AARP 2015 DC Rate/DIC AARP 2015 DC Rate

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		2015 Actuarial Memorandum	CC-DN-DC(DELTUSA1-2004)D et al	New		DIC_Actuarial Memorandum 061214.pdf,
2		2015 Renewal Exhibits	CC-DN-DC(DELTUSA1-2004)D et al	New		Renewal Calculation-2015.pdf,
3		2015 Regional Rates	CC-DN-DC(DELTUSA1-2004)D et al	New		2015 3D ZIP by State_Region.pdf,

ACTUARIAL MEMORANDUM

Dentegra Insurance Company

June 12, 2014

1 Scope and Purpose of Filing

This filing presents the rates and benefits to be offered by Dentegra Insurance Company (Dentegra) for the members of AARP. Benefits are provided on a totally voluntary basis with AARP members paying 100% of the premium.

2 Description of Benefits

Dentegra is currently offering two benefit designs to AARP members, a high option plan and a low option plan. Coverage is provided for diagnostic, preventive, basic, cast & crown restorations, and prosthodontic benefits. Dentegra is also employing waiting periods on major services as a tool to manage adverse selection in this totally voluntary program. The benefit plans are as follows:

	High Option (Plan A)		Low Option (Plan B)	
	Year 1	Year 2	Year 1	Year 2
Diagnostic and Preventive	100%	100%	80%	80%
Basic Restorations	60%	60%	60%	60%
Other Basic	50%	50%	50%	50%
Denture Repairs and Relines	80%	80%	50%	50%
Minor Periodontics	80%	80%	50%	50%
Major Periodontics	0%	50%	0%	50%
Major	0%	50%	0%	50%
Calendar Year Deductible *	\$50	\$50	\$100	\$100
Calendar Year Maximum	\$1,500	\$1,500	\$1,000	\$1,000

* *Deductibles on the High Option do not apply to Diagnostic & Preventive services.*

As a PPO program, all dentists will be compensated at the lesser of the submitted amount of the claim, the dentist's filed fee (if the dentist is a contracting dentist with Dentegra), and Dentegra's PPO schedules. The subscriber is free to choose any dentist. If the subscriber visits a:

- PPO dentist, the dentist may not balance bill.
- Non-PPO/contracting dentist, the dentist can balance bill up to the lesser of the maximum plan allowance for non-PPO/contracting dentists and the dentist's filed fee.
- Non-PPO/non-contracting dentist, the dentist can balance bill up to the submitted amount

For 2015, Dentegra is recommending an increase of basic restorations copayment from 50% to 60%.

3 Renewability

The dental program is optionally renewable. Premiums are guaranteed initially for a 24-month contract term to each member. After the initial 24-month contract, renewal rates will be guaranteed for a 12-month contract period. For 2015, Dentegra is proposing:

- A 5.0% increase in rates for Plan A, including a 3.4% increase in service rates, and a 1.7% increase for the increase in basic restorations copayment from 50% to 60%.
- A 0.6% increase in rates for Plan B, including a -1.0% decrease in service rates, and a 1.7% increase for the increase in basic restorations copayment from 50% to 60%.

4 **Morbidity**

Dental utilization is based on Dentegra’s manual rating assumptions as well as a portion of the experience. Below please find utilization rates for the entire program. Individual state utilizations are not yet deemed credible.

Overall Utilization Data Thru 12/2013	Plan A		Plan B	
	Model	Actual	Model	Actual
Year 1	100.0%	95.4%	100.0%	92.4%
Year 2	95.0%	93.1%	95.0%	92.0%
Year 3	80.5%	91.9%	80.5%	89.4%
Year 4	80.5%	88.4%	80.5%	85.0%
Year 5	80.5%	87.9%	80.5%	84.6%

5 **Mortality**

Not applicable.

6 **Persistency**

The persistency assumptions for 2015 are based on actual experience by plan and are calculated to be 89.3%.

7 **Expenses**

Following is a breakdown of administrative expenses for Plans A and B combined.

	Percentage of Premium
Acquisition & Services	6.6%
Operations	17.6%
ASI Royalties *	4.0%
ACA Tax	3.1%
<u>Premium Tax</u>	<u>2.0%</u>
Total	33.3%

*ASI is AARP Services, Inc.

8 **Marketing Method**

This product is sold to individual members of AARP and their families directly through a combination of mass media and direct marketing techniques.

9 **Underwriting**

Dentegra rates are based on 100% experience and are designed to be fully breakeven on a 5 year projection. Based on the national experience of each benefit plan, the required increase for the service portion of the rates are a 3.4% increase in rates for Plan A and a -1.0% decrease in rates for Plan B. Additionally, Dentegra is increasing basic restorations copayment to 60% to both plans with an expected claim cost increase of 1.7%. The combined effect of these changes is a 5.0% increase in rates for Plan A and 0.6% increase for Plan B.

10 **Premium Classes**

Gross premiums vary by the specifications described in the attached rating formula.

11 **Area Factors**

Manual rates are adjusted by three-digit ZIP Code.

12 **Premium Modalization Rules**

Presented in the attached rate exhibits are the monthly rates for this program. As a totally voluntary program, Dentegra is also offering rates on a quarterly, semi-annual and annual basis. Additionally, for those enrollees who opt for Plan A with annual payments, Dentegra is providing these enrollees with dental accident coverage at 100% of the cost, up to a \$1,000 lifetime maximum. Rates for quarterly, semi-annual and annual payment options are as follows:

Plan A (High Option)

EFT Monthly	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$59.47	\$62.86	\$70.89
2 Party	\$117.44	\$124.23	\$140.11
Family	\$178.62	\$188.87	\$213.05
Quarterly	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$177.48	\$187.68	\$211.62
2 Party	\$350.61	\$370.80	\$418.29
Family	\$533.19	\$563.79	\$635.91
Semi Annual	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$353.22	\$373.44	\$421.08
2 Party	\$697.62	\$737.88	\$832.32
Family	\$1,060.86	\$1,121.94	\$1,265.46
Annual	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$706.32	\$746.76	\$842.04
2 Party	\$1,395.12	\$1,475.52	\$1,664.28
Family	\$2,121.36	\$2,243.40	\$2,530.32

Plan B (Low Option)

EFT Monthly	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$40.28	\$42.60	\$48.05
2 Party	\$79.23	\$83.80	\$94.53
Family	\$112.60	\$119.09	\$134.33
Quarterly	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$120.24	\$127.17	\$143.46
2 Party	\$236.52	\$250.17	\$282.18
Family	\$336.12	\$355.50	\$400.95
Semi Annual	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$239.28	\$253.08	\$285.36
2 Party	\$470.70	\$497.64	\$561.48
Family	\$668.82	\$707.40	\$797.88
Annual	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$473.76	\$501.12	\$565.08
2 Party	\$931.80	\$985.32	\$1,111.56
Family	\$1,324.32	\$1,400.52	\$1,579.92

Quarterly rates discount the monthly rates by 0.5%. Semi-annual rates discount the monthly rates by 1.0%. Annual rates discount the monthly rates by 2.0%. For Plan A members who opt for the annual rates, a 1% load has been applied to account for the dental accident benefits. Also, rates have been rounded in order to produce “whole cent” rates when converted to a monthly equivalent (i.e. quarterly rates must be divisible by 3 to the cent, semi-annual must be divisible by 6, etc.). This rounding is due to Dentegra’s billing system limitations.

13 **Claim Liability and Reserves**

The outstanding claim liability includes the reserve for claims incurred but not reported (IBNR). This reserve is projected from claims runoff, according to historical payout patterns.

14 **Trend Assumptions**

Manual rates include 4.1% average annual cost trend for all years, based on actual Dentegra trend, as well as publicly available trend forecasts made by benefit consultants and brokers. Insurance trend is implicit in the maximum and deductible credits, which are determined using cost-per-user distributions based on group experience adjusted for dental trend.

15 **Anticipated Loss Ratio**

Dentegra anticipates a loss ratio of 61.7% for the combined AARP program.

16 **Contingency and Risk Margins**

Dentegra’s rates include a combined 5.0% service margin.

17 **Lifetime Loss Ratio**

The lifetime loss ratio is equal to the anticipated loss ratio (see #15, “Anticipated Loss Ratio”).

18 **History of Rate Adjustments**

	<u>Plan A</u>	<u>Plan B</u>
2005	4.10%	4.10%
2006	5.53%	5.69%
2007	4.22%	4.30%
2008	5.00%	5.00%
2009	0.00%	0.00%
2010	3.32%	0.49%
2011	3.24%	5.62%
2012	4.72%	1.56%
2013	3.39%	4.10%
2014	4.69%	4.63%

19 **Proposed Effective Date**

January 1, 2015.

20 **Data Reliance and Variability of Results**

In my analysis of this rate filing, I relied on experience data and other information from our internal data systems. I performed general reasonableness checks, but have not audited the data and have relied upon its accuracy. To the extent that the underlying data is inaccurate, this filing may also be inaccurate.

Actual experience will vary from that projected for many reasons, including differences in population health status, in reimbursement levels, and in the delivery of dental care services, as well as other non-random and random factors. It is important that actual experience be monitored and that adjustments are made, as appropriate.

21 **Actuarial Certification**

I, Thomas J Leibowitz, FSA, MAAA, am a member of the American Academy of Actuaries and meet its qualification standards for the pricing and valuation of dental benefits.

I have reviewed the Dentegra Insurance Company AARP PPO rating and the actuarial assumptions and methods on which they are based. I hereby certify that to the best of my knowledge and judgment, this rate filing for the AARP PPO plans is in compliance with the applicable laws and regulations of the State and complies with Actuarial Standard of Practice No. 8. The rates shown are based on actuarially sound principles, are not inadequate, excessive or unfairly discriminatory and are reasonable in relation to the benefits provided.

This filing is intended to be relied upon by Dentegra Insurance Company and the Department of Insurance. It is not intended to be relied upon, or used by, any other party.

June 12, 2014

Date



Thomas J. Leibowitz, FSA, MAAA
Vice President and Chief Actuary

AARP Dental Plan

Renewal Recommendation

Service Premium Renewal Recommendation

	Plan A		Plan B	
	Policy Year		Policy Year	
	2014	2015	2014	2015
Projected Service Premium (without 2015 rate increase)	133,909,117	140,069,013	22,449,515	22,398,699
Projected Claim Cost	124,133,850	134,809,381	19,804,994	20,609,629
Total Annual Enrollee Months	2,507,720	2,622,415	654,409	652,302
Projected Service Premium (without 2015 rate increase) Per Enrollee Per Month (PEPM)	\$53.4	\$53.4	\$34.3	\$34.3
Projected Average Claim Cost PEPM	\$49.5	\$51.4	\$30.3	\$31.6
Projected Service Loss Ratio (without 2015 rate increase)		96.2%		92.0%
Target Service Loss Ratio		95.0%		95.0%
Required 2015 Service Premium Increase		1.3%		-3.1%
Projected Service Premium PEPM, Including 2015 Rate Increase		\$54.1		\$33.3

Administration Premium Renewal Recommendation			
Required Administration % 2014		31.9%	37.0%
Required Administration % Increase due to ACA Tax		0.5%	0.5%
Required Administration % 2015		32.4%	37.5%
Required Total Premium 2015		\$80.1	\$53.2

Total Renewal Recommendation			
Total Premium PMPM 2014		\$77.4	\$53.8
Required Total Premium 2015		\$80.1	\$53.2
Total Renewal Increase		3.4%	-1.0%

**AARP Rate Region Definitions
2015**

Region I

State	3-Digit ZIP Codes
Arkansas	716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729
Indiana	461, 467, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479
Kansas	667, 668, 669, 674, 677
Kentucky	400, 401, 402, 403, 404, 407, 408, 409, 411, 413, 420, 421, 422, 423, 424, 425, 426, 427
Maryland	215, 216, 217, 218
Missouri	634, 635, 636, 637, 638, 639, 644, 645, 646, 647, 650, 651, 653, 654, 655, 656, 657
Ohio	431, 433, 437, 438, 439, 443, 444, 445, 446, 447, 448, 449, 450, 451, 453, 455, 456, 457, 458
Pennsylvania	150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 182, 183, 184, 185, 186, 187, 188, 195, 196
Tennessee	370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385
Texas	764, 766, 768, 769, 795, 796
West Virginia	247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268

Region II

State	3-Digit ZIP Codes
Alabama	350, 351, 352, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369
Alaska, Canada	999
Arizona	850, 851, 852, 853, 855, 856, 857, 859, 860, 863, 864, 865
Colorado	805, 806, 807, 811, 812, 813, 814
Delaware	197, 199
Florida	320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 335, 336, 337, 338, 339, 341, 342, 344, 346, 347, 349
Georgia	301, 302, 304, 305, 306, 307, 308, 309, 310, 312, 313, 314, 315, 316, 317, 318, 319, 398, 399
Idaho	832, 833, 834, 835, 836
Illinois	609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 622, 623, 624, 625, 626, 627, 628, 629
Indiana	460, 462, 463, 464, 465, 466, 468, 469
Iowa	500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 520, 521, 522, 523, 524, 525, 526, 527, 528
Kansas	660, 661, 662, 664, 665, 666, 670, 671, 672, 673, 675, 676, 678, 679
Kentucky	405, 406, 410, 412, 414, 415, 416, 417, 418
Louisiana	700, 701, 703, 704, 705, 706, 707, 708, 710, 711, 712, 713, 714
Maine	039, 040, 042, 043, 044, 045, 046, 047, 048, 049
Maryland	206, 207, 208, 209, 210, 211, 212, 214, 219
Massachusetts	012, 013
Michigan	480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499
Minnesota	550, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567
Mississippi	386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397
Missouri	630, 631, 633, 640, 641, 648, 649, 652, 658

State	3-Digit ZIP Codes
Montana	590, 591, 592, 593, 594, 595, 596, 597, 598, 599
Nebraska	680, 681, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693
Nevada	889, 890, 891, 893, 898
New Hampshire	030, 032, 035, 036, 037, 038
New Mexico	873, 874, 877, 878, 879, 880, 881, 882, 883, 884
New York	005, 104, 109, 117, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149
North Carolina	270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289
North Dakota	580, 581, 582, 583, 584, 585, 586, 587, 588
Ohio	430, 432, 434, 435, 436, 440, 441, 442, 452, 454, 459
Oklahoma	730, 731, 734, 735, 736, 737, 738, 739, 740, 741, 743, 744, 745, 746, 747, 748, 749
Pennsylvania	180, 181, 189, 190, 191, 192, 193, 194
Puerto Rico, Virgin Islands	006, 007, 008, 009
Rhode Island	028, 029
South Carolina	290, 291, 292, 293, 294, 295, 296, 297, 298, 299
South Dakota	570, 571, 572, 573, 574, 575, 576, 577
Texas	733, 739, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 765, 767, 770, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 797, 798, 799, 885
Utah	843, 844
Vermont	050, 051, 052, 053, 054, 056, 057, 058, 059
Virginia	224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246
Wisconsin	530, 531, 532, 534, 535, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549
Wyoming	820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 834

Region III

State	3-Digit ZIP Codes
Alaska	995, 996, 997, 998
California	900, 901, 902, 903, 904, 905, 906, 907, 908, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961
Colorado	800, 801, 802, 803, 804, 808, 809, 810, 815, 816
Connecticut	060, 061, 062, 063, 064, 065, 066, 067, 068, 069
Delaware	198
District of Columbia	200, 202, 203, 204, 205, 569
Florida	330, 331, 332, 333, 334
Georgia	300, 303, 311
Hawaii, Guam, American Samoa, N. Mariana Islands, Micronesia, Marshall Islands	962, 963, 964, 965, 966, 967, 968, 969
Idaho	837, 838
Illinois	600, 601, 602, 603, 604, 605, 606, 607, 608
Maine	041

State	3-Digit ZIP Codes
Maryland	205
Massachusetts	010, 011, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 025, 026, 027, 055
Minnesota	551, 553, 554, 555
Nevada	894, 895, 897
New York	063
New Hampshire	031, 033, 034
New Jersey	070, 071, 072, 073, 074, 075, 076, 077, 078, 079, 080, 081, 082, 083, 084, 085, 086, 087, 088, 089
New Mexico	870, 871, 875
New York	100, 101, 102, 103, 105, 106, 107, 108, 110, 111, 112, 113, 114, 115, 116, 118
Oregon	970, 971, 972, 973, 974, 975, 976, 977, 978, 979
Utah	840, 841, 842, 845, 846, 847
Virginia	201, 205, 220, 221, 222, 223
Washington	980, 981, 982, 983, 984, 985, 986, 988, 989, 990, 991, 992, 993, 994

State: District of Columbia
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental
Product Name: DIC AARP 2015 DC Rate
Project Name/Number: DIC AARP 2015 DC Rate/DIC AARP 2015 DC Rate

Filing Company: Dentegra Insurance Company

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	Please see attached.
Attachment(s):	DIC Rate Cover Letter.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	N/A Filing submitted by company employee.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	Please see attached Actuarial Memorandum.
Attachment(s):	DIC_Actuarial Memorandum 061214.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	Please see the previously attached Actuarial Memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Dentegra is a health insurer (dental only) and not a P&C organization.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	Dentegra is a health insurer (dental only) and not a P&C organization.
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

DDPA-129638185

State Tracking #:

Company Tracking #:

DIC AARP 2015 RATE

State:

District of Columbia

Filing Company:

Dentegra Insurance Company

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health Dental

Product Name:

DIC AARP 2015 DC Rate

Project Name/Number:

DIC AARP 2015 DC Rate/DIC AARP 2015 DC Rate

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	This is not a PPACA related filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	This is not a PPACA related filing.
Attachment(s):	
Item Status:	
Status Date:	

Re: Dentegra Insurance Company Rate Change

Proposed Effective Date: January 1, 2015

NAIC No.: 73474

SERFF Tracking No.: DDPA-129638185

Dear Sir or Madam:

Dentegra Insurance Company is submitting the above referenced Large Group Stand-alone Dental Insurance rate filing change for approval on behalf of the AARP Dental Insurance Plan pursuant to District of Columbia law.

Rates are based on 100% experience and are designed to be fully breakeven on a 5 year projection. Based on the national experience of each benefit plan, the required increase for the service portion of the rates are a 3.4% increase in rates for Plan A and a -1.0% decrease in rates for Plan B. Additionally, Dentegra is increasing basic restorations copayment to 60% to both plans with an expected claim cost increase of 1.7%. The combined effect of these changes is a 5.0% increase in rates for Plan A and 0.6% increase for Plan B as outlined in the Actuarial Memorandum.

As the AARP Dental Insurance Plan is a national plan, the rates and Actuarial Memo included in this filing will be used nationally. We are required by several states to file in the situs state which is the District of Columbia. We will submit rates to those states requiring their review and approval once the national rates are approved by your Department.

Our previous rate filing that became effective January 1, 2014 was filed under SERFF Tracking No. DDPA-129116982 and approved on August 29, 2013.

Our effective date of use of the rates will be January 1, 2015 or the earlier of the date the filing is approved or deemed approved by your Department.

Thank you for assisting us in this filing process. If there are any questions, please contact me at (916) 861-1974 or at akoelling@dentegra.com.

Sincerely,



Alisa Koelling
Regulatory Analyst

ACTUARIAL MEMORANDUM

Dentegra Insurance Company

June 12, 2014

1 Scope and Purpose of Filing

This filing presents the rates and benefits to be offered by Dentegra Insurance Company (Dentegra) for the members of AARP. Benefits are provided on a totally voluntary basis with AARP members paying 100% of the premium.

2 Description of Benefits

Dentegra is currently offering two benefit designs to AARP members, a high option plan and a low option plan. Coverage is provided for diagnostic, preventive, basic, cast & crown restorations, and prosthodontic benefits. Dentegra is also employing waiting periods on major services as a tool to manage adverse selection in this totally voluntary program. The benefit plans are as follows:

	High Option (Plan A)		Low Option (Plan B)	
	Year 1	Year 2	Year 1	Year 2
Diagnostic and Preventive	100%	100%	80%	80%
Basic Restorations	60%	60%	60%	60%
Other Basic	50%	50%	50%	50%
Denture Repairs and Relines	80%	80%	50%	50%
Minor Periodontics	80%	80%	50%	50%
Major Periodontics	0%	50%	0%	50%
Major	0%	50%	0%	50%
Calendar Year Deductible *	\$50	\$50	\$100	\$100
Calendar Year Maximum	\$1,500	\$1,500	\$1,000	\$1,000

* *Deductibles on the High Option do not apply to Diagnostic & Preventive services.*

As a PPO program, all dentists will be compensated at the lesser of the submitted amount of the claim, the dentist's filed fee (if the dentist is a contracting dentist with Dentegra), and Dentegra's PPO schedules. The subscriber is free to choose any dentist. If the subscriber visits a:

- PPO dentist, the dentist may not balance bill.
- Non-PPO/contracting dentist, the dentist can balance bill up to the lesser of the maximum plan allowance for non-PPO/contracting dentists and the dentist's filed fee.
- Non-PPO/non-contracting dentist, the dentist can balance bill up to the submitted amount

For 2015, Dentegra is recommending an increase of basic restorations copayment from 50% to 60%.

3 Renewability

The dental program is optionally renewable. Premiums are guaranteed initially for a 24-month contract term to each member. After the initial 24-month contract, renewal rates will be guaranteed for a 12-month contract period. For 2015, Dentegra is proposing:

- A 5.0% increase in rates for Plan A, including a 3.4% increase in service rates, and a 1.7% increase for the increase in basic restorations copayment from 50% to 60%.
- A 0.6% increase in rates for Plan B, including a -1.0% decrease in service rates, and a 1.7% increase for the increase in basic restorations copayment from 50% to 60%.

4 **Morbidity**

Dental utilization is based on Dentegra’s manual rating assumptions as well as a portion of the experience. Below please find utilization rates for the entire program. Individual state utilizations are not yet deemed credible.

Overall Utilization Data Thru 12/2013	Plan A		Plan B	
	Model	Actual	Model	Actual
Year 1	100.0%	95.4%	100.0%	92.4%
Year 2	95.0%	93.1%	95.0%	92.0%
Year 3	80.5%	91.9%	80.5%	89.4%
Year 4	80.5%	88.4%	80.5%	85.0%
Year 5	80.5%	87.9%	80.5%	84.6%

5 **Mortality**

Not applicable.

6 **Persistency**

The persistency assumptions for 2015 are based on actual experience by plan and are calculated to be 89.3%.

7 **Expenses**

Following is a breakdown of administrative expenses for Plans A and B combined.

	Percentage of Premium
Acquisition & Services	6.6%
Operations	17.6%
ASI Royalties *	4.0%
ACA Tax	3.1%
<u>Premium Tax</u>	<u>2.0%</u>
Total	33.3%

*ASI is AARP Services, Inc.

8 **Marketing Method**

This product is sold to individual members of AARP and their families directly through a combination of mass media and direct marketing techniques.

9 **Underwriting**

Dentegra rates are based on 100% experience and are designed to be fully breakeven on a 5 year projection. Based on the national experience of each benefit plan, the required increase for the service portion of the rates are a 3.4% increase in rates for Plan A and a -1.0% decrease in rates for Plan B. Additionally, Dentegra is increasing basic restorations copayment to 60% to both plans with an expected claim cost increase of 1.7%. The combined effect of these changes is a 5.0% increase in rates for Plan A and 0.6% increase for Plan B.

10 **Premium Classes**

Gross premiums vary by the specifications described in the attached rating formula.

11 **Area Factors**

Manual rates are adjusted by three-digit ZIP Code.

12 **Premium Modalization Rules**

Presented in the attached rate exhibits are the monthly rates for this program. As a totally voluntary program, Dentegra is also offering rates on a quarterly, semi-annual and annual basis. Additionally, for those enrollees who opt for Plan A with annual payments, Dentegra is providing these enrollees with dental accident coverage at 100% of the cost, up to a \$1,000 lifetime maximum. Rates for quarterly, semi-annual and annual payment options are as follows:

Plan A (High Option)

EFT Monthly	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$59.47	\$62.86	\$70.89
2 Party	\$117.44	\$124.23	\$140.11
Family	\$178.62	\$188.87	\$213.05
Quarterly	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$177.48	\$187.68	\$211.62
2 Party	\$350.61	\$370.80	\$418.29
Family	\$533.19	\$563.79	\$635.91
Semi Annual	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$353.22	\$373.44	\$421.08
2 Party	\$697.62	\$737.88	\$832.32
Family	\$1,060.86	\$1,121.94	\$1,265.46
Annual	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$706.32	\$746.76	\$842.04
2 Party	\$1,395.12	\$1,475.52	\$1,664.28
Family	\$2,121.36	\$2,243.40	\$2,530.32

Plan B (Low Option)

EFT Monthly	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$40.28	\$42.60	\$48.05
2 Party	\$79.23	\$83.80	\$94.53
Family	\$112.60	\$119.09	\$134.33
Quarterly	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$120.24	\$127.17	\$143.46
2 Party	\$236.52	\$250.17	\$282.18
Family	\$336.12	\$355.50	\$400.95
Semi Annual	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$239.28	\$253.08	\$285.36
2 Party	\$470.70	\$497.64	\$561.48
Family	\$668.82	\$707.40	\$797.88
Annual	<u>Region I</u>	<u>Region II</u>	<u>Region III</u>
Single	\$473.76	\$501.12	\$565.08
2 Party	\$931.80	\$985.32	\$1,111.56
Family	\$1,324.32	\$1,400.52	\$1,579.92

Quarterly rates discount the monthly rates by 0.5%. Semi-annual rates discount the monthly rates by 1.0%. Annual rates discount the monthly rates by 2.0%. For Plan A members who opt for the annual rates, a 1% load has been applied to account for the dental accident benefits. Also, rates have been rounded in order to produce “whole cent” rates when converted to a monthly equivalent (i.e. quarterly rates must be divisible by 3 to the cent, semi-annual must be divisible by 6, etc.). This rounding is due to Dentegra’s billing system limitations.

13 **Claim Liability and Reserves**

The outstanding claim liability includes the reserve for claims incurred but not reported (IBNR). This reserve is projected from claims runoff, according to historical payout patterns.

14 **Trend Assumptions**

Manual rates include 4.1% average annual cost trend for all years, based on actual Dentegra trend, as well as publicly available trend forecasts made by benefit consultants and brokers. Insurance trend is implicit in the maximum and deductible credits, which are determined using cost-per-user distributions based on group experience adjusted for dental trend.

15 **Anticipated Loss Ratio**

Dentegra anticipates a loss ratio of 61.7% for the combined AARP program.

16 **Contingency and Risk Margins**

Dentegra’s rates include a combined 5.0% service margin.

17 **Lifetime Loss Ratio**

The lifetime loss ratio is equal to the anticipated loss ratio (see #15, “Anticipated Loss Ratio”).

18 **History of Rate Adjustments**

	<u>Plan A</u>	<u>Plan B</u>
2005	4.10%	4.10%
2006	5.53%	5.69%
2007	4.22%	4.30%
2008	5.00%	5.00%
2009	0.00%	0.00%
2010	3.32%	0.49%
2011	3.24%	5.62%
2012	4.72%	1.56%
2013	3.39%	4.10%
2014	4.69%	4.63%

19 **Proposed Effective Date**

January 1, 2015.

20 **Data Reliance and Variability of Results**

In my analysis of this rate filing, I relied on experience data and other information from our internal data systems. I performed general reasonableness checks, but have not audited the data and have relied upon its accuracy. To the extent that the underlying data is inaccurate, this filing may also be inaccurate.

Actual experience will vary from that projected for many reasons, including differences in population health status, in reimbursement levels, and in the delivery of dental care services, as well as other non-random and random factors. It is important that actual experience be monitored and that adjustments are made, as appropriate.

21 **Actuarial Certification**

I, Thomas J Leibowitz, FSA, MAAA, am a member of the American Academy of Actuaries and meet its qualification standards for the pricing and valuation of dental benefits.

I have reviewed the Dentegra Insurance Company AARP PPO rating and the actuarial assumptions and methods on which they are based. I hereby certify that to the best of my knowledge and judgment, this rate filing for the AARP PPO plans is in compliance with the applicable laws and regulations of the State and complies with Actuarial Standard of Practice No. 8. The rates shown are based on actuarially sound principles, are not inadequate, excessive or unfairly discriminatory and are reasonable in relation to the benefits provided.

This filing is intended to be relied upon by Dentegra Insurance Company and the Department of Insurance. It is not intended to be relied upon, or used by, any other party.

June 12, 2014

Date



Thomas J. Leibowitz, FSA, MAAA
Vice President and Chief Actuary