Filing at a Glance

Company:	Coventry Health & Life Insurance Company
Product Name:	Medigap-Coventry
State:	District of Columbia
TOI:	MS08I Individual Medicare Supplement - Standard Plans 2010
Sub-TOI:	MS08I.012 Multi-Plan 2010
Filing Type:	Rate
Date Submitted:	04/22/2014
SERFF Tr Num:	FRCS-129496104
SERFF Status:	Pending Industry Response
State Tr Num:	
State Status:	
Co Tr Num:	6219.1
Implementation Date Requested:	On Approval
Author(s):	Michael Cochran, Sheila Lawrence
Reviewer(s):	John Morgan (primary), Alula Selassie
Disposition Date:	
Disposition Status:	
Implementation Date:	

State Filing Description:

General Information

Project Name: AETNA-SRMED/63.1
Project Number: 63.1
Requested Filing Mode: Review & Approval

Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:

Deemer Date:
Submitted By: Michael Cochran

Status of Filing in Domicile: Pending
Date Approved in Domicile:
Domicile Status Comments: Submitted to the domicile state on or about this same date.

Market Type: Individual
Individual Market Type:
Filing Status Changed: 05/19/2014
State Status Changed:
Created By: Michael Cochran
Corresponding Filing Tracking Number:

Filing Description:
We have been retained by Coventry Health & Life Insurance Company to file the enclosed rates for approval in your state.

The company's group number is 0001.

Enclosed are rates and actuarial that apply to the policies that are 2010 Individual Standardized Plans, as described in the NAIC Medicare Supplement Insurance Model Regulation. These policies were developed to provide the Medicare supplement benefits required of standardized Plans A, B, F, G and N, respectively. All of these policies contain identical wording, except for the different standardized benefits applicable to each particular plan. These plans have been submitted under separate cover.

To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your jurisdiction.

If you have any questions or need additional information, please call toll-free 1-800-927-2730. Thank you for your assistance.

Company and Contact

Filing Contact Information

Michael Cochran, Compliance Specialist
1020 Central
Suite 201
Kansas City, MO 64105

michael.cochran@firstconsulting.com
800-927-2730 [Phone] 2756 [Ext]
816-391-2755 [FAX]

Filing Company Information

(This filing was made by a third party - FC01)

Coventry Health & Life Insurance Company
800 Crescent Centre Drive
Suite 200
Franklin, TN 37067
(804) 448-3025 ext. [Phone]

CoCode: 81973
Group Code: 1
Group Name: AETNA GRP
FEIN Number: 75-1296086

State of Domicile: Missouri
Company Type: Health & Life
State ID Number:

State: *District of Columbia* **Filing Company:** *Coventry Health & Life Insurance Company*
TOI/Sub-TOI: *MS08I Individual Medicare Supplement - Standard Plans 2010/MS08I.012 Multi-Plan 2010*
Product Name: *Medigap-Coventry*
Project Name/Number: *AETNA-SRMED/63.1/63.1*

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

Rate Information

Rate data applies to filing.

Filing Method: for Approval
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision:
Filing Method of Last Filing: N/A

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):
Coventry Health & Life Insurance Company	0.000%	0.000%	$0	0	$0	0.000%	0.000%

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Actuarial Memorandum	CHLEXCMS14A, CHLEXCMS14B, CHLEXCMS14F, CHLEXCMS14G, CHLEXCMS14N	New		DC CHL Actuarial Memo.pdf,

Coventry Health and Life Insurance Company
2010 Standardized Individual Medicare Supplement Plans A, B, F, G, and N
Filing of Initial Proposed Premium Rates

Actuarial Memorandum

1) Purpose

This actuarial memorandum provides the basis for the development of initial premium rates for standardized individual Medicare Supplement plans A, B, F, G, and N.

2) Description of Benefits

These plans are 2010 Individual Standardized Plans, as described in the NAIC Medicare Supplement Insurance Model Regulation.

3) Renewal Provisions

These policy forms are guaranteed renewable.

4) Marketing Approach

The marketing method for these plans will be a mix of agent sold and direct to consumer.

5) Underwriting Method and Pre-Existing Conditions Exclusion

Simplified medical underwriting will be utilized only for individuals that apply outside of their open enrollment period or a specified guarantee issue period. These plans do not have pre-existing conditions exclusions.

6) Issue Age Limits

These policy forms will be available to qualifying applicants age 65 and over.

7) Premium Basis and Rating Classes

Premiums are based on the policyholder's gender and attained age. Smoker/non-smoker rating classes are also used, but all applicants in their open enrollment period or a specified guarantee issue period will receive non-smoker rates

8) Premium Development Methodology

A policy year pricing model was used to calculate the gross annual premiums where the calculations were based on the present values of premiums, claims, expenses, commissions, reserves, income on reserves, taxes, and profit. The input assumptions for the model are based on reasonable values and are set forth in the following:

i) **Morbidity:** The expected claim costs were based on Milliman USA, Inc. Health Cost Guidelines for Ages 65 and Over.

ii) **Mortality and Lapse Rates:** Mortality rates are based on the 2001 Commissioners Standard Ordinary Table. The voluntary annual lapse rates for these policies are assumed to be:

Policy Year(s)	Lapse Rate
1-2	9%
3	11%
4	10%
5	9%
6	8%
7+	7%

iii) **Experience Basis for Future Rate Adjustments:** Future rate adjustments will be based on a review of actual experience on these plans by state, to the extent credible. Nationwide experience and other relevant experience will also be considered to supplement such information. Trends and other variables affecting experience will be recognized in calculating future rate adjustments. A justification of the rates and proposed rate changes will be filed for approval on an annual basis.

iv) **Allowance for Expenses:** Expenses excluding taxes and profit are assumed to average 13% of premium for this block of business.

v) **Modal Premium Distribution**

Mode	Distribution
Annual	6%
Semi-Annual	1%
Quarterly	4%
Monthly	89%

vi) **Discount Rate:** 5% for all years

vii) Issue Age Distribution of Business

Issue Age	Distribution
65	8%
66-69	16%
70-74	25%
75-79	21%
80+	30%

viii) Durational Loss Ratios: The minimum required loss ratio over the lifetime of the policy form is assumed to be 65%. The anticipated loss ratios by policy duration are provided in the attached Exhibit B.

9) Rating Period

The premiums shown in Exhibit A are expected to apply for 12 months after implementation. It is anticipated that the rates will be updated annually for benefit changes, trend, and experience adjustments.

10) Annual Average Premium

The annual average premiums are expected to be as follows:

Plan	Average Annual Premium
A	$2,002
B	$2,432
F	$2,897
G	$2,683
N	$2,074

11) Actuarial Certification

I certify that, to the best of my knowledge and judgment that premiums charged for these plans are reasonable in relation to the benefits provided; the assumptions presented are a reasonable value for each assumption and are consistent with the Company's business plan at the time of filing; the anticipated lifetime loss ratio, future loss ratios, and third year loss ratio all exceed the applicable loss ratio requirement; the filing was prepared based on the current standards of practice promulgated by the Actuarial Standards board including the quality data standard of practice; and the filing is in compliance with applicable state laws and regulations.

_____ 1/2/2014

Jason Cafaro, FSA, MAAA Date

Coventry Health and Life Insurance Company

Exhibit A - Annual Non-Smoker Premiums

Individual Medicare Supplement
2010 Standardized Plans

Attained	Plan A		Plan B		Plan F		Plan G		Plan N	
Age	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
65	1,553	1,705	1,792	1,961	2,108	2,293	1,937	2,102	1,484	1,603
66	1,598	1,755	1,853	2,027	2,182	2,374	2,008	2,178	1,539	1,662
67	1,643	1,804	1,913	2,094	2,256	2,454	2,077	2,254	1,594	1,722
68	1,688	1,853	1,973	2,159	2,329	2,534	2,146	2,328	1,648	1,780
69	1,732	1,902	2,032	2,223	2,402	2,613	2,214	2,402	1,702	1,838
70	1,776	1,950	2,090	2,287	2,473	2,690	2,281	2,474	1,754	1,895
71	1,819	1,997	2,148	2,350	2,544	2,767	2,347	2,546	1,807	1,951
72	1,862	2,045	2,205	2,413	2,614	2,843	2,413	2,618	1,858	2,007
73	1,901	2,087	2,265	2,479	2,690	2,926	2,486	2,697	1,917	2,071
74	1,939	2,129	2,325	2,544	2,765	3,008	2,558	2,776	1,976	2,134
75	1,975	2,169	2,381	2,605	2,837	3,086	2,627	2,850	2,031	2,194
76	2,013	2,210	2,439	2,669	2,911	3,166	2,697	2,926	2,088	2,255
77	2,050	2,251	2,497	2,732	2,984	3,246	2,767	3,002	2,144	2,316
78	2,067	2,269	2,541	2,780	3,045	3,312	2,828	3,068	2,195	2,370
79	2,083	2,287	2,585	2,828	3,105	3,377	2,888	3,133	2,245	2,425
80	2,093	2,298	2,621	2,868	3,157	3,434	2,940	3,189	2,290	2,473
81	2,109	2,316	2,664	2,915	3,216	3,498	2,999	3,253	2,339	2,527
82	2,125	2,334	2,707	2,962	3,275	3,562	3,057	3,317	2,388	2,580
83	2,142	2,352	2,744	3,003	3,332	3,624	3,116	3,381	2,440	2,636
84	2,158	2,369	2,782	3,044	3,388	3,686	3,175	3,445	2,492	2,692
85	2,174	2,388	2,820	3,085	3,446	3,749	3,235	3,510	2,545	2,749
86	2,191	2,406	2,858	3,127	3,505	3,813	3,296	3,576	2,598	2,807
87	2,208	2,424	2,897	3,170	3,565	3,878	3,358	3,643	2,653	2,866
88	2,224	2,443	2,936	3,213	3,626	3,944	3,422	3,712	2,710	2,927
89	2,241	2,461	2,976	3,257	3,687	4,011	3,486	3,782	2,767	2,989
90+	2,258	2,480	3,017	3,301	3,750	4,080	3,552	3,854	2,826	3,052

Modal Factors: Semi-Annual: 0.5000 Quarterly: 0.2500 Monthly: 0.0833

The $20 application fee is not included in the rates provided above.

Smoker premiums are determined by multiplying the premiums above by a factor of 1.10. Open enrollees and applicants enrolled during specified guarantee issue periods receive the non-smoker rates.

Coventry Health and Life Insurance Company

Exhibit B - Anticipated Durational Loss Ratios

2010 Standardized Individual Medicare Supplement Plans

Policy Year	Loss Ratio
1	77%
2	78%
3	78%
4	79%
5	79%
6	80%
7	80%
8	80%
9	81%
10	81%
11	82%
12	83%
13	83%
14	84%
15	84%
16	85%
17	85%
18	85%
19	86%
20	87%

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	DC Rates Ltr.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	Authorization - Coventry.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	This has been attached to the Rates Schedule of this filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	This has been attached to the Rates Schedule of this filing.
Attachment(s):	
Item Status:	
Status Date:	

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

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

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	Not applicable for this filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	Not applicable for this filing.
Attachment(s):	
Item Status:	
Status Date:	

FIRST CONSULTING
& Administration, Inc.

04/21/2014

Government of the District of Columbia
Department of Insurance and Securities Regulation
Insurance Products Division
810 First Street, N.E., Suite 701
Washington, D.C. 20002

RATE FILING:
RE: Coventry Health & Life Insurance Company
NAIC # 81973 FEIN # 75-1296086
Rate: Rate for CHLEXCMS14A, et al
Our File Number: 6219.1

Dear Sir or Madam:

We have been retained by Coventry Health & Life Insurance Company to file the enclosed rates for approval in your state.

We enclose the following for your consideration:

- Cover Letter
- Third party authorization
- Actuarial memorandum and rates

The company's group number is 0001.

Enclosed are rates and actuarial that apply to the policies that are 2010 Individual Standardized Plans, as described in the NAIC Medicare Supplement Insurance Model Regulation. These policies were developed to provide the Medicare supplement benefits required of standardized Plans A, B, F, G and N, respectively. All of these policies contain identical wording, except for the different standardized benefits applicable to each particular plan. These plans have been submitted under separate cover.

To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your jurisdiction.

www.firstconsulting.com
1020 Central, Suite 201, Kansas City, Missouri 64105-1670
(816) 391-2730 ● (800) 927-2730 ● FAX: (816) 391-2755

If you have any questions or need additional information, please call toll-free 1-800-927-2730. Thank you for your assistance.

Sincerely,

FIRST CONSULTING & ADMINISTRATION, INC.

Michael Cochran
Compliance Specialist
E-mail: michael.cochran@firstconsulting.com
Extension: 2756

Enclosures

aetna

Coventry Health & Life Insurance Company
First Health Life & Health Insurance Company
Aetna Companies

800 Crescent Centre Dr.
Suite 200
Franklin, TN 37067
800 264.4000
aetnaseniorproducts.com

April 7, 2014

To: The Insurance Commissioner

Authorization

This letter, or a copy thereof, will authorize the consulting firm of First Consulting & Administration, Inc., Kansas City, Missouri, to represent this Company in matters before the Insurance Department.

This Authorization shall be valid until revoked by us.

Coventry Health Care, Inc.

By: Mary Ann Pyle

Title: Assistant Vice President

©2014 Aetna Inc.