

SERFF Tracking #:	GARD-128478188	State Tracking #:	Company Tracking #:
State:	District of Columbia	Filing Company:	The Guardian Life Insurance Company of America
TOI/Sub-TOI:	H10G Group Health - Dental/H10G.000 Health Dental		
Product Name:	8938DC - Group Policy & Dental Certificate Rewrite (Revised Rates)		
Project Name/Number:	/8938DC		

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Justification		
Comments:	Atatched please find the required actuarial justification.		
Attachment(s):			
ACTCERT - DC Forms JUN12.pdf			
ACTMEMO - DC Forms JUN12.pdf			



ACTUARIAL CERTIFICATION

In my opinion, as of June 12, 2012, the premium rates and rating methodology to which this certification applies are neither excessive, inadequate, nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of the District of Columbia.

David Ferrari, FSA, MAAA
Assistant Actuary
Group Products

6/12/2012

Date



ACTUARIAL MEMORANDUM

A. Description of Benefits

Guardian's Dental business has one class of business. In addition to benefit plan design, Guardian's Group Dental rates are adjusted based on age, gender, industry, family composition, geographical area, and group size (lives and premium). There is no limit to the issue age range, and the premiums are determined on an attained age basis, since they change each year as the case renews. The gender adjustment varies based on the female percent of the group and is separate from the age adjustment. The area factors are based on the zip code of the employer and the industry factors are based on the SIC code of the employer. We currently utilize a four-tier rate structure (Employee; Employee and Spouse; Employee and Child(ren); Employee, Spouse and Child(ren)).

Currently, Guardian's Group Dental rate manual can be used to calculate rates for a wide variety of Dental benefit plan designs for groups of 2 or more employees. Plan design options include many maximum benefit, deductible and coinsurance options. Plans have separate coinsurance percentages for Preventive, Basic and Major services with PPO plans having separate in-network and out-of-network coinsurance combinations.

B. Renewability Provision

Each case's rates are reviewed for renewal action on an annual basis. Renewal rate cap and 2-year rate guarantee options are also available.

C. Applicability (Closed/Open Block)

Guardian's Dental business is an open block.

D. Marketing Method

Guardian's Dental business is marketed through both our field force of agents and general agents as well as by brokers.

E. Underwriting Method

Underwriting is at the group level. Groups of 51+ with experience are quoted a rate that is a blend of the Manual rate and an experience based rate using standard credibility formulas. The rate impact varies according to the experience of the individual groups. Guardian varies rates to be aligned with the risk characteristics of the group. These risk characteristics include age, gender, geographic area, industry, group size, and participation level. Health status and claim history are also considered. Consistent with industry practice, Guardian also makes underwriting judgment decisions including the use of new business and competitive adjustment factors.

Groups have an option to use a blended rate, where every subclass of the group would receive



one identical rate. Blended rates are derived so that the aggregate premium collected would be the same as if the calculated manual rates for each subclass were used. Rates may be blended across multiple locations, multiple plan designs, subsidiaries or affiliates or if a census is unavailable at the time of quote.

F. Issue Age Limits

There is no limit to the issue age range, and the premiums are determined on an attained age basis, since they change each year as the case renews.

G. Premium Basis

Rates are developed separately for “employee” and “dependent” categories. These categories are then split into “tier” rates based on factors that were developed using internal company data.

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

We are not requesting any changes to rates or rating methodology with this filing. We are just making updates to our contract wording.

I. Indication if New or Modified

This is a new filing for the District of Columbia.

J. Comparison to Status Quo

The above changes result in no rate change to our aggregate rate level, relative to our current rates.

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

We are not requesting any changes to rates or rating methodology with this filing. We are just making updates to our contract wording.

L. Summary of Each Proposed New Rule

We are not requesting any rule changes at this time.

M. Overall Premium Impact of Filing on DC Policy holders

These changes result in no aggregate change to premium rates.

N. Filed Minimum Required Loss Ratio

Guardian’s target loss is 63.34%, which exceeds the minimum requirements.

O. Interest Rate Assumptions

The Guardian Life Insurance Company of America, New York, NY



We do not have interest rate assumption due to the short-term nature of the Dental product.

P. Trend Assumptions

The annual trend assumption is 5.0%.

Q. Persistency

The Guardian's product is an annually renewable term product and therefore no persistency assumption is incorporated into the pricing.

R. Actuarial Certification

Please see the attached certification.

David Ferrari, FSA, MAAA
Assistant Actuary
Group Products

6/12/2012

Date