

**State:** District of Columbia **Filing Company:** The Guardian Life Insurance Company of America  
**TOI/Sub-TOI:** H20G Group Health - Vision/H20G.000 Health - Vision  
**Product Name:** DC 10/14 Vision Filing  
**Project Name/Number:** /

## Filing at a Glance

Company: The Guardian Life Insurance Company of America  
Product Name: DC 10/14 Vision Filing  
State: District of Columbia  
TOI: H20G Group Health - Vision  
Sub-TOI: H20G.000 Health - Vision  
Filing Type: Rate  
Date Submitted: 06/30/2014  
SERFF Tr Num: GARD-129616750  
SERFF Status: Assigned  
State Tr Num:  
State Status:  
Co Tr Num:  
  
Implementation: On Approval  
Date Requested:  
Author(s): Linda Rappaport, Rimma Kosubevsky, Amanda DePoortere  
Reviewer(s): Darniece Shirley (primary), Alula Selassie, John Morgan  
Disposition Date:  
Disposition Status:  
Implementation Date:  
  
State Filing Description:

**State:** District of Columbia **Filing Company:** The Guardian Life Insurance Company of America  
**TOI/Sub-TOI:** H20G Group Health - Vision/H20G.000 Health - Vision  
**Product Name:** DC 10/14 Vision Filing  
**Project Name/Number:** /

## General Information

Project Name:	Status of Filing in Domicile:
Project Number:	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: Small and Large
Group Market Type: Employer	Overall Rate Impact: -1.66%
Filing Status Changed: 07/03/2014	
State Status Changed:	Deemer Date:
Created By: Amanda DePoortere	Submitted By: Amanda DePoortere
Corresponding Filing Tracking Number:	

### Filing Description:

Below is a summary of the proposed Vision rate manual change(s) to be effective on October 1, 2014.

- 1.65% decrease to VSP rates.
- 1.74% decrease to Davis Vision rates.

See the Actuarial Memorandum for more detail.

## Company and Contact

### Filing Contact Information

Amanda DePoortere, Administrative Assistant	amanda_depootere@glic.com
3900 Burgess Place	610-807-6237 [Phone]
2N-66	610-807-8079 [FAX]
Bethlehem, PA 18017	

### Filing Company Information

The Guardian Life Insurance Company of America	CoCode: 64246	State of Domicile: New York
7 Hanover Square	Group Code: 429	Company Type: Life
New York, NY 10004	Group Name:	State ID Number:
(212) 598-8704 ext. [Phone]	FEIN Number: 13-5123390	

## Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

**SERFF Tracking #:**

GARD-129616750

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

District of Columbia

**Filing Company:**

The Guardian Life Insurance Company of America

**TOI/Sub-TOI:**

H20G Group Health - Vision/H20G.000 Health - Vision

**Product Name:**

DC 10/14 Vision Filing

**Project Name/Number:**

/

## Rate Information

Rate data applies to filing.

**Filing Method:**

SERFF

**Rate Change Type:**

Decrease

**Overall Percentage of Last Rate Revision:**

2.770%

**Effective Date of Last Rate Revision:****Filing Method of Last Filing:**

SERFF

## Company Rate Information

<b>Company Name:</b>	<b>Overall % Indicated Change:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b>Number of Policy Holders Affected for this Program:</b>	<b>Written Premium for this Program:</b>	<b>Maximum % Change (where req'd):</b>	<b>Minimum % Change (where req'd):</b>
The Guardian Life Insurance Company of America	-1.660%	-1.660%	\$-17,136	81	\$1,032,282	16.220%	-9.720%

**SERFF Tracking #:**

GARD-129616750

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

The Guardian Life Insurance Company of America

**TOI/Sub-TOI:** H20G Group Health - Vision/H20G.000 Health - Vision**Product Name:** DC 10/14 Vision Filing**Project Name/Number:** /

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		VC-3-MD (October 2014)	GP-1-VSN-96-VIS, GP-1-DAVIS-05-VIS	Revised	Previous State Filing Number: Percent Rate Change Request:	VC-3-DC (October 2014).pdf,
2		VC-32-MD (October 2014)	GP-1-VSN-96-VIS, GP-1-DAVIS-05-VIS	Revised	Previous State Filing Number: Percent Rate Change Request:	VC-32-DC (October 2014).pdf,

**THE GUARDIAN Life Insurance Company of America**

**Line 1B - VISION AREA FACTORS**

Area Factors			Area Factors		
<u>State</u>	<u>VSP</u>	<u>Davis</u>	<u>State</u>	<u>VSP</u>	<u>Davis</u>
AK	1.372	1.216	MT	1.041	1.119
AL	1.066	1.006	NC	1.045	1.090
AR	0.974	1.211	ND	0.991	1.098
AZ	0.886	1.005	NE	1.026	1.166
CA	1.277	1.296	NH	0.845	1.198
CO	1.161	1.126	NJ	0.834	0.820
CT	0.801	0.941	NM	1.038	1.124
DC	1.019	0.945	NV	1.053	1.288
DE	0.867	0.849	NY	0.726	0.813
FL	0.782	0.982	OH	1.041	0.980
GA	1.021	1.036	OK	1.047	1.059
HI	1.251	1.343	OR	1.135	1.093
IA	1.110	0.963	PA	0.775	0.964
ID	1.077	1.119	RI	0.831	0.943
IL	0.915	0.946	SC	1.080	1.160
IN	1.147	1.096	SD	1.043	1.192
KS	1.056	1.039	TN	1.068	1.037
KY	0.922	0.988	TX	1.062	0.961
LA	0.852	0.898	UT	1.026	1.088
MA	0.804	0.943	VA	0.947	0.812
MD	0.930	0.977	VT	0.847	1.196
ME	0.831	1.196	WA	1.149	1.142
MI	1.135	1.071	WI	0.921	0.889
MN	1.047	1.059	WV	0.987	1.114
MO	1.070	1.016	WY	1.019	1.068
MS	0.979	1.102			

**THE GUARDIAN Life Insurance Company of America**  
**Line 8 - PERCENTAGE PARTICIPATION FACTOR**

	Percentage Participation					<u>100%</u>
	<u>25-34%</u>	<u>35-49%</u>	<u>50-64%</u>	<u>65-79%</u>	<u>80-99%</u>	
Non-contributory or 100% participation	N/A	N/A	N/A	N/A	N/A	1.00
Tied to Medical (Guardian or other)	1.00	1.00	1.00	1.00	1.00	1.00
Tied to Dental (Guardian or other)	1.20	1.12	1.07	1.03	1.00	1.00
Voluntary (w/o tie-in) (Employee pays 65% or more)	1.45	1.35	1.26	1.17	1.07	1.00
All Other	1.38	1.28	1.20	1.11	1.02	1.00

Note: The terms non-contributory, 100% participation, tied to medical, and tied to dental apply to both employees and dependents. "Tied to" implies that the same employees and dependents have both coverages.

Multiply the rate by this factor.

**Line 9 - EXPENSES**

**1) Less than 10 employees:**

<u>Number of Employees</u>	<u>Sold With Guardian Dental</u>	<u>3+ Other</u>	<u>Other</u>	<u>Stand Alone</u>
1	1.57	1.70	1.75	1.75
2	1.57	1.70	1.75	1.75
3	1.57	1.70	1.75	1.75
4	1.57	1.70	1.75	1.75
5-9	1.55	1.70	1.72	1.72

**2) 10 or more employees:**

<u>Number of Employees</u>	<u>Sold With Guardian Dental</u>	<u>3+ Other</u>	<u>Other</u>	<u>Stand Alone</u>
10-49	1.53	1.67	1.70	1.70
50-99	1.45	1.63	1.67	1.67
100-249	1.41	1.59	1.63	1.63
250-499	1.34	1.46	1.50	1.50
500-999	1.28	1.36	1.40	1.40
1000-2499	1.23	1.28	1.30	1.30
2500 or more	1.20	1.24	1.25	1.25

**Line 9a - SPECIAL EXPENSE FACTORS\***

	<u>VSP</u>	<u>Davis</u>
Exam Plus	1.30	1.30
Exam plus Allowance	1.00	1.05
Materials Only	N/A	1.05

Multiply factor by the Expense Factor from Line 8

\* For Exam Only or Exam Plus, multiply the above factors by 2.10 for less than 10 employees

SERFF Tracking #:

GARD-129616750

State Tracking #:

Company Tracking #:

State: District of Columbia

TOI/Sub-TOI: H20G Group Health - Vision/H20G.000 Health - Vision

Product Name: DC 10/14 Vision Filing

Project Name/Number: /

Filing Company:

The Guardian Life Insurance Company of America

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	Cover - Vision 201410 - DC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Certificate of Authority to File
<b>Comments:</b>	
<b>Attachment(s):</b>	ACTCERT - Vision 201410 - DC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	ACTMEMO - Vision 201410 - DC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Comments:</b>	
<b>Attachment(s):</b>	Experience - Vision 201410 - DC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

GARD-129616750

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

The Guardian Life Insurance Company of America

TOI/Sub-TOI:

H20G Group Health - Vision/H20G.000 Health - Vision

Product Name:

DC 10/14 Vision Filing

Project Name/Number:

/

<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	





June 26, 2014

Mr. Laszlo Pentek  
Actuary  
Government of the District of Columbia  
Department of Insurance, Securities and Banking  
810 First Street, NE, #701  
Washington, DC, 20002

**Re:           Group Vision Rate Filing**

**Carrier:       The Guardian Life Insurance Company of America**  
**NAIC Company Code:       64246**

Dear Mr. Pentek:

Enclosed are the latest changes to Guardian's Group Vision rate manual with rate changes for 10/1/2014 or later upon approval of this filing. The requested changes result in a 1.66% decrease to our aggregate rate level.

The SERFF number of our last approved Vision filing is GARD-129205235

As of 3/31/2013, The Guardian provides vision insurance for 81 groups located in the District of Columbia, with a total of 7,618 lives.

Sincerely,

A handwritten signature in black ink that reads "Matthew Sachse".

---

Matthew Sachse, ASA, MAAA  
Pricing Manager  
Group Products  
3900 Burgess Place, Mail Station 2E  
Bethlehem, PA 18017  
610.807.6446

6/26/2014  
Date



**ACTUARIAL CERTIFICATION**

In my opinion 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.

A handwritten signature in black ink, appearing to read 'Matthew Sachse'.

---

Matthew Sachse, ASA, MAAA  
Pricing Manager  
Group Products

6/26/2014  
Date



## **ACTUARIAL MEMORANDUM**

### **A. Description of Benefits**

The Guardian has one class of business. In addition to benefit plan design, Guardian's Group Vision rates are adjusted based on industry, family composition, geographical area, and group size (lives and premium). There is no limit to the issue age range. The rating area is based on the state 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 Vision rate manual can be used to calculate rates for a wide variety of Vision benefit plan designs for groups of 2 or more employees. Plan design options include varying levels of coverage for service and materials, with the choice of split or single copays. Our complete rate manual has been attached, along with a sample rate calculation.

### **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 Vision business is an open block.

### **D. Marketing Method**

Guardian's Vision 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. Group characteristics and prior experience determine the level of underwriting. The plan holder's rates may be modified by underwriting review.



## **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**

Below is a summary of the proposed Vision rate manual change(s) to be effective on October 1, 2014:

### **For Plans Utilizing the VSP Network:**

- 1. VSP Area factors (Line 1B, VC-3-DC)** have been updated. These changes do not affect VSP rates in the District of Columbia.
- 2. Expenses factors (Line 9, VC-32-DC)** have been updated. The effect of these changes is to decrease VSP rates by 1.65%

The combined effect of these changes is a 1.65% decrease to VSP rates.

### **For Plans Utilizing the Davis Vision Network:**

- 1. Davis Area factors (Line 1B, VC-3-DC)** have been updated. These changes do not affect Davis rates in the District of Columbia.
- 2. Expenses factors (Line 9, VC-32-DC)** have been updated. The effect of these changes is to decrease Davis rates by 1.74%

The combined effect of these changes is a 1.74% decrease to Davis rates.

The combined effect of these changes is a 1.66% decrease to Vision rates.

These changes are based on an analysis of internal company data using a pricing trend assumption  
The Guardian Life Insurance Company of America, New York, NY



of 4.0% for VSP and 3.25% for Davis.

**I. Indication if New or Modified**

This is a new filing for the District of Columbia

**J. Comparison to Status Quo**

These changes result in a 1.66% aggregate decrease to DC premium vision rates

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

Please see section H above.

**L. Summary of Each Proposed New Rule**

We are not requesting any rule changes.

**M. Overall Premium Impact of Filing on DC Policy holders**

These changes result in a \$17,136 aggregate decrease to DC premium rates.

**N. Rate Change History**

<b>Date</b>	<b>VSP % Change</b>	<b>Davis % Change</b>
<b>2/1/2011</b>	<b>0.750%</b>	<b>0.750%</b>
<b>3/1/2011</b>	<b>0.080%</b>	<b>-7.830%</b>
<b>4/1/2011</b>	<b>1.000%</b>	<b>0.625%</b>
<b>7/1/2011</b>	<b>1.000%</b>	<b>0.625%</b>



10/1/2011      -2.900%      -0.600%  
**2011 Total:**      -0.126%      -6.538%

1/1/2012      1.000%      0.625%  
4/1/2012      1.000%      0.625%  
7/1/2012      1.000%      0.625%  
10/1/2012      1.000%      0.625%  
11/1/2012      1.200%      1.880%  
**2012 Total:**      5.309%      0.000%

1/1/2013      1.000%      0.813%  
2/1/2013      -1.000%      -1.000%  
4/1/2013      1.000%      0.813%  
6/1/2013      -0.500%      -0.500%  
7/1/2013      1.000%      0.813%  
10/1/2013      1.000%      0.813%  
**2013 Total:**      2.505%      1.748%

1/1/2014      1.000%      0.813%  
1/1/2014      2.600%      4.800%  
4/1/2014      1.000%      0.813%  
7/1/2014      1.000%      0.813%  
10/1/2014      1.000%      0.813%  
10/1/2014      -1.650%      -1.740%

**O. Filed Minimum Required Loss Ratio**

Guardian’s Group Vision manually rated business is priced with an expected loss ratio of 63.62%. The remaining 36.38% is intended to provide for expenses and profit. This assumes case sizes of 2-499, which is the majority of the business receiving manual rates. Below is the breakdown of the expense assumptions:

Sales and Commissions	16.60%
General Expenses	12.08%
Premium Tax	2.70%
<u>Profit</u>	<u>5.00%</u>
Total	38.73%



**P. Interest Rate Assumptions**

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

**Q. Trend Assumptions**

The annual trend assumption utilized in pricing is 4.0% for VSP business, and 3.25% for Davis. This reflects our best estimate of our long term claim cost trend.

**R. Persistency**

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

**S. Actuarial Certification**

Please see the attached certification.

A handwritten signature in black ink, appearing to read 'Matthew Sachse'.

---

Matthew Sachse, ASA, MAAA  
Pricing Manager  
Group Products

6/26/2014  
Date

<b>DC - VSP</b>	<b>Period: 4/1/13 - 3/31/14</b>				<b>State Rate Filing Data</b>	
CaseSize	Case Count	Employees	Earned Premium	Incurred Claims	Loss Ratio	
2-9	22	105	\$21,315	\$5,294	24.8%	
10-15	5	59	\$13,970	\$4,594	32.9%	
16-49	24	669	\$104,962	\$43,420	41.4%	
50-99	13	884	\$133,133	\$75,491	56.7%	
100-249	4	639	\$81,634	\$51,254	62.8%	
250+	3	4,564	\$611,800	\$363,858	59.5%	
<b>Grand Total</b>	<b>70</b>	<b>6,920</b>	<b>\$966,814</b>	<b>\$543,910</b>	<b>56.3%</b>	

<b>DC - Davis</b>	<b>Period: 4/1/13 - 3/31/14</b>				<b>State Rate Filing Data</b>	
CaseSize	Case Count	Employees	Earned Premium	Incurred Claims	Loss Ratio	
2-9	0	1	\$49	\$0	0.0%	
10-15	0	1	\$59	\$0	0.0%	
16-49	6	197	\$19,313	\$9,945	51.5%	
50-99	2	177	\$17,815	\$7,858	44.1%	
100-249	2	323	\$26,248	\$8,428	32.1%	
<b>Grand Total</b>	<b>11</b>	<b>698</b>	<b>\$63,483</b>	<b>\$26,230</b>	<b>41.3%</b>	

<b>Nationwide - VSP</b>	<b>Period: 4/1/13 - 3/31/14</b>				<b>State Rate Filing Data</b>	
CaseSize	Case Count	Employees	Earned Premium	Incurred Claims	Loss Ratio	
2-9	6,453	32,614	\$5,410,504	\$2,815,875	52.0%	
10-15	2,434	29,815	\$4,608,286	\$2,492,107	54.1%	
16-49	5,343	150,777	\$23,285,742	\$13,272,470	57.0%	
50-99	2,133	146,677	\$21,454,407	\$13,120,778	61.2%	
100-249	1,279	188,733	\$26,609,540	\$17,311,164	65.1%	
250+	452	232,238	\$29,466,118	\$19,873,533	67.4%	
<b>Grand Total</b>	<b>18,094</b>	<b>780,853</b>	<b>\$110,834,596</b>	<b>\$68,885,927</b>	<b>62.2%</b>	

<b>Nationwide - Davis</b>	<b>Period: 4/1/13 - 3/31/14</b>				<b>State Rate Filing Data</b>	
CaseSize	Case Count	Employees	Earned Premium	Incurred Claims	Loss Ratio	
2-9	2,170	11,851	\$1,322,712	\$762,558	57.7%	
10-15	1,124	14,039	\$1,601,623	\$937,152	58.5%	
16-49	2,764	79,161	\$9,072,208	\$5,395,717	59.5%	
50-99	1,163	79,516	\$8,764,679	\$5,458,067	62.3%	
100-249	617	89,248	\$9,408,099	\$6,073,869	64.6%	