
State: District of Columbia **Filing Company:** National Health Insurance Company
TOI/Sub-TOI: H16I Individual Health - Major Medical/H16I.004 Short Term
Product Name: NHIC Individual Short Term Plan
Project Name/Number: NHIC Individual Short Term Plan/NHIC IND STM 2014 POL

Filing at a Glance

Company: National Health Insurance Company
Product Name: NHIC Individual Short Term Plan
State: District of Columbia
TOI: H16I Individual Health - Major Medical
Sub-TOI: H16I.004 Short Term
Filing Type: Rate
Date Submitted: 03/31/2014
SERFF Tr Num: ICCL-129477511
SERFF Status: Assigned
State Tr Num:
State Status:
Co Tr Num: NHIC IND STM 2014 POL-R

Implementation
Date Requested:
Author(s): Ann Collins, Brenda Dawson
Reviewer(s): Donghan Xu (primary), Alula Selassie
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: District of Columbia **Filing Company:** National Health Insurance Company
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General Information

Project Name: NHIC Individual Short Term Plan
 Project Number: NHIC IND STM 2014 POL
 Requested Filing Mode: Review & Approval
 Explanation for Combination/Other:
 Submission Type: New Submission
 Overall Rate Impact:
 Deemer Date:
 Submitted By: Brenda Dawson

Status of Filing in Domicile:
 Date Approved in Domicile:
 Domicile Status Comments:
 Market Type: Individual
 Individual Market Type:
 Filing Status Changed: 04/07/2014
 State Status Changed:
 Created By: Brenda Dawson
 Corresponding Filing Tracking Number: ICCI-129477512

Filing Description:

Insurance Compliance Consultants is pleased to submit the enclosed forms on behalf of National Health Insurance Company (NHIC). A letter of filing authorization is enclosed.

The enclosed rates will be used with the forms filed under SERFF Tracking # ICCI-129477512. This is an Individual Short Term Medical product.

This product provides short term medical expense coverage to insureds and their dependents. As you know, the Affordable Care Act (ACA) specifically exempts short-term medical limited duration insurance from compliance with any such requirements. The Foreign Travel Rider will be offered as an option.

The coverage period is for 11-months or less and is non-renewable. The specific benefit design will be elected by the Policyholder. The Policyholder will apply for coverage via the Policyholder Application.

Company and Contact

Filing Contact Information

Ann Collins, Authorized Representative Anncollins@inscompliance.com
 3925 East State Street, Suite 200 815-316-6715 [Phone]
 Rockford, IL 61108 815-986-2355 [FAX]

Filing Company Information

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

National Health Insurance Company	CoCode: 82538	State of Domicile: Texas
800 Gessner	Group Code: 2538	Company Type:
Suite 600	Group Name:	State ID Number:
Houston, TX 77024	FEIN Number: 74-1541799	
(713) 935-4800 ext. [Phone]		

Filing Fees

Fee Required? No
 Retaliatory? No

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Fee Explanation:

SERFF Tracking #:

ICCI-129477511

State Tracking #:

Company Tracking #:

NHIC IND STM 2014 POL-R

State: District of Columbia

Filing Company: National Health Insurance Company

TOI/Sub-TOI: H16I Individual Health - Major Medical/H16I.004 Short Term

Product Name: NHIC Individual Short Term Plan

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Rate Information

Rate data applies to filing.

Filing Method: SERFF

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 Health Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

SERFF Tracking #:

ICCI-129477511

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

NHIC IND STM 2014 POL-R

State:

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Filing Company:

National Health Insurance Company

TOI/Sub-TOI:

H16I Individual Health - Major Medical/H16I.004 Short Term

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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Manual	NHIC IND STM 2014 POL	New		STM_NHIC- _Actuarial_Rate_Manual_4-1-2014_(03-28-2014) (3).xlsx,

SERFF Tracking #:

ICCI-129477511

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Company Tracking #:

NHIC IND STM 2014 POL-R

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National Health Insurance Company

TOI/Sub-TOI:

H16I Individual Health - Major Medical/H16I.004 Short Term

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NHIC Individual Short Term Plan

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Attachment STM_NHIC-_Actuarial_Rate_Manual_4-1-2014_(03-28-2014) (3).xlsx is not a PDF document and cannot be reproduced here.

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Supporting Document Schedules

Bypassed - Item:	Cover Letter All Filings
Bypass Reason:	See general information tab
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	Authorization Letter NHIC IND STM (2014).pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	STM_Ind_Actuarial_Memo_NHIC_03-12-2014_55.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	See attached actuarial memorandum and rate manual
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Comments:	See attached actuarial memorandum and rate manual
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	See attached actuarial memorandum and rate manual
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

ICCI-129477511

State Tracking #:

Company Tracking #:

NHIC IND STM 2014 POL-R

State:

District of Columbia

Filing Company:

National Health Insurance Company

TOI/Sub-TOI:

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Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	NA this is a short term medical expense filing and exempt from ACA
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	NA this is a short term medical expense filing and exempt from ACA
Attachment(s):	
Item Status:	
Status Date:	

GMAC Insurance

January 1, 2014

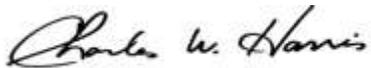
RE: NAIC # 82538 FEIN # 74-1541799

Short Term Medical Insurance Policy NHIC IND STM 2014 POL

TO: All Departments of Insurance

National Health Insurance Company hereby authorized Insurance Compliance Consultants, Inc., to represent us in the submission of the above referenced forms and rates outline of coverage forms, rates and actuarial documents and to negotiate with insurance departments for their approval.

Sincerely,



President

National HealthInsurance Company
Actuarial Memorandum
Short Term Medical Policy – Limited Duration
Forms NHIC IND STM 2014 POL, et al.

Item 1. Scope & Purpose

This is a new product filing. These are new forms. This actuarial memorandum describes the benefits provided in this new non-renewable individual short-term limited duration health insurance policy. This memorandum supports the rates being filed. This memorandum is not intended to be used for any other purpose.

Item 2. Benefit Description

A detailed description of the benefits and limitations are identified in the policy. This individual short-term limited duration medical insurance policy is a major medical health insurance policy. Available coverage limits include a broad array of options including co-payments, deductibles, and other limits and maximums.

Item 3. Renewability

This policy is non-renewable. Although this short term plan may be rewritten for new and completely separate coverage periods, coverage does not continue from one policy to another.

Item 4. Applicability

This filing is for new policies. There are no policies currently in force on these form numbers.

Item 5. Morbidity

The incidence rates assumed in pricing were obtained from similar short-term limited duration health insurance policies offered by other carriers.

Item 6. Mortality

Not applicable.

Item 7. Persistency

Given the short term nature of the product, there is no specific persistency assumption used in developing the claim costs for this policy form.

Item 8. Expenses and Commissions

Claims, expense and margin provisions are as follows:

Claims	55.0%
Commissions	20.0%
Administrative Expense	15.5%
Premium Tax	2.5%
Profits and Contingencies	7.0%
Total Expense and Profit Margin	45.0%

Item 9. Marketing

These products will be marketed by agents, brokers, or through direct response methods.

Item 10. Underwriting

This product will be underwritten through the use of a short health history questionnaire. Failure to satisfy all conditions of the health history questionnaire will result in a declination of coverage.

Item 11. Premium Classes

Premium rates will vary based on the age and gender of the insured, benefit plan provisions (deductible, coinsurance, and lifetime maximum, etc.), area, coverage period and payment mode option (daily/single pay vs. monthly pay).

Item 12. Issue Age Limits

This policy is available if the applicant is under age 65. Rates are based on attained age at issue.

Item 13. Area Factors

Premiums will be adjusted for the area where the insured resides. A listing of area factors can be found in the accompanying confidential rating manual.

Item 14. Average Annual Premium

The average annual premium for each policy is \$1,550. The calculation is shown in the EXCEL Rate Manual worksheet.

Item 15. Number of Policyholders

The Company has no policyholders at the present time as this is the initial filing for the policy.

Item 16. Policyholder Characteristics

The base plan coverage will be a \$2,500 deductible with 80% coinsurance and a \$2 million maximum. Most premiums will be paid monthly. We expect that females will enroll somewhat more than males. We expect the average size deductible to be greater than the \$2,500 base plan. The average age calculation is shown in the EXCEL Rate Manual worksheet which also shows some other expected policy distributions.

Item 17. Annual Trend Assumptions

We have included a trend factor for all States that allow its use. The trend assumptions used in the rating of this product are estimated inflationary adjustments that are needed to account for provider price increases, utilization changes, advances in medical technologies, and other impacts on medical costs. A large component of the annual trend factors is the leveraging effect that is inherent with high deductible products. The trend assumptions are found in the EXCEL Rate Manual worksheet.

Item 18. Claim Liability and Reserves

Reserves for claims incurred but not yet paid will be established according to generally accepted actuarial principles, including but not limited to analysis of claim lag triangles, inventory

methods, and percentage of premium methods. There are currently no claim reserves held since these are new forms.

Item 19. Active Life Reserves

Not applicable.

Item 20. Minimum Required Loss Ratio

The anticipated minimum required loss ratio for this policy is anticipated to be 55.0%.

Item 21. Distribution of Business

The anticipated distribution of business is shown on the attached EXCEL Rate Manual worksheet and is used in the calculation of the average premium.

Item 22. Contingency and Risk Margin

The expected margin for profit and contingencies is 7% of gross premium.

Item 23. Experience - Past and Future

As these are new products, no historical experience is available.

Item 24. Lifetime Loss Ratio

Because these are new forms with no prior experience, the lifetime loss ratio is assumed to be 55%.

Item 25. History of Rate Adjustments

As these are new forms, there have been no rate adjustments.

Item 26. Number of Policyholders

As these are new forms, there are no current policyholders.

Item 23. Proposed Effective Date

These rates are to be effective April 1, 2014. If approval is not received by that time, the rates are to be effective first of the month following Department of Insurance approval.

Item 24. Actuarial Certification

I, Alan Y. Weiner, am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. I certify to the best of my knowledge and judgment, this Actuarial Memorandum and the entire rate filing is in compliance with the applicable laws of the State and with the rules of the Department of Insurance, and complies with Actuarial Standard of Practice No. 8 "Regulatory Filings for Rates and Financial Projections for Health Plans," as adopted by the Actuarial Standards Board, and that the benefits provided are reasonable in relation to the proposed premiums based on the standards described above. The premium schedule is not excessive, inadequate or unfairly discriminatory.



Alan Y. Weiner, ASA, MAAA
Actuarial Consultant
ABI, Inc.
3204 18th Street, NW
Washington, DC 20010
202-986-9590
March 12, 2014