
State: District of Columbia **Filing Company:** Companion Life Insurance Company
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental
Product Name: Group Dental PPO Rider
Project Name/Number: Group Dental PPO /DTPR PPO 2015

Filing at a Glance

Company: Companion Life Insurance Company
Product Name: Group Dental PPO Rider
State: District of Columbia
TOI: H10G Group Health - Dental
Sub-TOI: H10G.000 Health Dental
Filing Type: Rate
Date Submitted: 06/27/2014
SERFF Tr Num: ICCI-129613855
SERFF Status: Reopened-WITHDRAWL
State Tr Num:
State Status:
Co Tr Num: DTPR PPO 2015-R

Implementation
Date Requested:
Author(s): Ann Collins, Brenda Dawson
Reviewer(s): John Morgan (primary), Alula Selassie
Disposition Date: 07/11/2014
Disposition Status: WITHDRAWL
Implementation Date:

State Filing Description:

State: District of Columbia
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental
Product Name: Group Dental PPO Rider
Project Name/Number: Group Dental PPO /DTPR PPO 2015

Filing Company: Companion Life Insurance Company

General Information

Project Name: Group Dental PPO
 Project Number: DTPR PPO 2015
 Requested Filing Mode: Review & Approval
 Explanation for Combination/Other:
 Submission Type: New Submission
 Group Market Type: Employer
 Filing Status Changed: 07/15/2014
 State Status Changed:
 Created By: Brenda Dawson
 Corresponding Filing Tracking Number: ICCI-129613856

Status of Filing in Domicile:
 Date Approved in Domicile:
 Domicile Status Comments:
 Market Type: Group
 Group Market Size: Small
 Overall Rate Impact:
 Deemer Date:
 Submitted By: Brenda Dawson

Filing Description:

Enclosed is the Actuarial Memorandum for the Group Dental Insurance Policy Rider DTPR PPO 2015 and Group Dental Insurance Certificate Rider DTPR PPO 2015 forms filed under SERFF ICCI-129613856. The forms are new and are not intended to replace any forms previously approved by the Department. These riders are intended to be attached to Group Dental Policy form 515 and Group Dental Certificate form 514, both previously approved by your Department on March 2, 1995.

These forms are to be exchanged certified to be offered off the exchange only.

These forms will be offered to both existing insured groups and new applicants and will be marketed through independent agents.

The forms also provide the pediatric oral health benefits for children up to page 19. Hence, we respectfully request that the Policy and Certificate Riders receive exchange certification for use off the exchange in DC.

Benefits provided to children under age 19 are the greater of those required by the pediatric oral health benefits under PPACA and the benefits that would be payable had the child received coverage under the traditional benefit otherwise provided to dependent children.

Company and Contact

Filing Contact Information

Brenda Dawson, Authorized Representative Brendadawson@inscompliance.com
 3925 East State Street, Suite 200 815-316-6714 [Phone]
 Rockford, IL 61108 815-986-2355 [FAX]

Filing Company Information

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

Companion Life Insurance	CoCode: 77828	State of Domicile: South
Company	Group Code: 661	Carolina
P. O. Box 100102	Group Name:	Company Type:
Columbia, SC 29202-3102	FEIN Number: 57-0523959	State ID Number:
(803) 264-5704 ext. [Phone]		

State: District of Columbia **Filing Company:** Companion Life Insurance Company
TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental
Product Name: Group Dental PPO Rider
Project Name/Number: Group Dental PPO /DTTPR PPO 2015

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State: District of Columbia

Filing Company:

Companion Life Insurance Company

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental

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Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: %

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):
Companion Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

State: District of Columbia

TOI/Sub-TOI: H10G Group Health - Dental/H10G.000 Health Dental

Product Name: Group Dental PPO Rider

Project Name/Number: Group Dental PPO /DTPR PPO 2015

Filing Company:

Companion Life Insurance Company

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	See general information tab
Attachment(s):	
Item Status:	Withdrawn
Status Date:	07/11/2014

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	ICC - Authorization letter 2014.pdf
Item Status:	Withdrawn
Status Date:	07/11/2014

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	DC act memo greater of PPO rider - 6-21-2014.pdf
Item Status:	Withdrawn
Status Date:	07/11/2014

Satisfied - Item:	Actuarial Justification
Comments:	see attached actuarial memorandum
Attachment(s):	
Item Status:	Withdrawn
Status Date:	07/11/2014

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	NA
Attachment(s):	
Item Status:	Withdrawn
Status Date:	07/11/2014

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	NA
Attachment(s):	
Item Status:	Withdrawn

SERFF Tracking #:

ICCI-129613855

State Tracking #:

Company Tracking #:

DTPR PPO 2015-R

State:

District of Columbia

Filing Company:

Companion Life Insurance Company

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health Dental

Product Name:

Group Dental PPO Rider

Project Name/Number:

Group Dental PPO /DTPR PPO 2015

Status Date:	07/11/2014
Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	NA
Attachment(s):	
Item Status:	Withdrawn
Status Date:	07/11/2014
Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	NA
Attachment(s):	
Item Status:	Withdrawn
Status Date:	07/11/2014



P.O. Box 100102, Columbia, SC 29202-3102
7909 Parklane Road, Suite 200, Columbia, South Carolina 29223-5666
(803) 735-1251 · (800) 753-0404
www.CompanionLife.com

January 1, 2014

Insurance Compliance Consultants, Inc.
Brian Camling, President
3925 East State Street, Suite 200
Rockford, IL 61108

Dear Mr. Camling:

Please accept this letter as written confirmation that Insurance Compliance Consultants, Inc., has authority to file the attached form(s) or a state specific variation of it, and to act on behalf of Companion Life Insurance Company regarding such filings, in all jurisdictions where this form(s) or a state specific variation of it is being filed. Companion Life may withdraw this authorization at any time, by giving notice to Insurance Compliance Consultants.

Sincerely,

A handwritten signature in black ink, appearing to read 'Trescott N. Hinton, Jr.', written in a cursive style.

Trescott N. Hinton, Jr.
President

Companion Life Insurance Company
Group Dental Insurance Policy
Actuarial Memorandum
Form Number DTPR-PPO 2015

Scope and Purpose

The purpose of this actuarial memorandum is to describe the benefits and assumptions for the attached Group Dental Insurance Rider, and to certify that this Rider is in compliance with applicable laws and regulations of the state. This is a new Rider, to be attached to existing Policy Form Number(s) 514. This memorandum is not intended to be used for any other purpose.

Benefit Description

This Rider is designed to provide in-network dental insurance benefits for the children of employees and members of employer groups and associations, in compliance with requirements of the Affordable Care Act's pediatric dental Essential Health Benefits. The benefits for adults and children over age 19 and all out of network benefits, as well as all contract provisions not addressed in this Rider, are as provided in the existing Policy and are not affected by this Rider. The premiums may be paid by the employee, employer, member, association, or any combination.

- Benefits in this Rider include coverage for the following types of dental services: preventive, diagnostic, basic, major, and medically necessary orthodontia.
- The plan design includes a deductible and coinsurance that can vary by type of service. There are also frequency limits and age limits for certain procedures, as defined in the Rider. The pediatric benefits in this Rider meet the definition of the Essential Health Benefits in this state under ACA.
- For Participating Providers the benefit payable for each procedure under this Rider is based on a fee schedule accepted by the network of Participating Providers in the state.

Renewability Clause

This is an annually renewable Rider to be added to an annually rated group Policy.

Applicability

This is a new Rider, so there is currently no existing business on this Rider.

Morbidity

As shown in the attached Exhibits I & II, claim costs for the benefits provided in this Rider are initially calculated separately for each major category of dental services (Type 1, 2, 3, or 4) and for each of the High and Low benefit plans. These initial total charges are calculated by taking the product of the state-wide average charges for each covered procedure and the average annual utilization rate for each procedure. These average charges are based on the negotiated network fee schedules. The average utilization rates have been provided by an actuarial consulting firm, AWMS, and are based on experience data contributed by the firm's dental clients during the period 2010-2012. The resulting initial total charges by procedure are then combined into four classes (1 - preventive, 2 - basic, 3 - major, and 4 - orthodontia). The annual claim costs for each of these four classes are then converted to monthly claim costs by dividing by 12. The resulting base monthly charges are then adjusted for the effect of any deductibles, coinsurance, and out-of-pocket limits to derive the net monthly claim costs. These adjustments are based on factors provided by AWMS. The net monthly claim costs are divided by the target loss ratio to produce the projected monthly premium rates for the benefits under this Rider. The attached Exhibits I & II provide documentation for these pediatric dental benefit premium calculations.

Persistency

Since this is an annually renewable benefit, there is no persistency assumption necessary. Morbidity is assumed to be at the ultimate level in the first duration. Any projected future morbidity changes will be incorporated into the premiums using an annual trend factor.

Expenses

The expense assumptions for this Rider are based on the company's actual costs developed from experience with other Group Insurance Forms.

Expenses	
Commissions and Marketing:	15.0%
Administration:	12.5%
Premium Tax (St/Fed):	5.0%

Contingency and Risk Margins

This Rider includes a contingency and risk margin of 2.5% of premium, which is sufficient to meet the Company's return on investment target with respect to its risk based capital requirements.

Marketing Method

This Rider will be attached to a base Policy which is distributed to employer groups and associations through independent agents and brokers.

Underwriting

There is no individual underwriting for this Rider; the coverage is guaranteed issue.

Premium Classes

The rates and benefits for this Rider do not vary by age, industry, or any other demographic factor.

Average Monthly Premium Rates

The monthly premium rates for the plans offered under this Rider are:

High Option Plan:	\$39.60
Low Option Plan:	\$32.95

Premium Modalization Rules

Premiums for this Form can be billed weekly, bi-weekly, monthly, quarterly, semiannually, or annually. Weekly premiums are 1/52 of annual premiums, bi-weekly premiums are 1/26 of annual premiums, and monthly premiums are 1/12 of annual premiums. Quarterly premiums are 1/4 of annual premiums. Semiannual premiums are 1/2 of annual premiums.

Claim Liability and Reserves

An incurred but not reported claim reserve will be held for this coverage, in combination with the coverage under the base Policy to which this Rider is attached. This reserve will be estimated based on the previous 12-months of claim lag data (claims by incurred and paid date).

Trend Assumption

The rates shown in this actuarial memo will be used for effective dates beginning in 2015. An annual trend factor, currently 5%, will be used to derive the premiums rates for effective dates beginning after 2015. This trend factor is currently based on a projected annual increase of 4% in dental prices and 1% in utilization rates.

Target Loss Ratio

The target loss ratio for this Rider is 65% at all durations.

Actuarial Value Calculation and Certification

The actuarial value for the High Option Plan is estimated to be 86.4% and for the Low Option Plan to be 71.9%. The calculations of these values are illustrated in Exhibits I & II below.

Actuarial Certification

I, James T. Helton III, am a Fellow of the Society of Actuaries, and a Member of the American Academy of Actuaries. I meet the standards of qualification required to provide this certification as defined in "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" as adopted by the American Academy of Actuaries. I certify that to the best of my knowledge and judgment, this filing is in compliance with the applicable laws of this state and with the rules of the Department of Insurance; and complies with Actuarial Standards of Practice No. 8, "Regulatory Filings for Health Plan Entities", as adopted by the Actuarial Standards Board. I also certify that the proposed premium rates are actuarially sound; are neither excessive, inadequate, nor unfairly discriminatory; and the benefits provided under this Form are reasonable in relation to the premiums charged.

A handwritten signature in blue ink that reads "J. T. Helton III" with a stylized flourish at the end.

James T. Helton III, FSA, MAAA

Consulting Actuary

June 21, 2014

Exhibit I

Claim Cost, Premium, and AV Calculations - DC Child - High Option

Pediatric EHB Plan Design Summary

Annual Deductible	\$100
Deductible waived for T1	yes
Coinsurance T1	100%
Coinsurance T2	80%
Coinsurance T3	50%
Coinsurance T4 (med nec ortho)	50%
Annual Out of Pocket Limit	\$350
Annual Maximum	none

Sum of Total Charges

	Child Total Annual CC	Child Total Annual Util	Child Total Monthly CC
Service			
T1	190.86	4.695	15.90
T2	122.94	0.732	10.24
T3	5.21	0.007	0.43
T4	38.47	0.008	3.21
Total	357.47	5.441	29.79

Claim Cost Calculation

	T1	T2	T3	T4
Base Monthly Charges	15.90	10.24	0.43	3.21
Deductible Adjustment +/-	0.00	-2.37	-0.18	0.00
Sub-Total 2	15.90	7.87	0.25	3.21
Coinsurance Adjustment	1.00	0.80	0.50	0.50
OOP Limit Adjustment	1.00	1.06	1.25	1.86
Sub-Total 3	15.90	6.69	0.16	2.99

Premium Calculation

	Combined
Combined Claim Cost	25.74
Expense Percentage	65.0%
Premium	39.60

Actuarial Value Calculation - High Plan

Gross Monthly Charges - IN Child	29.79
Net Monthly Charges - IN Child	25.74
Actuarial Value - IN Child	86.4%

Exhibit II

**Claim Cost, Premium, and AV Calculations - DC
Child - Low Option**

Pediatric EHB Plan Design Summary

Annual Deductible	\$100
Deductible waived for T1	no
Coinsurance T1	100%
Coinsurance T2	50%
Coinsurance T3	50%
Coinsurance T4 (med nec ortho)	50%
Annual Out of Pocket Limit	\$350
Annual Maximum	none

Sum of Total Charges

	Child Total Annual CC	Child Total Annual Util	Child Total Monthly CC
Service			
T1	190.86	4.695	15.90
T2	122.94	0.732	10.24
T3	5.21	0.007	0.43
T4	38.47	0.008	3.21
Total	357.47	5.441	29.79

Claim Cost Calculation

	T1	T2	T3	T4
Base Monthly Charges	15.90	10.24	0.43	3.21
Deductible Adjustment +/-	-3.98	-0.23	-0.03	0.00
Sub-Total 2	11.92	10.01	0.40	3.21
Coinsurance Adjustment	1.00	0.50	0.50	0.50
OOP Limit Adjustment	1.00	1.25	1.25	1.86
Sub-Total 3	11.92	6.26	0.25	2.99

Premium Calculation

	Combined
Combined Claim Cost	21.42
Expense Percentage	65.0%
Premium	32.95

Actuarial Value Calculation - Low Plan

Gross Monthly Charges - IN Child	29.79
Net Monthly Charges - IN Child	21.42
Actuarial Value - IN Child	71.9%