

**State:** District of Columbia **Filing Company:** Aetna Health and Life Insurance Company  
**TOI/Sub-TOI:** MS08G Group Medicare Supplement - Standard Plans 2010/MS08G.012 Multi-Plan 2010  
**Product Name:** ATN-Group Med Supp-AAA Rates  
**Project Name/Number:** /

## Filing at a Glance

Company: Aetna Health and Life Insurance Company  
 Product Name: ATN-Group Med Supp-AAA Rates  
 State: District of Columbia  
 TOI: MS08G Group Medicare Supplement - Standard Plans 2010  
 Sub-TOI: MS08G.012 Multi-Plan 2010  
 Filing Type: Rate  
 Date Submitted: 03/05/2014  
 SERFF Tr Num: MCHU-129441898  
 SERFF Status: Closed-APPROVED  
 State Tr Num:  
 State Status:  
 Co Tr Num: SSI-00002-AAA  
 Implementation: On Approval  
 Date Requested:  
 Author(s): Betty Dabrowski, Ginny Mchugh, Jackie Tootchen, Lauren Regnery, Jane Neal, Emma Kalbach, Kathy Nangle, Amber Myers, Wil Perez, Allison Smith  
 Reviewer(s): Donghan Xu (primary), Alula Selassie  
 Disposition Date: 03/12/2014  
 Disposition Status: APPROVED  
 Implementation Date: 03/12/2014  
 State Filing Description:

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## General Information

Project Name: Status of Filing in Domicile: Not Filed  
 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: Large  
 Group Market Type: Association Overall Rate Impact:  
 Filing Status Changed: 03/12/2014  
 State Status Changed: Deemer Date:  
 Created By: Lauren Regnery Submitted By: Lauren Regnery  
 Corresponding Filing Tracking Number: MCHU-129428592

### Filing Description:

#### NEW FILING SUBMISSION

Aetna Health & Life Insurance Company

NAIC No: 78700 FEIN: 06-0876836

Group Medicare Supplement Program - AAA  
Rates and Actuarial Memorandum

McHugh Consulting Resources, Inc. has been requested to file the attached rates and actuarial memorandum on behalf of Aetna Health & Life Insurance Company. We have provided an authorization letter for your files.

Enclosed please find the rates and actuarial memorandum which coincide with the forms simultaneously submitted under separate cover under SERFF Tracking No: MCHU-129428592.

Aetna intends to offer Medicare Supplement Standardized Plan A, B, F, G, N and Innovative F. Coverage meet the requirements of the United States H.R. 6331, the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) and the requirements of the Genetic Information Nondiscrimination Act of 2008 (GINA).

Thank you for your attention to this filing. Please do not hesitate to contact the undersigned at (215) 230-7960 if there are any questions that we can answer regarding this filing.

Sincerely,

Laura Hoogland, Consultant  
 McHugh Consulting Resources, Inc.  
 Phone (215) 230-7960  
 Email: mcr@mchughconsulting.com

## Company and Contact

### Filing Contact Information

Lauren Regnery, mcr@mchughconsulting.com

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2005 South Easton Road 215-230-7960 [Phone]  
 Suite 207 215-230-7961 [FAX]  
 Doylestown, PA 18901

**Filing Company Information**

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

Aetna Health and Life Insurance Company	CoCode: 78700	State of Domicile: Connecticut
151 Farmington Avenue	Group Code: 1	Company Type:
Hartford, CT 06156	Group Name:	State ID Number:
(860) 273-0123 ext. [Phone]	FEIN Number: 06-0876836	

**Filing Fees**

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

SERFF Tracking #:

MCHU-129441898

State Tracking #:

Company Tracking #:

SSI-00002-AAA

State:

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## Rate Information

Rate data applies to filing.

Filing Method:

Upon approval

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):
Aetna Health and Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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**State:**

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**TOI/Sub-TOI:**

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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		Actuarial Memorandum/Rates	AAAMSP14A, AAAMSP14B, AAAMSP14F, AAAMSP14IF, AAAMSP14G, AAAMSP14N	New		Pages from DC AHLIC Group Rates.pdf,

# Aetna Health and Life Insurance Company

## Exhibit A - Annual Non-Smoker Premiums

### Group Medicare Supplement 2010 Standardized Plans

Attained Age	Plan A		Plan B		Plan F		Innovative Plan F		Plan G		Plan N	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
65	1,175	1,273	1,343	1,453	1,573	1,701	1,585	1,713	1,444	1,557	1,121	1,192
66	1,209	1,310	1,388	1,502	1,628	1,762	1,640	1,774	1,496	1,614	1,163	1,237
67	1,243	1,347	1,434	1,551	1,684	1,821	1,696	1,833	1,548	1,670	1,205	1,281
68	1,277	1,383	1,478	1,599	1,738	1,880	1,750	1,892	1,600	1,725	1,246	1,324
69	1,311	1,420	1,523	1,647	1,792	1,939	1,804	1,951	1,650	1,780	1,286	1,367
70	1,344	1,455	1,566	1,694	1,845	1,996	1,857	2,008	1,700	1,833	1,326	1,410
71	1,376	1,491	1,609	1,741	1,898	2,053	1,910	2,065	1,749	1,887	1,366	1,452
72	1,409	1,526	1,652	1,788	1,950	2,110	1,962	2,122	1,799	1,940	1,405	1,493
73	1,438	1,558	1,697	1,836	2,007	2,171	2,019	2,183	1,853	1,999	1,449	1,541
74	1,467	1,589	1,742	1,885	2,064	2,232	2,076	2,244	1,907	2,057	1,494	1,588
75	1,494	1,619	1,784	1,930	2,117	2,290	2,129	2,302	1,958	2,112	1,535	1,632
76	1,523	1,649	1,828	1,977	2,172	2,350	2,184	2,362	2,010	2,168	1,578	1,678
77	1,551	1,680	1,871	2,024	2,226	2,409	2,238	2,421	2,063	2,225	1,621	1,723
78	1,564	1,694	1,904	2,060	2,272	2,458	2,284	2,470	2,108	2,273	1,659	1,764
79	1,576	1,707	1,937	2,095	2,317	2,506	2,329	2,518	2,152	2,321	1,697	1,804
80	1,584	1,715	1,964	2,125	2,355	2,548	2,367	2,560	2,191	2,363	1,731	1,840
81	1,596	1,729	1,996	2,160	2,399	2,596	2,411	2,608	2,235	2,410	1,768	1,880
82	1,608	1,742	2,028	2,195	2,443	2,643	2,455	2,655	2,279	2,457	1,806	1,919
83	1,620	1,755	2,085	2,255	2,528	2,736	2,540	2,748	2,367	2,553	1,884	2,003
84	1,633	1,769	2,140	2,316	2,613	2,827	2,625	2,839	2,454	2,647	1,962	2,085
85	1,645	1,782	2,181	2,360	2,680	2,900	2,692	2,912	2,526	2,724	2,028	2,155
86	1,658	1,796	2,223	2,405	2,749	2,974	2,761	2,986	2,600	2,804	2,096	2,228
87	1,670	1,809	2,265	2,451	2,820	3,051	2,832	3,063	2,676	2,886	2,166	2,303
88	1,683	1,823	2,309	2,498	2,893	3,130	2,905	3,142	2,754	2,971	2,239	2,380
89	1,696	1,837	2,353	2,545	2,968	3,211	2,980	3,223	2,835	3,058	2,314	2,460
90+	1,709	1,851	2,397	2,594	3,044	3,294	3,056	3,306	2,918	3,147	2,392	2,543

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.

A discount factor of .95 is applied for applicants eligible for the Household Discount.

# Aetna Health and Life Insurance Company

## Exhibit B - Anticipated Durational Loss Ratios

### 2010 Standardized Group Medicare Supplement Plans

<u>Policy Year</u>	<u>Loss Ratio</u>
1	63%
2	70%
3	75%
4	77%
5	78%
6	78%
7	79%
8	79%
9	79%
10	80%
11	80%
12	81%
13	81%
14	81%
15	82%
16	82%
17	83%
18	83%
19	83%
20	84%

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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	Please see Filing Description
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Certificate of Authority to File
<b>Comments:</b>	
<b>Attachment(s):</b>	2014 AHLIC Authorization Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	DC AHLIC Group Actuarial Memo.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	Complied
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	Not applicable to this filing
<b>Attachment(s):</b>	
<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>	Not applicable to this filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



SERFF Tracking #:

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<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	Not applicable to this filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	Not applicable to this filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

**Aetna Health and Life Insurance Company**  
**Aetna Life Insurance Company**  
**American Continental Insurance Company**  
**Continental Life Insurance Company of Brentwood, Tennessee**

Aetna Companies

**Genworth Life Insurance Company**  
**Genworth Life and Annuity Insurance Company**

Genworth Financial Companies; Administered by Aetna Life Insurance Company and its affiliates

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

February 21, 2014

McHugh Consulting Resources, Inc  
350 South Main Street, Suite 103  
Doylestown, Pennsylvania 18901

Re: Aetna Health and Life Insurance Company  
NAIC Company Code: 78700

Please accept this letter as authorization from Aetna Health and Life Insurance Company for McHugh Consulting Resources, Inc. to file any or all policy forms and/or rates and to respond to any correspondence received in response to these filings as referenced in the corresponding SERFF filing on behalf of Aetna Health and Life Insurance Company.

This authorization is effective from the date of this letter through February 21, 2015.

Sincerely,



Steven L. Hendrich  
Vice President  
Aetna Health and Life Insurance Company

**Aetna Health and Life Insurance Company**  
**2010 Standardized Group Medicare Supplement Plans A, B, F, Innovative 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 group Medicare Supplement plans A, B, F, Innovative F, G, and N.

**2) Description of Benefits**

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

In addition to all of the benefits available under Standard Plan F, Innovative Plan F offers coverage for access to a Personal Health Advocate. Registered nurses, benefits experts, and trained clinical professionals are available to provide support through a single, ongoing contact person.

**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. A 5% household discount also applies for eligible individuals.

**Aetna Health and Life Insurance Company**  
**2010 Standardized Group Medicare Supplement Plans A, B, F, Innovative F, G, and N**  
**Filing of Initial Proposed Premium 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	5%
2	7%
3-4	9%
5-6	8%
7-8	7%
9-10	6%
11	5%
12	4%
13	3%
14	2%
15+	1%

- 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 17% of premium for this block of business.

**Aetna Health and Life Insurance Company**  
**2010 Standardized Group Medicare Supplement Plans A, B, F, Innovative F, G, and N**  
**Filing of Initial Proposed Premium Rates**

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	26%
66-69	21%
70-74	21%
75-79	16%
80+	16%

viii) **Durational Loss Ratios:** The minimum required loss ratio over the lifetime of the policy form is assumed to be 75%. 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	\$1,418
B	\$1,680
F	\$1,988
Innovative F	\$2,000
G	\$1,834
N	\$1,426

**Aetna Health and Life Insurance Company**  
**2010 Standardized Group Medicare Supplement Plans A, B, F, Innovative F, G, and N**  
**Filing of Initial Proposed Premium Rates**

**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.



\_\_\_\_\_  
Jason Cafaro, FSA, MAAA

2/7/2014  
Date