

SERFF Tracking Number: MCHX-G128000049 State: District of Columbia  
 Filing Company: BCS Insurance Company State Tracking Number:  
 Company Tracking Number: FORM 54.402  
 TOI: H16G Group Health - Major Medical Sub-TOI: H16G.004 Short Term  
 Product Name: Form 54.402 Global Citizens Short Term Medical - B  
 Project Name/Number: Form 54.402 Global Citizens Short Term Medical - BCS Insurance Company /Form 54.402 Global Citizens Short Term Medical - BCS Insurance Company

**Rate Information**

Rate data applies to filing.

**Filing Method:** Prior Approval  
**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:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
BCS Insurance Company	%	%				%	%

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## Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	Global Citizen Rates	Form 54.402 et al New			rates_global_citizen_actuarial_morandum_rev_5-01_17_12.PDF

# BCS Insurance Company

## ACTUARIAL MEMORANDUM

### Global Citizen Policy

Rates Effective 03/1/2012; Rates Used When Approved

#### ADJUSTMENT FACTORS AND RATE DETERMINATION:

##### Age Factors

From	Thru	Adult	Dependent Child
0	24	0.925	0.367
25	29	0.925	0.367
30	34	1.000	0.367
35	39	1.290	0.367
40	44	1.555	0.367
45	49	1.925	0.367
50	54	2.280	0.367
55	59	2.790	0.367
60	64	3.400	0.367
65	69	5.400	0.367
70	Above	7.740	0.367

##### Plan Factors (to be applied to the Base Rate)

Global Citizen Elite	1.000
Global Citizen 500	0.850
Global Citizen 1000	0.700
Global Citizen 2000	0.600
Global Citizen 5000	0.500
Global Citizen 10000	0.400
Global Citizen 25000	0.250
Global Citizen EXP Elite	0.450
Global Citizen EXP 250	0.400
Global Citizen EXP 500	0.350
Global Citizen EXP 1000	0.300
Global Citizen EXP 2500	0.250
Global Citizen EXP 5000	0.225
Global Citizen EXP 10000	0.200
Global Navigator 250	0.500
Global Navigator 1000	0.450
Global Navigator 2500	0.400
Global Navigator 5000	0.350
Global Citizen Rx Upgrade	0.280
Global Citizen EXP Rx Upgrade	0.160

Base Rate	179.28
Anticipated Loss Ratio	0.54
Base Rate with Retention	389.74
<b>Underwriter Discretion Factor</b>	From .6 to 1.4
<b>Area/Country Factors</b>	None

**Adult Rates**

	0	25	30	35	40	45	50	55	60	65	70
Plan	24	29	34	39	44	49	54	59	64	69	Above
Global Citizen Elite	361	361	390	503	606	750	889	1,087	1,325	2,105	3,017
Global Citizen 500	306	306	331	427	515	638	755	924	1,126	1,789	2,564
Global Citizen 1000	252	252	273	352	424	525	622	761	928	1,473	2,112
Global Citizen 2000	216	216	234	302	364	450	533	652	795	1,263	1,810
Global Citizen 5000	180	180	195	251	303	375	444	544	663	1,052	1,508
Global Citizen 10000	144	144	156	201	242	300	355	435	530	842	1,207
Global Citizen 25000	90	90	97	126	152	188	222	272	331	526	754
Global Citizen EXP Elite	162	162	175	226	273	338	400	489	596	947	1,357
Global Citizen EXP 250	144	144	156	201	242	300	355	435	530	842	1,207
Global Citizen EXP 500	126	126	136	176	212	263	311	381	464	737	1,056
Global Citizen EXP 1000	108	108	117	151	182	225	267	326	398	631	905
Global Citizen EXP 2500	90	90	97	126	152	188	222	272	331	526	754
Global Citize TO-->	81	81	88	113	136	169	200	245	298	474	679
Global Citizen EXP 10000	72	72	78	101	121	150	178	217	265	421	603
Global Navigator 250	180	180	195	251	303	375	444	544	663	1,052	1,508
Global Navigator 1000	162	162	175	226	273	338	400	489	596	947	1,357
Global Navigator 2500	144	144	156	201	242	300	355	435	530	842	1,207
Global Navigator 5000	126	126	136	176	212	263	311	381	464	737	1,056
Global Citizen Rx Upgrade	101	101	109	141	170	210	249	304	371	589	845
Global Citizen EXP Rx Upgrade	58	58	62	80	97	120	142	174	212	337	483
<b>Add Maternity - Adult</b>	1.35										

**Per Child Rates**

	0	25	30	35	40	45	50	55	60	65	70
Plan	24	29	34	39	44	49	54	59	64	69	Above
Global Citizen Elite	143	143	143	143	143	143	143	143	143	143	143
Global Citizen 500	122	122	122	122	122	122	122	122	122	122	122
Global Citizen 1000	100	100	100	100	100	100	100	100	100	100	100
Global Citizen 2000	86	86	86	86	86	86	86	86	86	86	86
Global Citizen 5000	72	72	72	72	72	72	72	72	72	72	72
Global Citizen 10000	57	57	57	57	57	57	57	57	57	57	57
Global Citizen 25000	36	36	36	36	36	36	36	36	36	36	36
Global Citizen EXP Elite	64	64	64	64	64	64	64	64	64	64	64
Global Citizen EXP 250	57	57	57	57	57	57	57	57	57	57	57
Global Citizen EXP 500	50	50	50	50	50	50	50	50	50	50	50
Global Citizen EXP 1000	43	43	43	43	43	43	43	43	43	43	43
Global Citizen EXP 2500	36	36	36	36	36	36	36	36	36	36	36
Global Citize TO-->	32	32	32	32	32	32	32	32	32	32	32
Global Citizen EXP 10000	29	29	29	29	29	29	29	29	29	29	29
Global Navigator 250	72	72	72	72	72	72	72	72	72	72	72
Global Navigator 1000	64	64	64	64	64	64	64	64	64	64	64
Global Navigator 2500	57	57	57	57	57	57	57	57	57	57	57
Global Navigator 5000	50	50	50	50	50	50	50	50	50	50	50
Global Citizen Rx Upgrade	40	40	40	40	40	40	40	40	40	40	40
Global Citizen EXP Rx Upgrade	23	23	23	23	23	23	23	23	23	23	23

**Dental Coverage Base Rates with Retention**

Participant Only coverage	47
Participant and Child/rn Coverage	86
Participant and Spouse Coverage	92
Participant and Family Coverage	155

**SAMPLE RATE CALCULATION**

1. Base Rate with Retention	\$389.74
2. Global Citizen EXP \$500	0.350
3. Without Materntiy	1.000
4. Area Factor - NONE	1.000
5. Age 36 Adult Participant Age Factor	1.290
6. Age 32 Spouse Age Factor	1.000
7. Number of Children	2
8. Children Age Factor (Based on Participants Age)	0.367
9. Dental Coverage (if, yes, list rate)	\$155
10. Rate before Trend $1*2*3*4*5+1*2*3*4*6+1*2*7*8+9$	\$569
11. Trend Factor	1.000
12. Rate before Underwriting (10 times 11)	\$569
13. Underwriters Discretion, if any (e.g. 20% smoking)	1.000
14. Final Rate (12*13)	\$569

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BCS Insurance Company

## Supporting Document Schedules

**Item Status:** **Status  
Date:**

**Satisfied - Item:** Actuarial Justification

**Comments:**

**Attachment:**

Global\_Citizen\_Actuarial\_Memorandum\_rev5-01\_17\_12.PDF

**Item Status:** **Status  
Date:**

**Satisfied - Item:** Submission Letter

**Comments:**

**Attachment:**

BCS Global Citizen RATES -revised filing ltr 01\_18\_12.PDF

**Item Status:** **Status  
Date:**

**Satisfied - Item:** Authorization Letter

**Comments:**

**Attachment:**

BCS 2012 MCR Authorization Letter.PDF

# **BCS INSURANCE COMPANY (BCS)**

## **Actuarial Memorandum**

### **Global Citizens**

#### **“Private, Confidential and Proprietary Information – Do Not Distribute”**

Form Numbers Policy Form 54.402; Global Citizens Association Expatriate Plan providing short-term duration limited-benefit policies issued to the Global Citizen Association. Non-participating, i.e., dividends are not payable.

I. Statement of Purpose of Filing - This Actuarial Memorandum has been prepared for the purpose of approval of rates for these currently unissued policies. The prior approved filing was for rates effective 3-1-2011; however, no policies will be issued until 3-12-2012. Therefore, this filing updates the rates to 3-1-2012 and adds a maternity factor.

II. Description of Benefits - The policy represents a collection of short-term duration limited-benefit policies issued to the Global Citizen Association. It is marketed primarily to United States citizens living or working abroad and provides medical coverage while those individuals are outside the United States as well as providing medical coverage for any periods the insureds spend in the United States.

The policy represents a series of PPO plans with several deductible options. The policy has in-network and out-of-network benefits for coverage in the U.S. and uses a PPO network for these benefits. The policy uses the AetnaPassport network.

III. Renewability - The Policy will continue in force for 364 days. The plan is a short term limited duration policy and not renewable. At expiration of the policy a new policy may be issued to the association but this issue is not guaranteed and is at the sole discretion of the company. The Policy may be terminated by either the policy holder or the Company with appropriate advance written notice.

IV. Applicability - The policy and corresponding rates apply to the writing of new and renewal business.

V. Morbidity - Claims costs are based on the experience of similar global citizen accident and sickness plans. The methodology used to calculate premiums is shown in the attached EXCEL worksheet.

VI. Mortality - Not applicable

VII. Persistency - Not applicable. One year term insurance.

VIII. Percentage of Premium Expenses

Agent Compensation	14.0%
Administration	24.3%
Premium Taxes	1.7%
Contingency and Risk Margin	6.0%
Total	46.0%

IX. Marketing Method - Marketing will be expatriates using agents and brokers and direct solicitation.

X. Underwriting Method - The coverage is medically underwritten. If one member of a family is denied coverage, no coverage is issued to the family. All effort is made to issue plans, and issue plans without using underwriter discretion.

XI. Premium Classes - Not applicable. There are no premium classes.

XII. Premium Tiers – Except for Dental (which is an optional coverage), no tier factors are used. The participant rate, spouse rate and each child rate is calculated independently as applicable.

XIII. Issue Age Range - II Issue Age Ranges are 0-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69 and 70 and over.

XIV. Area Factors – None.

XV. Average Monthly Premium – We assume the average monthly premium will be approximately \$427 per participant per month. The final Manual premium rate equals the Base Rate shown in the attached EXCEL file plus dental, if elected at the option of the participant. Business that is assumed from another carrier that is not underwritten may be transferred at the current carrier's rates. If there is such an occurrence, the transferred insured's rates will migrate to the EXCEL Manual rates on rate Manual anniversary date; however, the maximum rate adjustment will be no more than the anniversary Manual rate adjustment plus 10%.

XVI. Premium Modalization Rules – The premiums are charged monthly. Annual rates are 12 times the monthly rate, quarterly are 3 times the monthly rate.

XVII. Claim Liability and Reserves - Standard industry reserving methods for one year term insurance

XVIII. Active Live Reserves - Not applicable

XIX. Trend - 12% annual trend. Rates are trended from March 1, 2012. This factor will not be applied until this filing is approved and only for future rate calculations, usually about once a year on the anniversary of the rate table which would be on March 1, 2013.

XX. Minimum Loss Ratio - N/A

XXI. Anticipated Loss Ratio - the anticipated loss ratio is 54.0%. This confirms that we are seeking a target loss ratio of 54% for this plan and this be granted under the provision of DC Law 18-0360 Section 102 (f) due to the unique nature of the this expatriate plan.

XXII. Distribution – We project the participation by plan is as follows: Elite Global Citizen 25%, \$500 Global Citizen 15%, \$1000 Global Citizen 10%, \$2000 Global Citizen 6%, \$5000 Global Citizen 3%, \$10000 Global Citizen 2%, \$25000 Global Citizen 1%, Elite Expatriate Global Citizen 7%, \$250 Expatriate Global Citizen 6%, \$500 Expatriate Global Citizen 5%, 1000 Expatriate Global Citizen 4%, \$2500 Expatriate Global Citizen 3%, \$5000 Expatriate Global Citizen 2%, \$10000 Expatriate Global Citizen 1%, \$250 Navigator 4%, \$1000 Navigator 3%, \$2500 Navigator 2%, \$5000 Navigator 1%.

XXIII. Contingency and Risk Margins – Margins are built into the 6.0% contingency and risk margin shown in section VIII above.

XXIV. Experience – Not applicable, no business has been issued.

XXV. Lifetime Loss ratio – the anticipated lifetime loss ratio is 54.0 %

XXVI. History of Rate Adjustments – The current rates are equal to the prior rates plus 8% for trend from 3-1-2011 to 3-1-2012.

XXVII. Number of Covered Persons – Not applicable, no business has been issued.

XXVIII. Proposed Effective Date – Upon policy approval.

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.



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Alan Y. Weiner, ASA, MAAA  
Actuarial Consultant  
ABI, Inc.  
3204 18<sup>th</sup> Street, NW  
Washington, DC 20010  
202-986-9590  
November 14, 2011

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# McHugh Consulting Resources, Inc.

January 18, 2012

**VIA SERFF**

Darniece Shirley  
Actuary  
Department of Insurance, Securities and Banking  
810 First Street, N.E., Suite 701  
Washington, DC 20002

Re: **BCS Insurance Company**  
**NAIC No.: 38245**  
**FEIN: 36-6033921**

**RATE FILING – REVISED RATES**

**Prior filing:** MCHU-127198928

**Approved:** August 30, 2011

Form 54.402 Group Short Term Medical Policy, et al  
Actuarial Memorandum and Rates

Dear Ms. Shirley:

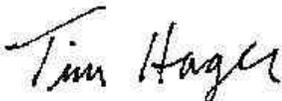
McHugh Consulting Resources, Inc. has been requested to file the attached revised rates to your attention on behalf of BCS Insurance Company. We have provided a letter of authorization for your files.

Enclosed is a revised actuarial memorandum and rates for the Group Short Term Medical Policy (Form 54.402) that was approved on June 16, 2011 under SERFF Tracking number: MCHU-127198929. At the time the rates were approved, our client was instructed that maternity could not be excluded for short term duration health policies, and thus the rates did not include a factor for maternity benefits.

Our client understands that the Insurance Director has made a change in policy and that short term duration health policies are no longer required to cover maternity. At this time, our client would like to submit revised actuarial information for your review in light of this change.

Please do not hesitate to contact the undersigned at 215.230.7960 if there are any questions I can answer regarding this filing.

Sincerely,



Tim Hager  
Compliance Project Specialist  
McHugh Consulting Resources, Inc.



BCS Insurance Company  
2 Mid America Plaza, Suite 200  
Oakbrook Terrace, Illinois 60181  
630.472.7700  
bcsgroup.com

Date: January 4, 2012

To: State Insurance Department

From: Linda H. Hickok, Vice President, Compliance  
BCS Insurance Company

Subject: Filing Authorization for McHugh Consulting Resources, Inc.

This is to inform you that McHugh Consulting Resources, Inc., of 2005 S. Easton Road, Suite 207, Doylestown, Pennsylvania 18901, has been retained to act on our behalf as indicated herein.

McHugh Consulting Resources, Inc. is hereby empowered to act on behalf of BCS Insurance Company in any governmental jurisdiction of the United States in matters regarding the filing of insurance products, forms, rates, advertising materials, and any other materials incidental to the acceptance of such filing.

Your cooperation in working with McHugh Consulting Resources, Inc. is greatly appreciated. This authorization shall be effective until such time as we notify you otherwise.

A handwritten signature in blue ink that reads "Linda H. Hickok".