
State: District of Columbia **Filing Company:** Medico Insurance Company
TOI/Sub-TOI: H10I Individual Health - Dental/H10I.000 Health Dental
Product Name: DVH-A18A44_2013Rates-REV
Project Name/Number: DVH-A18A44_2013Rates-REV/DVH-A18A44_2013Rates-REV

Filing at a Glance

Company: Medico Insurance Company
Product Name: DVH-A18A44_2013Rates-REV
State: District of Columbia
TOI: H10I Individual Health - Dental
Sub-TOI: H10I.000 Health Dental
Filing Type: Rate
Date Submitted: 09/25/2013
SERFF Tr Num: MDIC-129221101
SERFF Status: Assigned
State Tr Num:
State Status:
Co Tr Num:

Implementation: 12/01/2013
Date Requested:
Author(s): Arinna Roxas, Susan Dop
Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: District of Columbia **Filing Company:** Medico Insurance Company
TOI/Sub-TOI: H101 Individual Health - Dental/H101.000 Health Dental
Product Name: DVH-A18A44_2013Rates-REV
Project Name/Number: DVH-A18A44_2013Rates-REV/DVH-A18A44_2013Rates-REV

General Information

Project Name: DVH-A18A44_2013Rates-REV
Project Number: DVH-A18A44_2013Rates-REV
Requested Filing Mode:
Explanation for Combination/Other:
Submission Type: Resubmission
Individual Market Type:
Filing Status Changed: 09/26/2013
State Status Changed:
Created By: Susan Dop
Corresponding Filing Tracking Number:

Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Individual
Previous Filing Number: MDIC-128937662
Overall Rate Impact: 27%
Deemer Date:
Submitted By: Susan Dop

Filing Description:

Rate revision filing for Individual Dental, Vision, Hearing Forms

September 25, 2013

Mr. William P. White
Government of the District of Columbia
Department of Insurance, Securities, and Banking
810 First Street, N.E., Suite 701
Washington DC 20002

RE: Medico Insurance Company
NAIC Company # 31119

Rate Filing for forms: MI-DVA18

Dear Mr. William White:

Enclosed is a rate filing for the above referenced Dental, Vision, Hearing Form.

We are requesting a rate increase of 27% effective December 1, 2013. Current and Proposed rates have been attached.

We look forward to receiving your notification of approval. If you have any questions or concerns, please do not hesitate to contact me using any of the avenues listed below.

Sincerely,

Arinna M. Roxas
Pricing/Valuation Analyst
American Republic Insurance Company
(402) 496-8292 phone
(402) 452-2722 fax
arinna.roxas@americanenterprise.com

State: District of Columbia **Filing Company:** Medico Insurance Company
TOI/Sub-TOI: H101 Individual Health - Dental/H101.000 Health Dental
Product Name: DVH-A18A44_2013Rates-REV
Project Name/Number: DVH-A18A44_2013Rates-REV/DVH-A18A44_2013Rates-REV

Company and Contact

Filing Contact Information

Arinna Roxas, Pricing Valuation Analyst 3 arinna.roxas@americanenterprise.com
601 6th Avenue 402-496-8292 [Phone]
Des Moines, IA 50309 402-452-2722 [FAX]

Filing Company Information

Medico Insurance Company	CoCode: 31119	State of Domicile: Nebraska
11808 Grant Street	Group Code: 3527	Company Type: Life and
Omaha, NE 68164	Group Name: Medico	Health
(402) 496-8209 ext. [Phone]	FEIN Number: 47-0122200	State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

SERFF Tracking #:

MDIC-129221101

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

District of Columbia

Filing Company:

Medico Insurance Company

TOI/Sub-TOI:

H10I Individual Health - Dental/H10I.000 Health Dental

Product Name:

DVH-A18A44_2013Rates-REV

Project Name/Number:

DVH-A18A44_2013Rates-REV/DVH-A18A44_2013Rates-REV

Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

19.000%

Effective Date of Last Rate Revision:

10/01/2012

Filing Method of Last Filing:

SERFF

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 req'd):	Minimum % Change (where req'd):
Medico Insurance Company	27.000%	27.000%	\$335	6	\$1,241	27.000%	27.000%

SERFF Tracking #:

MDIC-129221101

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

District of Columbia

Filing Company:

Medico Insurance Company

TOI/Sub-TOI:

H10I Individual Health - Dental/H10I.000 Health Dental

Product Name:

DVH-A18A44_2013Rates-REV

Project Name/Number:

DVH-A18A44_2013Rates-REV/DVH-A18A44_2013Rates-REV

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Revised Rates	MI-DVA18	Revised	Previous State Filing Number: MDIC-127910845 Percent Rate Change Request: 27	A18_DC RtRvsn.pdf,

Rate Schedules

Current Rates

Medico® Insurance Company
 Omaha, Nebraska
 MI-DVA18
 Gross Premium Code: A18 - Rate Group: A18
 Dental/Vision/Hearing

RATE SCHEDULE - District of Columbia
 For Forms Issued From 02/23/2009 Through 05/08/2011
 \$1,000 Annual Benefit Maximum

Issue Age	Premium
18 - 39	328.44
40 - 59	371.28
60 - 69	414.12
70 - 79	428.40
80 - 84	456.96

AVAILABLE DISCOUNT:
 When two or more persons from the same household
 are issued policies at the same time,
 a 10% discount is applied to the premium rates.

MODAL FACTORS

Direct-Billed
 Annual = 1.00
 Semi-Annual = 0.52
 Quarterly = 0.27
 Bi-Monthly = 2/11
 Monthly = 1/11

Credit Card
 Annual = 1.03
 Semi-Annual = 0.515
 Quarterly = 0.258
 Monthly = 0.086

Automatic Bank Withdrawal
 Annual = 1.00
 Semi-Annual = 0.52
 Quarterly = 3/12
 Bi-Monthly = 2/12
 Monthly = 1/12

Rates certify to a 50% anticipated loss ratio.

MIRSA18(DC) 2/09

Proposed Rates

Medico® Insurance Company
 Omaha, Nebraska
 MI-DVA18
 Gross Premium Code: A18 - Rate Group: A18
 Dental/Vision/Hearing

RATE SCHEDULE - District of Columbia
 For Forms Issued From 02/23/2009 Through 05/08/2011
 \$1,000 Annual Benefit Maximum

Issue Age	Premium
18 - 39	417.12
40 - 59	471.53
60 - 69	525.93
70 - 79	544.07
80 - 84	580.34

AVAILABLE DISCOUNT:
 When two or more persons from the same household
 are issued policies at the same time,
 a 10% discount is applied to the premium rates.

MODAL FACTORS

Direct-Billed
 Annual = 1.00
 Semi-Annual = 0.52
 Quarterly = 0.27
 Bi-Monthly = 2/11
 Monthly = 1/11

Credit Card
 Annual = 1.03
 Semi-Annual = 0.515
 Quarterly = 0.258
 Monthly = 0.086

Automatic Bank Withdrawal
 Annual = 1.00
 Semi-Annual = 0.52
 Quarterly = 3/12
 Bi-Monthly = 2/12
 Monthly = 1/12

Rates certify to a 50% anticipated loss ratio.

MIRSA18(DC) 2/09

Rate Schedules

Current Rates

Medico® Insurance Company
 Omaha, Nebraska
 MI-DVA18-3
 Gross Premium Code: A18 - Rate Group: A18
 Dental/Vision/Hearing

RATE SCHEDULE - District of Columbia
 For Issues Beginning 05/09/2011
 \$1,000 Annual Benefit Maximum

Issue Age	Premium
18 - 39	328.44
40 - 59	371.28
60 - 69	414.12
70 - 79	428.40
80 - 84	456.96

AVAILABLE DISCOUNT:

When two or more persons from the same household are issued policies at the same time, a 10% discount is applied to the premium rates.

MODAL FACTORS

Direct-Billed
 Annual = 1.00
 Semi-Annual = 0.52
 Quarterly = 0.27
 Bi-Monthly = 2/11
 Monthly = 1/11

Credit Card
 Annual = 1.03
 Semi-Annual = 0.515
 Quarterly = 0.258
 Monthly = 0.086

Automatic Bank Withdrawal
 Annual = 1.00
 Semi-Annual = 0.52
 Quarterly = 3/12
 Bi-Monthly = 2/12
 Monthly = 1/12

Rates certify to a 50% anticipated loss ratio.

MIRSA18-3(DC) 5/11

Proposed Rates

Medico® Insurance Company
 Omaha, Nebraska
 MI-DVA18-3
 Gross Premium Code: A18 - Rate Group: A18
 Dental/Vision/Hearing

RATE SCHEDULE - District of Columbia
 For Issues Beginning 05/09/2011
 \$1,000 Annual Benefit Maximum

Issue Age	Premium
18 - 39	417.12
40 - 59	471.53
60 - 69	525.93
70 - 79	544.07
80 - 84	580.34

AVAILABLE DISCOUNT:

When two or more persons from the same household are issued policies at the same time, a 10% discount is applied to the premium rates.

MODAL FACTORS

Direct-Billed
 Annual = 1.00
 Semi-Annual = 0.52
 Quarterly = 0.27
 Bi-Monthly = 2/11
 Monthly = 1/11

Credit Card
 Annual = 1.03
 Semi-Annual = 0.515
 Quarterly = 0.258
 Monthly = 0.086

Automatic Bank Withdrawal
 Annual = 1.00
 Semi-Annual = 0.52
 Quarterly = 3/12
 Bi-Monthly = 2/12
 Monthly = 1/12

Rates certify to a 50% anticipated loss ratio.

MIRSA18-3(DC) 5/11

Rate Schedules

Current Rates

Medico® Insurance Company
 Omaha, Nebraska
 MI-DVA18
 Gross Premium Code: A18 - Rate Group: A18
 Dental/Vision/Hearing

RATE SCHEDULE - District of Columbia
 For Forms Issued From 02/23/2009 Through 05/08/2011
 \$1,500 Annual Benefit Maximum

Issue Age	Premium
18 - 39	443.39
40 - 59	501.23
60 - 69	559.06
70 - 79	578.34
80 - 84	616.90

AVAILABLE DISCOUNT:
 When two or more persons from the same household
 are issued policies at the same time,
 a 10% discount is applied to the premium rates.

MODAL FACTORS

Direct-Billed
 Annual = 1.00
 Semi-Annual = 0.52
 Quarterly = 0.27
 Bi-Monthly = 2/11
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 Semi-Annual = 0.52
 Quarterly = 3/12
 Bi-Monthly = 2/12
 Monthly = 1/12

Rates certify to a 50% anticipated loss ratio.

MIRSA18(DC) 2/09

Proposed Rates

Medico® Insurance Company
 Omaha, Nebraska
 MI-DVA18
 Gross Premium Code: A18 - Rate Group: A18
 Dental/Vision/Hearing

RATE SCHEDULE - District of Columbia
 For Forms Issued From 02/23/2009 Through 05/08/2011
 \$1,500 Annual Benefit Maximum

Issue Age	Premium
18 - 39	563.11
40 - 59	636.56
60 - 69	710.01
70 - 79	734.49
80 - 84	783.46

AVAILABLE DISCOUNT:
 When two or more persons from the same household
 are issued policies at the same time,
 a 10% discount is applied to the premium rates.

MODAL FACTORS

Direct-Billed
 Annual = 1.00
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 Bi-Monthly = 2/11
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Rates certify to a 50% anticipated loss ratio.

MIRSA18(DC) 2/09

Rate Schedules

Current Rates

Medico® Insurance Company
 Omaha, Nebraska
 MI-DVA18-3
 Gross Premium Code: A18 - Rate Group: A18
 Dental/Vision/Hearing

RATE SCHEDULE - District of Columbia
 For Issues Beginning 05/09/2011
 \$1,500 Annual Benefit Maximum

Issue Age	Premium
18 - 39	443.39
40 - 59	501.23
60 - 69	559.06
70 - 79	578.34
80 - 84	616.90

AVAILABLE DISCOUNT:

When two or more persons from the same household are issued policies at the same time, a 10% discount is applied to the premium rates.

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Automatic Bank Withdrawal
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 Semi-Annual = 0.52
 Quarterly = 3/12
 Bi-Monthly = 2/12
 Monthly = 1/12

Rates certify to a 50% anticipated loss ratio.

MIRSA18-3(DC) 5/11

Proposed Rates

Medico® Insurance Company
 Omaha, Nebraska
 MI-DVA18-3
 Gross Premium Code: A18 - Rate Group: A18
 Dental/Vision/Hearing

RATE SCHEDULE - District of Columbia
 For Issues Beginning 05/09/2011
 \$1,500 Annual Benefit Maximum

Issue Age	Premium
18 - 39	563.11
40 - 59	636.56
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Rates certify to a 50% anticipated loss ratio.

MIRSA18-3(DC) 5/11

SERFF Tracking #:

MDIC-129221101

State Tracking #:

Company Tracking #:

State: District of Columbia

Filing Company:

Medico Insurance Company

TOI/Sub-TOI: H10I Individual Health - Dental/H10I.000 Health Dental

Product Name: DVH-A18A44_2013Rates-REV

Project Name/Number: DVH-A18A44_2013Rates-REV/DVH-A18A44_2013Rates-REV

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	DC-cover letter.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	DC_Act Memo & Exhibits.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	Please see exhibits attached to actuarial memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
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SERFF Tracking #:

MDIC-129221101

State Tracking #:

Company Tracking #:

State: District of Columbia

Filing Company:

Medico Insurance Company

TOI/Sub-TOI: H10I Individual Health - Dental/H10I.000 Health Dental

Product Name: DVH-A18A44_2013Rates-REV

Project Name/Number: DVH-A18A44_2013Rates-REV/DVH-A18A44_2013Rates-REV

Bypass Reason:	Please see attached exhibits/actuarial memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	Please see attached exhibits/actuarial memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	Please see attached exhibits/actuarial memorandum.
Attachment(s):	
Item Status:	
Status Date:	



MEDICO®
INSURANCE COMPANY

Corporate Office - Omaha, Nebraska
Administrative Services - P.O.Box 10386, Des Moines, Iowa 50306-0386

Customer Service • 1-800-228-6080

September 25, 2013

Mr. William P. White
Government of the District of Columbia
Department of Insurance, Securities, and Banking
810 First Street, N.E., Suite 701
Washington DC 20002

RE: Medico Insurance Company
NAIC Company # 31119
Rate Filing for forms: MI-DVA18

Dear Mr. William White:

Enclosed is a rate filing for the above referenced Dental, Vision, Hearing Form.

We are requesting a rate increase of 27% effective December 1, 2013. Current and Proposed rates have been attached.

We look forward to receiving your notification of approval. If you have any questions or concerns, please do not hesitate to contact me using any of the avenues listed below.

Sincerely,

Arinna M. Roxas

Arinna M. Roxas
Pricing/Valuation Analyst
American Republic Insurance Company
(402) 496-8292 phone
(402) 452-2722 fax
arinna.roxas@americanenterprise.com

Medico® Insurance Company
Omaha, Nebraska
Actuarial Memorandum - Individual A&H Rate Filing
Dental Vision Hearing
District of Columbia

1. Purpose of Filing

The purpose of this filing is to demonstrate these forms meet the minimum state requirements in light of the included rate increase request. It is not intended for any other purpose.

2. Scope of Filing

This filing applies to Dental Vision Hearing policy form A18. These are individual policy forms that are sold by independent agents. These forms are guaranteed renewable. This rate revision applies to existing business only.

3. Benefits

The form provides the following benefits:

After the \$100 policy year deductible is satisfied, the policy pays the following percentages of actual charges, not to exceed reasonable and customary charges, for covered expenses up to the policy year maximum (\$1,000 or \$1,500):

- 60% - First policy year
- 70% - Second policy year
- 80% - Third policy year and after

Covered expenses, subject to the Exceptions and Limitations, are:

- Dental Services, performed by a licensed dentist, including semi-annual examinations and cleanings, x-rays, the cost of fillings, bridges, crowns, dentures and outpatient dental surgery prescribed as medically necessary.
- Visits to a physician for a basic eye examination or eye refraction, including the cost of eyeglasses or contact lenses prescribed by the physician, up to a maximum benefit of \$150 in any one policy year.
- Hearing examinations performed by a physician or audiologist, the purchase of hearing aids prescribed as medically necessary by a physician or audiologist, including the cost of the hearing aid and any necessary repairs.

After the policy has been in force three months, the policy will pay 100% of the cost of one dental cleaning up to a maximum benefit of \$50 per insured each policy year. This benefit is not subject to the deductible; however, it is included in the policy year maximum.

4. Rate Increase Request, Reasons for and Expected Effect on Premiums

This rate increase is being requested due to adverse claim experience. The company is requesting a 27% increase in the premium rates. The rate increase percentage may vary for a particular policy due to the rounding of the premium rates. It is expected that the rate revision will be implemented on the later of December 1, 2013 or following the approval and the necessary time to give the policyholder sufficient notice of a rate change.

5. Rate Justification Standard - Minimum Loss Ratio

This filing demonstrates that both the projected future loss ratio and the anticipated lifetime loss ratio are higher than the minimum loss ratio for this type of form.

Medico® Insurance Company
 Omaha, Nebraska
 Actuarial Memorandum - Individual A&H Rate Filing
 Dental Vision Hearing
 District of Columbia

6. Rate Increase History

Initial Rate Filing: A18 Rates (MDIC-125946511)

Initial Rate Filing: A18-3 Rates (MDIC-127017411)

<u>Rerate Effective Date</u>	<u>Rerate Percentage</u>	<u>SERFF Filing</u>
Rerate 10/1/2012	19.0%	MDIC-127910845

7. Projection Assumptions

The following assumptions were used:

Interest - An effective annual rate of interest of 4.0% has been assumed for accumulating past experience and discounting projected future experience.

Terminations - Annual termination rates, adjusted for recent experience, have been assumed for projecting the in force into the future.

Morbidity - The expected claims are based on the durational loss ratios approved by each state and weighted together by each state's earned premium. The projected incurred claims were adjusted based on the actual to expected ratios by duration.

Experience Data Credibility - The requested rate increase is based on nationwide experience to enhance credibility. The state's past experience has been provided for reference.

Premium Rate Increase - The requested 27% premium rate revision has been assumed with an effective date of December 1, 2013. Since District of Columbia data is not credible, nationwide experience was used for the rate revision. For all years thereafter, no annual rate increases have been assumed.

8. Past Experience

The attached exhibits show the past experience through June 30, 2013. The accumulated value of nationwide past earned premium is \$18,807,437 and the accumulated value of past incurred claims is \$13,598,216. This results in a loss ratio of 72.3%

9. Projected Future Experience

The future experience has been generated for 5 years using the business in force as of June 30, 2013. Adjustments have been made to the experience as described in the Projection Assumptions section. The present value of future earned premium is \$33,553,125 and the present value of future incurred claims is \$21,737,658. This results in a loss ratio of 64.8%

10. Anticipated Lifetime Loss Ratio

The anticipated lifetime loss ratio is defined as the sum of the present value of past and projected incurred claims divided by the sum the present value of past and future earned premium. These values are summarized below:

	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Past	\$ 18,807,437	\$ 13,598,216	72.3%
Future	\$ 33,553,125	\$ 21,737,658	64.8%
Lifetime	\$ 52,360,562	\$ 35,335,874	67.5%

Medico® Insurance Company
Omaha, Nebraska
Actuarial Memorandum - Individual A&H Rate Filing
Dental Vision Hearing
District of Columbia

The projected future loss ratio and the anticipated lifetime loss ratio are both greater than the required minimum loss ratio and originally filed loss ratio. This demonstrates that the premium and claims experience meets the minimum loss ratio requirements.

11. Expenses

Loss Ratio: 50%.

Expense Justification:

<u>Expense Factor</u>	
Distribution, Sales and Marketing Expenses	24.5%
Operating and Admin Expenses	15.5%
Premium Taxes, Lic, Fees	2.5%
Overhead	2.5%
<u>Pre-Tax Profit and contingency margin</u>	<u>5.0%</u>
TOTAL	50%

12. Actuarial Certification

I hereby certify that, to the best of my knowledge and judgment: the assumptions presented are expected to develop and are consistent with the company's business plan at the time of the filing; the anticipated lifetime loss ratio and future loss ratio both exceed the applicable ratio; the filled premium rates maintain the proper relationship between policies which had different rating methodologies; and the filing was prepared based on the current standards as promulgated by the Actuarial Standards Board including Standard No. 8 'Regulatory Filings for Health Plan Entities' and Standard No 23, the 'Data Quality' standard of practice. and that the benefits provided are reasonable in relation to the proposed premiums. The premium schedules are not excessive, inadequate, nor unfairly discriminatory.



Catherine M. Liang, FSA, MAAA
Actuary

September 25, 2013

District of Columbia

					Paid through 6/30/2013	
Year-End	Earned	Incurred	Loss	Claim	Paid	
Year	Policy Count	Premium	Claims	Ratio	Reserve	Claims
2008	0	0	0	0.0%	0	0
2009	0	0	0	0.0%	0	0
2010	1	372	732	196.8%	0	732
2011	1	385	1,000	259.7%	0	1,000
2012	8	3,815	1,406	36.9%	5	1,402
YTD 2013	6	1,241	2,243	180.7%	190	2,052
Total	16	5,813	5,381	92.6%	195	5,186

Nationwide

					Paid through 6/30/2013	
Year-End	Earned	Incurred	Loss	Claim	Paid	
Year	Policy Count	Premium	Claims	Ratio	Reserve	Claims
2008	576	49,277	14,892	30.2%	0	14,892
2009	4,283	897,866	382,486	42.6%	0	382,486
2010	10,581	2,819,532	1,689,279	59.9%	0	1,689,279
2011	20,262	5,727,656	4,024,417	70.3%	2,070	4,022,348
2012	22,717	9,313,106	7,487,143	80.4%	108,644	7,378,498
YTD 2013	20,586	4,608,628	4,627,704	100.4%	1,091,317	3,536,387
Total	79,005	23,416,065	18,225,920	77.8%	1,202,031	17,023,889

Average Premium Per Policy:

	<u>2012</u>	<u>2012 * (1 + Rate)</u>	<u>% Change</u>
District of Columb	\$477	\$606	27.0%
Nationwide	\$410	\$521	27.0%

**Dental Vision Hearing Filing
Rate Revision Calculation**

Exhibit 2

	Nationwide Past 12 Months 7/1/2012 6/30/2013	District of Columbia Inception to Date 1/1/2010 6/30/2013	District of Columbia Credibility Weighted 1/1/2010 6/30/2013
Incurred Claims	\$8,568,159	\$5,381	
Policy Counts	22,482	18	
Credibility %	100.0%	9.5%	
Average Claims Per Policy	\$381	\$299	
Midpoint of Experience Period	1/1/2013	10/1/2011	
Midpoint of Period Rates to be in Effect	5/1/2014	5/1/2014	
Months Between Experience and Rates	15.9	31.0	
Average Adjusted Claims Per Policy Trended forward from Midpoint to Midpoint at 3.0% per year	\$396	\$323	
June 2013 Premium per policy	\$441	\$425	
Rate Increase Not in Current Premium per policy	5.94%	3.89%	
Revised Premium per policy	\$468	\$441	
Projected Loss Ratio for 05/01/2014 midpoint at Revised Premium Level	84.8%	73.1%	83.7%
Target Loss Ratio	50.0%	50.0%	50.0%
Necessary increase to achieve Target Loss Ratio	69.6%	46.3%	67.4%
Requested Rate Revision	27.0%	27.0%	27.0%
Projected Loss Ratio for 05/01/2014 midpoint at Requested Premium Level	66.8%	57.6%	65.9%

* Incurred claims are stated on a date-of-service basis, paid through 6/30/2013 with reserve adjustment.

Nationwide WITH Requested Increase					ASSUMPTIONS					
Year	Policy Count	Earned Premium	Incurred Claims	Loss Ratio	Rate Increase	Effective-ness	Rate Effect	Trend	Net Persistency	
Past Experience	2008	576	49,277	14,892	30.2%					
	2009	4,283	897,866	382,486	42.6%					
	2010	10,581	2,819,532	1,689,279	59.9%					
	2011	20,262	5,727,656	4,024,417	70.3%					
Future Experience Projected 5 Years	2012	22,717	9,313,106	7,487,143	80.4%	19.0%	37.5%			
	2013	18,174	8,502,866	6,169,406	72.6%	27.0%	8.3%	14.1%	3.0%	80.0%
	2014	14,539	8,485,860	5,083,590	59.9%	0.0%	0.0%	24.8%	3.0%	80.0%
	2015	11,631	6,788,688	4,188,878	61.7%	0.0%	0.0%	0.0%	3.0%	80.0%
	2016	9,305	5,430,950	3,451,636	63.6%	0.0%	0.0%	0.0%	3.0%	80.0%
2017	7,444	4,344,760	2,844,148	65.5%	0.0%	0.0%	0.0%	3.0%	80.0%	

Past	58,419	18,807,437	13,598,216	72.3%
Future	61,092	33,553,125	21,737,658	64.8%
Lifetime	119,511	52,360,562	35,335,874	67.5%

Nationwide WITHOUT Requested Increase					ASSUMPTIONS					
Year	Policy Count	Earned Premium	Incurred Claims	Loss Ratio	Rate Increase	Effective-ness	Rate Effect	Trend	Net Persistency	
Past Experience	2008	576	49,277	14,892	30.2%					
	2009	4,283	897,866	382,486	42.6%					
	2010	10,581	2,819,532	1,689,279	59.9%					
	2011	20,262	5,727,656	4,024,417	70.3%					
Future Experience Projected 5 Years	2012	22,717	9,313,106	7,487,143	80.4%	19.0%	37.5%			
	2013	18,174	8,335,230	6,169,406	74.0%	0.0%	8.3%	11.9%	3.0%	80.0%
	2014	14,539	6,668,184	5,083,590	76.2%	0.0%	0.0%	0.0%	3.0%	80.0%
	2015	11,631	5,334,547	4,188,878	78.5%	0.0%	0.0%	0.0%	3.0%	80.0%
	2016	9,305	4,267,638	3,451,636	80.9%	0.0%	0.0%	0.0%	3.0%	80.0%
2017	7,444	3,414,110	2,844,148	83.3%	0.0%	0.0%	0.0%	3.0%	80.0%	

Past	58,419	18,807,437	13,598,216	72.3%
Future	61,092	28,019,709	21,737,658	77.6%
Lifetime	119,511	46,827,146	35,335,874	75.5%

* 2013 is a blend between actual experience and results based upon model assumptions.