

State: District of Columbia **Filing Company:** Metropolitan Life Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Accident & Health
Project Name/Number: GCERT2000 Series/B14-24 GJ

Filing at a Glance

Company: Metropolitan Life Insurance Company
Product Name: Group Accident & Health
State: District of Columbia
TOI: H11G Group Health - Disability Income
Sub-TOI: H11G.004 Other
Filing Type: Rate
Date Submitted: 04/21/2014
SERFF Tr Num: META-129508350
SERFF Status: Pending State Action
State Tr Num:
State Status:
Co Tr Num: B14-24 GJ (R)
Implementation: On Approval
Date Requested:
Author(s): Gayle Jones, Ruth Rivera, Linda Williams
Reviewer(s): Darniece Shirley (primary), Alula Selassie, John Morgan
Disposition Date:
Disposition Status:
Implementation Date:
State Filing Description:

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General Information

Project Name: GCERT2000 Series Status of Filing in Domicile: Pending
 Project Number: B14-24 GJ Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments: The enclosed forms are being filed concurrently with the New York Department of Insurance.
 Explanation for Combination/Other: Market Type: Group
 Submission Type: New Submission Group Market Size: Small and Large
 Group Market Type: Employer, Association Overall Rate Impact:
 Filing Status Changed: 05/08/2014
 State Status Changed: Deemer Date:
 Created By: Gayle Jones Submitted By: Gayle Jones
 Corresponding Filing Tracking Number: B14-24 GJ

Filing Description:
April 21, 2014

Commissioner of Insurance
 Department of Insurance Securities and Banking
 810 First Street, NE
 Suite 701
 Washington, DC 20002

Re:GCERT2000 Series- Group Accident and Health Insurance Rates
 Our NAIC No. is 65978
 Our FEIN No. is 13-5581829

Dear Sir/Madam:

This is a group health insurance filing. The forms are concurrently being filed with your department under the SERFF Tracking # META-129508197

We are enclosing an Actuarial Memorandum which updates Section II of MetLife's Group Insurance Rate Manual to accommodate new additional disability income benefits that are included as part of the subject GCERT2000 disability income forms. Please keep the actuarial memorandum confidential to the extent allowable by law.

Rates for disability income benefits, including those shown on the subject GCERT2000 forms, which are not described in the enclosed Actuarial Memorandum as new covered benefits, are on file with the Department.

If you have any questions or comments that you feel could best be handled by contacting me, please feel free to do so via telephone, fax or e-mail (see upper left-hand corner of this letter).

Very truly yours,

Gayle G. Jones

State: District of Columbia **Filing Company:** Metropolitan Life Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Accident & Health
Project Name/Number: GCERT2000 Series/B14-24 GJ

Company and Contact

Filing Contact Information

Gayle Jones, Consultant	ggjones@metlife.com
501 Route 22	908-253-2753 [Phone]
Bridgewater Township, NJ 08807	908-253-2126 [FAX]

Filing Company Information

Metropolitan Life Insurance Company	CoCode: 65978	State of Domicile: New York
MetLife	Group Code: 241	Company Type: Life
1095 Avenue of the Americas	Group Name:	State ID Number:
New York, NY 10036	FEIN Number: 13-5581829	
(212) 578-2211 ext. [Phone]		

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

State: District of Columbia

Filing Company:

Metropolitan Life Insurance Company

TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other

Product Name: Group Accident & Health

Project Name/Number: GCERT2000 Series/B14-24 GJ

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	The cover letter with all of the required elements is attached.
Attachment(s):	DC Rate Submission Ltr - 2014-04-21.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:	The actuarial memorandum for LDB/Medical Reimbursement is attached,
Attachment(s):	LDB Medical Reimb Filing.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	Not applicable
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)
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

META-129508350

State Tracking #:

Company Tracking #:

B14-24 GJ (R)

State:

District of Columbia

Filing Company:

Metropolitan Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Accident & Health

Project Name/Number:

GCERT2000 Series/B14-24 GJ

Satisfied - Item:	Actuarial Memorandum and Certifications
Comments:	Rate Tables are attached.
Attachment(s):	Table 12 Table 28 Exhibit 22.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

Metropolitan Life Insurance Company
501 Route 22, Bridgewater Township, NJ 08807
Tel 908 253-2753 Fax 908 253-2126
ggjones@metlife.com

MetLife[®]

Gayle G. Jones

Consultant, Institutional Contracts Development
Group and SBC Contracts & Compliance Division

April 21, 2014

Commissioner of Insurance
Department of Insurance Securities and Banking
810 First Street, NE
Suite 701
Washington, DC 20002

Re: GCERT2000 Series- Group Accident and Health Insurance Rates
Our NAIC No. is 65978
Our FEIN No. is 13-5581829

Dear Sir/Madam:

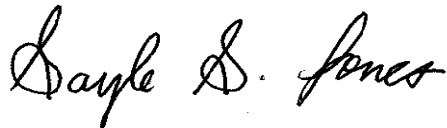
This is a group health insurance filing. The forms are concurrently being filed with your department under the SERFF Tracking # META-129508197

We are enclosing an Actuarial Memorandum which updates Section II of MetLife's Group Insurance Rate Manual to accommodate new additional disability income benefits that are included as part of the subject GCERT2000 disability income forms. Please keep the actuarial memorandum confidential to the extent allowable by law.

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Very truly yours,



Gayle G. Jones

METROPOLITAN LIFE INSURANCE COMPANY
ACTUARIAL MEMORANDUM

SCOPE AND PURPOSE

This actuarial memorandum supports the proposed changes to following form numbers:

GCERT2000 di/limited ben 12/13
GCERT2000 di/ltd/medprem
GCR14-03

GCERT2000 di/limited ben 11/13

This change creates a fifth category of specific conditions / diagnoses which appear in the Limited Benefits section of the certificate. Specific International Statistical Classification of Diseases and Health Problems (ICD9s) are mapped to the current top four categories below and now there are ones mapped to the last category labeled as Self-Reported;

Mental & Nervous (MN)
Drug & Alcohol (DA)
Neuromusculoskeletal & Soft Tissue (ST)
Chronic Fatigue (CF)
Self-Reported (SR)

Adding this Self-Reported category requires changes to Table 12 and Table 28 of our LTD Group Insurance Rate Manual.

Table 28

The base proportions come from Table 27, separated into M&N, Maternity and all Other. The following table of percentages is included in the current rate filing document and represent the assumed male/female portions of limited claims for the first four categories (non-Maternity).

Limited Benefit Duration Portion

Gender	M&N		Other	
	M&N	A&D	CF	NMS&STD
M	90.9%	0.8%	2.5%	35.5%
F	82.8%	2.0%	0.3%	34.0%

Based on the ICD9 codes, our claim data was extracted and summarized into the five categories. The majority of the codes in the new SR category are new ICD9s with a small percentage coming from the ST category. That summary is below and page 2L-64 is updated and attached.

METROPOLITAN LIFE INSURANCE COMPANY
ACTUARIAL MEMORANDUM

Gender	M&N		Other		
	M&N	A&D	CF	NMS&STD	SR
M	90.9%	0.8%	2.5%	34.5%	3.4%
F	82.8%	2.0%	0.3%	33.0%	4.6%

Census files were run through the LTD manual rating algorithm and the composite rates are shown below. Each column adds one of the limitations (2year limit) and the estimated impact is also shown in the table.

Incremental Impact of Additional Limitations

	Composite Base Rate - no Limited Benefits	Composite Base Rate - Limit MN Only	Composite Base Rate - Limit MN & DA	Composite Base Rate - Limit MN & DA & ST	Composite Base Rate - Limit MN & DA & ST & CF	Composite Base Rate - Limit MN & DA & ST & CF & SR
Rate	\$ 0.531	\$ 0.511	\$ 0.511	\$ 0.453	\$ 0.451	\$ 0.443
% Impact		-3.8%	0.0%	-11.4%	-0.4%	-1.8%

Table 12

This table contains factors that are applied to the severity assumption when plan limitations are combined. On the following page are the current and new combinations to accommodate the new SR category of limitations.

MN is assumed to be worth 1.1%

DA is assumed to be worth 0.1%

ST is assumed to be worth 1.5%

CF is assumed to be worth 0.3%

SR is assumed to be worth 0.5%

Page 2L-27 of the rate manual has been updated.

METROPOLITAN LIFE INSURANCE COMPANY
ACTUARIAL MEMORANDUM

Combination	Factor	MN	DA	ST	CF	SR
MN, DA	0.988	1.1	0.1			
MN, ST	0.974	1.1		1.5		
MN, CF	0.986	1.1			0.3	
DA, ST	0.984		0.1	1.5		
DA, CF	0.996		0.1		0.3	
ST, CF	0.982			1.5	0.3	
MN, DA, ST	0.973	1.1	0.1	1.5		
MN, DA, CF	0.985	1.1	0.1		0.3	
MN, ST, CF	0.971	1.1		1.5	0.3	
DA, ST, CF	0.981		0.1	1.5	0.3	
MN, DA, ST, CF	0.970	1.1	0.1	1.5	0.3	
MN, SR	0.984	1.1				0.5
DA, SR	0.994		0.1			0.5
ST, SR	0.980			1.5		0.5
CF, SR	0.992				0.3	0.5
MN, DA, SR	0.983	1.1	0.1			0.5
MN, ST, SR	0.969	1.1		1.5		0.5
MN, CF, SR	0.981	1.1			0.3	0.5
DA, ST, SR	0.979		0.1	1.5		0.5
DA, CF, SR	0.991		0.1		0.3	0.5
ST, CF, SR	0.977			1.5	0.3	0.5
MN, DA, ST, SR	0.968	1.1	0.1	1.5		0.5
MN, DA, CF, SR	0.980	1.1	0.1		0.3	0.5
MN, ST, CF, SR	0.966	1.1		1.5	0.3	0.5
DA, ST, CF, SR	0.976		0.1	1.5	0.3	0.5
MN, DA, ST, CF, SR	0.965	1.1	0.1	1.5	0.3	0.5

METROPOLITAN LIFE INSURANCE COMPANY
ACTUARIAL MEMORANDUM

GCERT2000 di/ltd/medprem

The following actuarial memorandum supports the filing of the Medical Expense Premium Reimbursement benefit under disability income insurance. This benefit is di/ltd/medprem within the GCERT2000 certificate series.

This benefit will reimburse the disabled employee for the cost of Covered Medical Expense Premium under a group or individual healthcare plan, or for the cost of healthcare coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

The cost to the employer to add this benefit as a rider to their LTD contract is approximately 2.0 to 3.0% of premium.

- COBRA benefits last for a maximum of 18 months, but the average duration for policies in the U.S. is about 11 months. This reflects the time a person is typically "between jobs" and without insurance coverage.
- The range of COBRA premium can vary significantly but from recent data the average monthly premium paid was around \$690 (average of single and family cost).
- The estimated reimbursement then is approximately \$7,590 per claimant.
- The estimate for the probability that a claimant will need to pay COBRA premiums is 50%
- Assuming an average annual salary of \$70,000 then under a 60% LTD plan the net monthly benefit (after offsets) is \$2,000.
- The average LTD claim lasts 65-months so the estimated claim cost is \$130,000.
- Therefore, the cost of the rider is $(\$7,590) / (\$7,590 + \$130,000) \times (0.50) = 2.75\%$

Exhibit 22 has been added to the rate filing document (page 2L-147).

GCR14-03

This form amends the Recovery from a Disability section of the certificate to provide for an expanded return to work rule based on calendar days rather than just work days. This will be a plan design option but will not impact the LTD rates.

METROPOLITAN LIFE INSURANCE COMPANY
ACTUARIAL MEMORANDUM

ACTUARIAL CERTIFICATION

Carrier: Metropolitan Life Insurance Company
Submission: Group Disability Income Certificate
Date: April 7, 2014

I certify that to the best of my knowledge and judgment, the rate filing is in compliance with the applicable laws and regulations of this state and that the benefits provided are reasonable in relation to the proposed premiums.



David E. McGarry, F.S.A., M.A.A.A.
Actuary
Metropolitan Life Insurance Company

Table 12
Benefit Limitation factors

- If any selected limitation allows multiple occurrences, apply severity factor of 1.01
- If Bi-Polar limitation is not included, apply a severity factor of 1.01
- For any combined limitations, apply the following severity factor:
(MN – Mental/Nervous, DA – Drugs & Alcohol, CF – Chronic Fatigue, ST – Neuromuscular/Skeletal & Soft Tissue Disease)

Combination	Factor Applied
MN, DA	0.988
MN, ST	0.974
MN, CF	0.986
DA, ST	0.984
DA, CF	0.996
ST, CF	0.982
MN, DA, ST	0.973
MN, DA, CF	0.985
MN, ST, CF	0.971
DA, ST, CF	0.981
MN, DA, ST, CF	0.970
MN, SR	0.984
DA, SR	0.994
ST, SR	0.980
CF, SR	0.992
MN, DA, SR	0.983
MN, ST, SR	0.969
MN, CF, SR	0.981
DA, ST, SR	0.979
DA, CF, SR	0.991
ST, CF, SR	0.977
MN, DA, ST, SR	0.968
MN, DA, CF, SR	0.980
MN, ST, CF, SR	0.966
DA, ST, CF, SR	0.976
MN, DA, ST, CF, SR	0.965

Table 28

Limited Benefit Duration Calculation

LBD1: Obtain Incidence Percentages for Mental/Nervous (MNpct), Pregnancy (MPct), and Other Diagnoses (OTHpct) from **Error! Reference source not found.**

LBD2: Multiply appropriate percentages (MNpct & OTHpct) from LBD1 by Limited Diagnoses Probabilities found in the table below to get a single percentage for every diagnosis that might be limited.

Diagnoses		M&N		Other		
Limited Diagnosis		M&N	A&D	CF	NMS&STD	SR
Gender	M	90.9%	0.8%	2.5%	34.5%	3.4%
	F	82.8%	2.0%	0.3%	33.0%	4.6%

e.g. For a Female Employee has the following Incidence Percentages:

- MNpct = 9%
- MPct = 56%
- OTHpct = 35%

Calculate New Limited Diagnosis Percentages as:

- M&N = 7.45%
- A&D = 0.2%
- CF = 0.11%
- NMS & STD = 11.6%
- SR = 1.6%

LBD3: Calculate total probability of limited claim by summing up percentages from LBD2 for only those diagnoses that are limited by the plan.

LBD4: Calculate Limited Annuity for each limited diagnosis; using that limitations duration in the lookup table (i.e. not plan maximum duration).

LBD5: Calculate weighted sum of Limited Annuities in LBD4, weighted by limited percentages calculated in LBD2. This is the final Limited Claim Annuity.

LBD6: Calculate Blended Maximum Duration Annuity (where BaseDUR1 is from Step LTD16).
= R1 + R2

where

$$\begin{aligned}
 \text{LBD_Closure_Rate} &= 71\% \\
 R1 &= (1 - \text{LBD3}) * \text{BaseDUR1} \\
 R2 &= \text{LBD3} * [(\text{LBD_Closure_Rate} * \text{LBD5}) \\
 &\quad + (1 - \text{LBD_Closure_Rate}) * \text{BaseDUR1}]
 \end{aligned}$$

EXHIBIT 22 – MEDICAL EXPENSE PREMIUM REIMBURSEMENT BENEFIT

This benefit will reimburse the disabled employee for the cost of Covered Medical Expense Premium under a group or individual healthcare plan, or for the cost of healthcare coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

The cost is an additional 2.75% of premium.