

SERFF Tracking Number: MGCA-128008195 State: District of Columbia
 Filing Company: The Mega Life and Health Insurance Company State Tracking Number:
 Company Tracking Number: DC MEGA SEG SITUS 201202 DC MEGA 16003
 TOI: H15G Group Health - Hospital/Surgical/Medical Expense Sub-TOI: H15G.003 Small Group Only
 Product Name: DC MEGA SEG Situs
 Project Name/Number: /

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:	Company Rate Change:	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):
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The Mega Life and Health Insurance Company	Increase	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%
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Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:								1
Policy Holders:								0

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Rate Review Details

COMPANY:

Company Name: The Mega Life and Health Insurance Company
HHS Issuer Id: 85076
Product Names: N/A-this is a situs informational filing and there is 0 inforce for DC.
Trend Factors:

FORMS:

New Policy Forms:
Affected Forms: N/A
Other Affected Forms:

REQUESTED RATE CHANGE

INFORMATION:

Change Period: Other
Member Months: 0
Benefit Change: None
Percent Change Requested: Min: 0.0 Max: 0.0 Avg: 0.0

PRIOR RATE:

Total Earned Premium: 0.00
Total Incurred Claims: 0.00
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

REQUESTED RATE:

Projected Earned Premium: 0.00
Projected Incurred Claims: 0.00
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

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 Expense
 Product Name: DC MEGA SEG Situs
 Project Name/Number: /

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Actuarial Justification		
Comments:		
Attachment: DC MEGA SEG Situs Act Memo.pdf		

	Item Status:	Status Date:
Bypassed - Item: Rate Summary Worksheet		
Bypass Reason: N/A		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Consumer Disclosure Form		
Bypass Reason: N/A		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Supporting Documents		
Comments:		
Attachments: DC MEGA SEG Situs Cover Letter.pdf DC MEGA SEG Situs NAIC Transmittal.pdf Rate Increase Development Exhibit.pdf		

The MEGA Life and Health Insurance Company

Administrative Offices: 9151 Boulevard 26, North Richland Hills, TX 76180

Actuarial Memorandum for Health Plan Rate Filing Association Group Health Plans (Small Employer Group)

Purpose

To inform of rate change on health benefit plan forms.

Scope and Reason

We are filing rate changes for your information to our Grandfathered small employer group health benefit plans. These plans are issued to residents in the following states: AZ. The rate change will be effective for Grandfathered members on 2/1/2012. MEGA is not issuing any new health benefit plans under the affected forms at this time. Advance notification of this rate increase will be provided subject to the number of days required by the state.

We are requesting the following rate increases:

State	GF or Non-GF	Product Type	Rate Increase
AZ	GF	Non-Scheduled Plans	9.99%

The product type is defined as following: Preferred provider/catastrophic expense plans ("Non-Scheduled Plans").

The rate action for the Non-Scheduled Plans is based on the state's experience taking credibility into consideration. Please refer to the Rate Increase Development Exhibit for more details.

A rate change amount is determined after credibility adjustment and based on our target loss ratio of 70%.

To the best of our knowledge, none of the rate increases in this filing exceed the 10% threshold as defined by HHS which would require a filing to HHS thus no such filing has been made.

Actuarial Certification

I certify, based on the laws as we know them today, that this rate filing is in compliance with the applicable laws and regulations of this state. I further certify the rates are not excessive, inadequate, or unfairly discriminatory.

Certified by:



Date:

1/20/2012

Xiaolu Coffey, FSA, MAAA
Director & Actuary
The MEGA Life and Health Insurance Company

Phone: (800) 729-2302 Fax: (817) 225-8274 Email: NRHAct-Comp@HealthMarkets.com

January 20, 2012

Government of District of Columbia Department of Insurance
Securities and Banking
Actuarial Analysis Division
810 First Street NE, Suite 701
Washington, D.C. 20002

RE: The MEGA Life and Health Insurance Company (MEGA)
Company NAIC # 264-97055
Company FEIN # 59-2213662
Rate Filing for Association Group Plans (Small Employer Group)

Dear Sir or Madam:

The MEGA Life and Health Insurance Company respectfully submits rates for your information for our Grandfathered small employer group health benefit plans. These plans are issued to residents in the following states: AZ. When qualified, the applicant is issued a Certificate of Coverage under a small employer group master policy that is issued in the District of Columbia. At this time, MEGA has ceased all new sales under the filed small employer group health benefit plans. However, at this time, MEGA does intend to continue renewing and administering these inforce blocks of business.

The rate action for the Non-Scheduled Plans is based on the state's experience taking credibility into consideration. Please refer to the Rate Increase Development Exhibit for more details.

To the best of our knowledge, none of the rate increases in this filing exceed the 10% threshold as defined by HHS which would require a filing to HHS thus no such filing has been made.

Thank you for your review of this rate filing. If you have any questions or need additional information, please feel free to contact me at any time.

Sincerely,



Sommay Khounlo
Supervisor, Rate Filings
Phone: (800) 729-2302 x3372
Fax: (817)255-8274
Email: NRHAct-Comp@HealthMarkets.com

Effective March 1, 2007

Life, Accident & Health, Annuity, Credit Transmittal Document

1.	Prepared for the State of	District of Columbia
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2.	Department Use Only
	State Tracking ID

3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
	The MEGA Life and Health Insurance Company 9151 Boulevard 26, N Richland Hills, TX 76180	Oklahoma		264	97055	59-2213662	

4.	Contact Name & Address	Telephone #	Fax #	E-mail Address
	Chanél Orallo 9151 Boulevard 26, N Richland Hills, TX 76180	(800) 729-2302 x6427	(817)255-8274	NRHAct-Comp@HealthMarkets.com

5.	Requested Filing Mode	<input type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input checked="" type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____
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6.	Company Tracking Number	DC MEGA SEG Situs 201202 DC MEGA 16003
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7.	<input checked="" type="checkbox"/> New Submission	<input type="checkbox"/> Resubmission	Previous File # _____
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8.	Market	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise										
		Group <table border="0"> <tr> <td><input checked="" type="checkbox"/> Small</td> <td><input type="checkbox"/> Large</td> <td><input type="checkbox"/> Small and Large</td> </tr> <tr> <td><input checked="" type="checkbox"/> Employer</td> <td><input type="checkbox"/> Association</td> <td><input type="checkbox"/> Blanket</td> </tr> <tr> <td><input type="checkbox"/> Discretionary</td> <td><input type="checkbox"/> Trust</td> <td></td> </tr> <tr> <td colspan="3"><input type="checkbox"/> Other: _____</td> </tr> </table>	<input checked="" type="checkbox"/> Small	<input type="checkbox"/> Large	<input type="checkbox"/> Small and Large	<input checked="" type="checkbox"/> Employer	<input type="checkbox"/> Association	<input type="checkbox"/> Blanket	<input type="checkbox"/> Discretionary	<input type="checkbox"/> Trust		<input type="checkbox"/> Other: _____
<input checked="" type="checkbox"/> Small	<input type="checkbox"/> Large	<input type="checkbox"/> Small and Large										
<input checked="" type="checkbox"/> Employer	<input type="checkbox"/> Association	<input type="checkbox"/> Blanket										
<input type="checkbox"/> Discretionary	<input type="checkbox"/> Trust											
<input type="checkbox"/> Other: _____												

9.	Type of Insurance	H15G - Group Health - Hospital/Surgical/Medical Expense
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10.	Product Coding Matrix Filing Code	H15G.003 - Small Group Only
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11.	Submitted Documents	<input type="checkbox"/> Forms <input type="checkbox"/> Policy <input type="checkbox"/> Outline of Coverage <input type="checkbox"/> Certificate <input type="checkbox"/> Application/Enrollment <input type="checkbox"/> Rider/Endorsement <input type="checkbox"/> Advertising <input type="checkbox"/> Schedule of Benefits <input type="checkbox"/> Other: _____ <input checked="" type="checkbox"/> Rates <input type="checkbox"/> New Rate <input checked="" type="checkbox"/> Revised Rate <input type="checkbox"/> FILING OTHER THAN FORM OR RATE: Please explain: _____ SUPPORTING DOCUMENTATION <input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Third Party Authorization <input type="checkbox"/> Association Bylaws <input type="checkbox"/> Trust Agreements <input type="checkbox"/> Statement of Variability <input type="checkbox"/> Certifications <input checked="" type="checkbox"/> Actuarial Memorandum <input type="checkbox"/> Other: _____
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Effective March 1, 2007

12.	Filing Submission Date	1/6/2012
13.	Filing Fee (If required)	Amount _____ Retaliatory <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Check Date _____ Check Number _____
14.	Date of Domiciliary Approval	

15.	Filing Description:
	<p>We are filing rate changes for your information to our Grandfathered small employer group health benefit plans. The rate change will be effective for Grandfathered members on 2/1/2012.</p>

16.	Certification (If required)
<p>I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and complies with all applicable statutory and regulatory provisions for the state of District of Columbia.</p>	
Print Name	<u>Xiaolu Coffey, FSA, MAAA</u> Title <u>Director and Actuary</u>
Signature	<u></u> Date <u>1/6/2012</u>

Effective March 1, 2007

17.	Form Filing Attachment
This filing transmittal is part of company tracking number	DC MEGA SEG Situs 201202 DC MEGA 16003
This filing corresponds to rate filing company tracking number	

	Document Name Description	Form Number		Replaced Form Number Previous State Filing Number
01			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

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Effective March 1, 2007

18.		Rate Filing Attachment		
This filing transmittal is part of company tracking number		DC MEGA SEG Situs 201202 DC MEGA 16003		
This filing corresponds to form filing company tracking number				
Overall percentage rate indication (when applicable)		%		
Overall percentage rate impact for this filing		-%		
	Document Name Description	Affected Form Numbers		Previous State Filing Number
01		DC MEGA SEG Situs	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	

LH RFA-1

Development of Rate Adjustment Based on Trend, Experience and MLR

Arizona - MEGA

		Calculation	NON SCHEDULED PLANS
Step 1. Experience Determination	(1)	Experience Members	4
201006 - 201105	(2)	Earned Premiums	\$13,725
	(3)	Incurred Claims	\$0
	(4)	Loss Ratio = (3) / (2)	0.0%
	(5)	Remaining Rate Increases Pending	1.035
	(6)	Adjusted Premium = (2) x (5)	\$14,209
	(7)	Loss Ratio after Adjusted Premium = (3) / (6)	0.0%
Step 2. Credibility Adjustment	(8)	Credibility = Based on (1)	0.0%
	(9)	Nationwide Experience Loss Ratio Generated from Step 1. on a nationwide base.	69.3%
	(9)a.	Nationwide Premium RI Pending	1.112
	(9)b.	Nationwide Loss Ratio with Premium Adjustment = (9) / (9)a.	62.3%
	(10)	Loss Ratio after Adjusting for Credibility and Premium Adjustment = (7) x (8) + (9)b. x [1 - (8)]	62.3%
	(10)a.	Final Loss Ratio as the Base for Projection (10) Use national average due to 0 claim history	62.3%
Step 3. Application of Trend	(11)	Annual Trend Weighted between Grandfathered and Non-Grandfathered plans	14.0%
	(12)	Experience Period	201006 ~ 201105
	(13)	Rating Period	201201 ~ 201212
	(14)	Trending Months Midpoint of (12) to Midpoint of (13)	19.0
	(15)	Total Trend (Midpoint to Midpoint From Experience Period to Rating Period) = [1 + (11)] ^ [(14) / 12]	23.1%
Step 4. Application of Projected PPACA Benefit Cost for Pre-2011 Portion in Experience	(16)	Average Non Preventive Care PPACA Additional Benefit Claim Cost * All benefit related items in this step are based on premium distribution between Grandfathered and Non-Grandfathered members.	8.4%
	(17)	Average Preventive Care PPACA Additional Benefit Claim Cost Per Member Per Year	\$0.0
Step 5. Projected Loss Ratio	(18)	Projected Loss Ratio for 2011: Adjusted Loss Ratio trended with additional PPACA benefit costs Adjustment Projected Claim = [(10)a.*(6)] x [1 + (15)] x [1 + (16)] + (17) x (1)]	83.1%
Step 6. Target Loss Ratio	(19)	Target Loss Ratio	70.0%
Step 7. Determination of Experience/Trend Rate Adjustment	(20)	Calculated Rate Adjustment = (18) / (19) - 1	18.71%
	(21)	Final Proposed Rate Increase **	9.99%

* This is a weighted number by 2010 portion and 2011 portion of the premium. We consider that the data in 2011 has already included the PPACA benefit changes effective of 1/1/2011 and therefore does not need any explicit load in the claim cost.

** The final proposed rate increase may vary slightly from the calculated rate adjustment due to the fact that this exhibit is a blended summary of model output that is more detailed