

---

**State:** District of Columbia **Filing Company:** National Guardian Life Insurance Company  
**TOI/Sub-TOI:** H04 Health - Blanket Accident /Sickness/H04.001 Student  
**Product Name:** Blanket Student Medical Insurance  
**Project Name/Number:** Blanket Student Medical Insurance/NBH 280 (2014) PPO

## Filing at a Glance

Company: National Guardian Life Insurance Company  
Product Name: Blanket Student Medical Insurance  
State: District of Columbia  
TOI: H04 Health - Blanket Accident /Sickness  
Sub-TOI: H04.001 Student  
Filing Type: Rate  
Date Submitted: 03/18/2014  
SERFF Tr Num: NGLI-129460091  
SERFF Status: Pending Industry Response  
State Tr Num:  
State Status:  
Co Tr Num: NBH-280 (2014) DC RATES  
Implementation: On Approval  
Date Requested:  
Author(s): Peggy Kratz, DeeAnna Schulz, Susan Coulter, Susan Long  
Reviewer(s): Donghan Xu (primary), Alula Selassie  
Disposition Date:  
Disposition Status:  
Implementation Date:  
State Filing Description:

**State:** District of Columbia      **Filing Company:** National Guardian Life Insurance Company  
**TOI/Sub-TOI:** H04 Health - Blanket Accident /Sickness/H04.001 Student  
**Product Name:** Blanket Student Medical Insurance  
**Project Name/Number:** Blanket Student Medical Insurance/NBH 280 (2014) PPO

## General Information

Project Name: Blanket Student Medical Insurance	Status of Filing in Domicile: Not Filed
Project Number: NBH 280 (2014) PPO	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: Small and Large
Group Market Type: Blanket, Other	Explanation for Other Group Market Type: SCHOOLS
Overall Rate Impact:	Filing Status Changed: 04/08/2014
	State Status Changed:
Deemer Date:	Created By: Susan Coulter
Submitted By: Susan Coulter	Corresponding Filing Tracking Number: NGLI-129420754
	PPACA: Non-Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

### Filing Description:

We are filing rates for a blanket student medical program. The companion forms filing is NGLI-129420754. The forms are filed under NBH-280(2014) . Please see the filing letter in the supporting document tab.

## Company and Contact

### Filing Contact Information

Peggy Kratz, Senior Policy Forms Specialist plkratz@nglic.com  
 P.O. Box 1191      608-443-5325 [Phone]  
 Madison, WI 53701-1191      608-443-5365 [FAX]

### Filing Company Information

National Guardian Life Insurance Company	CoCode: 66583	State of Domicile: Wisconsin
P.O. Box 1191	Group Code: 1211	Company Type: LAH
Madison, WI 53701-1191	Group Name:	State ID Number:
(800) 626-7931 ext. 5325[Phone]	FEIN Number: 39-0493780	LF00066583

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

**State:** District of Columbia  
**TOI/Sub-TOI:** H04 Health - Blanket Accident /Sickness/H04.001 Student  
**Product Name:** Blanket Student Medical Insurance  
**Project Name/Number:** Blanket Student Medical Insurance/NBH 280 (2014) PPO

**Filing Company:** National Guardian Life Insurance Company

### 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:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
National Guardian Life Insurance Company	New Product	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

**State:** District of Columbia      **Filing Company:** National Guardian Life Insurance Company  
**TOI/Sub-TOI:** H04 Health - Blanket Accident /Sickness/H04.001 Student  
**Product Name:** Blanket Student Medical Insurance  
**Project Name/Number:** Blanket Student Medical Insurance/NBH 280 (2014) PPO

## Rate Review Detail

### COMPANY:

Company Name: National Guardian Life Insurance Company  
 HHS Issuer Id: 00000

### PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
Blanket Student Health			1

**Trend Factors:** 2013 Projected Incurred Claims represent 76.1% of Projected Earned Premium. The 76.1% represents a blend of the allowed 2013 Loss Ratio of 69.6% [80% divided by 1.15] and the 2014 Loss Ratio of 80%. The blending for the 2013 school year, starting 8/15/2013, with the 80% receiving 7.5 months [1/1/2014 to the school year end of 8/14/2014] weight and 69.6%% receiving the other 4.5 months' weight.

### FORMS:

New Policy Forms: NBH-280(2014)PPO- DC  
 Affected Forms:  
 Other Affected Forms:

### REQUESTED RATE CHANGE INFORMATION:

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

### PRIOR RATE:

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

### REQUESTED RATE:

Projected Earned Premium: 150,000.00  
 Projected Incurred Claims: 120,000.00  
 Annual \$: Min: 110.00 Max: 175.00 Avg: 144.00

**SERFF Tracking #:**

NGLI-129460091

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

NBH-280 (2014) DC RATES

**State:**

District of Columbia

**Filing Company:**

National Guardian Life Insurance Company

**TOI/Sub-TOI:**

H04 Health - Blanket Accident /Sickness/H04.001 Student

**Product Name:**

Blanket Student Medical Insurance

**Project Name/Number:**

Blanket Student Medical Insurance/NBH 280 (2014) PPO

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		rate manual	NBH-280(2014); DC	New		NBH-280 (2014)PPO- Generic_PPACA-rate- manual_PPO_Included .pdf,

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**  
**Exhibit 1**

**Plan Design**

Annual Max  
Deductible  
Coinsurance  
Out of Pocket Max  
*enter \$0 if none*

*Unlimited*  
*\$100*  
*80%*  
*\$6,500*

**Copays**

ER  
Visits  
Drug-Brand  
Drug-Generic  
OP Surg  
Physical Ther  
Diag. X-Ray  
Home Health  
Consulting Phys

*\$0*  
*\$0*  
*\$30*  
*\$15*  
*\$0*  
*\$0*  
*\$0*  
*\$0*

*Blue font and this color shading indicates a user input for the rating model*

**Calculation**

<b>A</b>	Starting Claims Cost	\$1,736.00		
<b>B</b>	<b>Annual Max</b>	Unlimited		
<b>C</b>	Value of Max	\$1,736.00		
<b>D</b>	<b>Deductible</b>	\$ 100		
<b>E</b>	Value of Deductible	\$ 42.86		
<b>F</b>	<b>Coinsurance</b>	80%		
<b>G</b>	<b>Out of Pocket Max</b>	6,500		
<b>H</b>	OOP Allowed Charges	\$ 8,225		
<b>I</b>	Value of Claims Over OOP	\$ 960.36		
<b>J</b>	Value of OOP	\$ 775.64		
<b>K</b>	Net Claims Cost	\$ 1,546.58		
		<u>Gross</u>	<u>Net</u>	<u>Copay Value</u>
<b>L</b>	ER PMPY	\$24.82	\$24.82	\$0.00
<b>M</b>	Visit PMPY	\$179.72	\$179.72	\$0.00
<b>N</b>	Drug PMPY-Brand	\$171.14	\$133.93	\$37.20
<b>O</b>	Drug PMPY-Generic	\$41.34	\$28.94	\$12.40
<b>P</b>	Outpatient Surgery PMPY	\$119.05	\$119.05	\$0.00
<b>Q</b>	Physical Therapy PMPY	\$7.84	\$7.84	\$0.00
<b>R</b>	Diagnostic X-Ray PMPY	\$40.36	\$40.36	\$0.00
<b>S</b>	Home Health PMPY	\$1.12	\$1.12	\$0.00
<b>T</b>	Consulting Physician PMPY	\$2.25	\$2.25	\$0.00
<b>U</b>	Total Copay Cost PMPY	\$587.63	\$538.03	\$49.61
<b>V</b>	Total Claim Cost Net of Copays			\$ 1,686.39
<b>W</b>	Additional Benefits			\$ -
<b>X</b>	Product Change Factor			1.0000
<b>Y</b>	Total Claims Cost			\$ 1,551.99

**Definitions**

- A** Total Allowed Charges for all benefits, adjusted to a basis other than 2013
- B** Annual benefit maximum for the plan
- C** The value of claims under the annual maximum
- D** Deductible for the plan under which no benefit is paid
- E** The value of claims under the deductible
- F** Percentage of benefits paid by the plan once deductible is met
- G** Maximum dollar value of coinsurance paid by the insured
- H**  $G/(1-F)+D$ , The level of allowed charges over which the plan pays 100%
- I** Value of claims for which the plan pays 100%
- J** A-I, The value of claims under the Out of Pocket Max
- K**  $(J-E)*F+(C-J)*1$ , Total value of benefits paid by the plan assuming no copays

<b>L-T</b>	Net and Gross values of benefits with copays attached
------------	---

- U** Sum of net and gross copay values
- V** A-U (Gross), Total value of benefits not subject to copays
- X** Product of all benefit factors reflecting changes in benefits from rate manual
- Y**  $[U+W]+[K*X*(V/A)]$ , [Total value of copay + additional benefits] + [ded/coins benefits paid by plan X the product change factor]

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

**Data Used for Pricing Copay Options**

<b>Service Category</b>			<b>Gross Total</b>		
	<b>Utilization</b>	<b>Avg Cost</b>	<b>PMPY</b>	<b>Copay</b>	<b>Net Total PMPY</b>
Emergency Room	0.0894	\$278	\$24.82	\$0.00	\$24.82
Physician Visits	1.0858	\$166	\$179.72	\$0.00	\$179.72
Drug	2.0669	\$103	\$212.47		
Brand	1.2401	\$138	\$171.14	\$30.00	\$133.93
Generic	0.8268	\$50	\$41.34	\$15.00	\$28.94
Outpatient Surgery	0.0298	\$4,000	\$119.05	\$0.00	\$119.05
Physical Therapy	0.1484	\$53	\$7.84	\$0.00	\$7.84
Diagnostic X-Ray	0.1228	\$329	\$40.36	\$0.00	\$40.36
Home Health	0.0056	\$200	\$1.12	\$0.00	\$1.12
Consulting Physician	0.0097	\$233	\$2.25	\$0.00	\$2.25

<b>Data source:</b>	Utilization & Avg Cost based on Internal CTMIC Experience
---------------------	---

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

**Deductible Factors**

<u>Deductible</u>	<u>Annual Cost</u>	<u>Value Over Ded</u>	<u>Value of Ded</u>
\$0	\$1,735.78		
\$50	\$1,735.10	\$1,711.97	\$23.81
\$100	\$1,733.04	\$1,692.91	\$42.86
\$250	\$1,722.52	\$1,639.22	\$96.56
\$500	\$1,697.36	\$1,562.53	\$173.24
\$750	\$1,657.98	\$1,482.14	\$253.64
\$1,000	\$1,627.39	\$1,446.27	\$289.51
\$1,500	\$1,561.30	\$1,378.15	\$357.63
\$2,500	\$1,444.56	\$1,276.92	\$458.85
\$5,000	\$1,241.16	\$1,070.46	\$665.32
\$10,000	\$997.93	\$775.70	\$960.08
\$15,000	\$850.27	\$602.05	\$1,133.73
\$20,000	\$751.58	\$545.47	\$1,190.30
\$25,000	\$611.82	\$396.74	\$1,339.04
\$30,000	\$565.19	\$341.14	\$1,394.63
\$35,000	\$528.43	\$306.76	\$1,429.01
\$40,000	\$485.99	\$278.06	\$1,457.72
\$45,000	\$437.88	\$255.03	\$1,480.75
\$50,000	\$384.09	\$237.68	\$1,498.10
\$75,000	\$245.31	\$110.81	\$1,624.97
\$100,000	\$143.28	\$77.45	\$1,658.32
\$250,000	\$69.08	\$32.19	\$1,703.58
\$300,000	\$69.08	\$50.35	\$1,685.42
\$400,000	\$39.47	\$14.51	\$1,721.27
\$500,000	\$39.47	\$36.64	\$1,699.14
\$600,000	\$8.39	\$4.98	\$1,730.80
\$700,000	\$8.39	\$4.42	\$1,731.36
\$800,000	\$8.39	\$3.85	\$1,731.93
\$900,000	\$8.39	\$8.39	\$1,727.39
\$1,000,000	\$8.39	\$8.39	\$1,727.39
\$2,000,000	\$0.00	\$0.00	\$1,735.78

\* \$2,000,000 level will be equivalent to unlimited

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

**2014 Starting Claims Cost - All benefits**

\$1,736

**Hospital Days**

	<u>Factor</u>
30	0.9556
60	0.9851
90	0.9951

**Anesthetist & Asst Surgeon**

<u>% of Surgeon</u>	<u>Factor</u>
10%	0.998
20%	0.999
30%	1.000

Same as other benefits (instead of % of Surgeon)	1.002
--	-------

**Physical Therapy Limits**

<u>Max Days</u>	<u>Factor</u>
10	0.9961
30	1.0000
60	1.0020

**Emergency Room**

<u>Copay</u>	<u>Factor</u>
\$0	1.0000
\$25	0.9972
\$50	0.9943
\$75	0.9888
\$100	0.9834
\$250	0.9780
\$500	0.9727

**In Office Physician Visits**

<u>Max Visits</u>	<u>Factor</u>
1	0.9077
5	0.9700
10	0.9858
15	0.9937
30	1.0000
60	1.0000

**Laboratory Procedures**

<u>Maximum</u>	<u>Factor</u>
\$25	0.9665
\$50	0.9668
\$100	0.9676
\$250	0.9699
\$500	0.9740
\$1,000	0.9819
\$2,500	0.9939
\$5,000	0.9970
Unlimited	1.0000

**National Guardian Life Insurance Company**

**RATE MANUAL**

**Texas**

**POLICY NBH-280 (2014)PPO-TX**

**Home Health**

<u>Visits</u>	<u>Factor</u>
40	1.0000
60	1.0024
80	1.0042

<u>Copay</u>	<u>Factor</u>
\$25	0.9723
\$50	0.9762
\$100	0.9778

**Ambulance**

<u>Benefit Limit</u>	<u>Per Year</u>
\$50	0.9955
\$100	0.9966
\$250	0.9968
\$500	0.9969
\$1,000	0.9970
\$2,500	0.9980
\$5,000	1.0000

**Braces & Appliances**

<u>Maximum</u>	<u>Factor</u>
Not Covered	0.9988
\$250	0.9994
\$500	0.9995
\$1,000	0.9996
\$2,000	0.9997
\$3,000	0.9998
\$5,000	0.9999

**DME**

<u>Maximum</u>	<u>Factor</u>
Not Covered	0.9925
\$100	0.9941
\$200	0.9945
\$300	0.9946
\$500	0.9951
\$1,000	0.9955
\$2,000	0.9951
\$5,000	0.9967

**Consulting Physician Expense**

<u>Maximum</u>	<u>Factor</u>
\$1,000	0.9966
\$2,000	0.9973
\$2,500	0.9975
\$5,000	1.0000

**Accidental Injury Dental or Sickness Dental**

Cost Per \$25	\$0.60
---------------	--------

**National Guardian Life Insurance Company**

**RATE MANUAL**

**Texas**

**POLICY NBH-280 (2014)PPO-TX**

**Sports Accident Expense**

<u>Maximum Benefit</u>	<u>Cost PSPY</u>
\$100	\$34.25
\$1,000	\$36.39
\$2,000	\$38.77
\$3,000	\$40.89
\$4,000	\$41.79
\$5,000	\$41.93
\$6,000	\$42.72
\$7,000	\$43.27
\$8,000	\$43.64
\$9,000	\$43.90
\$10,000	\$43.98
\$11,000	\$44.14
\$12,000	\$44.25
\$13,000	\$44.32
\$14,000	\$44.43
\$15,000	\$44.45
\$20,000	\$44.60
\$25,000	\$44.81
\$30,000	\$45.08
\$40,000	\$45.44
\$50,000	\$45.71
\$60,000	\$45.91
\$70,000	\$46.06
\$80,000	\$46.17
\$90,000	\$46.25
\$100,000	\$46.31

**Bedsite Visits**

Cost Per \$500	\$0.02
----------------	--------

**Medical Treatment Recv'd in Home Country**

Cost Per \$500	\$0.05
----------------	--------

**Medical Evacuation Expense**

Cost Per \$1,000	\$0.10
------------------	--------

**Repatriation**

Cost Per \$1,000	\$0.07
------------------	--------

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

**Total Claim Cost for Various Cost Sharing Options**

Deductible \$0		Out of Network										
		50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
In Network	50.00%	\$1,199.24	\$1,209.66	\$1,213.72	\$1,225.79	\$1,238.81	\$1,246.53	\$1,260.59	\$1,276.03	\$1,291.38	\$1,309.61	\$1,329.74
	55.00%	\$1,228.57	\$1,238.99	\$1,243.06	\$1,255.12	\$1,268.14	\$1,275.86	\$1,289.93	\$1,305.36	\$1,320.71	\$1,338.94	\$1,359.07
	60.00%	\$1,245.27	\$1,255.69	\$1,259.75	\$1,271.82	\$1,284.84	\$1,292.56	\$1,306.62	\$1,322.06	\$1,337.41	\$1,355.64	\$1,375.77
	65.00%	\$1,279.59	\$1,290.01	\$1,294.08	\$1,306.14	\$1,319.16	\$1,326.88	\$1,340.95	\$1,356.38	\$1,371.73	\$1,389.96	\$1,410.09
	70.00%	\$1,322.50	\$1,332.92	\$1,336.98	\$1,349.05	\$1,362.06	\$1,369.79	\$1,383.85	\$1,399.28	\$1,414.64	\$1,432.87	\$1,453.00
	75.00%	\$1,343.04	\$1,353.46	\$1,357.53	\$1,369.60	\$1,382.61	\$1,390.33	\$1,404.40	\$1,419.83	\$1,435.18	\$1,453.42	\$1,473.54
	80.00%	\$1,384.63	\$1,395.05	\$1,399.12	\$1,411.18	\$1,424.20	\$1,431.92	\$1,445.99	\$1,461.42	\$1,476.77	\$1,495.00	\$1,515.13
	85.00%	\$1,431.45	\$1,441.87	\$1,445.94	\$1,458.01	\$1,471.02	\$1,478.75	\$1,492.81	\$1,508.24	\$1,523.59	\$1,541.83	\$1,561.95
	90.00%	\$1,477.48	\$1,487.90	\$1,491.96	\$1,504.03	\$1,517.04	\$1,524.77	\$1,538.83	\$1,554.26	\$1,569.61	\$1,587.85	\$1,607.97
	95.00%	\$1,534.20	\$1,544.62	\$1,548.69	\$1,560.75	\$1,573.77	\$1,581.49	\$1,595.56	\$1,610.99	\$1,626.34	\$1,644.57	\$1,664.70
100.00%	\$1,597.75	\$1,608.17	\$1,612.23	\$1,624.30	\$1,637.32	\$1,645.04	\$1,659.10	\$1,674.54	\$1,689.89	\$1,708.12	\$1,728.25	
Deductible \$100		Out of Network										
		50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
In Network	50.00%	\$1,172.33	\$1,182.23	\$1,185.83	\$1,197.38	\$1,209.91	\$1,217.12	\$1,230.66	\$1,245.57	\$1,260.40	\$1,278.10	\$1,297.70
	55.00%	\$1,199.69	\$1,209.60	\$1,213.19	\$1,224.74	\$1,237.27	\$1,244.48	\$1,258.02	\$1,272.94	\$1,287.76	\$1,305.47	\$1,325.06
	60.00%	\$1,214.59	\$1,224.49	\$1,228.09	\$1,239.64	\$1,252.17	\$1,259.38	\$1,272.92	\$1,287.83	\$1,302.66	\$1,320.36	\$1,339.96
	65.00%	\$1,246.91	\$1,256.82	\$1,260.42	\$1,271.97	\$1,284.50	\$1,291.71	\$1,305.25	\$1,320.16	\$1,334.99	\$1,352.69	\$1,372.29
	70.00%	\$1,287.97	\$1,297.88	\$1,301.47	\$1,313.02	\$1,325.55	\$1,332.76	\$1,346.30	\$1,361.22	\$1,376.04	\$1,393.75	\$1,413.34
	75.00%	\$1,306.53	\$1,316.44	\$1,320.03	\$1,331.58	\$1,344.12	\$1,351.32	\$1,364.87	\$1,379.78	\$1,394.60	\$1,412.31	\$1,431.90
	80.00%	\$1,346.11	\$1,356.02	\$1,359.62	\$1,371.17	\$1,383.70	\$1,390.91	\$1,404.45	\$1,419.36	\$1,434.19	\$1,451.89	\$1,471.49
	85.00%	\$1,390.93	\$1,400.84	\$1,404.44	\$1,415.99	\$1,428.52	\$1,435.73	\$1,449.27	\$1,464.18	\$1,479.01	\$1,496.71	\$1,516.31
	90.00%	\$1,434.93	\$1,444.84	\$1,448.44	\$1,459.99	\$1,472.52	\$1,479.73	\$1,493.27	\$1,508.18	\$1,523.01	\$1,540.71	\$1,560.31
	95.00%	\$1,489.63	\$1,499.53	\$1,503.13	\$1,514.68	\$1,527.21	\$1,534.42	\$1,547.96	\$1,562.87	\$1,577.70	\$1,595.40	\$1,615.00
100.00%	\$1,551.12	\$1,561.03	\$1,564.62	\$1,576.17	\$1,588.71	\$1,595.91	\$1,609.46	\$1,624.37	\$1,639.19	\$1,656.90	\$1,676.49	
Deductible \$250		Out of Network										
		50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
In Network	50.00%	\$1,136.18	\$1,145.37	\$1,148.32	\$1,159.15	\$1,171.01	\$1,177.50	\$1,190.32	\$1,204.51	\$1,218.60	\$1,235.57	\$1,254.43
	55.00%	\$1,160.95	\$1,170.15	\$1,173.09	\$1,183.92	\$1,195.79	\$1,202.28	\$1,215.09	\$1,229.28	\$1,243.38	\$1,260.34	\$1,279.20
	60.00%	\$1,173.51	\$1,182.71	\$1,185.66	\$1,196.48	\$1,208.35	\$1,214.84	\$1,227.66	\$1,241.84	\$1,255.94	\$1,272.91	\$1,291.76
	65.00%	\$1,203.22	\$1,212.41	\$1,215.36	\$1,226.19	\$1,238.05	\$1,244.54	\$1,257.36	\$1,271.55	\$1,285.64	\$1,302.61	\$1,321.46
	70.00%	\$1,241.86	\$1,251.06	\$1,254.00	\$1,264.83	\$1,276.70	\$1,283.19	\$1,296.00	\$1,310.19	\$1,324.29	\$1,341.26	\$1,360.11
	75.00%	\$1,257.81	\$1,267.01	\$1,269.95	\$1,280.78	\$1,292.65	\$1,299.14	\$1,311.96	\$1,326.14	\$1,340.24	\$1,357.21	\$1,376.06
	80.00%	\$1,294.75	\$1,303.95	\$1,306.89	\$1,317.72	\$1,329.59	\$1,336.08	\$1,348.89	\$1,363.08	\$1,377.18	\$1,394.15	\$1,413.00
	85.00%	\$1,336.94	\$1,346.13	\$1,349.08	\$1,359.91	\$1,371.77	\$1,378.26	\$1,391.08	\$1,405.27	\$1,419.36	\$1,436.33	\$1,455.18
	90.00%	\$1,378.27	\$1,387.46	\$1,390.41	\$1,401.24	\$1,413.10	\$1,419.59	\$1,432.41	\$1,446.60	\$1,460.69	\$1,477.66	\$1,496.51
	95.00%	\$1,430.28	\$1,439.47	\$1,442.42	\$1,453.25	\$1,465.11	\$1,471.60	\$1,484.42	\$1,498.61	\$1,512.70	\$1,529.67	\$1,548.52
100.00%	\$1,489.06	\$1,498.25	\$1,501.20	\$1,512.03	\$1,523.89	\$1,530.38	\$1,543.20	\$1,557.39	\$1,571.48	\$1,588.45	\$1,607.30	

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

**Total Claim Cost for Various Cost Sharing Options**

Deductible \$500		Out of Network										
		50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
In Network	50.00%	\$1,083.60	\$1,091.75	\$1,093.76	\$1,103.53	\$1,114.43	\$1,119.87	\$1,131.62	\$1,144.75	\$1,157.76	\$1,173.65	\$1,191.41
	55.00%	\$1,104.68	\$1,112.83	\$1,114.84	\$1,124.61	\$1,135.51	\$1,140.94	\$1,152.70	\$1,165.82	\$1,178.84	\$1,194.73	\$1,212.48
	60.00%	\$1,113.97	\$1,122.12	\$1,124.14	\$1,133.91	\$1,144.80	\$1,150.24	\$1,161.99	\$1,175.12	\$1,188.14	\$1,204.02	\$1,221.78
	65.00%	\$1,139.93	\$1,148.08	\$1,150.09	\$1,159.86	\$1,170.76	\$1,176.20	\$1,187.95	\$1,201.07	\$1,214.09	\$1,229.98	\$1,247.74
	70.00%	\$1,175.18	\$1,183.33	\$1,185.34	\$1,195.11	\$1,206.00	\$1,211.44	\$1,223.20	\$1,236.32	\$1,249.34	\$1,265.23	\$1,282.98
	75.00%	\$1,187.40	\$1,195.55	\$1,197.56	\$1,207.33	\$1,218.23	\$1,223.67	\$1,235.42	\$1,248.54	\$1,261.56	\$1,277.45	\$1,295.21
	80.00%	\$1,220.56	\$1,228.71	\$1,230.72	\$1,240.49	\$1,251.38	\$1,256.82	\$1,268.57	\$1,281.70	\$1,294.72	\$1,310.61	\$1,328.36
	85.00%	\$1,258.97	\$1,267.12	\$1,269.13	\$1,278.90	\$1,289.80	\$1,295.24	\$1,306.99	\$1,320.11	\$1,333.13	\$1,349.02	\$1,366.78
	90.00%	\$1,296.47	\$1,304.62	\$1,306.64	\$1,316.41	\$1,327.30	\$1,332.74	\$1,344.49	\$1,357.62	\$1,370.64	\$1,386.52	\$1,404.28
	95.00%	\$1,344.64	\$1,352.79	\$1,354.80	\$1,364.57	\$1,375.46	\$1,380.90	\$1,392.65	\$1,405.78	\$1,418.80	\$1,434.69	\$1,452.44
	100.00%	\$1,399.52	\$1,407.67	\$1,409.68	\$1,419.45	\$1,430.35	\$1,435.79	\$1,447.54	\$1,460.66	\$1,473.68	\$1,489.57	\$1,507.33

Deductible \$1,000		Out of Network										
		50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
In Network	50.00%	\$999.72	\$998.75	\$1,006.88	\$1,015.01	\$1,024.45	\$1,028.26	\$1,038.36	\$1,049.84	\$1,061.19	\$1,075.39	\$1,091.43
	55.00%	\$999.36	\$998.38	\$1,006.52	\$1,014.65	\$1,024.09	\$1,027.90	\$1,038.00	\$1,049.48	\$1,060.83	\$1,075.03	\$1,091.07
	60.00%	\$1,019.47	\$1,018.49	\$1,026.62	\$1,034.76	\$1,044.19	\$1,048.01	\$1,058.11	\$1,069.59	\$1,080.93	\$1,095.13	\$1,111.18
	65.00%	\$1,039.57	\$1,038.59	\$1,046.73	\$1,054.86	\$1,064.30	\$1,068.11	\$1,078.21	\$1,089.69	\$1,101.03	\$1,115.24	\$1,131.28
	70.00%	\$1,069.68	\$1,068.70	\$1,076.83	\$1,084.97	\$1,094.41	\$1,098.22	\$1,108.32	\$1,119.80	\$1,131.14	\$1,145.34	\$1,161.39
	75.00%	\$1,076.09	\$1,075.11	\$1,083.25	\$1,091.38	\$1,100.82	\$1,104.63	\$1,114.73	\$1,126.21	\$1,137.55	\$1,151.76	\$1,167.80
	80.00%	\$1,103.33	\$1,102.36	\$1,110.49	\$1,118.63	\$1,128.06	\$1,131.88	\$1,141.97	\$1,153.45	\$1,164.80	\$1,179.00	\$1,195.05
	85.00%	\$1,135.85	\$1,134.88	\$1,143.01	\$1,151.15	\$1,160.58	\$1,164.39	\$1,174.49	\$1,185.97	\$1,197.32	\$1,211.52	\$1,227.56
	90.00%	\$1,167.36	\$1,166.38	\$1,174.51	\$1,182.65	\$1,192.09	\$1,195.90	\$1,206.00	\$1,217.48	\$1,228.82	\$1,243.02	\$1,259.07
	95.00%	\$1,209.47	\$1,208.50	\$1,216.63	\$1,224.77	\$1,234.20	\$1,238.01	\$1,248.11	\$1,259.59	\$1,270.94	\$1,285.14	\$1,301.18
	100.00%	\$1,258.21	\$1,257.23	\$1,265.37	\$1,273.50	\$1,282.94	\$1,286.75	\$1,296.85	\$1,308.33	\$1,319.67	\$1,333.87	\$1,349.92

Deductible \$2,500		Out of Network										
		50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
In Network	50.00%	\$817.41	\$822.32	\$827.22	\$833.02	\$838.87	\$839.49	\$846.31	\$854.53	\$863.24	\$873.36	\$885.96
	55.00%	\$827.77	\$832.68	\$837.58	\$843.38	\$849.23	\$849.85	\$856.67	\$864.89	\$873.60	\$883.72	\$896.32
	60.00%	\$838.13	\$843.03	\$847.94	\$853.74	\$859.59	\$860.21	\$867.03	\$875.25	\$883.96	\$894.08	\$906.67
	65.00%	\$857.64	\$862.54	\$867.45	\$873.25	\$879.10	\$879.71	\$886.54	\$894.76	\$903.47	\$913.59	\$926.18
	70.00%	\$870.97	\$875.88	\$880.79	\$886.58	\$892.43	\$893.05	\$899.87	\$908.09	\$916.80	\$926.92	\$939.52
	75.00%	\$867.77	\$872.68	\$877.58	\$883.38	\$889.23	\$889.85	\$896.67	\$904.89	\$913.60	\$923.72	\$936.32
	80.00%	\$885.07	\$889.98	\$894.89	\$900.68	\$906.53	\$907.15	\$913.97	\$922.19	\$930.91	\$941.02	\$953.62
	85.00%	\$907.72	\$912.62	\$917.53	\$923.33	\$929.18	\$929.80	\$936.62	\$944.84	\$953.55	\$963.67	\$976.27
	90.00%	\$931.86	\$936.77	\$941.67	\$947.47	\$953.32	\$953.94	\$960.76	\$968.98	\$977.69	\$987.81	\$1,000.41
	95.00%	\$960.81	\$965.71	\$970.62	\$976.42	\$982.27	\$982.89	\$989.71	\$997.93	\$1,006.64	\$1,016.76	\$1,029.35
	100.00%	\$998.90	\$1,003.81	\$1,008.72	\$1,014.51	\$1,020.37	\$1,020.98	\$1,027.81	\$1,036.02	\$1,044.74	\$1,054.86	\$1,067.45

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

**EXPERIENCE RATING FORMULA**  
**EXAMPLE CALCULATION BASED ON SAMPLE DATA SHOWN/ASSUMED**

School: XYZ  
 Claims as of: 3/31/2013

Plan Maximum: \$1,000,000  
 Pooling Point Assumed: \$50,000

		2009	2010	2011	2012
<b>A</b> Premium.....		\$213,380	\$220,040	\$192,205	\$202,416
<b>B</b> Claims Paid to Date.....		\$131,254	\$111,245	\$125,461	\$45,125
<b>C</b> Projection Factor.....		1.000	1.000	1.030	2.500
<b>D</b> Ultimate Claims.....		\$131,254	\$111,245	\$129,225	\$112,813
<b>E</b> Loss Ratio.....		61.5%	50.6%	67.2%	55.7%
<b>F</b> Gross Rate.....	<u>average</u>	\$1,200	\$1,200	\$1,200	\$1,200
<b>G</b> .....est lives.....	173	178	183	160	169
<b>H</b> Pure Rate.....		\$738	\$607	\$807	\$669
<b>I</b> Product Change Factor.....		1.10	1.10	1.10	1.10
<b>J</b> As is Product Pure Rate.....		\$812	\$667	\$887	\$736
Annual Increase.....			-18%	33%	-17%
<b>K</b> Inflation/Cost Shift.....		7.0%	7.0%	7.0%	7.0%
<b>L</b> Percent Applicable.....		100%	100%	100%	100%
<b>M</b> Trend Factor Applied.....		1.311	1.225	1.145	1.070
For as is Product:					
<b>N</b> Pure Rate.....		\$1,064	\$818	\$1,016	\$787
<b>O</b> Permissible Loss Ratio.....		80.0%	80.0%	80.0%	80.0%
<b>P</b> Gross Rate.....		1,330	1,022	1,270	984
<b>Q</b> Weight.....		33%	33%	33%	
<b>R</b> Gross Rate Before Pooling.....	\$1,207				
<b>S</b> Pooling Charge	16.9% based on Plan Maximum and Pooling Point from above				
<b>T</b> Gross Rate Needed	\$1,411				
<b>U</b> Comm:	2.0%				
<b>V</b> CT Administration:	18.0%				
<b>W</b> Manual Rate	\$2,080.42				
<b>X</b> Credibility Factor	55% based on avg # students and # months experience				
<b>Y</b> Credibility Weighted Rate	\$1,712.36				

02/14/14

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

**EXPERIENCE RATING FORMULA DEFINITIONS**

- A) Premium – Annual premium collected
- B) Claims Paid to Date – Annual Claims paid for the school year to the “Claims as of” date.
- C) Projection Factor – Factor to bring paid claims to incurred claims for the school year. Based on internal paid claims data and updated monthly.
- D) Ultimate Claims – B\*C
- E) Loss ratio – D/A
- F) Gross rate – Annual premium rate per student.
- G) Estimated lives – A/F
- H) Pure Rate – D/G, annual claims per student
- I) Product Change Factor – Factor to account for actuarial value of a change in benefits.
- J) H\*I
- K) Inflation/Cost Shift – Medical cost inflation factor based on industry expectations.
- L) Percent Applicable – Some plans have limits or caps on benefits and therefore a full inflation factor is not appropriate. This percentage accounts for how much of the trend factor to use.
- M) Trend Factor Applied –  $1+(K*L)t * 1+(K*L)t-1 \dots$
- N) For as is Product Pure Rate - J\*M
- O) Permissible Loss Ratio – 1-U-V.
- P) Gross Rate – N/O
- Q) Weight – The weight given to each experience period. The total weights must add to one.
- R) Gross Rate Before Pooling -  $\sum_{i=1}^n P_i * Q_i$
- S) Pooling Charge – From Pooling Charge Table
- T) Gross Rate Needed – R \*(1+S)
- U) Commission % - Commissions as a percent of premium
- V) CT Administrative charge – The percent of premium allocated to Commercial Travelers for Administration , Profit and Contingencies
- W) Manual Rate – Rate Derived by rating manual for the plan benefits
- X) Credibility Factor – Derived from Credibility Table
- Y) Credibility Weighted Rate – T\*X+W\*(1-X)

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

**Credibility Table**

Weighted Students		Credibility Factor			
		Months of Claims Experience			
From	To	<12 months	12 months	24 months	36 months
Under 100		26%	32%	37%	45%
100	200	32%	39%	45%	55%
201	300	41%	50%	58%	71%
301	400	48%	59%	68%	84%
401	500	55%	67%	78%	95%
501	750	65%	79%	91%	100%
751	1000	76%	94%	100%	100%
1001	1500	91%	100%	100%	100%
1501+		100%	100%	100%	100%

**Pooling Charges**

Pooling Point	Plan Maximum			
	\$100,000	\$500,000	\$1,000,000	\$2,000,000+
\$25,000	22.9%	26.1%	26.8%	27.2%
\$50,000	13.0%	16.2%	16.9%	17.3%
\$100,000	0.0%	3.2%	3.9%	4.3%
\$250,000	0.0%	0.3%	1.0%	1.4%
\$500,000	0.0%	0.0%	0.7%	1.1%

**Rating Structure**

<u>Class</u>	<u>Factor</u>
Undergrad-Only	1.00
Graduate-Only	1.35
Student + Spouse	3.00
Student + Child[ren]	1.18
Student + Spouse + Child[ren]	3.18

**Loss Ratio [LR] Requirements (per PPACA)**

Expected LR [School Year {SY} starting 8/15]	
SY 2013	SY 2014+
76.0%	80.0%

Calendar Year Regs	
CY 2013	CY 2014+
69.6%	80.0%

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

**Sample Rate Calculation**

Unlimited	Annual Max
\$100	Deductible
80%	Coinsurance
\$6,500	OOP Max
Assumed Copays	
ER	\$0
Visits	\$0
Drug-Brand	\$30
Drug-Generic	\$15
OP Surg	\$0
Physical Ther	\$0
Diag. X-Ray	\$0
Home Health	\$0
Consulting Phys	\$0
School Year	2014

Total 2014 Claims Cost \$1,551.99

PPACA-Compliant Expenses 20.0%

Additional Assessments Exempt from PPACA

State Premium Tax 2.5%

PPACA Annual Health Insurer (HI) Fee 2.9%

Total Additional Assessments Exempt from PPACA 5.4%

Total Preliminary Expenses (prior to the flat PPACA per life fees) 25.4%

	<u>before HI Fee</u>	<u>with HI Fee</u>	
claims	\$80.00	\$80.00	
prem	\$100.00	\$100.00	
prem adj	0.0%	3.7%	adj reflects Excise Tax nature of fee (not Federally Tax deductible)
adj prem	\$100.00	\$103.70	
loss ratio	<u>80.0%</u>	<u>77.1%</u>	

<u>Class</u>	<u>Factor</u>	<u>Preliminary Annual Rates</u>
Undergrad-Only	1.00	\$2,080.42
Graduate-Only	1.35	\$2,808.57
Student + Spouse	3.00	\$6,241.26
Student + Child[ren]	1.18	\$2,454.90
Student + Spouse + Child[ren]	3.18	\$6,615.74

**National Guardian Life Insurance Company**  
**RATE MANUAL**  
**Texas**  
**POLICY NBH-280 (2014)PPO-TX**

	School Year	
	<u>2013</u>	<u>2014+</u>
<b>Commissions</b>	3.0%	2.0%
<b>TPA Fee</b>	5.0%	

**State:** District of Columbia  
**TOI/Sub-TOI:** H04 Health - Blanket Accident /Sickness/H04.001 Student  
**Product Name:** Blanket Student Medical Insurance  
**Project Name/Number:** Blanket Student Medical Insurance/NBH 280 (2014) PPO

**Filing Company:** National Guardian Life Insurance Company

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	NGL-DC Rate Filing Cover Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

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

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	2014 Actuarial - NBH-280(2014) (Generic Student_NonMetal).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	see actuarial memo
<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>	N/A - Health Plan
<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>	N/A - Health Plan
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

NGLI-129460091

State Tracking #:

Company Tracking #:

NBH-280 (2014) DC RATES

**State:** District of Columbia  
**TOI/Sub-TOI:** H04 Health - Blanket Accident /Sickness/H04.001 Student  
**Product Name:** Blanket Student Medical Insurance  
**Project Name/Number:** Blanket Student Medical Insurance/NBH 280 (2014) PPO

**Filing Company:** National Guardian Life Insurance Company

<b>Bypassed - Item:</b>	Consumer Disclosure Form
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	Certification included with Actuarial memorandum above.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



Susan B. Coulter, CL, ChFC  
Contract Consultant  
Coulter & Associates  
379 Princeton-Hightstown Rd.  
Cranbury, NJ 08512  
Phone: 609-443-7540  
Fax: 609-443-4103

Email: [wendy@coulter-and-associates.com](mailto:wendy@coulter-and-associates.com)

Date: March 18, 2014

To: District of Columbia Department of Insurance

Attention: Accident and Health Division

National Guardian Life Insurance Company

NAIC: 66583

Re: Rates for Blanket Student Hospital - Medical Expense Insurance Program

Company Tracking Number: NBH-280 (2013) DC

Forms:

NBH-280 2013 DC  
PPO (2014) DC

Policy  
PPO Rider

Dear Sir or Madam:

On behalf of National Guardian Life Insurance Company, Coulter & Associates files the above-captioned blanket student medical program for your review and approval. The policy will be issued to colleges and universities in the District of Columbia for the benefit of eligible students and their dependents.

Students will either enroll for insurance or opt-out of a mandatory insurance plan. There are both a PPO option and an "indemnity" (non-network expense) plan that provides benefits based on the reasonable and customary charges. Both Essential Health Benefits and Mandated benefits are included.

Should you have questions or need additional information, please call me at (609) 443-7540 or email [susan@coulter-and-associates.com](mailto:susan@coulter-and-associates.com). Otherwise, we look forward to your approval.

Very truly yours,

Ms. Susan B. Coulter, CLU, ChFC  
Contract Consultant



# **NGL Insurance Group**

---

**DATE:** February 24, 2014

**TO:** State Insurance Departments

**RE:** Policy Filings – Student Hospital/Medical Insurance Program

To Whom It May Concern:

National Guardian Life Insurance Company has engaged the services of Coulter & Associates to assist with its form filings. I hereby authorize Coulter & Associates, to represent National Guardian Life Insurance Company in regard to its student hospital/medical expense filings in your state.

Very truly ours,

Kimberly A. Shaul  
Vice-President and General Counsel

**ACTUARIAL MEMORANDUM**  
**National Guardian Life Insurance Company (NGLIC)**  
**Policy Form NBH-280 (2014)**

**A. Summary**

This is a new product filing for a large group comprehensive PPACA-compliant and State-compliant medical product marketed directly by independent Agents and Brokers to “schools” (i.e., institutes of higher learning (colleges and universities) and prep schools). The rate classifications will be for students only (separate tiers for undergrads and graduate students), student + spouses, student + children, and student + spouse + children. NGLIC will be the carrier – note that in April-2012, NGLIC entered into an affiliation with Commercial Travelers Mutual Insurance Company (CTMIC) that gave NGLIC control of CTMIC’s Board of Directors, prompting the carrier named here.

**B. Rating Period**

The rating formula supplied will be used for the 2014-2015 school years and later. The proposed effective date is August 1, 2014.

**C. Underwriting & Renewals**

There will be no individual underwriting. The rates for each school underwritten will be based on the experience for that particular school to the extent experience is available. At least three years of prior experience will be requested in order to quote a rate for a school. Only full-time students at schools marketed to will be eligible to enroll. Policies will be renewed annually.

**D. Effect of Law Changes**

N/A.

**E. Rate History**

New Filing.

**F. Coordination of Benefits (COB)**

The COB provision applies when a person has health care coverage available under more than one policy. The order of benefit determination rules govern the order in which a claim for benefits is paid. The Primary plan pays first and must pay benefits in accordance with its terms without regard to the possibility that a Secondary plan may cover some expenses. The Secondary plan may reduce the benefits it pays so that total payments do not exceed 100% of the total allowable expense.

**G. Relation of Benefits to Premium**

The rating formula will provide that benefits are reasonable in relation to premium.

**H. Lifetime Loss Ratio**

80%, per PPACA specifications (excluding the impact of State premium taxes and Federal/PPACA fees and assessments, as allowed by the PPACA regulation).

**I. Provision for Profit & Contingencies**

5%.

**J. Explanation of Calculations**

See attached rate manual pages for our rating formula with full definitions. The rate manual’s Starting Claim Cost was developed from experience of several schools throughout the US with high maximum plans similar to a package of PPACA-compliant benefits. This development is shown in Section M.

**ACTUARIAL MEMORANDUM**  
**National Guardian Life Insurance Company (NGLIC)**  
**Policy Form NBH-280 (2014)**

The price of various options for copays and benefit levels on specific benefits was developed from internal experience when available. A primary external source of information was the rate filing for policy SRSA-2000-NY, filed by Nationwide Life Insurance Co. in NY and placed on file 1/31/2009.

**K. Trend**

We assumed a 7% annual trend factor, with the expectation that claim cost trends for student plans lag at or behind national medical trends (which have hovered from 7%-10% in recent years).

**L. Credibility**

The data used had average exposure over 1,000 students per year and 3 years of experience was available, so we considered the data fully credible for rating purposes. In our experience, the rates filed are in line with similar plans throughout the US.

**M. Data Requirements**

The pricing model used is based on a starting point of Allowed Charges, which is then adjusted to reflect cost-sharing with the insured. The data used for the starting claim cost was derived from several years of experience with 11 discounted U&C student plans with high maximums. These schools were located in several states throughout the US. To arrive at the starting claim cost before cost-sharing, we used the trended Allowed Charges (after network discounts) from these plans as shown below to project to the 2013-14 school year (starting 9/1/2013):

	School Year Starting September 1,				
	2009	2010	2011	2012	2013
allowed charges	\$ 2,769,922	\$ 2,275,744	\$ 1,815,380	not used due to lack of credibility	
completion factor	1.000	1.010	1.068		
incurred allowed charges	\$ 2,769,922	\$ 2,298,501	\$ 1,938,826		
exposure	1,760	1,632	1,951		
incurred allowed per person	\$ 1,574	\$ 1,408	\$ 994		
<u>annual trend assumption</u>					
7.0%	1.311	1.225	1.145	1.070	1.000
trended incurred allw'd charges	\$ 3,630,803	\$ 2,815,763	\$ 2,219,762		\$ 8,666,327
exposure	1,760	1,632	1,951		5,343
trended incurred allowed per person	\$ 2,063	\$ 1,725	\$ 1,138		<b>\$ 1,622</b>

The Trended Incurred Allowed per Person of \$1,622, plus one year of trend at 7%, results in an estimated Starting Claim Cost of \$1,736.

**N. Side by Side Comparison**

New Filing – N/A.

**O. Loss Ratio Projections**

Plans will be rated at or above the defined permissible loss ratio of 80% in CY2014+ (excluding the impact of State premium taxes and Federal/PPACA fees and assessments, as allowed by law).

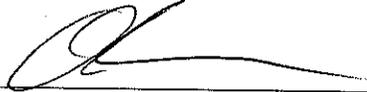
**P. Other Factors**

N/A.

## ACTUARIAL CERTIFICATION

I, Alan L. Shulman, am an Associate of the Society of Actuaries (ASA) and a Member of the American Academy of Actuaries (MAAA). I certify that, to the best of my knowledge and belief:

- The entire rate filing complies with the applicable laws of the state where filed, with the rules of the Department of Insurance, and with Actuarial Standard of Practice No. 8, "Regulatory Filings for Health Plan Entities" (as adopted by the Actuarial Standards Board, May 2011); and
- The benefits are reasonable in relation to the proposed premiums.



---

Alan L. Shulman, ASA, MAAA

Vice President & Actuary

Commercial Travelers Mutual Insurance Company (CTMIC)

Phone: (315) 797-5200, x276

Email: [ashulman@commercialtravelers.com](mailto:ashulman@commercialtravelers.com)