

State: District of Columbia **Filing Company:** Axis Insurance Company
TOI/Sub-TOI: H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness
Product Name: GCI-DC-RATE-REV
Project Name/Number: /

Filing at a Glance

Company: Axis Insurance Company
 Product Name: GCI-DC-RATE-REV
 State: District of Columbia
 TOI: H07G Group Health - Specified Disease - Limited Benefit
 Sub-TOI: H07G.001 Critical Illness
 Filing Type: Rate
 Date Submitted: 05/13/2014
 SERFF Tr Num: PLIS-129538015
 SERFF Status: Assigned
 State Tr Num:
 State Status:
 Co Tr Num: GCI-DC-RATE-REV
 Implementation: 06/16/2014
 Date Requested:
 Author(s): John Plisky
 Reviewer(s): John Morgan (primary), Alula Selassie, Beichen Li
 Disposition Date:
 Disposition Status:
 Implementation Date:
 State Filing Description:

State: District of Columbia
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General Information

Project Name: Status of Filing in Domicile: Not Filed
 Project Number: 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: Employer, Association, Discretionary, Other Explanation for Other Group Market Type: labor unions, PEOs, independent contractors
 Overall Rate Impact: Filing Status Changed: 05/14/2014
 Deemer Date: State Status Changed:
 Submitted By: John Plisky Created By: John Plisky
 Corresponding Filing Tracking Number:
 Filing Description:
 Please see attached cover letter.

Company and Contact

Filing Contact Information

John Plisky, Consultant j.plisky@verizon.net
 Plisky Plisky & Co. LLC 732-223-0770 [Phone]
 617 Union Ave., Bldg. 1-2 732-223-1776 [FAX]
 Brielle, NJ 08730

Filing Company Information

(This filing was made by a third party - pliskypliskyandcollc)

Axis Insurance Company	CoCode: 37273	State of Domicile: Illinois
11680 Great Oaks Way, Suite 500	Group Code: 3416	Company Type:
Alpharetta, GA 30022	Group Name:	State ID Number:
(888) 870-2947 ext. [Phone]	FEIN Number: 39-1338397	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

PLIS-129538015

State Tracking #:

Company Tracking #:

GCI-DC-RATE-REV

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Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: Neutral

Overall Percentage of Last Rate Revision: 0.000%

Effective Date of Last Rate Revision: 06/12/2013

Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	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):
Axis Insurance Company	0.000%	0.000%	\$0	1	\$7,028	0.000%	0.000%

SERFF Tracking #:

PLIS-129538015

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

GCI-DC-RATE-REV

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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rates/Actuarial Memo	T-GCI-001-0112-DC et al.	Revised	Previous State Filing Number: PLIS-129028423 Percent Rate Change Request:	Critical_Illness_Filing_April_2014_General.pdf,



**AXIS INSURANCE COMPANY
ACTUARIAL MEMORANDUM**

**GROUP CRITICAL ILLNESS POLICY
Form Number T-GCI-002-0112**

April, 2014

**AXIS INSURANCE COMPANY
ACTUARIAL MEMORANDUM**

**GROUP CRITICAL ILLNESS POLICY
Form Number T-GCI-002-0112**

Scope and Purpose

This memorandum presents updated rates for this product. They will be used upon approval by the Department.

Product Description

This policy provides payment on diagnosis of a critical illness. Critical Illness includes the following:

- Alzheimer Disease
- Coronary Bypass Surgery
- Heart Attack
- Invasive Cancer
- In-Situ Cancer
- Kidney/Renal Failure
- Lou Gehrig's Disease
- Multiple Sclerosis
- Organ Transplant
- Stroke
- Diagnosed with a Terminal Illness

Benefits may be payable for recurrences of these illnesses if elected by the policyholder. Also, a Health Screening benefit is an available option.

Rate Tables

Attached to the memo, are the rating tables for this product. The rates contained in these tables represent the net monthly claims cost for each benefit covered by this product. The net monthly claims cost are converted to premium by dividing by the Target Loss Ratio described later in this memo.

The requested plan is rated by using the costs shown in Tables 1 through 3

A number of group level adjustments are applied as shown in Tables 4 through 9. Should a characteristic inherent to a particular group not be reflected in these tables, the underwriter may apply judgment and deviate from the tabulated costs and adjustments up to 15%.

Target Loss Ratio

The target loss ratio for this product is 60%. 52% for claims and 8% for Loss Adjudication Expenses.

Table 10 contains a detailed breakdown of the expense components of the product.

Other Considerations

This product is annually renewable at the option of the policyholder or the Company. The premiums are not guaranteed, and, are subject to change upon renewal.

The average annual premium for an employee is expected to be around \$10 per year for \$5,000 benefit.

Since this is an indemnity product, area factors were not utilized.

Claims Experience For This Product

This product has been sold in states where approval has been given. In 2013, total premiums were slightly more than \$40,000. No claims have been paid during that time. Given the very small premium volume, the existing premium/claims experience is not credible.

Experience Rating

Groups will be experience rated if their claims experience is credible.

Credibility is based on years of premium exposure and is detailed in the following table.

Annual Premium of the Group	Credibility
Less than \$250,000	0%
\$250,001 to \$500,000	25%
\$500,001 to \$750,000	50%
\$750,001 to \$1,000,000	75%
More than \$1,000,000	100%

Up to three years of experience will be used to experience rate a group. Each year of experience will be weighted. The most recent year will receive a weight of 45%, the next year will be 35% and the third year back will receive a weight of 20%.

The group's experience rate will be calculated utilizing the following formula:

$$\text{Group rate} = \{\text{Group's Credibility Factor} * \text{Group Experience Rate}\} + \{(1 - \text{Group's Credibility Factor}) * \text{Manual Rate}\}$$

Actuarial Certification

To the best of my knowledge and judgment, this filing is in compliance with the applicable laws of the state. The proposed benefits are reasonable in relation to premiums charged and are not unfairly discriminatory.



Submitted by: Raymond A. Siwek, FSA, MAAA

Title: Vice President and Actuary

Date: May 1, 2014

Claims Cost Tables

Table 1

1st Diagnosis – Per \$1,000

	Monthly
Illness	Claims Cost
Alzheimer's	0.006
Coronary Bypass Surgery	0.022
Heart Attack	0.010
Invasive Cancer	0.029
In-Situ Cancer	0.006
Kidney/Renal Failure	0.006
Lou Gehrig's Disease	0.001
Multiple Sclerosis	0.001
Organ Transplant	0.003
Stroke	0.004
Diagnosed – Terminal Illness	0.001
Total	0.089

Table 2

Recurrence – Per \$1,000

	Monthly
Illness	Claims Cost
Coronary Bypass Surgery	0.014
Heart Attack	0.006
Invasive Cancer	0.007
In-Situ Cancer	0.001
Kidney/Renal Failure	0.001
Stroke	0.001
Total	0.030

Table 3

Health Screening Benefit

Max	Tests	Per	Person	Per	Year
1	2	3	4	5	6
3.46	6.60	9.46	12.09	14.52	16.79

Table 4

Employer Contribution	Factor
None	1.00
25%	0.96
50%	0.91
100%	0.77

Table 5

Pre-Ex	Factor
Virgin Group - Include Pre-Ex	1.00
Waive Pre-Ex Less Than 200 Enrolled	1.06
Waive Pre-Ex 200 Or More Enrolled	1.00

Table 6

Average Age	Factor
Less Than 40	1.00
40 To 49	1.10
50 To 54	1.15
55 to 59	1.20
60 Or More	999.00

Table 7

Female Content	Factor
Female % - 60% Or Less	1.00
Female % - 60% To 75%	1.10
Female % - More Than 75%	1.15

Table 8

Employment Turnover	Factor
Less Than 50%	1.00
50% Or More	1.10

Table 9

Industry Adjustments	Factor
Realtors	1.35
Trucking	1.30
Professional Employment Organizations	1.35
Employee Leasing Companies	1.25
Nursing Homes	1.25
All Others	1.00

Table 10

Expense Formula

Expense Components	
Commissions	25.00
Premium Tax	2.50
New Business Expenses	2.50
Administration Expenses	5.00
Contingency and Risk Margin	2.50
Profit	2.50
Total	40.00

State: District of Columbia

Filing Company:

Axis Insurance Company

TOI/Sub-TOI: H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness

Product Name: GCI-DC-RATE-REV

Project Name/Number: /

Supporting Document Schedules

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

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	AXIS Plisky Authorization-2013.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Critical_Illness_Filing_April_2014_General.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

PLIS-129538015

State Tracking #:

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GCI-DC-RATE-REV

State:

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Filing Company:

Axis Insurance Company

TOI/Sub-TOI:

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Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

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

PLISKY PLISKY & CO. LLC

617 UNION AVENUE, UNIT 1-21 ♦ BRIELLE, NJ 08730 ♦ PHONE: (732) 223-0770 ♦ FAX: (732) 223-1776

May 9, 2014

Commissioner of Insurance
Department of Insurance, Securities and Banking
Government of the District of Columbia
810 First Street, NE #701
Washington, DC 20002

RE: **Axis Insurance Company** **NAIC#: 3416 37273 / FEIN#: 39-1338397**
 Group Critical Illness **TOI: H07G.001**

Company Tracking No.: GCI-DC-RATE-REV
SERFF Tracking No.: PLIS-129538015
Corresponding policy forms: T-GCI-001-0112-DC et al.

Dear Sir or Madam:

On behalf of AXIS Insurance Company, Plisky Plisky & Co., LLC is submitting this Rate Filing for your review and approval. Please find enclosed a letter of authorization.

This Rate Filing is intended to replace the Rate Filing that was approved on June 12, 2013 as SERFF Tracking No. PLIS-129028423. The purpose of this Rate Filing is to update the rate manual.

We propose an effective date of June 16, 2014.

There is only one D.C. group policyholder at this time with only \$7,028 in written premium. The expected overall premium impact of this Rate Filing on this D.C. group policyholder is \$0.

The corresponding Group Critical Illness policy forms (form # T-GCI-001-0112-DC et al.) were approved in D.C. on July 25, 2013 as SERFF Tracking No. PLIS-129028317.

If you have any questions, please contact me directly at (732) 223-0770 or j.plisky@verizon.net.

Sincerely,



John M. Plisky, Consultant



AXIS

1 University Square Drive
Suite 200
Princeton, NJ 08540

October 25, 2013

**Re: AXIS Insurance Company
NAIC Company Number: 37273
Group Filing Submissions**

To Whom It May Concern:

Plisky Plisky & Co. LLC is hereby authorized to submit rate and form filings on behalf of AXIS Insurance Company. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed to be in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to John Plisky at the following address:

John M. Plisky, President
Plisky Plisky & Co. LLC
617 Union Ave., Unit 1-21
Brielle, NJ 08730
j.plisky@verizon.net
ph: (732) 223-0770
fax: (732) 223-1776

Please contact me if you have any questions regarding this authorization.

Sincerely,

A handwritten signature in black ink that reads "Megan K. Morehead". The signature is written in a cursive, flowing style.

Megan K. Morehead, Esq.
Assistant Vice President – Compliance & Product
AXIS Accident & Health
Office: 609-375-9117
Mobile: 609-216-3342
Megan.Morehead@AXIScapital.com



**AXIS INSURANCE COMPANY
ACTUARIAL MEMORANDUM**

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April, 2014

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