

**State:** District of Columbia  
**TOI/Sub-TOI:** H21 Health - Other/H21.000 Health - Other  
**Product Name:** Limited Benefit  
**Project Name/Number:** Preventive Care/LRS-9499-0913 Rates

**Filing Company:** Reliance Standard Life Insurance Company

## Filing at a Glance

Company: Reliance Standard Life Insurance Company  
Product Name: Limited Benefit  
State: District of Columbia  
TOI: H21 Health - Other  
Sub-TOI: H21.000 Health - Other  
Filing Type: Rate  
Date Submitted: 07/08/2014  
SERFF Tr Num: RSLI-129625825  
SERFF Status: Assigned  
State Tr Num:  
State Status:  
Co Tr Num: LRS-9499-0913  
Implementation: On Approval  
Date Requested:  
Author(s): William Dougherty, John Martin, Jeff Sheats  
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: Preventive Care  
Project Number: LRS-9499-0913 Rates  
Requested Filing Mode: Review & Approval  
Explanation for Combination/Other:  
Submission Type: New Submission  
Group Market Type: Employer  
Filing Status Changed: 07/16/2014  
State Status Changed:  
Created By: Jeff Sheats  
Corresponding Filing Tracking Number:

Status of Filing in Domicile:  
Date Approved in Domicile:  
Domicile Status Comments:  
Market Type: Group  
Group Market Size: Large  
Overall Rate Impact:  
Deemer Date:  
Submitted By: Jeff Sheats

PPACA: Not PPACA-Related

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

RE: Reliance Standard Life Insurance Company

NAIC #: 074-68381

FEIN #: 36-0883760

Actuarial Filing for Group Limited Benefit Policy Policy: LRS-9499-0913 (A) (DC) et al

Attached for your review and approval is the Actuarial Filing in support of the above referenced forms, submitted on behalf of Reliance Standard Life Insurance Company. The forms and Actuarial support are new and are not intended to replace any forms previously approved by your Department. The forms have been submitted under separate cover once we have approval for the rates.

The Policy is a limited benefit insurance policy designed to provide coverage for preventive health services described in the Federal Affordable Care Act to persons who are eligible. Coverage for all eligible dependents or just eligible children may be made available as well. The target market is large employer groups in your state.

The company anticipates this product will be sought by large employer groups that have a self-funded plan of health benefits under the Employee Retirement Income Security Act (ERISA) and do not want to take on the additional self-funded risk for expenses related to the preventive care services mandate under the federal Affordable Care Act (ACA). We believe this product is a viable fully-insured option for such employers who wish to have these high frequency preventive benefits covered on a fully-insured basis separate from their self-funded plan experience.

Additionally, there may be large employers that elect not to provide an insured employer-sponsored group contract. In this regard, the product can be a valuable asset for large employers to help manage their obligations under ACA as this benefit design is acknowledged to meet the regulatory requirements for minimum essential coverage under ACA.

(Note that ACA requires non-grandfathered individual and small group plans (less than 50 eligible lives) to cover a standard "essential health benefits" (EHB) package that meets pre-determined benefit levels and holds cost sharing to specified limits. However for large group health plans, only the benefit levels and out of pocket maximum rules apply. Since the EHB rules under ACA do not apply to large insured group health plans, there is no requirement in the law specifying the types of benefits

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that must be covered under minimum essential coverage for large groups.)

Recent federal regulations implementing the individual mandate penalty tax further clarify that an employer-sponsored plan (i.e., "minimum essential coverage") is a "group health plan" as defined under the Public Health Services Act (PHSA). PHSA provides that a group health plan means an "employee welfare benefit plan" as defined under ERISA. A plan that covers only preventive health services is an employee welfare benefit plan under ERISA, as it would be considered "a plan, fund, or program established and maintained by an employer that provides medical care or benefits through the purchase of health insurance or otherwise". Therefore, the company's product is a group health plan under PHSA, and thus, "minimum essential coverage" for purposes of ACA. The product is compliant under ACA and does not impose any benefit limits or any prohibited out-of-pocket expenses for covered employees. It also complies with minimum loss ratio requirements as specified by ACA.

## Company and Contact

### Filing Contact Information

Jeff Sheats, [jsheats@exllc.com](mailto:jsheats@exllc.com)  
6625 Lyndale Ave. South 612-354-7744 [Phone]  
Richfield, MN 55423

### Filing Company Information

Reliance Standard Life Insurance Company	CoCode: 68381	State of Domicile: Illinois
2001 Market Street	Group Code: 3098	Company Type:
Suite 1500	Group Name:	State ID Number:
Philadelphia, PA 19103-7090	FEIN Number: 36-0883760	
(800) 351-7500 ext. [Phone]		

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## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

**SERFF Tracking #:**

RSLI-129625825

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

LRS-9499-0913

**State:**

District of Columbia

**Filing Company:**

Reliance Standard Life Insurance Company

**TOI/Sub-TOI:**

H21 Health - Other/H21.000 Health - Other

**Product Name:**

Limited Benefit

**Project Name/Number:**

Preventive Care/LRS-9499-0913 Rates

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Actuarial Memorandum	LRS-9499-0913 (A) (DC), LRS-9500-0913 (A) (DC), LRS-9501-0913 (DC)	New		RSL Preventive Care Policy Actuarial Memo Spouse Final.pdf,

## Reliance Standard Life Insurance Company

### Actuarial Rate Memorandum

#### Limited Benefit Policy Form Series LRS-9499-0913

#### Scope and Purpose

This is a new rate filing for the policy form. The purpose of this memorandum is to provide the rating basis for a plan that provides Minimum Essential Coverage (MEC) for larger employer groups as defined by the Affordable Care Act (ACA).

#### Benefit Description

Subject to the terms, conditions, exclusions, and limitations set forth in the Schedule of Benefits including co-payments and benefit levels, the following is a description of the primary features of the MEC plan.

- Covers Preventive Services only as outlined by the U.S Preventive Services Task Force and as outlined in ACA, including contraceptives
- Pays 100% for all covered services
- There are no deductibles, no co-pays except as noted below, no annual or lifetime limits
- A provision for prescriptions that applies a co-pay to branded contraceptives

A detailed description of the plan benefits and sample rates can be found in Attachment A.

Benefits not covered include, but are not limited to, the following:

- Injury or self-inflicted bodily harm
- Sickness or disease
- Preventive health services not included under ACA
- Preventive health services rendered outside of the United States
- Preventive health services by a family member
- Acts of War

A complete description of benefits and limitations is contained in the policy form.

#### Renewability

Individual coverage can only be terminated for reasons stated in the policy. The Company reserves the right to change premiums from time to time on in force policies.

#### Morbidity Basis

- Claim costs for Preventive Services Only are based on the 2007 Milliman Healthcare Cost Database trended to 2013 at an annual rate of 4%. The base Milliman claim costs are adjusted to recognize expected differences in utilization rates for populations expected to purchase this coverage and for benefit limitations not explicitly reflected in the Milliman claim costs
- Claim costs for Contraceptive Services Only are based on data from the National Center for Health Statistics (NCHS Series 23, No. 29, Page 21-23).
- In addition claim costs may be adjusted by:
  - A loading factor if the average age exceeds 40
  - A loading factor to reflect unique risks presented by selected industry categories
  - A loading factor if the plan is offered on a fully voluntary basis
  - An adjustment factor if the demographic characteristics of the group are projected to result in increased utilization of contraceptive services

## Reliance Standard Life Insurance Company

### Actuarial Rate Memorandum

#### Limited Benefit Policy Form Series LRS-9499-0913

The plan design may be adjusted or refined in the future to create reasonable variations of the plan shown. As new benefit designs are developed and marketed under this policy form, the rates will be determined consistent with the underlying experience for similarly designed plans in conjunction with a review of original morbidity assumptions.

For larger groups with previous experience under similar plans, claim costs based on case specific experience data may be substituted for manual claim costs. This substitution will not take place for groups with less than 200 participants.

#### Mortality

Due to the one-year renewable nature of the group pricing, we assumed no mortality.

#### Persistency

Due to the one-year renewable nature of the group pricing, we assumed no lapses.

#### Marketing Method

This policy will be marketed to employers by employee benefit brokers. The plan will be either fully paid by the employer or it may be individually selected by employees on a payroll deduction basis. The target market is full-time employees who work at least 30 hours per week.

#### Underwriting

This plan will be guaranteed issue to eligible employees within a group without any pre-existing condition exclusions.

#### Premium Classes

Premium rates for the attached plan are on a five-tier structure: employee, employee plus spouse, employee plus one child, employee plus children and employee plus family. The table below shows the approximate relationship of the multi-tier rates to the employee rate. The same rates are charged to all individuals within a group.

#### Approximate Relationship of Multi-Tier Rates to Employee Rate

<u>Rating Tier</u>	<u>Factors</u>
Employee:	100%
Employee + Spouse	150%
Employee + Child:	200%
Employee + Children:	310%
Employee + Family	360%

Alternative tier structures may be developed on a case specific basis with actuarially equivalent adjustments to the rating factors.

#### Average Annual Premium

The expected average annual premium for an employee is \$370. With the expected mix of dependent coverage, the annual premium cost per employee increases to approximately \$475.

## Reliance Standard Life Insurance Company

### Actuarial Rate Memorandum

#### Limited Benefit Policy Form Series LRS-9499-0913

#### Trend Assumptions

Medical trend is expected to have a lower impact on this plan than on comprehensive plans. No medical trend beyond December 2013 was built into the current pricing structure. Appropriate trend factors will be developed for subsequent periods. Trends will be applied to rates for existing and new groups. Typically, new business rates for this plan will be updated annually and rates for existing groups will be applied on the policy anniversary at renewal.

#### Issue Age Range

This policy will be available to those actively employed working 30+ hours per week.

#### Area Factors

Typically, there are no area factors applied in the rating of this product as most groups covered under this form will have employees distributed across multiple states. However, if a particular group has employees concentrated in a single location with medical costs significantly higher or lower than national norms, adjustments to the claim costs may be made.

#### Premium Modalization Rules

The expected mode will generally be monthly. Weekly and bi-weekly modes will be much less common but available.

#### Claim Liability and Reserves

Claim reserves will be set using appropriate actuarial methodology. IBNR is calculated to be a factor of earned premium, based on monthly/quarterly lag studies of past experience. Future lag studies will determine future IBNR levels. Reserve patterns have typically run off over 12-18 months.

#### Active Life Reserves

Due to the group rating nature of this product and the annual renewable nature of premiums, active life reserves do not arise.

#### Anticipated Loss Ratio

The Anticipated Loss Ratio for this plan design is 83%.

#### Experience and Rate History

This is a new plan. Therefore, there is no experience available for this plan and there are no prior rate adjustments.

#### Assumed Distribution of Business

The distribution of business reflects a working population.

**Reliance Standard Life Insurance Company**

Actuarial Rate Memorandum

Limited Benefit Policy Form Series LRS-9499-0913

Proposed Effective Date

The policy will be available for sale immediately upon approval.

Actuarial Certification

To the best of my knowledge and judgment, this entire rate filing is in compliance with the applicable laws of this State and with the rules of the Department of Insurance and that the benefits are reasonable in relation to the proposed premiums.

A handwritten signature in cursive script that reads "Warren M. Cohen".

Warren M. Cohen, F.S.A., M.A.A.A.  
Senior Vice President Actuarial  
February 18, 2014



**Reliance Standard Life Insurance Company**

Actuarial Rate Memorandum

Limited Benefit Policy Form Series LRS-9499-0913

**ATTACHMENT A  
MINIMUM ESSENTIAL COVERAGE PLAN SUMMARY**

General Plan Information

Copays: \$0, unless otherwise Indicated

Deductible: \$0

Benefit % Payable by Plan: 100%

Plan Annual maximum: Unlimited

Plan Lifetime maximum: Unlimited

Covered Services for Children & Adolescents:

- Well child exams
  - History
  - Physical exam
  - Measurements (Height, Weight & Body Mass Index)
  - Vision acuity test
  - Developmental & behavioral assessments
  - Oral health assessment
  - Anticipatory guidance
  
- Immunizations
  - Diphtheria, Tetanus, Pertussis
  - Haemophilus influenza type B
  - Hepatitis A & B
  - Human Papillomavirus (HPV)
  - Influenza (Flu)
  - Measles, Mumps, Rubella
  - Meningococcal
  - Pneumococcal (Pneumonia)
  - Inactivated Poliovirus
  - Rotavirus
  - Varicella (Chickenpox)
  
- Screenings
  - Hearing loss, hypothyroidism, sickle cell disease, and phenylketonuria (PKU) in newborns
  - Hematocrit or hemoglobin screening
  - Obesity screening
  - Lead screening
  - Dyslipidemia screening for children at higher risk of lipid disorder
  - Tuberculin testing
  - Depression screening
  - Screening for sexually transmitted infections (STIs)
  - HIV screening
  - Cervical dysplasia screening
  
- Preventive treatments
  - Gonorrhea preventive medication for eyes of all newborns

**Reliance Standard Life Insurance Company**

Actuarial Rate Memorandum

Limited Benefit Policy Form Series LRS-9499-0913

Covered Services for Adults

- Annual preventive care visit
  - History
  - Physical exam
  - Measurements (Height, Weight & Body Mass Index)
  
- Immunizations
  - Diphtheria, Tetanus, Pertussis
  - Hepatitis A & B
  - Human Papillomavirus (HPV)
  - Influenza (Flu)
  - Measles, Mumps, Rubella
  - Meningococcal
  - Pneumococcal (Pneumonia)
  - Varicella (Chickenpox)
  - Zoster
  
- General Health Screenings
  - Blood pressure
  - Cholesterol screening based on age and individual risk factors
  - Depression screening
  - Diabetes screening for adults with high blood pressure
  - HIV screening
  - Obesity screening
  
- General Health Screenings, continued
  - Sexually transmitted infection (STI) screenings (Chlamydia, Gonorrhea, Syphilis)
  
- Cancer Screening
  - Colorectal cancer screenings using fecal occult blood testing, sigmoidoscopy or colonoscopy
  
- Health Counseling
  - Alcohol misuse
  - Healthy diet
  - Obesity
  - Prevention of sexually transmitted infections (STIs)
  - Tobacco use
  - Use of aspirin to prevent cardiovascular disease
  - Use of folic acid
  
- Men Only
  - Abdominal Aortic Aneurysm screening
  
- Women Only
  - Annual well woman visit
  - Screening mammography
  - Cervical cancer screening including pap smear
  - Osteoporosis screening

## Reliance Standard Life Insurance Company

### Actuarial Rate Memorandum

Limited Benefit Policy Form Series LRS-9499-0913

#### Covered Services for Adults, continued

- Women Only, continued
  - Genetic counseling and evaluation for BRCA testing where family history is associated with an increased risk
  - Human Papillomavirus (HPV) DNA test
  - Chemoprevention of Breast cancer
  - Domestic violence counseling
  - Female sterilization: Tubal ligation
  - Contraception
    - o Generic prescription contraceptives approved by FDA and covered under the plan
    - o Branded prescription contraceptives approved by FDA and covered under the plan (\$50 Copay per prescription)
    - o Over-the-counter contraceptives approved by the FDA (i.e., foam, sponge, female condoms) when prescribed by a physician
  
- Pregnant Women
  - Alcohol misuse screening and counseling
  - Anemia screening
  - Bacteriuria screening
  - Blood test screening for Rh incompatibility
  - Gestational Diabetes screening
  - Hepatitis B screening
  - Screening for Sexually Transmitted Infections (STIs), including Chlamydia, Gonorrhea and Syphilis
  - Tobacco cessation counseling
  
- Breastfeeding Women
  - Breastfeeding specialist/nurse practitioner with state recognized certification who is in provider network
  - Breastfeeding support and counseling by a trained in-network provider while you are pregnant and/or after you've given birth
  - Manual breast pump

#### Sample Monthly Rates

Employee Only	\$31.00
Employee + Spouse	\$47.00
Employee +1 Child	\$62.00
Employee + Children	\$96.00
Employee + Family	\$112.00

#### Required Employer Contribution

100% of Ee Only rate

SERFF Tracking #:

RSLI-129625825

State Tracking #:

Company Tracking #:

LRS-9499-0913

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 Product Name: Limited Benefit  
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Filing Company: Reliance Standard Life Insurance Company

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	RSL District of Columbia Preventive Care 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>	RSL DC Authorization Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Memorandum
<b>Bypass Reason:</b>	Actuarial Memorandum attached to Rate/Rule Schedule.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	See Actuarial Memorandum attached to Rate/Rule Schedule.
<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>	Not P&C filing
<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>	Not P&C filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

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H21 Health - Other/H21.000 Health - Other

Product Name:

Limited Benefit

Project Name/Number:

Preventive Care/LRS-9499-0913 Rates

<b>Bypassed - Item:</b>	Consumer Disclosure Form
<b>Bypass Reason:</b>	Not applicable. Not ACA filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	Not applicable. Not ACA filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	Not applicable. Not ACA filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



Consulting Underwriters

Suite 400 Woodlake Center  
6625 Lyndale Avenue South  
Richfield, MN 55423

Jeffrey C. Sheats  
612/354-7744

E-mail: jsheats@exllc.com

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July 8, 2014

Mr. Chester A. McPherson  
Interim Commissioner  
Government of the District of Columbia  
Department of Insurance, Securities and Banking  
810 First Street NE, Suite 701  
Washington, DC 20002

RE: Reliance Standard Life Insurance Company  
NAIC #: 074-68381  
FEIN #: 36-0883760

Actuarial Filing for Group Limited Benefit Policy Policy: LRS-9499-0913 (A) (DC) et al

Commissioner McPherson:

Attached for your review and approval is the Actuarial Filing in support of the above referenced forms, submitted on behalf of Reliance Standard Life Insurance Company. The forms and Actuarial support are new and are not intended to replace any forms previously approved by your Department. The forms will be submitted under separate cover once we have approval for the rates.

The Policy is a limited benefit insurance policy designed to provide coverage for preventive health services described in the Federal Affordable Care Act to persons who are eligible. Coverage for all eligible dependents or just eligible children may be made available as well. The target market is large employer groups in your state. There are currently no DC policyholders and no premium experience. The policy form is being filed in the District of Columbia solely for issuance to policyholders within the district.

The company anticipates this product will be sought by large employer groups that have a self-funded plan of health benefits under the Employee Retirement Income Security Act (ERISA) and do not want to take on the additional self-funded risk for expenses related to the preventive care services mandate under the federal Affordable Care Act (ACA). We believe this product is a viable fully-insured option for such employers who wish to have these high frequency preventive benefits covered on a fully-insured basis separate from their self-funded plan experience.

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If you have any questions, please do not hesitate to call our office.

Sincerely,

Jeffrey C Sheats  
Compliance Consultant

July 8, 2014

Mr. Chester A. McPherson  
Interim Commissioner  
Government of the District of Columbia  
Department of Insurance, Securities and Banking  
810 First Street NE, Suite 701  
Washington, DC 20002

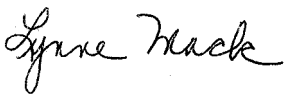
Commissioner McPherson:

This is to inform you that EXL, LLC, 509 South Lenola Road, Building 2, Moorestown, New Jersey, 08057, has been retained to act on our behalf as indicated herein.

EXL, LLC is hereby authorized to act for Reliance Standard Life Insurance Company in any governmental jurisdiction of the United States in matters regarding the filing of forms, rates, and advertising materials, and any other materials incident to the acceptance of such filings, for life and accident and health insurance.

Your cooperation in working with EXL, LLC is greatly appreciated.

Sincerely,



Lynne Mack, CLU  
Assistant Vice President, Compliance  
Reliance Standard Life Insurance Co.  
2001 Market Street, Suite 1500  
Philadelphia, PA 19103  
1-800-351-7500 Extension 3996  
FAX: 267-256-3546