

**State:** District of Columbia **Filing Company:** Transamerica Life Insurance Company  
**TOI/Sub-TOI:** MS02G Group Medicare Supplement - Pre-Standardized/MS02G.000 Medicare Supplement - Pre-Standardized  
**Product Name:** 2013 Transamerica Life Insurance Company AMA PreStandard Group Medicare Supplement Rate Filing  
**Project Name/Number:** Medicare Supplement Rates/07 pregrp

### Filing at a Glance

Company: Transamerica Life Insurance Company  
Product Name: 2013 Transamerica Life Insurance Company AMA PreStandard Group Medicare Supplement Rate Filing  
State: District of Columbia  
TOI: MS02G Group Medicare Supplement - Pre-Standardized  
Sub-TOI: MS02G.000 Medicare Supplement - Pre-Standardized  
Filing Type: Rate  
Date Submitted: 11/15/2013  
SERFF Tr Num: AEGC-129286884  
SERFF Status: Assigned  
State Tr Num:  
State Status:  
Co Tr Num: 1081  
Implementation: 05/01/2014  
Date Requested:  
Author(s): Teri Schaffer-Jones, Kristina Davis, Sharon Miles  
Reviewer(s): Donghan Xu (primary), Alula Selassie  
Disposition Date:  
Disposition Status:  
Implementation Date:  
State Filing Description:

**State:** District of Columbia **Filing Company:** Transamerica Life Insurance Company  
**TOI/Sub-TOI:** MS02G Group Medicare Supplement - Pre-Standardized/MS02G.000 Medicare Supplement - Pre-Standardized  
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## General Information

Project Name: Medicare Supplement Rates	Status of Filing in Domicile: Pending
Project Number: 07 pregrp	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments: The rates for this policy form in our domiciliary state of Iowa are pending.
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Large
Group Market Type: Association	Overall Rate Impact: 1.5%
Filing Status Changed: 11/18/2013	
State Status Changed:	Deemer Date:
Created By: Sharon Miles	Submitted By: Sharon Miles
Corresponding Filing Tracking Number:	

**Filing Description:**  
 2013 Medicare Supplement Rate Filing for Transamerica Life Insurance Company AMA PreStandard Group.  
 Policy Form(s): F-65872

Enclosed is our rate submission for all benefits contained in Medicare Supplement plans issued prior to the 1992 Medicare regulations. This rate revision would be effective the first day of the month following 90 days from the effective date of approval.

To aid in the rate review process, the actuarial memorandum is in line with the rate revision filing format recommended in the NAIC Medicare Supplement Model Regulations Compliance Manual.

## Company and Contact

### Filing Contact Information

Sharon Miles, Actuarial Administrator	Sharon.Miles@transamerica.com
100 Light Street	800-233-4624 [Phone] 5466 [Ext]
Mail Stop B-3449	410-209-5910 [FAX]
Baltimore, MD 21202	

### Filing Company Information

Transamerica Life Insurance Company	CoCode: 86231	State of Domicile: Iowa
4333 Edgewood Road NE	Group Code: 468	Company Type: Life and Health
Cedar Rapids, IA 52499	Group Name:	State ID Number:
(800) 233-4624 ext. [Phone]	FEIN Number: 39-0989781	

## Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

**State:** District of Columbia **Filing Company:** Transamerica Life Insurance Company  
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## Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 4.500%  
**Effective Date of Last Rate Revision:** 05/01/2013  
**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):
Transamerica Life Insurance Company	1.500%	1.500%	\$143	1	\$9,504	1.500%	1.500%

SERFF Tracking #:

AEGC-129286884

State Tracking #:

Company Tracking #:

1081

State:

District of Columbia

Filing Company:

Transamerica Life Insurance Company

TOI/Sub-TOI:

MS02G Group Medicare Supplement - Pre-Standardized/MS02G.000 Medicare Supplement - Pre-Standardized

Product Name:

2013 Transamerica Life Insurance Company AMA PreStandard Group Medicare Supplement Rate Filing

Project Name/Number:

Medicare Supplement Rates/07 pregrp

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Exhibit A	F-65872	Revised	Previous State Filing Number: Percent Rate Change Request: 1.5	exhibita_p.pdf,

**Exhibit A**  
**Transamerica Life Insurance Company**

**Mass Marketed Pre-Standard Group Medicare Supplement  
Premium Rates AMA Business Issued Prior To 01/01/1997  
District of Columbia  
Form Number: F-65872 w/Rx**

**Current Monthly Premium Rates**

<b>Attained Age</b>	<b>Rates</b>
65 - 69	587.80
70 - 74	733.97
75 - 79	857.87
80 - 89	887.16
90 & Up	887.16

**Proposed Rate Change**

All Ages	1.5%
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**Proposed Monthly Premium Rates**

<b>Attained Age</b>	<b>Rates</b>
65 - 69	596.61
70 - 74	744.98
75 - 79	870.74
80 - 89	900.46
90 & Up	900.46

	<b>Annual</b>	<b>Semi-Annual</b>	<b>Quarterly</b>	<b>Monthly</b>	<b>Auto-Monthly</b>
<b>Modal Factors</b>	11.000	5.760	3.000	1.000	0.920

**Exhibit A**  
**Transamerica Life Insurance Company**

**Mass Marketed Pre-Standard Group Medicare Supplement  
 Premium Rates AMA Business Issued Prior To 01/01/1997  
 District of Columbia  
 Form Number: F-65872 wo/Rx**

**Current Monthly Premium Rates**

<b>Attained Age</b>	<b>Rates</b>
65 - 69	280.38
70 - 74	350.10
75 - 79	409.20
80 - 89	423.18
90 & Up	423.18

**Proposed Rate Change**

All Ages	1.5%
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**Proposed Monthly Premium Rates**

<b>Attained Age</b>	<b>Rates</b>
65 - 69	284.58
70 - 74	355.35
75 - 79	415.34
80 - 89	429.53
90 & Up	429.53

	<b>Annual</b>	<b>Semi-Annual</b>	<b>Quarterly</b>	<b>Monthly</b>	<b>Auto-Monthly</b>
<b>Modal Factors</b>	11.000	5.760	3.000	1.000	0.920

**State:** District of Columbia **Filing Company:** Transamerica Life Insurance Company  
**TOI/Sub-TOI:** MS02G Group Medicare Supplement - Pre-Standardized/MS02G.000 Medicare Supplement - Pre-Standardized  
**Product Name:** 2013 Transamerica Life Insurance Company AMA PreStandard Group Medicare Supplement Rate Filing  
**Project Name/Number:** Medicare Supplement Rates/07 pregrp

## Supporting Document Schedules

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

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	N/A to this filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	actmemo_w supporting docs.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	Information can be found in the Actuarial Memorandum, in the 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>	N/A to this 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>	N/A to this filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	

**SERFF Tracking #:**

AEGC-129286884

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

1081

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<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	N/A to this 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>	N/A to this
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Life, Accident & Health Transmittal Document
<b>Comments:</b>	
<b>Attachment(s):</b>	uniform_transmittal.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

Transamerica Life Insurance Company  
Actuarial Administrative Office

100 Light Street  
Baltimore, MD 21202-2559  
Telephone: 800-233-4624  
Fax: 410-209-5910  
Email: msapprovals@aegonusa.com

November 13, 2013

Ms. Monica Myers  
Health Rate Filings  
Department of Insurance and Securities Regulation  
810 1st Street, N.E., Suite 701  
Washington, District of Columbia 20002

Attention: Life and Health Division

**RE:** Transamerica Life Insurance Company: Medicare Supplement Rate Filing for Pre-Standard Group Medicare Supplement  
**NAIC#:** 468-86231 **FEIN#:** 39-0989781  
**UNIFORM MATRIX TOI DESCRIPTION:** MS02G Group Medicare Supplement - Pre Standardized  
**UNIFORM MATRIX SUB TOI:** MS02G.000 Medicare Supplement - Pre-Standardized

**FILING NUMBER #:** 1081

**POLICY FORM NUMBER(s):**

F-65872

Dear Ms. Myers:

Enclosed is our rate submission for all benefits contained in Medicare Supplement plans issued prior to the 1992 Medicare regulations. Any rate revisions would be effective the first day of the month following 90 days from the effective date of the approval.

To aid in the rate review process, the actuarial memorandum is in line with the rate revision filing format recommended in the NAIC Medicare Supplement Model Regulations Compliance Manual.

Enclosed to complete this submission are:

- Actuarial Memorandum with Exhibit A
- Life, Accident & Health Transmittal Document
- Projection Exhibit
- Actual to Expected Analysis

Should you have any questions or concerns, please feel free to call me at 800-233-4624 extension 5236 or our Actuary, Stephen Baloga at extension 5226. For your convenience you can email us at msapprovals@aegonusa.com. If you prefer, our fax number is 410-209-5910.

Sincerely,



Teri Schaffer,  
Actuarial Administrative Supervisor

Transamerica Life Insurance Company  
Pre-Standard Group Medicare Supplement  
2013 Annual Rate Filing  
**District of Columbia**

**Purpose and Scope of Filing**

The purpose and scope of this filing is to request a rate revision and demonstrate compliance with loss ratio standards.

Any rate revisions will be applied uniformly to all insureds whose policy was issued in your state

Rate Increase requested 1.5%

**General Description**

- Policy Form Number(s):  
F-65872
- Benefits: These policy forms offers coverage of Medicare approved benefits under both Part A and B. Riders offered under this plan are Foreign Country, Private Duty Nursing, Skilled Nursing, Prescription Drugs, Actual Charges, Low Dose Mammography, Hospice Care and Respite Care.
- Renewal Provision: Guaranteed Renewable
- Marketing Method: Mass Marketed
- Underwriting Method: This is a closed block of business.
- Pre-Ex Condition: No new business is being issued.
- Issue Age Limits: These policy forms were issued to applicants age 65 and over who were eligible for Medicare.
- Premium Basis: All premiums are based on an attained age basis.
- Domiciliary Status: The rates for this policy form in our domiciliary state of Iowa are pending.

Transamerica Life Insurance Company  
Pre-Standard Group Medicare Supplement  
2013 Annual Rate Filing  
District of Columbia

**Other**

These policy forms represent a closed block of business.

Modal Factors:

<b>Mode</b>	<b>Factor</b>
Annual	11.000
Semi-Annual	5.760
Quarterly	3.000
Monthly	1.000
Auto-Monthly	0.920

**Rate Methodology / Assumptions**

In this rate filing, we have assumed a trend rate of 7.6%, which includes adjustments for inflation, including changes in the Medicare Part A Deductible and utilization. In addition at the beginning of 2014, we will be implementing electronic claim payments for all Part A claims, which is also factored into the assumption. An experience adjustment of <6.0%> was assumed to develop the total requested rate increase of 1.5%

As in last year's filing, we have included a provision in our projection for a Benefit Reduction factor. This factor accounts for an expected reduction in drug claims as a result of a reduction in the plan's drug benefit in states where this reduction was allowed. The benefit was being modified from a 70%/60% coinsurance allowance on generic/brand to a 60%/50% coinsurance allowance.

**Other Assumptions**

Compensation: Renewal 8.0%

Lapse Rates: All Years 10.0%

Mortality/Morbidity: Claim data was developed from actual company experience under these group policies, originally issued by Provident Life and Accident Insurance Company, assumed by Life Investors Insurance Company of America. Life Investors was recently merged into Transamerica Life Insurance Company. This data was supplemented by trend information from Milliman USA and also Consumer Price Index data.

Interest: Assumed rate of 5.0%

Expense: Maintenance - 9.5%

Transamerica Life Insurance Company  
 Pre-Standard Group Medicare Supplement  
 2013 Annual Rate Filing  
 District of Columbia

**Rates and Rating Factors**

Please refer to Exhibit A for both the current and proposed rate schedules. This rate revision would be effective the first day of the month following 90 days from the effective date of the approval.

**Rate History**

Prior to 1997, these policies were written by Provident Life & Accident Insurance Company. Life Investors assumed this business in 1997. Rate increases implemented in your state since that time, are as follows:

<b>For Use In</b>	<b>Mass Marketed</b>
1997	11.10%
1999	29.00%
2000	21.00%
2001	17.50%
2002	12.50%
2003	7.00%
2004	5.00%
2005	6.30%
2006	0.00%
2007	9.00%
2008	22.00%
2010	13.00%
2012	4.50%

**Estimated Average Annual Premium Rate/In Force Policy Counts**

The estimated new business average premium and the total number of lives covered, for your state, as well as the nationwide number of lives covered, as of August 31, 2013 is as follows:

<b>Form Number</b>	<b>Plan Name</b>	<b>Average Annual Premium</b>	<b>State Number of Lives</b>	<b>Nationwide Number of Lives</b>
F-65872		10,806	1	1,641
Total Lives			1	1,641

**Historical Earned Premium and Incurred Claims**

Historical earned premium and incurred claims are presented in the enclosed Projection Exhibit.

Transamerica Life Insurance Company  
Pre-Standard Group Medicare Supplement  
2013 Annual Rate Filing  
District of Columbia

**Loss Ratio Projection**

We expect the ratio of the present value of all future benefits to the present value of all future premiums to be 75.0% for each benefit this year and all future years.

Since there are a total of 1 insureds in your state, claim experience is not credible. As a result, our experience adjustments are based on nationwide experience.

We have adjusted our Nationwide data on the Projection Exhibit to reflect the increases that have not yet been implemented. This is what is meant by the term Current Rate Level (CRL). A separate section on the projection has been added to show this adjustment.

**Actuarial Certification**

I certify to the best of my knowledge and judgment, the following are true with respect to this Medicare Supplement rate filing:

- the assumptions present my best judgment as to the expected value for each assumption and are consistent with Transamerica's business plan at the time of the filing;
- the anticipated lifetime loss ratio, future loss ratios, and third year loss ratios all equal or exceed the applicable ratio;
- the filed rates maintain the proper relationship between policies which had different rating methodologies;
- the filing was prepared based on current standards of practice as promulgated by the Actuarial Standards Board;
- the filing is in compliance with the applicable laws and regulations in the state; and
- the rates are reasonable in relationship to the benefits.



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Stephen Baloga, A.S.A., M.A.A.A.  
Assistant Vice President and Actuary  
100 Light Street  
Baltimore, MD 21202-2559  
800-233-4624

**Exhibit B**  
**Transamerica Life Insurance Company**  
**Historical Earned Premium and Incurred Claims**  
**Pre-Standard Group Medicare Supplement**

**Total All Plans - District of Columbia Experience Exhibit**

Calendar Year	Earned Premium	Incurred Claims	Loss Ratio
1990	72,013	0	0.0%
1991	76,333	0	0.0%
1992	87,866	25,679	29.2%
1993	81,028	52,537	64.8%
1994	78,812	47,374	60.1%
1995	76,277	41,948	55.0%
1996	69,764	41,302	59.2%
1997	70,440	65,282	92.7%
1998	64,009	54,985	85.9%
1999	64,731	37,151	57.4%
2000	76,034	44,995	59.2%
2001	84,892	56,014	66.0%
2002	53,666	21,148	39.4%
2003	57,470	16,033	27.9%
2004	23,544	10,233	43.5%
2005	23,439	9,856	42.0%
2006	21,809	7,799	35.8%
2007	18,050	5,926	32.8%
2008	20,233	6,717	33.2%
2009	22,888	3,610	15.8%
2010	14,196	4,870	34.3%
2011	18,695	14,382	76.9%
2012	14,344	9,785	68.2%
Thru 6/2013	4,752	-1,354	-28.5%
Total	1,195,285	576,273	48.2%

**Total All Plans - Nationwide Experience Exhibit**

Calendar Year	Earned Premium	Incurred Claims	Loss Ratio
1985	9,008,261	6,342,182	70.4%
1986	10,259,830	6,179,922	60.2%
1987	12,493,358	7,959,007	63.7%
1988	13,884,599	11,486,482	82.7%
1989	14,523,508	11,028,172	75.9%
1990	16,271,543	11,200,664	68.8%
1991	20,843,975	14,351,820	68.9%
1992	24,569,624	15,950,496	64.9%
1993	22,903,018	17,029,430	74.4%
1994	23,211,952	16,508,629	71.1%
1995	22,415,562	16,817,672	75.0%
1996	21,436,762	16,120,505	75.2%
1997	20,895,706	16,609,185	79.5%
1998	21,390,439	21,029,160	98.3%
1999	21,253,293	20,553,123	96.7%
2000	24,563,601	19,612,786	79.8%
2001	25,243,863	17,159,485	68.0%
2002	25,435,558	18,578,563	73.0%
2003	24,976,438	16,343,039	65.4%
2004	23,307,807	16,169,332	69.4%
2005	22,119,181	14,532,198	65.7%
2006	18,721,444	14,805,822	79.1%
2007	16,462,534	14,073,337	85.5%
2008	15,518,141	12,553,680	80.9%
2009	14,891,234	12,417,692	83.4%
2010	13,301,923	10,863,355	81.7%
2011	12,671,431	10,137,405	80.0%
2012	11,366,222	7,451,309	65.6%
Thru 6/2013	5,165,042	3,779,827	73.2%
Total	529,105,848	397,644,280	75.2%



**Description of Formulas:**

**Current Rate Level(CRL) Factor Development**

**Premium:**

$$\text{CRL Premium Factor} = \frac{(1 + R)}{(1 + (R \times d/D))} - 1$$

R = Approved rate increase

d = # of days that R is in effect during the experience period

$$\text{Rate Increase Factor} = R \times d/D$$

D = Total # of days in the experience period

$$(\text{Total}) \text{ CRL Premium Factor}(2011) = \{[1 + \text{CRL Premium Factor}(2011)] \times [1 + \text{Rate Change}(2012)]\} - 1.$$

Nationwide CRL is an average of state CRLs, weighted by earned premium.

**Claims:**

$$(\text{Total}) \text{ CRL Claims Factor} = [(1 + \text{CRL Claims Trend Increase}) \times (1 + \text{CRL Adverse Selection Factor})] - 1.$$

The CRL Claims Trend Increase is consistent with the projected claims trend for the coming year (derived from a study published by Milliman USA). The CRL Adverse Selection Factor is the adverse selection associated with the CRL Premium Factor. These factors are derived from a study published by Milliman USA.

**Projected 2nd portion 2012 Calculations:**

$$\text{Premium} = (\text{1st Portion 2012 Premium} / 3) \times (1 + \text{First Portion CRL Premium Factor}(2012)) \times (1 + \text{Second Portion Rate Increase Factor}) \times (1 - \text{Lapse Rate}(2012))^{(1/4)} \times (1 + \text{Premium Aging}(2012))^{(1/4)}$$

$$\text{Claims} = (\text{1st portion 2012 Claims} / 3) \times (1 + \text{Claims Trend Factor}(2012))^{(1/4)} \times (1 + \text{First Portion CRL Adverse Selection}(2012)) \times (1 + \text{Rate Increase Factor Adverse Selection}) \times (1 - \text{Lapse Rate}(2012))^{(1/4)}$$

**Experience at Current Rate Level:**

$$\text{CRL Premium}(2011) = \text{Premium}(2011) \times [1 + \text{CRL Premium Factor}(2011)]$$

$$\text{CRL Claims}(2011) = \text{Claims}(2011) \times [1 + \text{CRL Claims Trend Factor}(2011)]$$

$$\text{CRL Premium}(2012) = \text{1st Portion 2012 Premium}(2012) \times [1 + \text{CRL Premium Factor}(2012)] + \text{Projected 2nd Portion 2012 Premium} \times [1 + \text{Second portion CRL Premium Factor}(2012)]$$

$$\text{CRL Claims}(2012) = \text{1st Portion 2012 Claims}(2012) \times [1 + \text{CRL Claims Trend Factor}(2012)] + \text{Projected 2nd Portion 2012 Claims} \times [1 + \text{Second Portion CRL Claims Adverse Selection}(2012)]$$

**Projected 2013 Calculations Without Rate Increase:**

$$\text{Premium}(2013) = [0.25 \times \text{CRL Premium}(2011) + 0.75 \times \text{CRL Premium}(2012)] \times [1 - \text{Lapse Rate}(2013)] \times [1 + \text{Premium Aging}(2013)]$$

$$\text{Claims}(2013) = [0.25 \times \text{CRL Claims}(2011) + 0.75 \times \text{CRL Claims}(2012)] \times [1 - \text{Lapse Rate}(2013)] \times [1 + \text{Claims Trend with Aging}(2013)]$$

**2014 and Later Calculations Without Rate Increase:**

$$\text{Premium}(t) = \text{Premium}(t-1) \times [1 - \text{Lapse Rate}(t) - \text{Additional Lapse Rate}(t)] \times [1 + \text{Premium Trend Rate with aging}(t)]$$

$$\text{Claims}(t) = \text{Claims}(t-1) \times [1 - \text{Lapse Rate}(t) - \text{Additional Lapse Rate}(t)] \times [1 + \text{Claims Trend with Aging}(t)] \times [1 + \text{Adverse Selection}(t)]$$

**Projected 2013 Calculations With Rate Increase:**

$$\text{Premium}(2013) = [0.25 \times \text{CRL Premium}(2011) + 0.75 \times \text{CRL Premium}(2012)] \times [1 - \text{Lapse Rate}(2013) - \text{Additional Lapse Rate}(2013) \times \% \text{ of (2013 Affected)}] \times [1 + \text{Rate Increase}(2013) \times \% \text{ of (2013 Affected)}] \times [1 + \text{Premium Aging}(2013)]$$

$$\text{Claims}(2013) = [0.25 \times \text{CRL Claims}(2011) + 0.75 \times \text{CRL Claims}(2012)] \times [1 - \text{Lapse Rate}(2013) - \text{Additional Lapse Rate}(2013) \times \% \text{ of (2013 Affected)}] \times [1 + \text{Claims Trend with Aging}(2013)] \times [1 + \text{Adverse Selection}(2013) \times \% \text{ of (2013 Affected)}]$$

Additional Lapse and Adverse Selection Factors are derived from a study published by Milliman USA.

**Projected 2014 Calculations With Rate Increase:**

$$\text{Premium}(2014) = \text{Premium}(2013) \times [1 - \text{Lapse Rate}(2014) - \text{Additional Lapse Rate}(2014)] \times [1 + \text{Premium Trend With Aging}(2014)] \times [1 + \text{CRL}(2013)] \times \frac{[1 - \text{Lapse Rate}(2013) - \text{Additional Lapse Rate}(2013)]}{[1 - \text{Lapse Rate}(2013) - \text{Additional Lapse Rate}(2013) \times \% \text{ of (2013 Affected)}]}$$

$$\text{Claims}(2014) = \text{Claims}(2013) \times [1 - \text{Lapse Rate}(2014) - \text{Additional Lapse Rate}(2014)] \times [1 + \text{Adverse Selection}(2014)] \times [1 + \text{Adverse Selection}(2013)] / [1 + \% \text{ of (2013 Affected)} \times \text{Adverse Selection}(2013)] \times [1 + \text{Claims Trend with Aging}(2014)] \times \frac{[1 - \text{Lapse Rate}(2013) - \text{Additional Lapse Rate}(2013)]}{[1 - \text{Lapse Rate}(2013) - \text{Additional Lapse Rate}(2013) \times \% \text{ of (2013 Affected)}]}$$

Note: These formulas carry forward portions of additional adverse selection and lapsation due to 2013 rate increase which weren't applied in 2013. Because anticipated increases for 2014+ are small and result in no additional lapsation or selection, we don't deal with fractional years for these increases. This results in slightly higher levels of premium, and lower loss ratios.

**2015 and Later Calculations With Rate Increase:**

$$\text{Premium}(t) = \text{Premium}(t-1) \times [1 - \text{Lapse Rate}(t) - \text{Additional Lapse Rate}(t)] \times [1 + \text{Premium Trend Rate with aging}(t)]$$

$$\text{Claims}(t) = \text{Claims}(t-1) \times [1 - \text{Lapse Rate}(t) - \text{Additional Lapse Rate}(t)] \times [1 + \text{Claims Trend with Aging}(t)] \times [1 + \text{Adverse Selection}(t)]$$

### Life, Accident & Health, Annuity, Credit Transmittal Document

<b>1.</b>	<b>Prepared for the State of</b>	District of Columbia					
<b>2.</b>	<b>Department Use Only</b>						
	<b>State Tracking ID</b>						
<b>3.</b>	<b>Insurer Name &amp; Address</b>	<b>Domicile</b>	<b>Insurer License Type</b>	<b>NAIC Group #</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>
	Transamerica Life Insurance Company 100 Light Street Baltimore, MD 21202-2559	Iowa	<b>Accident &amp; Health</b>	468	86231	39-0989781	
<b>4.</b>	<b>Contact Name &amp; Address</b>	<b>Telephone #</b>	<b>Fax #</b>	<b>E-mail Address</b>			
	Teri Schaffer Actuarial Administrative Supervisor 100 Light Street Baltimore, MD 21202-2559	800-233-4624 ext. 5236	410-209-5910	msapprovals@aegonusa.com			
<b>5.</b>	<b>Requested Filing Mode</b>	<input checked="" type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____					
<b>6.</b>	<b>Company Tracking Number</b>	1081					
<b>7.</b>	<input checked="" type="checkbox"/> <b>New Submission</b>	<input type="checkbox"/> <b>Resubmission</b>	Previous file # _____				
<b>8.</b>	<b>Market</b>	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise <input type="checkbox"/> Small [X] Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input checked="" type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____					
<b>9.</b>	<b>Type of Insurance</b>	MS02G Group Medicare Supplement - Pre Standardized					
<b>10.</b>	<b>Product Coding Matrix Filing Code</b>	<u>MS02G.000 Medicare Supplement - Pre-Standardized</u>					
<b>11.</b>	<b>Submitted Documents</b>	<input type="checkbox"/> <b>FORMS</b> <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  <b>Rates</b> <input type="checkbox"/> New Rate <input checked="" type="checkbox"/> Revised Rate  <input type="checkbox"/> <b>FILING OTHER THAN FORM OR RATE:</b> Please explain: _____  <b>SUPPORTING DOCUMENTATION</b> <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: _____					
<b>12.</b>	<b>Filing Submission Date</b>	November 13, 2013					

13.	<b>Filing Fee (If required)</b>	Amount	\$ 0.00	Check Date	
		Retaliatory	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Check Number	
14.	<b>Date of Domiciliary Approval</b>	The rates for this policy form in our domiciliary state of Iowa are pending			
15.	<b>Filing Description:</b>				
	<p><b>2013 Annual Rate Filing for Pre-Standard Mass Marketed Medicare Supplement Policies: Transamerica Life Insurance Company</b></p> <p><b><u>POLICY FORM #(s):</u></b></p> <p>F-65872</p>				
16.	<b>Certification (If required)</b>				
<p><b>I HEREBY CERTIFY</b> that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of <u>District of Columbia</u>.</p>					
Print Name:		Stephen Baloga, A.S.A., M.A.A.A.		Title: Assistant Vice President and Actuary	
Signature:				Date: November 13, 2013	

18.		Rate Filing Attachment		
This filing transmittal is part of company tracking number		1081		
This filing corresponds to form filing company tracking number				
Overall percentage rate impact for this filing		1.5%		
	Document Name	Affected Form Numbers		Previous State Filing Number
	Description			
01	<b>Actuarial Memorandum</b> Memorandum, rates, state & nationwide experience, loss ratio projections	F-65872	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request + <u>1.5%</u> <input type="checkbox"/> Other _____	
02	<b>Life, Accident &amp; Health Transmittal Document</b> Pages 1 thru 3	F-65872	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request + <u>1.5%</u> <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 _____	
11			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____% - ____% <input type="checkbox"/> Other _____	