

SERFF Tracking #:

ALST-128999012

State Tracking #:

Company Tracking #:

GCPR1 RATE

State:

District of Columbia

Filing Company:

American Heritage Life Insurance Company

TOI/Sub-TOI:

H07G Group Health - Specified Disease - Limited Benefit/H07G.002A Dread Disease - Cancer Only

Product Name:

Group Cancer Initial Diagnosis Rider

Project Name/Number:

/GCPR1 RATE

### Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Neutral

Overall Percentage of Last Rate Revision:

%

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Heritage Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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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		Rate Page	GPCPR1, GCCPR1	New		GCCPR1_Rate Page.pdf,

Appendix A  
Group Voluntary Cancer Rider Forms GPCPR1 and GCCPR1

Annual Premium Rates per Unit  
Four Tier Rate Structure

Individual	Individual and Children	Individual and Spouse	Family
59.74	65.64	119.47	131.28

Two Tier Rate Structure

Individual	Family
59.74	124.41

Monthly Premium Rates per Unit  
Four Tier Rate Structure

Individual	Individual and Children	Individual and Spouse	Family
5.38	5.91	10.75	11.81

Two Tier Rate Structure

Individual	Family
5.38	11.20

The premium modalization will follow the rules of the underlying certificate.

Our most common rule is:

Semiannual premiums equal 0.520 times the annual premium.

Quarterly premiums equal 0.265 times the annual premium.

Monthly premiums equal 0.090 times the annual premium

This form has no rider fees.

SERFF Tracking #:

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State Tracking #:

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GCPR1 RATE

**State:** District of Columbia **Filing Company:** American Heritage Life Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.002A Dread Disease - Cancer Only  
**Product Name:** Group Cancer Initial Diagnosis Rider  
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## Supporting Document Schedules

<b>Bypassed - Item:</b>	Cover Letter All Filings
<b>Bypass Reason:</b>	Please see the Filing Description in the General Information tab for this information.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	No third party filer
<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>	GCCPR1_ActMemo_MostV6.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	Please see the attached Actuarial Memorandum for the actuarial justification.
<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 applicable 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)
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<b>Bypass Reason:</b>	Not applicable to this 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 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>	Not applicable to this filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

American Heritage Life Insurance Company  
Jacksonville, Florida

Actuarial Memorandum  
Group Cancer Rider Forms GPCPR1 and GCCPR1

**1. Scope and Purpose of Filing**

This is a new filing of the rates for American Heritage Life Insurance Company's Group Cancer Rider GPCPR1 and GCCPR1. This rider can be attached to an AHL Group Cancer forms. The purpose of this rate filing is to support the rates filed with this form. This rate filing is not intended to be used for any other purpose.

**2. Description of Benefits** Please refer to the rider contract for details. The following benefit is paid:

- a) Progressive Benefit – Pays a one-time benefit when a covered person is diagnosed as having cancer (other than skin cancer) for the first time after the effective date of coverage for that covered person. The benefit amount is \$400 per unit for each complete year the rider is in force. This benefit is payable only once per covered person's lifetime.

**3. Renewability**

Individual certificates can only be terminated for reasons stated in the policy. The group policy is cancelable subject to a 31 day notice, or longer if mandated, and subject to the reasons stated in the policy. This rider is also terminated once the benefits for all covered persons have been paid.

**4. Applicability**

The form will apply to new issues of this rider, upon approval and implementation.

**5. Morbidity**

Morbidity assumptions were developed based on company experience for a rider with a similar benefit structure.

**6. Mortality**

No explicit mortality assumption was used in pricing this form. The persistency rates take into account all causes of lapse, including death.

**7. Persistency**

The lapse rate assumptions used in pricing this form is for all causes of policy/certificate termination, including death. Lapse rates vary by age and duration. Overall lapse rates based on the anticipated mix are as follows:

<b>Policy</b>	<b>Lapse</b>		<b>Policy</b>	<b>Lapse</b>
<b>Year</b>	<b>Rate</b>		<b>Year</b>	<b>Rate</b>
1	15.5%		16	8.7%

2	22.6%		17	8.7%
3	18.8%		18	8.7%
4	16.6%		19	8.7%
5	14.6%		20	8.7%
6	13.1%		21	9.9%
7	12.0%		22	9.9%
8	11.0%		23	9.9%
9	9.7%		24	10.0%
10	8.6%		25	10.0%
11	8.6%		26	10.0%
12	8.6%		27	10.1%
13	8.6%		28	10.3%
14	8.6%		29	10.5%
15	8.6%		30	10.6%

**8. Expenses**

The expense assumptions used in pricing this form were as follows.

- Acquisition: 21.00% of premium at issue  
\$2 per rider issued
- Maintenance: 4.00% of premium inforce  
3.00% of claims paid
- Premium Tax: 2.17% of premium

**9. Marketing Method**

This product will be sold to employer groups, unions/associations, and other eligible groups on a voluntary payroll deduction basis according with the regulations of your state.

**10. Underwriting**

This rider is subject to the underwriting guidelines of the base GVC form that it is attached to.

**11. Premium Classes**

Premium rates will vary by coverage type and benefit amounts. Premiums can change based upon the experience. Gross monthly premiums are shown in Appendix A.

**12. Issue Age Range**

This form will be available to issue ages 18 and up, subject to eligibility requirements. Premiums are not based on the issue age or attained age of the primary insured.

**13. Area Factors**

The pricing of this form did not incorporate any area factors.

**14. Average Annualized Premium**

The average annualized premium assuming the distribution of business listed in item 19 is \$189.67. The average premium in AHL Group Cancer is currently \$333.07 per policy. Including this rider, that average premium will increase to \$345.30.

**15. Premium Modalization Rules**

The premium modalization will follow the rules of the underlying certificate. Our most common rule is:

Semiannual premiums equal 0.520 times the annual premium.

Quarterly premiums equal 0.265 times the annual premium.

Monthly premiums equal 0.090 times the annual premium

This form has no rider fees.

**16. Claim Liability and Reserves**

This is a new filing of this form; therefore, there are no claim liability and reserves at this point. Claim liability and reserves will be developed in accordance with the American Academy of Actuaries' Actuarial Standard of Practice Number 5, "Incurred Health Claim Liabilities".

**17. Active Life Reserves**

Statutory reserves will be held in accordance with the Standard Valuation Law.

This is a new filing of this form; therefore, there are no claim reserves at this point. Claim reserves will be developed in accordance with the American Academy of Actuaries' Actuarial Standard of Practice Number 5, "Incurred Health and Disability Claims".

**18. Anticipated Loss Ratio**

Tillinghast's TAS software was used to perform the calculations. Premiums, claims, expenses and other items were projected on a monthly basis over a 30 year period. The lifetime anticipated loss ratio for this form is 50%. This is computed as the present value of benefits divided by the present value of future premiums over the projection period. The discount rate is 5%.

**19. Distribution of Business**

Assumes that 100% of policies are on monthly mode. It is assumed that on average, 2 units of this rider will be purchased and that 6.5% of the inforce policies will have this rider.

Mix distribution by benefit group and coverage type.

Individual	Indiv & Child(ren)	Indiv & Spouse	Family	Total
53.1%	3.9%	25.0%	18.0%	100%

**20. Contingency and Risk Margins**

No explicit contingency margin was added to claim costs.

**21. Actuarial Certification**

I, Paul C. Ramirez, am an Actuary for American Heritage Life Insurance Company. I am a member of the American Academy of Actuaries and am qualified in the area of health insurance. I certify that, to the best of my knowledge and judgment, the entire rate filing is in compliance with the applicable laws of your state and with the rules of the Department of Insurance, and complies with



all applicable Actuarial Standard of Practice, and that the benefits provided are reasonable in relation to the proposed premiums. The premium schedule is not excessive, inadequate, nor unfairly discriminatory.

A handwritten signature in black ink, appearing to read "Paul Ramirez", written in a cursive style.

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Paul C. Ramirez, A.S.A., M.A.A.A.

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April 17, 2013

Date

Appendix A  
Group Voluntary Cancer Rider Forms GPCPR1 and GCCPR1

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