

State: District of Columbia **Filing Company:** Standard Life and Accident Insurance Company
TOI/Sub-TOI: H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity
Product Name: GR ASSOC A&S HOSPITAL INEMNITY-RATES
Project Name/Number: GR ASSOC A&S HOSPITAL INEMNITY-RATES/GR ASSOC A&S HOSPITAL INEMNITY-RATES

Filing at a Glance

Company: Standard Life and Accident Insurance Company
 Product Name: GR ASSOC A&S HOSPITAL INEMNITY-RATES
 State: District of Columbia
 TOI: H14G Group Health - Hospital Indemnity
 Sub-TOI: H14G.000 Health - Hospital Indemnity
 Filing Type: Rate
 Date Submitted: 11/05/2013
 SERFF Tr Num: ANTX-129278956
 SERFF Status: Pending State Action
 State Tr Num:
 State Status:
 Co Tr Num: GRP LM 3.0 POL RATE
 Implementation: On Approval
 Date Requested:
 Author(s): Deborah Biediger, Tommie Geddes-Westbrook, Kellie Jones
 Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu
 Disposition Date:
 Disposition Status:
 Implementation Date:
 State Filing Description:

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General Information

Project Name: GR ASSOC A&S HOSPITAL INEMNITY-RATES	Status of Filing in Domicile: Authorized
Project Number: GR ASSOC A&S HOSPITAL INEMNITY-RATES	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments: The Association is situated in the District of Columbia.
Explanation for Combination/Other:	Market Type: Group
Submission Type: Resubmission	Previous Filing Number: ANTX-129178798
Group Market Size: Small and Large	Group Market Type: Association
Overall Rate Impact:	Filing Status Changed: 12/04/2013
Deemer Date:	State Status Changed:
Submitted By: Deborah Biediger	Created By: Deborah Biediger
	Corresponding Filing Tracking Number: ANTX-129178839.

Filing Description:

This is the separate rate submission in support of the group association accident and sickness hospital indemnity forms filed for review with the Department under SERFF tracking number ANTX-129178839.

The prior rate filing under SERFF tracking number ANTX-129178798 was rejected by the Department due to SLAICO's reinsurance agreement with American Medical and Life Insurance Company("AMLI") on this product. SLAICO wishes to pursue approval of this product without using AMLI as a reinsurer. SLAICO will assume the financial risk for this product and AMLI will not have any reinsurance position. A revised actuarial memorandum and rate manual is attached which reflects this.

The forms were approved by the Department under SERFF tracking number ANTX-129178839, but approval was suspended until rates are approved.

I will request that the examiner reopen the approved forms SERFF filing while this resubmitted rate filing is revised.

Company and Contact

Filing Contact Information

Deborah Biediger, Compliance Analyst	deborah.biediger@anico.com
One Moody Plaza SSH MP, Ste.	281-538-4838 [Phone]
200	409-766-2024 [FAX]
Galveston, TX 77550	

Filing Company Information

Standard Life and Accident Insurance Company	CoCode: 86355	State of Domicile: Texas
One Moody Plaza, SSH MP, Ste.	Group Code: 408	Company Type: Health Insurance
200	Group Name:	State ID Number:
Galveston, TX 77550	FEIN Number: 73-0994234	
(281) 538-4842 ext. [Phone]		

Filing Fees

State: District of Columbia **Filing Company:** Standard Life and Accident Insurance Company
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Fee Required? No

Retaliatory? No

Fee Explanation:

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Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Darniece Shirley	12/02/2013	12/02/2013

Response Letters

Responded By	Created On	Date Submitted
Deborah Biediger	12/04/2013	12/04/2013

State: District of Columbia **Filing Company:** Standard Life and Accident Insurance Company
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Project Name/Number: GR ASSOC A&S HOSPITAL INEMNITY-RATES/GR ASSOC A&S HOSPITAL INEMNITY-RATES

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	12/02/2013
Submitted Date	12/02/2013
Respond By Date	12/23/2013

Dear Deborah Biediger,

Introduction:

Thank you for your recent filing. Please see below for additional information requested to continue review of the rate filing.

Objection 1

- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)

Comments: The revised Actuarial Memorandum has the same detailed make-up of expenses as the previously rejected ANTX-129178798. It has been stated that SLAICO will assume 100% of the financial risk for this product and the Department is interested in why the expense make-up still includes a line item for TPA Administration. In addition, the Department is interested in understanding the same average annual premium as the previously rejected filing. Since SLAICO will assume 100% of the financial risk, why have all financial assumption and metrics remained the same?

Objection 2

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)

Comments: Please confirm: This rate review is limited to DC resident policyholders or DC domiciled group certificate holders. All other rate requests will need to be reviewed by that respective state.

Objection 3

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)

Comments: Please note, this rate filing is subject to conformity with the corresponding forms filing. This department reserves the right to withdraw the filing if not.

Conclusion:

Sincerely,

State: District of Columbia **Filing Company:** Standard Life and Accident Insurance Company
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Darniece Shirley

State: District of Columbia **Filing Company:** Standard Life and Accident Insurance Company
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Response Letter

Response Letter Status Submitted to State
Response Letter Date 12/04/2013
Submitted Date 12/04/2013

Dear Darniece Shirley,

Introduction:

Thank you for your review of this product.

Response 1

Comments:

The Company has made the decision that they no longer wish to pursue the ability to market this product in any state. We request that the product be withdrawn from review by the Department and the matter closed.

Related Objection 1

Applies To:

- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)

Comments: The revised Actuarial Memorandum has the same detailed make-up of expenses as the previously rejected ANTX-129178798. It has been stated that SLAICO will assume 100% of the financial risk for this product and the Department is interested in why the expense make-up still includes a line item for TPA Administration. In addition, the Department is interested in understanding the same average annual premium as the previously rejected filing. Since SLAICO will assume 100% of the financial risk, why have all financial assumption and metrics remained the same?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

See above.

Related Objection 2

Applies To:

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)

Comments: Please confirm: This rate review is limited to DC resident policyholders or DC domiciled group certificate holders. All other rate requests will need to be reviewed by that respective state.

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Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

See above.

Related Objection 3

Applies To:

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)

Comments: Please note, this rate filing is subject to conformity with the corresponding forms filing. This department reserves the right to withdraw the filing if not.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Again, thank you for your assistance.

Sincerely,

Deborah Biediger

State: District of Columbia **Filing Company:** Standard Life and Accident Insurance Company
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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:
Filing Method of Last Filing: n/a

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):
Standard Life and Accident Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

State: District of Columbia **Filing Company:** Standard Life and Accident Insurance Company
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Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	COVER LETTER.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	n/a
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	Actuarial Memo/Rates
Attachment(s):	Act Memo.pdf SLAICO GRP LM Per Period Pricing Rate Manual 20131101.xlsx.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	Actuary's certification is contained in the attached actuarial memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Acknowledged
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 - Rates are being filed on a new supplemental (limited benefit) product.
Attachment(s):	
Item Status:	

SERFF Tracking #:

ANTX-129278956

State Tracking #:

Company Tracking #:

GRP LM 3.0 POL RATE

State: District of Columbia **Filing Company:** Standard Life and Accident Insurance Company
TOI/Sub-TOI: H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity
Product Name: GR ASSOC A&S HOSPITAL INEMNITY-RATES
Project Name/Number: GR ASSOC A&S HOSPITAL INEMNITY-RATES/GR ASSOC A&S HOSPITAL INEMNITY-RATES

Status Date:	
Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A These are rates on a new supplemental (limited benefit) product
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	n/a This is a product that has yet to be marketed or issued to anyone.
Attachment(s):	
Item Status:	
Status Date:	

COVER LETTER

A.Unique Company Filing Number (assigned by Company) – GRP LM 3.0 POL RATE
SERFF Tracking Number: ANTX-129278956

B.Proposed Effective Date - Upon Approval

C.Purpose of Filing - Market a new indemnity type limited benefit product.

D.Indication if Initial Filing - No, this a resubmission. The forms were approved, but the rate submission was rejected under SERFF tracking number ANTX-129178798.

E.Indication if no DC Policyholders – the Policyholder is an Association sitused in DC.

F.Overall Premium Impact of Filing on DC Policyholders - New Product/New Rates with no in force insureds.

A handwritten signature in cursive script that reads "Deborah Biediger".

Deborah Biediger
Compliance Analyst

11/05/2013

Standard Life and Accident Insurance Company
Group Accident and Sickness Hospital Indemnity Insurance
Form SLAICO GRP LM 3.0, et al
Actuarial Memorandum
Effective: November 1, 2013

1 Summary, Scope & Purpose

This memorandum is intended to provide information on the premium rates and the rate development for Standard Life and Accident Insurance Company's ("SLAICO's") Group Accident and Sickness Hospital Indemnity Insurance product supported by Form SLAICO GRP LM 3.0, et al which was provided to me on July 1, 2013. This memorandum is not intended for any other purposes and may not be appropriate if the form is revised after the said date.

2 Benefit Description

This Policy is intended to provide members of eligible classes an opportunity to obtain limited indemnity insurance for accident and sickness expenses.

The product has indemnity benefit amounts and a maximum number of service units payable for each of the following categories of coverage:

- Hospital Confinement Benefits
- Intensive Care Unit Benefits
- Hospital Admission Benefits
- Emergency Room Benefit
- Surgery and Benefits
- Ambulatory Surgical Center Benefits
- Pre-Admission Test Benefits
- Doctor's Office Visit Benefits
- Preventive Care Benefit
- Diagnostic Tests, X-Ray and Laboratory Benefit
- Ambulance Services Benefits
- Mental Health Benefit
- Chemical Abuse and Dependence Diagnosis and Treatment Benefit
- Accidental Death and Dismemberment Benefit
- Skilled Nursing Facility Benefit
- Term Life Insurance Benefit

Each group has the option to choose the categories of benefits, the indemnity amount and the maximum service units to offer to their members, within the ranges filed in the certificate, subject to SLAICO's underwriting approval.

There is no coordination of benefits.

Prepared by CP Risk Solutions, LLC
For Standard Life and Accident Insurance Company & its statutory rate filing purposes only
Distribution to any other parties is not permitted and is unlawful



Standard Life and Accident Insurance Company
Group Accident and Sickness Hospital Indemnity Insurance
Form SLAICO GRP LM 3.0, et al
Actuarial Memorandum
Effective: November 1, 2013

3 Renewability Clause

Policies are annually renewable.

4 Applicability

This is a new product. Rates will apply to new issues and renewals, when applicable.

5 Morbidity

The starting claim costs and the adjustment factors are based on the following

- CP Risk Solutions, LLC's proprietary data including experience from other hospital indemnity business.
- SOA 85-90 Ultimate Table for the term life rates

The starting claim costs are based on CP's hospital indemnity statistics where the insured are legal residents of the United States, not be in full-time service of the Armed Forces, not eligible for Medicare and not receive disability or worker's compensation benefits.

The Policy allows for prospective adjustment of premium rates based on each policy's demographics and experience, where credible information is available. The criteria and methodology is as shown in the rate manual.

6 Mortality

There is no separate mortality assumption other than that embedded in the morbidity bases, except for the term life insurance benefit. The term life insurance benefit is based on SOA 85-90 Ultimate Table for the term life rates.

7 Persistency

Persistency is a combination of the sponsoring organization continuing coverage and the insured continuing to satisfy all conditions for insurance, including when applicable, the payment of premiums. We estimate that the persistency will be less than 50% annually.

8 Expenses (Relation of Benefits and Expenses to Premium)

This is a limited benefit product, with low premiums. Similar to most low premium products, expenses in absolute dollars might be comparable to, or less than, those of conventional health insurance products but are higher on a percent of premium basis.

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Standard Life and Accident Insurance Company
Group Accident and Sickness Hospital Indemnity Insurance
Form SLAICO GRP LM 3.0, et al
Actuarial Memorandum
Effective: November 1, 2013

The following items expressed as a percent of premium are benchmarks only. The marketing, commission and administration expense percentages reflect an expected average of all markets the company will experience for this product. The expenses for any given association may be different. In no event will the premium be priced at a loss ratio of less than 50% for any given association.

	% Premium
Incurred Claims	50.0%
Regulatory, Actuarial, Legal and Company Management	10.0%
Back Office Operations and TPA	5.0%
Premium Tax and Assessment	3.0%
Marketing, Commissions and Related Administration	20.0%
Profit and Contingencies	12.0%
Total	100.0%

9 Marketing Method

The product will be distributed via brokers, agents and general agents.

10 Underwriting

Underwriting is performed at the policy level. The underwriting scope includes eligibility and financial underwriting and historical experience, if any. Duration is not an explicit underwriting consideration. There is no individual medical underwriting of any group insured members.

11 Premium Classes

Premiums vary by benefit plan and family structure. Age and gender factors and geographical factors are included with this filing. These will be used, where applicable, to determine the appropriate rate for each policy. Additionally, they may be used to create age-specific rates by geographic area in the future. The final rates under either methodology will be actuarially equivalent, based upon actual or expected demographics.

In addition to demographics, the premiums will be based upon the benefits selected, along with the indemnity amount and maximum number of service units per year per benefit category. The actual experience of each policy or each plan within a policy when multiple plans are offered, will also affect the premiums, to the extent credible.

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Standard Life and Accident Insurance Company
Group Accident and Sickness Hospital Indemnity Insurance
Form SLAICO GRP LM 3.0, et al
Actuarial Memorandum
Effective: November 1, 2013

12 Issue Age Range

Coverage is available at all ages. Coverage begins on the Effective Date as described in the Policy. The issue age is between the age of 18 and 64. Coverage under the policy will terminate on the last day of the month in which the individual attains the age limitation of 65 years or becomes eligible for Medicare. Coverage may end for a Dependent when the Dependent no longer is considered an eligible Dependent, as described in the policy.

13 Area Factors

The area factors are as indicated in the rate manual.

14 Average Annual Premium

The expected average monthly is around \$150 per Insured. The average annual premium is about \$1,800 for over a 12-month period. The actual premium could be higher or lower, depending on the levels of benefits offered and the persistency.

15 Premium Modalization Rules

Premiums are stated as monthly. Premiums for other modes, if available, will be the monthly premium times the applicable number of months.

16 Claim Liability and Reserves

Claim liability and reserves will be established by a combination of lag studies, case level reserves, and analysis of claim inventories.

17 Active Life Reserves

No active life reserves will be held for this coverage.

18 Trend – Medical and Insurance

This is a fixed indemnity benefit. No medical trend is used for rating. The Insurance trend is assumed to be 0%.

19 Minimum Loss Ratio

The minimum loss ratio is estimated to be at least 50%.

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Standard Life and Accident Insurance Company
Group Accident and Sickness Hospital Indemnity Insurance
Form SLAICO GRP LM 3.0, et al
Actuarial Memorandum
Effective: November 1, 2013

20 Anticipated Loss Ratio

The anticipated loss ratio is estimated to be at least 50%.

21 Distribution of Business

This is a new product filing. There is no prior experience on this form.

22 Contingency and Risk Margins

The product is priced with a 12% underwriting margin, inclusive of contingency and risk margins.

23 Experience – Past and Future

This is a new filing. There is no prior experience on this form.

24 Lifetime Loss Ratio

The anticipated loss ratio is estimated to be at least 50%.

25 History of Rate Adjustments

This is a new product filing.

26 Number of Policyholders

This is a new product filing.

27 Rating Period

The requested effective date of this rate filing is November 1, 2013 or coinciding with state approval, if later. The duration of the Policy rating period is twelve months.



Standard Life and Accident Insurance Company
Group Accident and Sickness Hospital Indemnity Insurance
Form SLAICO GRP LM 3.0, et al
Actuarial Memorandum
Effective: November 1, 2013

28 Actuarial Certification

I, Lina S. Chan, am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings. I have been retained by Standard Life and Accident Insurance Company to prepare this memorandum. This memorandum has been prepared for the sole purpose stated, and it may not be appropriate for other purposes.

I have reviewed the forms and the supporting material submitted with the filing. To the best of my knowledge and judgment:

- The filing is in compliance with Actuarial Standards of Practice No. 8 "Regulatory Filings for Health Plan Entities";
- The benefits are reasonable in relation to the premium charged; and
- The rates are not excessive, inadequate or unfairly discriminatory

In preparing this actuarial memorandum, I relied on certain information provided to me. I did not audit the information but did review it for reasonableness. To the extent that this data is incomplete or inaccurate, the contents of this memorandum may be materially affected.



Lina S. Chan, FSA, MAAA
Managing Partner
CP Risk Solutions, LLC
October 7, 2013

Prepared by CP Risk Solutions, LLC
For Standard Life and Accident Insurance Company & its statutory rate filing purposes only
Distribution to any other parties is not permitted and is unlawful



Standard Life and Accident Insurance Company
Rate Manual
Group Accident and Sickness Hospital Indemnity Insurance
SLAICO GRP LM 3.0
November 1, 2013

Rate Manual Applicability

The rate manual is applicable to Standard Life and Accident Insurance Company's Group Accident and Sickness Hospital Indemnity Insurance Policy, Form SLAICO GRP LM 3.0 as of June 25, 2013. Rates might not be appropriate for changes made to the said form after that date.



Standard Life and Accident Insurance Company
 Rate Manual
 Group Accident and Sickness Hospital Indemnity Insurance
 SLAICO GRP LM 3.0
 November 1, 2013

Rate Calculation Instructions
Section I: Total Premium Rates

1	Maximum Per Certificate Year Per Covered Person Claim Cost	Section II, Line 22
2	Maximum Per Certificate Year Per Family Claim Cost	Section III, Line 20
3	Total Claim Cost per Covered Unit	Line 1 + Line 2
4	Target Loss Ratio	Input
5	Premium Rates by Tier, <i>Line 3 / Line 4</i>	

Benefits Selected under Section II and Section III must be exclusive.



Standard Life and Accident Insurance Company
Rate Manual
Group Accident and Sickness Hospital Indemnity Insurance
SLAICO GRP LM 3.0
 November 1, 2013

Rate Calculation Instructions

Section II: Maximum per Certificate Year per Covered Person Option

	[1]	[2]	[3]	[4]	[5]	[6]
	Units	Unadjusted Per Unit PMPM Claim Cost	Maximum Benefit Adjustment Factor ¹	Unit Benefit Size Adjustment Factor ²	Pre-existing Conditions Limitations	Adjusted PMPM Claim Cost
3 Hospital Confinement/Medical Facility Benefit						
i. Hospital Confinement		Table 1.i.a	Table 1.i.b	Table 1.i.c		
ii. Hospital Intensive Care Unit Confinement		Table 1.ii.a	Table 1.ii.b	Table 1.ii.c	Table 14	[1]x[2]x[3]x[4]x[5]
iii. Hospital Admission	Input	Table 1.iii.a	Table 1.iii.b	Table 1.iii.c		
iv. Emergency Room Benefit		Table 1.iv.a	Table 1.iv.b	Table 1.iv.c		
v. Newborn Child Hospital Care Benefit		Table 1.v.a	Table 1.v.b	Table 1.v.c		[1]x[2]x[3]x[4]
2 Surgery Benefit						
i. Inpatient Flat Indemnity		Table 2.i.a	Table 2.i.b	Table 2.i.c		
ii. Outpatient Flat Indemnity		Table 2.ii.a	Table 2.ii.b	Table 2.ii.c		
3 Ambulatory Surgical Center Benefit	Input	Table 3.a	Table 3.b	Table 3.c	Table 14	[1]x[2]x[3]x[4]x[5]
4 Pre-Admission Test Benefit		Table 4.a	Table 4.b	Table 4.c		
5 Doctor's Office Visit Benefit		Table 5.a	Table 5.b	Table 5.c		
6 Preventive Care Office Visit		Table 6.a	Table 6.b	Table 6.c		[1]x[2]x[3]x[4]
7 Diagnostic Tests, X-Ray and Laboratory Benefit						
i. Advance Study		Table 7.i.a	Table 7.i.b	Table 7.i.c		
ii. X-Ray	Input	Table 7.ii.a	Table 7.ii.b	Table 7.ii.c	Table 14	[1]x[2]x[3]x[4]x[5]
iii. Laboratory Tests		Table 7.iii.a	Table 7.iii.b	Table 7.iii.c		
8 Ambulance Benefit	Input	Table 8.a	Table 8.b	Table 8.c		[1]x[2]x[3]x[4]
9 Mental Health Benefit						
i. Inpatient	Input	Table 9.i.a	Table 9.i.b	Table 9.i.c	Table 14	[1]x[2]x[3]x[4]x[5]
ii. Outpatient		Table 9.ii.a	Table 9.ii.b	Table 9.ii.c		
10 Chemical Abuse & Dependence Diagnosis and Treatment Benefit						
i. Detoxification		Table 10.i.a	Table 10.i.b	Table 10.i.c		
ii. Inpatient Rehabilitation	Input	Table 10.ii.a	Table 10.ii.b	Table 10.ii.c	Table 14	[1]x[2]x[3]x[4]x[5]
iii. Outpatient		Table 10.iii.a	Table 10.iii.b	Table 10.iii.c		
11 Skilled Nursing Facility Benefit	Input	Table 11.a	Table 11.b	Table 11.c		[1]x[2]x[3]x[4]
12 Waiting Period Adjustment						Table 15
13 Maternity Coverage Benefit Adjustment						Table 16
14 Demographic Adjustment						Table 17
15 Pertinent Case Characteristics Adjustment						Table 18
16 Subtotal						Sum(Line 1 - Line 11) x Line 12 x Line 13 x Line 14 x Line 15
17 Tier Rate Development³						
i. Conversion Factor for Adult Single Rate						Table 19.i
ii. Tier Ratio						
			Single Insured	Insured +Spouse	Insured +Children	Family
			Table 19.ii	Table 19.ii	Table 19.ii	Table 19.ii
iii. Claim Cost by Tier, <i>Line 15 x Line 16.i x Line 16.ii</i>						
18 Accidental Death and Dismember Benefit						
i. Accidental Death	Input	Table 12.i	[1] x [2]	[1] x [2]	[1] x [2]	[1] x [2]
ii. Dismemberment		Table 12.ii	[1] x [2]	[1] x [2]	[1] x [2]	[1] x [2]
19 Term Life						
i. Primary Insured	Input	Table 13.a	[1]x[2]	[1]x[2]	[1]x[2]	[1]x[2]
ii. Spouse	Input	Table 13.a	0	[1]x[2]	0	[1]x[2]
iii Child	Input	Table 13.b	0	0	[1]x[2] x 2	[1]x[2] x 2
20 Total Manual Claim Cost, <i>Line 17.iii+Line 18i+Line 18ii+Line 19i+Line 19ii+Line 19iii</i>						
21 Experience Rating						
i. Experience claim cost					Table 20.i	
ii. Credibility					Table 20.ii	
iii. # of Certificate Months in Experience Period			Input	Input	Input	Input
iv. Experience-Adjustment Factor						(1-Line 21.ii) + Line 21.ii x Line 21.i/Sumproduct(Line 20, Line 21.iii)
22 Experience-Adjusted Claim Cost, <i>Line 20 x Line 11.iv</i>						

¹ The Underwriter may interpolate and should make proper actuarial adjustments to recognize the arch curve.

² The Underwriter may linearly interpolate.

³ The Underwriter may use different, actuarially equivalent, conversion factors and/or premium tier ratios, tier options, based on the expected enrollment mix.



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Rate Calculation Instructions
Section III: Maximum per Certificate Year per Family Option

Notes:

1. Only Two-Tier (Single and Family) Rates are available under the Maximum per Family Option
2. The Single Rate under the Maximum Per Family Option = The Single Rate under the Maximum per Covered Person Option.
3. The Family Rate is developed below.

	[1]	[2]	[3]	[4]	[5]	[6]
	Units	Unadjusted Per Family Per Month Claim Cost	Maximum Benefit Adjustment Factor ¹	Unit Benefit Size Adjustment Factor ²	Pre-existing Conditions Limitations	Adjusted Per Family Per Month Claim Cost
1 Hospital Confinement/Medical Facility Benefit						
i. Hospital Confinement		Table 1.F.i.a	Table 1.F.i.b	Table 1.F.i.c		
ii. Hospital Intensive Care Unit Confinement	Input	Table 1.F.ii.a	Table 1.F.ii.b	Table 1.F.ii.c	Table 13	[1]x[2]x[3]x[4]x[5]
iii. Hospital Admission		Table 1.F.iii.a	Table 1.F.iii.b	Table 1.F.iii.c		
iv. Emergency Room Benefit		Table 1.F.iv.a	Table 1.F.iv.b	Table 1.F.iv.c		[1]x[2]x[3]x[4]
v. Newborn Child Hospital Care Benefit		not available on a maximum per family basis				
2 Surgery Benefit						
i. Inpatient Flat Indemnity		Table 2.F.i.a	Table 2.F.i.b	Table 2.F.i.c		
ii. Outpatient Flat Indemnity		Table 2.F.ii.a	Table 2.F.ii.b	Table 2.F.ii.c		
3 Ambulatory Surgical Center Benefit	Input	Table 3.F.a	Table 3.F.b	Table 3.F.c	Table 13	[1]x[2]x[3]x[4]x[5]
4 Pre-Admission Test Benefit		Table 4.F.a	Table 4.F.b	Table 4.F.c		
5 Doctor's Office Visit Benefit		Table 5.F.a	Table 5.F.b	Table 5.F.c		
6 Preventive Care Office Visit		Table 6.F.a	Table 6.F.b	Table 6.F.c		[1]x[2]x[3]x[4]
7 Diagnostic Tests, X-Ray and Laboratory Benefit						
i. Advance Study		Table 7.F.i.a	Table 7.F.i.b	Table 7.F.i.c		
ii. X-Ray	Input	Table 7.F.ii.a	Table 7.F.ii.b	Table 7.F.ii.c	Table 13	[1]x[2]x[3]x[4]x[5]
iii. Laboratory Tests		Table 7.F.iii.a	Table 7.F.iii.b	Table 7.F.iii.c		
8 Ambulance Benefit		not available on a maximum per family basis				
9 Mental Health Benefit						
i. Inpatient	Input	Table 9.F.i.a	Table 9.F.i.b	Table 9.F.i.c	Table 13	[1]x[2]x[3]x[4]x[5]
ii. Outpatient		Table 9.F.ii.a	Table 9.F.ii.b	Table 9.F.ii.c		
10 Chemical Abuse & Dependence Diagnosis and Treatment Benefit						
i. Detoxification		Table 10.F.i.a	Table 10.F.i.b	Table 10.F.i.c		
ii. Inpatient Rehabilitation	Input	Table 10.F.ii.a	Table 10.F.ii.b	Table 10.F.ii.c	Table 13	[1]x[2]x[3]x[4]x[5]
iii. Outpatient		Table 10.F.iii.a	Table 10.F.iii.b	Table 10.F.iii.c		
11 Skilled Nursing Facility Benefit		not available on a maximum per family basis				
12 Waiting Period Adjustment						Section II, Line 12
13 Maternity Coverage Benefit Adjustment						Section II, Line 13
14 Demographic Adjustment						Section II, Line 14
15 Pertinent Case Characteristics Adjustment						Section II, Line 15
16 Accidental Death and Dismemberment Benefit		not available on a maximum per family basis				
17 Term Life		not available on a maximum per family basis				
18 Total Manual Claim Cost					Sum(Line 1 - Line 11) x Line 12 x Line 13 x Line 14 x Line 15	
19 Experience-Adjustment Factor						Section II, Line 21.iv
					Single Insured	Family
20 Experience-Adjusted Claim Cost, Line 19 x Line 20					Section II, Line 22	Line 18 x Line 19

¹ The Underwriter may interpolate and should make proper actuarial adjustments to recognize the arch curve.

² The Underwriter may linearly interpolate.



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Table 1.i. - Hospital Confinement Benefit				
a. Per member per month per \$1 benefit claim costs				0.0409
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
5	0.69	\$50	\$400	0.85
10	0.85	\$401	\$750	0.95
15	0.93	\$751	\$1,250	1.00
30	1.00	\$1,251	\$1,750	1.10
45	1.02	\$1,751	\$2,000	1.20
60	1.03	\$2,001	\$3,000	1.30
75	1.04			
100	1.05			

Table F.1.i. - Hospital Confinement Benefit				
a. Family per month per \$1 benefit claim costs				0.0720
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
5	0.73	\$50	\$400	0.85
10	0.88	\$401	\$750	0.95
15	0.93	\$751	\$1,250	1.00
30	1.00	\$1,251	\$1,750	1.10
45	1.02	\$1,751	\$2,000	1.20
60	1.03	\$2,001	\$3,000	1.30
75	1.04			
100	1.05			

Note: When Regular Hospital Confinement and ICU are both offered, Table 1.ii.b should be based on the total number of days for Regular Hospital Confinement and ICU.

Table 1.ii. - Hospital Intensive Care Unit Benefit				
a. Per member per month per \$1 benefit claim costs				0.0096
b. # of Covered Days	Adjustment	c. Additional \$ Per Day Between		Adjustment
3	0.55	\$50	\$400	0.85
5	0.71	\$401	\$750	0.95
10	0.91	\$751	\$1,250	1.00
15	1.00	\$1,251	\$1,750	1.10
30	1.05	\$1,751	\$2,000	1.20
60	1.08	\$2,001	\$3,000	1.30
100	1.09			

Table F.1.ii. - Hospital Intensive Care Unit Benefit				
a. Family per month per \$1 benefit claim costs				0.0173
b. # of Covered Days	Adjustment	c. Additional \$ Per Day Between		Adjustment
3	0.56	\$50	\$400	0.85
5	0.73	\$401	\$750	0.95
10	0.92	\$751	\$1,250	1.00
15	1.00	\$1,251	\$1,750	1.10
30	1.07	\$1,751	\$2,000	1.20
60	1.09	\$2,001	\$3,000	1.30
100	1.10			

Note: When Regular Hospital Confinement and ICU are both offered, there is no additional charge from Table 1.ii.

Table 1.iii. - Hospital Admission Benefit				
a. Per member per month per \$1 benefit claim costs				0.0107
b. # of Covered 1st Admission Days		c. Per Stay Between		Adjustment
1	0.77	\$50	\$500	0.95
2	0.95	\$501	\$1,000	1.00
3	0.98	\$1,001	\$1,500	1.05
4	0.99	\$1,501	\$2,000	1.10
5	1.00	\$2,001	\$2,500	1.15
		\$2,501	\$3,000	1.20

Table F.1.iii. - Hospital Admission Benefit				
a. Family per month per \$1 benefit claim costs				0.0186
b. # of Covered 1st Admission Days		c. Per Stay Between		Adjustment
1	0.82	\$ 50	\$ 500	0.95
2	0.97	\$ 501	\$ 1,000	1.00
3	0.98	\$ 1,001	\$ 1,500	1.05
4	0.99	\$ 1,501	\$ 2,000	1.10
5	1.00	\$ 2,001	\$ 2,500	1.15
		\$ 2,501	\$ 3,000	1.20

Table 1.iv. - Emergency Room Benefit				
a. Per member per month claim costs per \$1 Benefits				0.0138
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.85	\$50	\$250	1.00
2	1.00	\$251	\$500	1.05
3	1.04	\$501	\$750	1.10
4	1.06	\$751	\$1,000	1.25
5	1.07			

Table F.1.iv. - Emergency Room Benefit				
a. Family per month per \$1 benefit claim costs				0.0311
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.82	\$50	\$250	1.00
2	1.00	\$251	\$500	1.05
3	1.06	\$501	\$750	1.10
4	1.08	\$751	\$1,000	1.25
5	1.10			

Table 1.v. - Newborn Child Hospital Care Benefit				
a. Per member per month per \$1 benefit claim costs				0.0016
b. # of Covered Days	Adjustment	c. Per Day Between:		Adjustment
1	0.56	\$100	\$250	0.95
2	1.00	\$251	\$500	1.00
3	1.14	\$501	\$750	1.10
4	1.17	\$751	\$1,250	1.10
		\$1,251	\$1,750	1.20
		\$1,751	\$2,500	1.30



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Table 2.i. - Inpatient Surgery - Flat Indemnity Benefit				
a. Per member per month per \$1 benefit claim costs				0.0046
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.905	\$250	\$500	0.86
2	0.984	\$501	\$750	0.89
3	0.995	\$751	\$1,000	0.91
4	0.998	\$1,001	\$1,250	0.93
5	1.000	\$1,251	\$1,500	0.95
		\$1,501	\$1,750	0.98
		\$1,751	\$2,000	1.00

Table 2.F.i. - Inpatient Surgery - Flat Indemnity Benefit				
a. Per family per month per \$1 benefit claim costs				0.0101
b. # of Covered Days	Adjustment	c. Per Day Between:		Adjustment
1	0.883	\$250	\$500	0.86
2	0.980	\$501	\$750	0.89
3	0.994	\$751	\$1,000	0.91
4	0.998	\$1,001	\$1,250	0.93
5	1.000	\$1,251	\$1,500	0.95
		\$1,501	\$1,750	0.98
		\$1,751	\$2,000	1.00

Table 2.ii. - Outpatient Surgery - Flat Indemnity Benefit				
a. Per member per month per \$1 benefit claim costs				0.0062
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.905	\$250	\$500	0.98
2	0.984	\$501	\$750	1.00
3	0.995			
4	0.998			
5	1.000			

Table 2.F.ii. - Outpatient Surgery - Flat Indemnity Benefit				
a. Per family per month per \$1 benefit claim costs				0.0136
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.883	250	500.00	0.98
2	0.980	501	750.00	1.00
3	0.994			
4	0.998			
5	1.000			

Table 3 - Ambulatory Surgical Center Benefit				
a. Per member per month per \$1 benefit claim costs				0.0061
b. # of Covered Days	Adjustment	c. Per Admission Day Between		Adjustment
1	0.920	\$ -	\$ 250	0.98
2	1.000	\$ 251	\$ 500	0.99
		\$ 501	\$ 750	1.00
		\$ 751	\$ 1,000	1.02

Table 3.F - Ambulatory Surgical Center Benefit				
a. Per family per month per \$1 benefit claim costs				0.0133
b. # of Covered Days	Adjustment	c. Per Admission Between		Adjustment
1	0.901	\$ -	\$ 250	0.98
2	1.000	\$ 251	\$ 500	0.99
		\$ 501	\$ 750	1.00
		\$ 751	\$ 1,000	1.02

Table 4 - Pre-Admission Test Benefit				
a. Per member per month per \$1 benefit claim costs				0.0073
b. # of Covered Days	Adjustment	c. Per Admission Day Between		Adjustment
1	0.890	\$ 50	\$ 100	1.00
2	0.987	\$ 101	\$ 200	1.05
3	1.000	\$ 201	\$ 300	1.10
4	1.010	\$ 301	\$ 400	1.15
5	1.020	\$ 401	\$ 500	1.20

Table 4.F - Pre-Admission Test Benefit				
a. Per family per month per \$1 benefit claim costs				0.0163
b. # of Covered Days	Adjustment	c. Per Admission Day Between		Adjustment
1	0.864	\$ 50	\$ 100	1.00
2	0.984	\$ 101	\$ 200	1.05
3	1.000	\$ 201	\$ 300	1.10
4	1.010	\$ 301	\$ 400	1.15
5	1.020	\$ 401	\$ 500	1.20

Table 5 - Doctor's Office Visit Benefit				
a. Per member per month per \$1 benefit claim costs				0.1811
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.52	\$5	\$25	0.85
2	0.82	\$26	\$50	0.90
3	1.00	\$51	\$75	1.00
4	1.11	\$76	\$100	1.10
5	1.18	\$101	\$150	1.15
6	1.23	\$151	\$200	1.25
7	1.26			

Table 5.F - Doctor's Office Visit Benefit				
a. Per family per month per \$1 benefit claim costs				0.3379
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.47	\$5	\$25	0.85
2	0.78	\$26	\$50	0.90
3	1.00	\$51	\$75	1.00
4	1.16	\$76	\$100	1.10
5	1.27	\$101	\$150	1.15
6	1.35	\$151	\$200	1.25
7	1.41			

Table 6 - Preventive Care Office Visit				
a. Per member per month per \$1 benefit claim costs				0.0202
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	1.00	\$25	\$50	0.90
2	1.69	\$51	\$75	1.00
3	2.11	\$76	\$150	1.10
		\$151	\$200	1.20
		\$201	\$250	1.25

Table 6.F - Preventive Care Office Visit				
a. Per family per month per \$1 benefit claim costs				0.0524
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	1.00	\$25	\$50	0.90
2	1.69	\$51	\$75	1.00
3	2.11	\$76	\$150	1.10
		\$151	\$200	1.20
		\$201	\$250	1.25



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Table 7.i. - Advance Study Benefit				
a. Per member per month claim costs per \$1 Benefits				0.0149
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	1.00	\$25	\$350	0.90
2	1.24	\$351	\$700	1.00
		\$701	\$1,400	1.10
		\$1,401	\$2,000	1.25

Table 7.i. - Advance Study Benefit				
a. Per family per month per \$1 benefit claim costs				0.0299
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	1.00	\$25	\$350	0.90
2	1.24	\$351	\$700	1.00
		\$701	\$1,400	1.10
		\$1,401	\$2,000	1.25

Table 7.ii. - X-Ray Benefit				
a. Per member per month claim costs per \$1 Benefits				0.0556
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.74	\$25	\$70	0.90
2	1.00	\$71	\$105	1.00
3	1.12	\$106	\$175	1.10
		\$176	\$280	1.25
		\$281	\$490	1.50
		\$491	\$700	1.75

Table 7.F.ii. - X-Ray Benefit				
a. Per family per month per \$1 benefit claim costs				0.1123
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.72	\$25	\$70	0.90
2	0.98	\$71	\$105	1.00
3	1.12	\$106	\$175	1.10
		\$176	\$280	1.25
		\$281	\$490	1.50
		\$491	\$700	1.75

Table 7.iii. - Laboratory Tests Benefit				
a. Per member per month claim costs per \$1 Benefits				0.1017
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.69	\$5	\$50	0.90
2	1.00	\$51	\$85	1.00
3	1.16	\$86	\$170	1.10
4	1.25	\$171	\$250	1.15
5	1.31	\$251	\$350	1.30

Table 7.F.iii. - Laboratory Tests Benefit				
a. Per family per month per \$1 benefit claim costs				0.1892
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.67	\$5	\$50	0.90
2	0.97	\$51	\$85	1.00
3	1.14	\$86	\$170	1.10
4	1.24	\$171	\$250	1.15
5	1.31	\$251	\$350	1.30

Table 8. - Ambulance Services Benefit				
a. Per member per month per \$1 benefit claim costs				0.0016
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
3	1.00	\$100	\$299	0.95
4	1.02	\$300	\$699	1.00
5	1.03	\$700	\$1,000	1.05
6	1.03			

Table 8. - Ambulance Services Benefit				
a. Per family per month per \$1 benefit claim costs				0.0016
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
3	1.00	\$100	\$299	0.95
4	1.02	\$300	\$699	1.00
5	1.03	\$700	\$1,000	1.05
6	1.03			

Table 9.i. - Mental Health Inpatient Benefit				
a. Per member per month claim costs per \$1 Benefits				0.0021
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
5	0.62	\$50	\$250	0.96
10	0.85	\$251	\$500	1.00
20	0.99	\$501	\$750	1.05
30	1.00	\$751	\$1,000	1.10
45	1.03	\$1,001	\$2,000	1.20
60	1.06	\$1,501	\$3,000	1.30
100	1.10			

Table 9.F.i. - Mental Health Inpatient Benefit				
a. Per family per month per \$1 benefit claim costs				0.0036
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
5	0.68	\$50	\$250	0.96
10	0.91	\$251	\$500	1.00
20	0.99	\$501	\$750	1.05
30	1.00	\$751	\$1,000	1.10
45	1.03	\$1,001	\$2,000	1.20
60	1.06	\$1,501	\$3,000	1.30
100	1.10			

Table 9.ii - Mental Health Outpatient Benefit				
a. Per member per month claim costs per \$1 Benefits				0.0148
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.40	\$0	\$50	0.98
2	0.63	\$51	\$100	1.00
3	0.79	\$101	\$150	1.10
4	0.91	\$151	\$200	1.25
5	1.00			
10	1.60			
20	2.42			

Table 9.F.ii - Mental Health Outpatient Benefit				
a. Per family per month per \$1 benefit claim costs				0.0271
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.42	\$0	\$50	0.98
2	0.64	\$51	\$100	1.00
3	0.79	\$101	\$150	1.10
4	0.91	\$151	\$200	1.25
5	1.00			
10	1.60			
20	2.42			



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Table 10.i. - Chemical Abuse and Dependence - Detoxification				
a. Per member per month claim costs per \$1 Benefits				
0.0002				
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
5	0.60	\$50	\$250	0.96
10	0.80	\$251	\$500	1.00
20	0.93	\$501	\$750	1.05
30	1.00	\$751	\$1,000	1.10
45	1.03	\$1,001	\$2,000	1.20
60	1.05	\$1,501	\$3,000	1.30
100	1.10			

Table 10.F.i. - Chemical Abuse and Dependence - Detoxification					
a. Per family per month per \$1 benefit claim costs					
0.0003					
b. # of Covered Days	Adjustment	c. Per Day Between			Adjustment
5	0.60	\$50	\$250		0.96
10	0.80	\$251	\$500		1.00
20	0.93	\$501	\$750		1.05
30	1.00	\$751	\$1,000		1.10
45	1.03	\$1,001	\$2,000		1.20
60	1.05	\$1,501	\$3,000		1.30
100	1.10				

Table 10.ii. - Chemical Abuse and Dependence - Inpatient Reh.				
a. Per member per month claim costs per \$1 Benefits				
0.0004				
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
5	0.60	\$50	\$250	0.96
10	0.80	\$251	\$500	1.00
20	0.93	\$501	\$750	1.05
30	1.00	\$751	\$1,000	1.10
45	1.03	\$1,001	\$2,000	1.20
60	1.05	\$1,501	\$3,000	1.30
100	1.10			

Table 10.F.ii. - Chemical Abuse and Dependence - Inpatient Reh.					
a. Per family per month per \$1 benefit claim costs					
0.0007					
b. # of Covered Days	Adjustment	c. Per Day Between			Adjustment
5	0.60	\$50	\$250		0.96
10	0.80	\$251	\$500		1.00
20	0.93	\$501	\$750		1.05
30	1.00	\$751	\$1,000		1.10
45	1.03	\$1,001	\$2,000		1.20
60	1.05	\$1,501	\$3,000		1.30
100	1.10				

Table 10.iii. - Chemical Abuse and Dependence - Outpatient Benefit				
a. Per member per month claim costs per \$1 Benefits				
0.0048				
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
1	0.40	\$0	\$50	0.98
2	0.63	\$51	\$100	1.00
3	0.79	\$101	\$150	1.10
4	0.91	\$151	\$200	1.25
5	1.00			
6	1.15			
7	1.25			

Table 10.F.iii. - Chemical Abuse and Dependence - Outpatient Benefit					
a. Per family per month per \$1 benefit claim costs					
0.0088					
b. # of Covered Days	Adjustment	c. Per Day Between			Adjustment
1	0.40	\$0	\$50		0.98
2	0.63	\$51	\$100		1.00
3	0.79	\$101	\$150		1.10
4	0.91	\$151	\$200		1.25
5	1.00				
6	1.15				
7	1.25				

Table 11 - Skilled Nursing Facility Benefit				
a. Per member per month per \$1 benefit claim costs				
0.0010				
b. # of Covered Days	Adjustment	c. Per Day Between		Adjustment
60	1.00	\$100	\$299	0.95
90	1.30	\$300	\$699	1.00
		\$700	\$1,000	1.05

Table 12 - Accidental Death and Dismemberment				
Per \$1,000 benefit monthly claim costs:				
		Single Insured	Insured +Spouse	Insured +Children amily
i. Accidental Death		0.0250	0.0340	0.0290 0.04
ii. Dismemberment		0.0250	0.0340	0.0290 0.04

Table 13. - Term Life	
Maximum Limit: \$50,000 per Named Insured	
Per \$1000 benefit monthly claim costs:	
a Adult	\$0.415
b. Child	\$0.073



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Table 14 - Pre-Existing Condition Limitation Adjustment (All Illnesses)							
	Dollar Threshold from which Pre-ex applies	Benefit Categories					
		A	B	C	D	E	F
PCCC applies	No PCCC \$0	0.950	0.950	0.950	0.950	0.950	0.950
	\$0	1.050	1.050	1.050	1.050	1.050	1.050
	\$251	1.090	1.050	1.062	1.128	1.172	1.265
	\$301	1.103	1.066	1.067	1.205	1.184	1.320
	\$350	1.111	1.066	1.072	1.283	1.192	1.438
	\$401	1.119	1.066	1.080	1.360	1.200	1.438
	\$451	1.127	1.066	1.085	1.438	1.206	1.438
	\$501	1.135	1.066	1.091	1.438	1.233	1.438
	\$750	1.160	1.066	1.143	1.438	1.244	1.438
	\$1,001	1.173	1.071	1.184	1.438	1.259	1.438
	\$1,501	1.188	1.114	1.259	1.438	1.285	1.438
	\$2,001	1.201	1.159	1.384	1.438	1.304	1.438
	\$2,501	1.213	1.193	1.409	1.438	1.320	1.438
	No Pre-ex Limitation	1.438	1.438	1.438	1.438	1.438	1.438

Note: Use Category A if Pre-Existing Condition Limitation applies to all benefits as a whole. If application is different by benefit category, use Categories B-F

Category	
A	Total
B	Hospital Confinement, Hospital ICU, Hospital Admission, Pre-Admission Expenses
C	Surgery, Anesthesia, Ambulatory Surgical Center
D	Advance Study Benefit
E	Mental Health, Chemical Abuse and Dependence
F	All Others

PCCC: Prior Creditable Coverage Credits

Table 15 - Waiting Period Adjustment	
30-day Sickness Waiting Period	0.95
No Waiting Period	1.00

Table 16 - Maternity Benefit Adjustment	
No Maternity Coverage	0.98
Maternity Coverage same as any illnesses	1.00



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Table 17 - Demographic Adjustment									
<i>If the expected demographics of the business is known, they should be applied against the above table to determine the average Age/Gender factor and/or Geographic factor. If information is not available, use 1.0</i>									
a. Expected Composite Age/Gender Factor = sum (individual age/gender factor * # insured) / total # insured									
	No Maternity Coverage				With Maternity Coverage				
Primary Insured Issue	Single Rate Tier		Other Rate Tiers		Single Rate Tier		Other Rate Tiers		
	Primary Insured Gender								
	Male	Female	Male	Female	Male	Female	Male	Female	
00-29	0.610	0.896	0.886	0.933	0.565	1.522	1.156	1.203	
30-39	0.798	1.034	1.027	1.078	0.738	1.292	1.137	1.184	
40-49	1.054	1.168	1.146	1.172	0.976	1.152	1.156	1.167	
50-59	1.213	1.238	1.212	1.245	1.126	1.164	1.178	1.190	
60&+	1.371	1.340	1.322	1.351	1.271	1.245	1.251	1.270	
b. Expected Composite Area Factor = sum (state area factor * # insured in state) / total # insured									
State	Area Factor	State	Area Factor	State	Area Factor	State	Area Factor		
AK	1.000	ID	0.975	MT	1.000	RI	1.000		
AL	1.000	IL	1.000	NC	0.975	SC	0.975		
AR	0.925	IN	0.975	ND	1.000	SD	1.000		
AZ	1.000	KS	0.975	NE	0.975	TN	1.100		
CA	1.000	KY	1.000	NH	0.950	TX	1.100		
CO	1.000	LA	1.000	NJ	1.100	UT	1.150		
CT	1.000	MA	1.050	NM	0.975	VA	1.000		
DC	1.000	MD	1.025	NV	1.100	VT	1.000		
DE	1.000	ME	1.000	NY	0.900	WA	1.000		
FL	1.050	MI	0.950	OH	0.975	WI	0.925		
GA	0.925	MN	1.000	OK	1.050	WV	0.925		
HI	1.000	MO	0.950	OR	0.925	WY	1.000		
IA	0.975	MS	0.925	PA	0.950				
c. Applicable Demographic Adjustment Factor for rating = a x b, subject to a minimum of 0.85 and maximum of 1.15									

**** Note:** As an alternative to using composite rates, an underwriter may choose to offer actuarially equivalent age/gender- and/or state-specific rates. In that event, all of the steps would remain the same. After the composite rates are developed, per the Rate Calculation instructions, that rate would be multiplied by the above factors. Actuarially equivalent rates should be used so the total generated from age/gender and/or state-specific rates should not deviate more than 15% from the total before demographic adjustments.

Table 18 - Pertinent Case Characteristics	
Characteristics	Adjustment Factor
1. Marketing & Sales Distribution (TV/Radio marketing and in bound call center least favorable, no mass media and	(-15% to +5%)
2. Mandated Benefits not accounted for in Individual Benefit Tables	(0% to +10%)
3. Plan Design Beyond Individual Benefit Tabular Adjustment (+% for rich plan, -% for low plan)	(-10% to +10%)
4. Other Benefit Offerings by Carrier	(-2% to 0%)
5. Other Pertinent Characteristics	(-10% to + 10%)
6. Line 2 to Line 5 subtotal, subject to a maximum adjustment of +/- 15%	Sum line 2 to line 5
7. Total	line1 + line 6
8. Adjustment Factor	1+ line 7

Table 19 - Tier Rates	
i. Conversion Factor	1.10
ii. Tier Raa. Single	1.00
b. Insured + Spouse	2.00
c. Insured + Child(ren)	1.60
d. Family	2.60

Prepared by CP Risk Solutions, LLC

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Table 20 - Experience Rating ¹				
i. Experience Claim Cost				
	Total	Current Year	Current Year - 1	Current Year - 2
1. Claims				
2. Estimated run-out claims ²				
3. Estimated incurred claims = (line 1) + (line 2)				
4. Plan design and demographic adjustments				
5. Total enrolled primary insured and dependent months				
6. Average claim cost per person per month = (line 3) x (line 4) / (line 5)				
7. Weights (totaled to 100%)				
8. Experience claim cost per person per month (weighted average of line 6, using line 7 weights)				
9. Estimated Total Experience Claim Costs = Line 8 x Total Line 5				
ii. Experience Credibility				
	# of membermonths ³	Credibility Factors ⁴		
	6,000	25%		
	12,000	50%		
	18,000	75%		
	24,000	100%		

¹ The underwriter may use different algorithm or a loss ratio approach as long as the intent is followed.

² Alternatively, underwriter could lag the exposure to estimate incurred claims. The underwriter shall determine the number of months lag based on the stability of the enrollment and the administrative processes.

³ The # of member months should correspond to the total of Line 5 in Table 18.i.

⁴ Credibility Factors could be linearly interpolated. Factors will be increased or decreased based on the persistency in experience fluctuation, plan designs, change in brokers, change in carriers and other documented items that could affect credibility of the experience.

