

**State:** District of Columbia **Filing Company:** Reserve National Insurance Company  
**TOI/Sub-TOI:** H10G Group Health - Dental/H10G.000 Health Dental  
**Product Name:** Dental PPO - Filing  
**Project Name/Number:** RESERVE-DNTL/70.1/70.1

## Filing at a Glance

Company: Reserve National Insurance Company  
Product Name: Dental PPO - Filing  
State: District of Columbia  
TOI: H10G Group Health - Dental  
Sub-TOI: H10G.000 Health Dental  
Filing Type: Rate  
Date Submitted: 01/03/2014  
SERFF Tr Num: FRCS-129360679  
SERFF Status: Pending Industry Response  
State Tr Num:  
State Status:  
Co Tr Num: 5955.1  
Implementation: On Approval  
Date Requested:  
Author(s): Exselsa Cartwright, Marilyn Odell  
Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu  
Disposition Date:  
Disposition Status:  
Implementation Date:  
State Filing Description:

**State:** District of Columbia **Filing Company:** Reserve National Insurance Company  
**TOI/Sub-TOI:** H10G Group Health - Dental/H10G.000 Health Dental  
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## General Information

Project Name: RESERVE-DNTL/70.1	Status of Filing in Domicile: Not Filed
Project Number: 70.1	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments: Rates not filed in domicile state.
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Small and Large
Group Market Type: Employer	Overall Rate Impact:
Filing Status Changed: 01/17/2014	Deemer Date:
State Status Changed:	Submitted By: Exselsa Cartwright
Created By: Marilyn Odell	
Corresponding Filing Tracking Number: FRCS-129360719	

### Filing Description:

We have been retained by Reserve National Insurance Company to file the enclosed rates for approval in your state.

The company's group number is 0215.

These rates pertain to the referenced coverage schedule, which provides a PPO option and will be used when the PPO option is purchased. The coverage schedule forms are being submitted under separate cover on this same date.

To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your jurisdiction.

If you have any questions or need additional information, please call toll-free 1-800-927-2730. Thank you for your assistance.

## Company and Contact

### Filing Contact Information

Marilyn Odell, Compliance Specialist	marilyn.odell@firstconsulting.com
1020 Central	800-927-2730 [Phone] 2835 [Ext]
Suite 201	816-391-2755 [FAX]
Kansas City, MO 64105	

### Filing Company Information

(This filing was made by a third party - FC01)

Reserve National Insurance Company	CoCode: 68462	State of Domicile: Oklahoma
601 East Britton Road	Group Code: 215	Company Type:
Oklahoma City, OK 73114	Group Name: Unitrin, Inc	State ID Number:
(405) 848-7931 ext. [Phone]	FEIN Number: 73-0661453	

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

SERFF Tracking #:

FRCS-129360679

State Tracking #:

Company Tracking #:

5955.1

**State:** District of Columbia  
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**Filing Company:** Reserve National Insurance Company

## Rate Information

Rate data applies to filing.

**Filing Method:** For approval  
**Rate Change Type:** Neutral  
**Overall Percentage of Last Rate Revision:** 0.000%  
**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:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Reserve National Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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5955.1

State:

District of Columbia

Filing Company:

Reserve National Insurance Company

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health Dental

Product Name:

Dental PPO - Filing

Project Name/Number:

RESERVE-DNTL/70.1/70.1

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rates	GDS-PPN-12	New		Rates.pdf,

**Reserve National Insurance Company**  
**BASE RATES**  
**Group Dental Insurance**  
**Form: GDP-12**

Gross Rates	** Employer Paid Rates						
	Plan I	Plan II	Plan III	Plan IV	Plan V	Plan VI	Orthodontia
Employee Only	\$39.55	\$31.82	\$27.49	\$21.88	\$15.66	\$14.82	\$0.27
Employee + Spouse	\$79.10	\$63.64	\$54.98	\$43.76	\$31.32	\$29.64	\$0.54
Employee + Children	\$86.61	\$69.69	\$60.20	\$47.92	\$34.30	\$32.46	\$3.35
Family	\$126.16	\$101.51	\$87.69	\$69.80	\$49.96	\$47.28	\$3.62

**Appendix A**

**Reserve national Insurance Company  
Employer Voluntary - PPO Plans**

Benefits	Plan I	Plan II	Plan III	Plan IV	Plan V	Plan VI
<b>Calendar Year Maximum</b>	\$2,000	\$1,500	\$1,000	\$1,000	\$750	\$500
<b>Class I Preventive Services</b>	100%	100%	100%	80%	100%	100%
Deductible	None	None	None	None	None	None
Waiting Period	None	None	None	None	None	None
Exams - 2 per year	✓	✓	✓	✓	✓	✓
Cleanings - 2 per year	✓	✓	✓	✓	✓	✓
Sealants	✓	✓	✓	✓	✓	✓
All X-Rays	✓	✓	✓	Not Applicable	Not Applicable	Not Applicable
Bitewing X-Rays	✓	✓	✓	Not Applicable	Not Applicable	Not Applicable
<b>Class II Basic Services</b>	90%	80%	80%	60%	80%	80%
Deductible - Type II & Type III Combined	\$50	\$50	\$50	\$50	\$50	\$50
Waiting Period	None	3 Months	3 Months	3 Months	3 Months	None
All X-Rays	Not Applicable	Not Applicable	Not Applicable	✓	✓	✓
Bitewing X-Rays	Not Applicable	Not Applicable	Not Applicable	✓	✓	✓
Simple Extractions	✓	✓	✓	✓	✓	✓
Fillings	✓	✓	✓	✓	✓	✓
Oral Surgery	✓	✓	✓	Not Applicable	Not Applicable	Not Applicable
Endodontics	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Periodontics	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Class III Major Services</b>	50%	50%	50%	40%	40%	40%
Deductible - Type II & Type III Combined	\$50	\$50	\$50	\$50	Not Applicable	Not Applicable
Waiting Period	12 Months	12 Months	12 Months	12 Months	Not Applicable	Not Applicable
Oral Surgery	Not Applicable	Not Applicable	Not Applicable	✓	Not Applicable	Not Applicable
Bridges	✓	✓	✓	✓	Not Applicable	Not Applicable
Crowns	✓	✓	✓	✓	Not Applicable	Not Applicable
Dentures	✓	✓	✓	✓	Not Applicable	Not Applicable
Inlays & Onlays	✓	✓	✓	✓	Not Applicable	Not Applicable
Endodontics	Not Applicable	✓	✓	✓	Not Applicable	Not Applicable
Periodontics	Not Applicable	✓	✓	✓	Not Applicable	Not Applicable
<b>Class IV Orthodontia - Optional</b>	50%	50%	50%	50%		
Lifetime Benefit Maximum	\$1,000	\$1,000	\$1,000	\$1,000		
Waiting Period	12 Months	12 Months	12 Months	12 Months		
Annual Benefit Maximum	50% of Lifetime Maximum	50% of Lifetime Maximum	50% of Lifetime Maximum	50% of Lifetime Maximum		

**State:** District of Columbia  
**TOI/Sub-TOI:** H10G Group Health - Dental/H10G.000 Health Dental  
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**Filing Company:** Reserve National Insurance Company

## Supporting Document Schedules

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

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

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	Please see actuarial memorandum.
<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)
<b>Bypass Reason:</b>	Not applicable to this filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

FRCS-129360679

State Tracking #:

Company Tracking #:

5955.1

State:

District of Columbia

Filing Company:

Reserve National Insurance Company

TOI/Sub-TOI:

H10G Group Health - Dental/H10G.000 Health Dental

Product Name:

Dental PPO - Filing

Project Name/Number:

RESERVE-DNTL/70.1/70.1

<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>	





**FIRST CONSULTING**  
& Administration, Inc.

January 3, 2014

Government of the District of Columbia  
Department of Insurance and Securities Regulation  
Insurance Products Division  
810 First Street, N.E., Suite 701  
Washington, D.C. 20002

**RATE FILING**

RE: Reserve National Insurance Company  
NAIC # 68462 FEIN # 73-0661453  
Rates for Form GDS-PPN-12  
Our File Number: 5955.1

Dear Sir or Madam:

We have been retained by Reserve National Insurance Company to file the enclosed rates for approval in your state.

We enclose the following for your consideration:

- Cover Letter
- Third party authorization
- Actuarial memorandum and rates

The company's group number is 0215.

These rates pertain to the referenced coverage schedule, which provides a PPO option and will be used when the PPO option is purchased. The coverage schedule forms are being submitted under separate cover on this same date.

To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your jurisdiction.

If you have any questions or need additional information, please call toll-free 1-800-927-2730. Thank you for your assistance.

Sincerely,

FIRST CONSULTING & ADMINISTRATION, INC.

Marilyn J. Odell  
Compliance Specialist  
E-mail: [marilyn.odell@firstconsulting.com](mailto:marilyn.odell@firstconsulting.com)  
Extension: 2835

Enclosures



Reserve National Insurance Company  
601 East Britton Road  
Oklahoma City, OK 73114-7710  
reservenational.com

August 1, 2013

To: The Insurance Commissioner

### Authorization

This letter, or a copy thereof, will authorize the consulting firm of First Consulting & Administration, Inc., Kansas City, Missouri, to represent this Company in matters before the Insurance Department.

This Authorization shall be valid until revoked by us.

Reserve National Insurance Company

By:  \_\_\_\_\_

Title: Senior Vice President, Corporate  
Counsel  
\_\_\_\_\_

# Reserve National Insurance Company

## ACTUARIAL RATE JUSTIFICATION Group Dental Insurance Form: GDP-12

### 1. **SCOPE AND PURPOSE**

The purpose of this memorandum is to meet the rate filing requirements for the state being filed. Reserve National Insurance Company is filing additional options for the previously filed (August 2012) group dental policy Form GDP-12. These additional options are intended to accommodate the use of a PPO network. The effective date of this filing is upon approval.

### 2. **DESCRIPTION OF BENEFITS**

The party insured is the employee, and their dependents, of an employer sponsored group dental indemnity program. The group dental indemnity program contains insured benefits as provided in the Summary Plan Description of the program. Employee contribution is selected by the sponsor and is applied the same to all employees. Employees may select coverage and will pay their portion of the premium through payroll deduction for employer groups.

Dental benefits are grouped into four types. These are:

- Class I Procedures - Preventive
- Class II Procedures - Basic Restorative
- Class III Procedures – Major
- Orthodontia (Optional)

The insured can select one of six new options which will be referred to in this memorandum as "Plans" – when referring to the previously approved options this memo will use the name "Options". These Plans are shown in the attached Appendix A. These Plans vary by the following:

- Calendar Year Maximum
- Coinsurance by Benefit Type
- Waiting Period by Class (Sponsor can waive this feature see Appendix B)
- Class Procedure Definition

Each of the above benefit features has manual adjustments. These "Plans" are similar to the filed "Options" 1 - 5. The differences are as follows:

- Plan I has the same benefits as filed Option 1 except Plan I has a \$2,000 annual maximum only while Option 1 allows different levels of annual maximum.
- Plan II has the same benefits as filed Option 2 except Plan II has a \$1,500 annual maximum only while Option 2 allows different levels of annual maximum.
- Plan III has the same benefits as filed Option 3 except Plan III has a \$1,000 annual maximum only while Option 3 allows different levels of annual maximum and Plan III covers Preventive Services at 100% while Option 3 covers them at 80%.
- Plan IV has the same benefits as filed Option 4 except Plan IV has a \$1,000 annual maximum only while Option 4 allows different levels of annual maximum.
- Plan V is a new plan of benefits that is similar to Option 4 but excludes Major services, has a new 100% coinsurance on Preventive services, and a \$750 annual maximum only.

## Reserve National Insurance Company

### ACTUARIAL RATE JUSTIFICATION

#### Group Dental Insurance

#### Form: GDP-12

- Plan VI is a new plan of benefits that is similar to Option 4 but excludes Major services, has a new 100% coinsurance on Preventive services, no waiting periods, and a \$500 annual maximum

### 3. **RENEWABILITY CLAUSE**

This form is classified as a group product and is optionally renewable for purposes of renewability and determining minimum loss ratios.

### 4. **APPLICABILITY**

This is an amended filing. There have not yet been any policies issued under the original "Options". The insurer anticipates both new and eventually renewal business for both "Plans" and "Options" depending on whether or not the use of a PPO network is desired.

### 5. **MORBIDITY**

The premium rates for dental are calculated from the dental pricing system developed by MarACon, LLC, which has provisions for variables applicable to the benefits, individual characteristics including industry. The benefit variables include deductible, coinsurance, maximum benefit, and contractual benefits as discussed in the previous sections.

The premium rates may vary from manual rates because of underwriting determinations made at issue or at renewal with respect to the risk of a particular individual compared to the manual assumptions.

A complete list of risk factor adjustments are in Appendix B attached.

### 6. **MORTALITY**

All policies are assumed to be in-force for one year. Mortality is not an assumption used in developing the premium rates of this product.

### 7. **PERSISTENCY**

This is a group annual term product. Persistency assumptions were not used in the pricing of this product.

**Reserve National Insurance Company**

**ACTUARIAL RATE JUSTIFICATION  
Group Dental Insurance  
Form: GDP-12**

**8. EXPENSES**

For all policy years, the following average expense assumptions as a percentage of gross premiums by group size were used:

<b><u>Average Percent of Premium</u></b>				
<b><u>Commissions</u></b>	<b><u>Administration</u></b>	<b><u>Premium Tax</u></b>	<b><u>Risk and Contingency</u></b>	<b><u>Total</u></b>
12.0%	9.0%	2.5%	11.5%	35.0%

**9. MARKETING METHOD**

This product is sold through group insurance brokers and independent agents.

**10. UNDERWRITING**

There is group underwriting. Each group is evaluated for the following risks:

- Industry – Factors range from .900 to 1.15
- Area by Three Digit Zip Code – See Area Factors 13
- Effective Date – See Trend Section 18
- Expenses – See Expenses Section 8
- Prior or Expected Dental Insurance Participation – See Attached Appendix B

**11. PREMIUM CLASSES**

Rates are calculated for four rate classifications:

- Employee Only
- Employee + Spouse
- Employee + Child(ren)
- Employee + Spouse+ Child(ren)

**12. ISSUE AGE RANGE**

Rates are on a composite basis based on the group’s age/gender mix.

**13. AREA FACTORS**

Area factors vary by the first three digits of the employer’s residence zip code. Factors range from .750 to 1.550.

**14. AVERAGE ANNUAL PREMIUM**

As this is a new product filing, there is no premium for this plan in this state. The average annual premium for this plan in this state is anticipated to be as follows:

<b>Annual Premiums</b>	<b><u>Dental</u></b> \$800
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**Reserve National Insurance Company**

**ACTUARIAL RATE JUSTIFICATION  
Group Dental Insurance  
Form: GDP-12**

**15. PREMIUM MODALIZATION RULES**

Monthly	.0833
Quarterly	.2500
Semi-Annual	.5000

**16. CLAIM LIABILITY & RESERVES**

There are no existing policies in this state of and no liabilities have been incurred yet.

**17. ACTIVE LIFE RESERVES**

Not applicable to this form.

**18. TREND ASSUMPTIONS**

Annual trend of 4% is applied to effective dates after 7/1/2013 on a monthly compound basis. Rates are guaranteed for 12 months.

**19. MINIMUM REQUIRED LOSS RATIO FOR THE FORM**

The minimum loss ratio for this benefit on average is 65%.

**20. ANTICIPATED LOSS RATIO**

The anticipated loss ratio for all policy years by group size is as follows:

<b><u>Loss Ratio</u></b>
65.0%

**21. DISTRIBUTION OF BUSINESS**

All business will be new business since this is an amended form filing with no policies issued to date.

**22. CONTINGENCY & RISK MARGINS**

The average contingency and risk margin is 11.0% of premium on average.

**23. EXPERIENCE ON THE FORM**

There is no actual experience available for this state since no policies have been sold to date.

**24. EFFECT OF LAW CHANGES**

There are no rate changes due to changes in laws or regulations.

**Reserve National Insurance Company**

**ACTUARIAL RATE JUSTIFICATION  
Group Dental Insurance  
Form: GDP-12**

**25. LIFETIME LOSS RATIO**

Group policy lifetime is the rating period. The lifetime loss ratio is the same as shown in Section 20 ANTICIPATED LOSS RATIO.

**26. HISTORY OF RATE ADJUSTMENTS**

No policies issued on original form — no history is available.

**27. NUMBER OF POLICYHOLDERS**

No policies in-force.

**28. PROPOSED EFFECTIVE DATE**

Upon approval by this state.

**29. CERTIFICATION**

As stated above, the purpose of this filing is to demonstrate that this rate filing meets the requirements under this state. This filing is not intended to be used for other purposes. This policy filing is experience-rated group insurance and the premium rates and classification of risks are available by the Commissioner of Insurance upon request.

I, F. Ray Martin, am consultant for MarACon, LLC. I am a member of the American Academy of Actuaries and meet the Qualifications Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

I hereby certify, to the best of my knowledge and judgment, that this rate filing is in compliance with the applicable laws of the state being filed, the rules of the Department of Insurance, and complies with Actuarial Standards of Practice No. 8, "Regulatory Filings for Rates and Financial Projections for Health Plans," as adopted by the Actuarial Standards Board, May, 2011. I also certify that the premium rates are not unreasonable in relation to the benefits provided and that the actuarial data and experience shall be maintained by the company and available for review by the Commissioner if Insurance upon request.

Respectfully submitted,



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F. Ray Martin, F.S.A., M.A.A.A.  
MarACon, LLC  
July 3, 2013

**Reserve National Insurance Company**

**ACTUARIAL RATE JUSTIFICATION  
Group Dental Insurance  
Form: GDP-12**

**Appendix B – Rate Adjustment for Risk Factors**

**Dental Benefit factors**

	<b><u>Factor</u></b>
Employer Paid Premium	1.000
Voluntary	1.124

**Waiver of Waiting Period**

	<b><u>Factor</u></b>
Plan I	1.047
Plan II	1.093
Plan III	1.075
Plan IV	1.096
Plan V	1.005