

State: District of Columbia **Filing Company:** The Guardian Life Insurance Company of America
TOI/Sub-TOI: H20G Group Health - Vision/H20G.000 Health - Vision
Product Name: DC 1/1/14 Vision Filing
Project Name/Number: /

Filing at a Glance

Company: The Guardian Life Insurance Company of America
 Product Name: DC 1/1/14 Vision Filing
 State: District of Columbia
 TOI: H20G Group Health - Vision
 Sub-TOI: H20G.000 Health - Vision
 Filing Type: Rate
 Date Submitted: 09/16/2013
 SERFF Tr Num: GARD-129205235
 SERFF Status: Assigned
 State Tr Num:
 State Status:
 Co Tr Num:

 Implementation: On Approval
 Date Requested:
 Author(s): Linda Rappaport, Rimma Kosubevsky, Amanda DePoortere
 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:	Status of Filing in Domicile:
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
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: 09/18/2013	
State Status Changed:	Deemer Date:
Created By: Amanda DePoortere	Submitted By: Amanda DePoortere
Corresponding Filing Tracking Number:	

Filing Description:

Below is a summary of the proposed Vision rate manual change(s) to be effective on January 1, 2014.

- 2.6% increase to VSP rates.
- 4.8% increase to Davis Vision rates.

See the Actuarial Memorandum for more detail.

Company and Contact

Filing Contact Information

Amanda DePoortere, Administrative Assistant	amanda_depootere@glic.com
3900 Burgess Place	610-807-6237 [Phone]
2N-66	610-807-8079 [FAX]
Bethlehem, PA 18017	

Filing Company Information

The Guardian Life Insurance Company of America	CoCode: 64246	State of Domicile: New York
7 Hanover Square	Group Code: 429	Company Type: Life
New York, NY 10004	Group Name:	State ID Number:
(212) 598-8704 ext. [Phone]	FEIN Number: 13-5123390	

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

SERFF Tracking #:

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Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

-0.500%

Effective Date of Last Rate Revision:**Filing Method of Last Filing:**

SERFF

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):
The Guardian Life Insurance Company of America	2.770%	2.770%	\$28,594	77	\$1,032,282	4.800%	2.600%

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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		VC-31-DC	GP-1-VSN-96-VIS	Revised	Previous State Filing Number: Percent Rate Change Request: 2.6	Washington, DC - 10 Washington, DC Vision - Washington, DC.pdf,
2		VC-31-DC	GP-1-DAVIS-05-VIS	Revised	Previous State Filing Number: Percent Rate Change Request: 4.8	Washington, DC - 10 Washington, DC Vision - Washington, DC.pdf,

THE GUARDIAN Life Insurance Company of America

Line 6 - PRIOR COVERAGE FACTORS

- a. Less than 10 employees Factor
1.00

- b. 10 or more employees

	<u>VSP</u>	FACTOR	<u>DAVIS</u>
<u>Prior Coverage</u>			
No	1.000		1.000
Yes, with Davis	0.980		.95
Yes, with VSP	0.950		.98
Yes, with other (non VSP, non Davis)	0.980		.98

Multiply the rate by this factor.

Line 7 - SECULAR TREND FACTOR

<u>Effective Date</u>	<u>VSP</u>	<u>Davis Designer</u>	<u>Davis Premier Platinum</u>
10/1/13 - 12/31/13	1.1588	1.0701	1.0701

VSP - Increase factor by 0.01 for each succeeding three month period
Davis - Increase factor by 0.00813 for each succeeding three month period

Line 7a - EXAM PLUS ALLOWANCE TREND

<u>Effective Date</u>	<u>VSP</u>	<u>Davis Designer</u>	<u>Davis Premier Platinum</u>
10/1/13 - 12/31/13	1.1588	1.0701	1.0701

VSP - Increase factor by 0.01 for each succeeding three month period
Davis - Increase factor by 0.00813 for each succeeding three month period

Line 7b - MATERIALS ONLY TREND

<u>Effective Date</u>	<u>VSP</u>	<u>Davis Designer</u>	<u>Davis Premier Platinum</u>
10/1/13 - 12/31/13	N/A	1.0701	1.0701

Increase factor by 0.00813 for each succeeding three month period

Line 7c - EXAM PLUS TREND

<u>Effective Date</u>	<u>VSP</u>	<u>Davis Designer</u>	<u>Davis Premier Platinum</u>
10/1/13 - 12/31/13	1.1588	1.0701	1.0701

VSP - Increase factor by 0.01 for each succeeding three month period
Davis - Increase factor by 0.00813 for each succeeding three month period

THE GUARDIAN Life Insurance Company of America

Line 6 - PRIOR COVERAGE FACTORS

- a. Less than 10 employees Factor
1.00

- b. 10 or more employees

	<u>VSP</u>	FACTOR	<u>DAVIS</u>
<u>Prior Coverage</u>			
No	1.000		1.000
Yes, with Davis	0.980		.95
Yes, with VSP	0.950		.98
Yes, with other (non VSP, non Davis)	0.980		.98

Multiply the rate by this factor.

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Line 7b - MATERIALS ONLY TREND

<u>Effective Date</u>	<u>VSP</u>	<u>Davis Designer</u>	<u>Davis Premier Platinum</u>
10/1/13 - 12/31/13	N/A	1.0701	1.0701

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Line 7c - EXAM PLUS TREND

<u>Effective Date</u>	<u>VSP</u>	<u>Davis Designer</u>	<u>Davis Premier Platinum</u>
10/1/13 - 12/31/13	1.1588	1.0701	1.0701

VSP - Increase factor by 0.01 for each succeeding three month period
Davis - Increase factor by 0.00813 for each succeeding three month period

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Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	Cover - Vision 201401 - DC.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:	
Attachment(s):	ACTMEMO - Vision 201401 - DC.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
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Comments:	
Attachment(s):	Experience - Vision 201401 - DC.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	ACTCERT - Vision 201401 - DC
Comments:	
Attachment(s):	ACTCERT - Vision 201401 - DC.pdf
Item Status:	
Status Date:	



September 13, 2013

Mr. Laszlo Pentek
Actuary
Government of the District of Columbia
Department of Insurance, Securities and Banking
810 First Street, NE, #701
Washington, DC, 20002

Re: Group Vision Rate Filing

Carrier: The Guardian Life Insurance Company of America
NAIC Company Code: 64246

Dear Mr. Pentek:

Enclosed are the latest changes to Guardian's Group Vision rate manual with rate changes for 1/1/2014 or later upon approval of this filing. The requested changes result in a 2.77% increase to our aggregate rate level.

The SERFF number of our last approved Vision filing is GARD-128912291

As of 6/30/2013, The Guardian provides vision insurance for 77 groups located in the District of Columbia, with a total of 7,703 lives.

Sincerely,

A handwritten signature in black ink that reads "Matthew Sachse".

Matthew Sachse, ASA, MAAA
Pricing Manager
Group Products
3900 Burgess Place, Mail Station 2E
Bethlehem, PA 18017
610.807.6446

9/13/2013
Date



ACTUARIAL MEMORANDUM

A. Description of Benefits

The Guardian has one class of business. In addition to benefit plan design, Guardian's Group Vision rates are adjusted based on industry, family composition, geographical area, and group size (lives and premium). There is no limit to the issue age range. The rating area is based on the state of the employer and the industry factors are based on the SIC code of the employer. We currently utilize a four-tier rate structure (Employee; Employee and Spouse; Employee and Child(ren); Employee, Spouse and Child(ren)).

Currently, Guardian's Group Vision rate manual can be used to calculate rates for a wide variety of Vision benefit plan designs for groups of 2 or more employees. Plan design options include varying levels of coverage for service and materials, with the choice of split or single copays. Our complete rate manual has been attached, along with a sample rate calculation.

B. Renewability Provision

Each case's rates are reviewed for renewal action on an annual basis. Renewal rate cap and 2-year rate guarantee options are also available.

C. Applicability (Closed/Open Block)

Guardian's Vision business is an open block.

D. Marketing Method

Guardian's Vision business is marketed through both our field force of agents and general agents as well as by brokers.

E. Underwriting Method

Underwriting is at the group level. Group characteristics and prior experience determine the level of underwriting. The plan holder's rates may be modified by underwriting review.



F. Issue Age Limits

There is no limit to the issue age range, and the premiums are determined on an attained age basis, since they change each year as the case renews.

G. Premium Basis

Rates are developed separately for “employee” and “dependent” categories. These categories are then split into “tier” rates based on factors that were developed using internal company data.

H. Nature of Rate Change and Proposed Rate/Methodology Change

Below is a summary of the proposed Vision rate manual change(s) to be effective on January 1, 2014:

For Plans Utilizing the VSP Network:

We have reset our manual’s VSP Secular Trend Factor to be effective from 10/1/2013 to 12/31/2013. Based on internal company experience, we have set the Secular Trend factor to 1.1588, an increase of 2.6%. This factor will increase by 1% per quarter starting 1/1/2014.

The combined effect of these changes is a 2.6% increase to VSP rates.

For Plans Utilizing the Davis Vision Network:

We have reset our manual’s Davis 10+ Secular Trend Factor to be effective from 10/1/2013 to 12/31/2013. Based on internal company experience, we have set the Secular Trend factor to 1.0701, an increase of 4.8%. This factor will increase by 0.813% per quarter starting 1/1/2014.

The combined effect of these changes is a 4.8% increase to Davis Vision rates.

The combined effect of these changes is a 2.77% increase to Vision rates.

These changes are based on an analysis of internal company data using a pricing trend assumption of 4.0% for VSP and 3.25% for Davis.



I. Indication if New or Modified

This is a new filing for the District of Columbia

J. Comparison to Status Quo

These changes result in a 2.77% aggregate increase to DC premium vision rates

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K. Summary of How Each Proposed Modification Differs from Corresponding Current/Approved Rate/Methodology

Please see section H above.

L. Summary of Each Proposed New Rule

We are not requesting any rule changes.

M. Overall Premium Impact of Filing on DC Policy holders

These changes result in a \$28,594 aggregate increase to DC premium rates.

N. Rate Change History

Date	VSP % Change	Davis % Change
2/1/2011	0.750%	0.750%
3/1/2011	0.080%	-7.830%
4/1/2011	1.000%	0.625%
7/1/2011	1.000%	0.625%
10/1/2011	-2.900%	-0.600%
2011 Total:	-0.126%	-6.538%
1/1/2012	1.000%	0.625%



4/1/2012	1.000%	0.625%
7/1/2012	1.000%	0.625%
10/1/2012	1.000%	0.625%
11/1/2012	1.200%	1.880%
2012 Total:	5.309%	0.000%

1/1/2013	1.000%	0.813%
2/1/2013	-1.000%	-1.000%
4/1/2013	1.000%	0.813%
6/1/2013	-0.500%	-0.500%
7/1/2013	1.000%	0.813%
10/1/2013	1.000%	0.813%
2012 Total:	2.505%	1.748%

1/1/2013	1.000%	0.813%
1/1/2013	2.600%	4.800%

O. Filed Minimum Required Loss Ratio

Guardian’s Group Vision manually rated business is priced with an expected loss ratio of 61.27%. The remaining 38.73% is intended to provide for expenses and profit. This assumes case sizes of 2-499, which is the majority of the business receiving manual rates. Below is the breakdown of the expense assumptions:

Sales and Commissions	16.60%
Administration	14.33%
Premium Tax	2.80%
Profit	5.00%
Total	38.73%

P. Interest Rate Assumptions

We do not have interest rate assumption due to the short-term nature of the Vision product.

Q. Trend Assumptions



The annual trend assumption utilized in pricing is 4.0% for VSP business, and 3.25% for Davis. This reflects our best estimate of our long term claim cost trend.

R. Persistency

The Guardian's product is an annually renewable term product and therefore no persistency assumption is incorporated into the pricing.

S. Actuarial Certification

Please see the attached certification.

Matthew Sachse, ASA, MAAA
Pricing Manager
Group Products

9/13/2013
Date

DC - VSP	Period: 7/1/12 - 6/30/12				State Rate Filing Data	
CaseSize	Case Count	Employees	Earned Premium	Incurred Claims	Loss Ratio	
2-9	16	82	\$17,095	\$5,814	34.0%	
10-15	9	112	\$22,725	\$8,024	35.3%	
16-49	25	761	\$117,210	\$47,178	40.3%	
50-99	11	771	\$124,012	\$68,807	55.5%	
100-249	4	569	\$77,377	\$44,363	57.3%	
250+	3	4,396	\$592,226	\$435,083	73.5%	
Grand Total	68	6,690	\$950,645	\$609,270	64.1%	

DC - Davis	Period: 7/1/12 - 6/30/12				State Rate Filing Data	
CaseSize	Case Count	Employees	Earned Premium	Incurred Claims	Loss Ratio	
16-49	4	88	\$8,852	\$3,573	40.4%	
50-99	3	258	\$25,217	\$10,920	43.3%	
100-249	2	320	\$25,843	\$11,770	45.5%	
250+	1	348	\$21,724	\$13,823	63.6%	
Grand Total	9	1,013	\$81,637	\$40,086	49.1%	

Nationwide - VSP	Period: 7/1/12 - 6/30/12				State Rate Filing Data	
CaseSize	Case Count	Employees	Earned Premium	Incurred Claims	Loss Ratio	
2-9	5,911	30,083	\$4,928,395	\$2,611,714	53.0%	
10-15	2,366	29,376	\$4,518,190	\$2,521,926	55.8%	
16-49	5,074	144,430	\$22,240,647	\$12,991,869	58.4%	
50-99	1,957	134,017	\$19,530,077	\$12,259,611	62.8%	
100-249	1,188	176,431	\$24,874,030	\$16,584,894	66.7%	
250+	406	209,769	\$26,651,282	\$18,464,888	69.3%	
Grand Total	16,902	724,106	\$102,742,621	\$65,434,902	63.7%	

Nationwide - Davis	Period: 7/1/12 - 6/30/12				State Rate Filing Data	
CaseSize	Case Count	Employees	Earned Premium	Incurred Claims	Loss Ratio	
2-9	1,747	9,255	\$1,036,521	\$610,929	58.9%	
10-15	923	11,623	\$1,337,043	\$788,312	59.0%	
16-49	2,269	65,833	\$7,568,322	\$4,433,137	58.6%	
50-99	976	67,805	\$7,562,671	\$4,723,110	62.5%	
100-249	519	76,584	\$8,260,232	\$5,368,748	65.0%	



ACTUARIAL CERTIFICATION

In my opinion the premium rates and rating methodology to which this certification applies are neither excessive, inadequate, nor unfairly discriminatory, and they meet the requirements of the insurance laws and regulations of the District of Columbia.

Matthew Sachse, ASA, MAAA
Pricing Manager
Group Products

9/13/2013
Date