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**State:** District of Columbia **Filing Company:** Gerber Life Insurance Company  
**TOI/Sub-TOI:** H21 Health - Other/H21.000 Health - Other  
**Product Name:** Group Limited Benefit Health Insurance Policy  
**Project Name/Number:** Single Case Filing for the Catholic Volunteer Network/

## Filing at a Glance

Company: Gerber Life Insurance Company  
Product Name: Group Limited Benefit Health Insurance Policy  
State: District of Columbia  
TOI: H21 Health - Other  
Sub-TOI: H21.000 Health - Other  
Filing Type: Rate  
Date Submitted: 07/24/2012  
SERFF Tr Num: GLIN-128551908  
SERFF Status: Assigned  
State Tr Num:  
State Status:  
Co Tr Num:  
  
Implementation: On Approval  
Date Requested:  
Author(s): Ronald Haughton  
Reviewer(s): Darniece Shirley (primary), Carolyn King  
Disposition Date:  
Disposition Status:  
Implementation Date:  
  
State Filing Description:

**State:** District of Columbia  
**TOI/Sub-TOI:** H21 Health - Other/H21.000 Health - Other  
**Product Name:** Group Limited Benefit Health Insurance Policy  
**Project Name/Number:** Single Case Filing for the Catholic Volunteer Network/

**Filing Company:** Gerber Life Insurance Company

## General Information

Project Name: Single Case Filing for the Catholic Volunteer Network

Status of Filing in Domicile: Not Filed

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: This filing is submitted on a single case basis to gain approval for policy issuance to a prospective policyholder situated in the District of Columbia.

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Large

Group Market Type: Other

Explanation for Other Group Market Type: Religious service organization

Overall Rate Impact:

Filing Status Changed: 07/27/2012

Deemer Date:

State Status Changed:

Submitted By: Ronald Haughton

Created By: Ronald Haughton

Corresponding Filing Tracking Number: GLIN-128551909 - Product Form Filing

PPACA: Not PPACA-Related

PPACA Notes: null

Filing Description:

Please refer to the attached filing cover letter.

## Company and Contact

### Filing Contact Information

Ronald Haughton, [ronald.haughton@us.nestle.com](mailto:ronald.haughton@us.nestle.com)  
 1311 Mamaroneck Avenue  
 White Plains, NY 10605  
 914-272-4000 [Phone]

### Filing Company Information

Gerber Life Insurance Company	CoCode: 70939	State of Domicile: New York
1311 Mamaroneck Avenue	Group Code:	Company Type: Life and Health Insurance
White Plains, NY 10605	Group Name:	State ID Number:
(914) 272-4000 ext. [Phone]	FEIN Number: 13-2611847	

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

Company	Amount	Date Processed	Transaction #
Gerber Life Insurance Company	\$0.00		

SERFF Tracking #:

GLIN-128551908

State Tracking #:

Company Tracking #:

State: District of Columbia

Filing Company:

Gerber Life Insurance Company

TOI/Sub-TOI: H21 Health - Other/H21.000 Health - Other

Product Name: Group Limited Benefit Health Insurance Policy

Project Name/Number: Single Case Filing for the Catholic Volunteer Network/

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Justification		
Comments:			
Attachment(s):			
Actuarial Memorandum - Gerber Life LBM-2012-CVN 20120718.pdf			
GL-LBM-P-2012 CVN Rate Page.pdf			

		Item Status:	Status Date:
Bypassed - Item:	Rate Summary Worksheet		
Bypass Reason:	This is a large group single-case filing of an excepted benefit; therefore this requirement doesn't apply.		
Comments:	Please note that this is a single-case filing, not PPACA-related, with one monthly rate for each Covered Person.		

		Item Status:	Status Date:
Bypassed - Item:	Consumer Disclosure Form		
Bypass Reason:	This does not apply since this is not a rate increase but an initial single-case filing for a non-PPACA-related coverage.		
Comments:			

		Item Status:	Status Date:
Satisfied - Item:	Filing Cover Letter		
Comments:			
Attachment(s):			
Filing Cover Letter.pdf			

## Actuarial Memorandum

**Gerber Life Insurance Company  
Group Limited Benefit Health Insurance Policy  
Effective July 31, 2012**

**Group Policy Form Number: GL-LBM-P-2012-CVN, et al**

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### 1 Summary, Scope & Purpose

This memorandum is intended to provide rate development information for Gerber Life Insurance Company's ("Gerber's") Group Limited Benefit Health Insurance Policy, GL-LBM-P-2012 CVN, et al. It is based on the final form provide to me on July 17, 2012. This is a single case filing and the policy is not intended to be renewed. Information in this memorandum may not be appropriate for any other purposes.

This is a new product filing.

### 2 Benefit Description

This policy form series provides short-term, limited benefit health insurance on a single case basis to active volunteers of Catholic Volunteer Network.

Insurance is offered to all active volunteers on a non-contributory basis and is mandatory unless a volunteer provides a signed waiver form to the Catholic Volunteer Network' sponsoring service organization along with proof of other coverage. If the other coverage is lost during the time that the policy is in force, the volunteer must enroll for insurance under the policy. Eligible volunteers that elect continued coverage may also be insured.

Product features include Accidental Death and Dismemberment Insurance and Limited Health Expense Benefits. Coverage is provided for a 364-day period and is non-renewable. Given the duration of coverage and nonrenewable nature of this policy, the benefits provided are not subject to PPACA requirements.

#### ***Limited Health Expense Benefits***

<i>Benefit Maximum</i>	<i>\$50,000 per Injury or Sickness</i>
<i>Pre-existing Conditions</i>	<i>\$5,000 maximum</i>
<i>Deductible</i>	<i>\$100 per Benefit Period</i>
<i>Coinsurance</i>	<i>80% of the first \$4,500 after any applied Deductible; 100% thereafter</i>

July 18, 2012

## Actuarial Memorandum

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*Out-of-Pocket Maximum \$1,000, including the Deductible, per Benefit Period*

### *Other Limits*

- *Hormone replacement therapy for treatment of menopause limited to 90-day supply*
- *Physiotherapy, Outpatient Treatments maximum \$500*
- *Dental Services limited to \$200 for dental treatment or x-rays in connection with Injury to sound natural teeth*
- *Home Health Care- Must begin within 7 consecutive days after a minimum hospital Stay of 5 consecutive days*
- *Preventive Care \$150 per Benefit Period, no deductible*
- *Mental Disorders: Inpatient and Residential Care - Benefits are payable for up to 60 days per year, in the same manner and subject to the same conditions and limitations as any other sickness; Outpatient Visits – Coinsurance 75% for the first 40 visits per year; 60% for each visit thereafter per year*
- *Alcohol or Controlled Substance Abuse: Detoxification - Benefits are payable up to 12 days per year, in the same manner and subject to the same conditions and limitations as any other sickness; Inpatient/Residential Care Benefits are payable up to 60 days per year, in the same manner and subject to the same conditions and limitations as any other sickness; Outpatient Visits – Coinsurance 80% for the first 40 visits per year; 60% for each visit thereafter per year*

### **3 Renewability Clause**

This policy is non-renewable.

### **4 Applicability**

Only one policy reflecting new business as agreed to by Catholic Volunteer Network and Gerber Life Insurance Company will be issued under this form. Coverage will be provided to volunteers defined as eligible classes within the issued policy.

## Actuarial Memorandum

**Gerber Life Insurance Company**  
**Group Limited Benefit Health Insurance Policy**  
**Effective July 31, 2012**  
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### 5 Morbidity

This is a new product filing for Gerber. There is no prior Gerber experience available. Safe Passage International has been the broker on this case and has provided the following information for each policy period from 2007 to 2011:

- Monthly Premium
- Incurred and Paid Claims
- Monthly Enrolment

Safe Passage International has also informed us the following:

- PHCS, a national PPO, was added in the 2010/2011 year to help reduce claim costs.
- Abortion and Contraceptive Drugs were eliminated as covered benefits in the 2011/2012 year.
- No demographic shift or age eligibility changes.

Gerber informed us that the current policy has incorporated the D.C. mandated benefits and thus the experience has reflected the mandated benefits.

We reviewed the premium and claims year to year and trended forward the experience to be on level with the 2012/2013 benefit period. Exhibit A demonstrates the rate adequacy. The experience indicates an average estimated loss ratio of 68.8% over the entire experience period from 2007-2012. Using that average on-level loss ratio, the allowance for claim fluctuation and profit margin is 8.0% as noted in Paragraph 8 of this memorandum. The average on-level loss ratio has a coefficient of variation of 0.17 in the experience period as shown in Exhibit A. Thus, we found the proposed rate not unreasonable.

### 6 Mortality

There are no separate mortality assumptions other than those embedded in the morbidity bases.

## Actuarial Memorandum

**Gerber Life Insurance Company**  
**Group Limited Benefit Health Insurance Policy**  
**Effective July 31, 2012**  
**Group Policy Form Number: GL-LBM-P-2012-CVN, et al**

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### 7 Persistency

This is a single case non-renewable policy.

### 8 Expenses (Relation of Benefits and Expenses to Premium)

	PMPM	% of Gross Premium
Estimated Claim Cost	\$113.19	68.84%
Third Party Administration	\$11.56	7.03%
Home Office Administration	\$6.58	4.00%
Premium Tax and Fees	\$4.28	2.60%
Acquisition and Producer Compensation	\$15.68	9.53%
Claims Fluctuation and Profit Margin	\$13.15	8.00%
Total	\$164.43	100.0%

### 9 Marketing Method

This Policy will be marketed by a licensed national producer directly to the Catholic Volunteer Network and its sponsoring service organizations to provide short-term limited health benefits during a 364-day, non-renewable arrangement.

### 10 Underwriting

There is no individual underwriting under this policy.

### 11 Premium Classes

The premium rate and the benefits provided do not vary by age or any other demographic factors.

### 12 Issue Age Range

This form can be issued to all ages. Coverage is effective for all eligible persons beginning on the Policy Effective Date and ending 364 days after the Policy Effective Date.

## Actuarial Memorandum

Gerber Life Insurance Company  
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### 13 Area Factors

There is no area factor variation.

### 14 Average Annual Premium

The average Annual Premium is \$1,975 per Insured.

### 15 Premium Modalization Rules

Premiums are stated as monthly.

### 16 Claim Liability and Reserves

Claim Reserves and Liabilities 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 Assumption – Medical and Insurance

The trend is 8% per year. The comprehensive major medical ground-up trend rate is 7% to 8% per year in the experience period. Due to the lower maximum of this benefit program, we would have used a lower trend. However, the group's historical PMPM experience has a trend higher than 8% per annum in the recent years.

### 19 Minimum Loss Ratio

The estimated loss ratio is about 69% and expected to meet the minimum loss ratio requirement.

### 20 Anticipated Loss Ratio

The anticipated loss ratio is estimated to be 69%.



## Actuarial Memorandum

Gerber Life Insurance Company  
Group Limited Benefit Health Insurance Policy  
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### **21 Distribution of Business**

Not applicable as this a single case non-renewable policy.

### **22 Contingency and Risk Margins**

The product is priced with 8% underwriting margin inclusive of contingency and risk margins.

### **23 Experience – Past and Future**

This is a new product filing. The Company has no underwriting experience on this form.

### **24 Lifetime Loss Ratio**

The anticipated lifetime loss ratio is estimated to be 69%.

### **25 History of Rate Adjustments**

This is a new product filing on Gerber's policy form.

### **26 Number of Policyholders**

This is a new product filing. No prior experience on this form is available.

### **27 Rating Period**

The requested effective date of this rate filing is July 31, 2012 or coinciding with state approval, if later. The duration of the Policy rating period 364 days.

## Actuarial Memorandum

Gerber Life Insurance Company  
Group Limited Benefit Health Insurance Policy  
Effective July 31, 2012

Group Policy Form Number: GL-LBM-P-2012-CVN, et al

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### 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 Gerber Life 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 all applicable laws and regulations of the District of Columbia;
- The filing is in compliance with Actuarial Standards of Practice No. 8 "Regulatory Filings for Health Plan Entities";
- The expected loss ratios meet the minimum requirements of the District of Columbia;
- The benefits are reasonable in relation to the premium charged; and
- The rates are not unfairly discriminatory

In preparing this actuarial memorandum, I relied on data Safe Passage International and Gerber Life Insurance Company provided to me. I did not audit the information but did review 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, FCA  
Managing Partner  
CP Risk Solutions, LLC  
July 18, 2012

**Gerber Life Insurance Company**  
**Group Limited Benefit Health Insurance Policy**  
**Effective July 31, 2012**  
**Group Policy Form Number: GL-LBM-P-2012 CVN, et al**  
**Exhibit Addendum to Actuarial Memorandum**

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Experience Period	Member Months	Premium	Premium Rate	Premium Adjusted to 2012-2013 level	Incurred & Paid Clams	Estimated Completed Claims	Assumed Annual Trend	Cumulative Trend Factor	Benefit & PPO Adjustment Factor	Claims Adjusted to 2012-2013 level	Onlevel Loss Ratio
2007-2008	2,945	\$ 394,902	\$ 134.07	\$ 484,327	\$ 233,559	\$ 233,559	8%	1.47	0.895	\$ 307,125	63%
2008-2009	3,518	\$ 471,723	\$ 134.07	\$ 578,544	\$ 401,285	\$ 401,285	8%	1.36	0.895	\$ 488,594	84%
2009-2010	4,711	\$ 714,940	\$ 151.76	\$ 774,628	\$ 368,624	\$ 368,811	8%	1.26	0.895	\$ 415,791	54%
2010-2011	7,309	\$ 1,092,761	\$ 149.51	\$ 1,201,810	\$ 657,206	\$ 705,794	8%	1.17	0.994	\$ 818,621	68%
2011-2012 (through Apr 2012)	4,377	\$ 645,650	\$ 147.51	\$ 719,709	\$ 301,510	\$ 514,020	8%	1.08	1.004	\$ 557,605	77%
2012-2013			\$ 164.43								
<b>Total</b>	<b>22,861</b>	<b>\$ 3,319,976</b>		<b>\$ 3,759,018</b>	<b>\$ 1,962,184</b>	<b>\$ 2,223,469</b>				<b>\$ 2,587,737</b>	<b>68.8%</b>
									Experience Standard Deviation		0.12
									Coefficient of Variation		0.17

## Notes

Experience Period goes from August to July.

[1] - [3] As provided by Safe Passage International

[4]  $[1] \times [3] \text{ 2012-2013 Premium Rate} / [3] \text{ Experience Period Premium Rate}$

[5] As provided by Safe Passage International

[6] Based on lag analysis.

[7] The assumed trend is lower than those for comprehensive major medical because this policy has a maximum of \$50,000.

[8] sumproduct of trend rates + 1 from the experience period to the 2012-2013 period

[9] A PPO was added in the 2010-2011 year. Abortion and contraceptive drugs were eliminated in 2011-2012. AD&D is being added in 2012-2013. Experience was adjusted to be onlevel with the current period.

[10]  $[6] \times [8] \times [9]$

[11]  $[10] / [4]$

## **Rate Page**

**Gerber Life Insurance Company  
Group Limited Benefit Health Insurance Policy  
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\$164.43 per CVN Member per Month



**Gerber Life Insurance Company**  
1311 Mamaroneck Avenue  
White Plains, New York 10605  
Tel: 914.272.4000 • Fax: 914.272.4099



**Gerber Life**  
**Ron Haughton**  
Compliance Manager  
914.272.4042 (p)  
914.272.4099 (fax)  
[ronald.haughton@us.nestle.com](mailto:ronald.haughton@us.nestle.com)

July 24, 2012

Honorable William P. White,  
Commissioner of Insurance  
District of Columbia  
Department of Insurance, Securities and Banking  
810 First Street, N.E., Suite 701  
Washington, DC 20002

**RE: Gerber Life Insurance Company** **NAIC # 70939**  
New Product Rate Filing for  
Group Limited Benefit Health Insurance Policy Forms GL-LBM-P-2012-CVN, et al  
Single Case Filing for The Catholic Volunteer Network  
SERFF Tracking # GLIN-128551908

Dear Commissioner White:

Gerber Life Insurance Company submits the captioned rate filing for the Department's review and approval. The rates are intended to be used on a single case basis with the captioned policy forms which were submitted simultaneously for approval under separate cover (please refer to SERFF Tracking # GLIN-128551909). The forms are proposed for issuance to a prospective policyholder situated in the District of Columbia.

The captioned policy forms were developed to provide short-term, limited benefit health insurance to active, registered and contracted Volunteers of the Catholic Volunteer Network. The Catholic Volunteer Network is an international religious service organization dedicated to state, local, national and international human service projects carried out by its Volunteers in the United States and abroad.

Insurance will be provided to all active, registered and contracted Volunteers on a non-contributory basis, with The Catholic Volunteer Network's sponsoring service organizations bearing the entire cost of coverage. Enrollment is mandatory unless a Volunteer provides a signed waiver form to the sponsoring service organization along with proof of other coverage. If the other coverage is lost during the policy's defined term of coverage, the Volunteer must enroll for insurance under the policy. Eligible Volunteers who elect continued coverage may also be insured throughout the policy's term of coverage. Dependent coverage is not provided.

Product features include Accidental Death and Dismemberment Insurance and Limited Health Expense Benefits. Coverage under the policy is provided for a 364-day period and the policy is non-renewable after the 364-day term of coverage. Given the duration of coverage and the nonrenewable nature of this policy, it is our view that the benefits provided are not subject to PPACA requirements.

The policy will be marketed by a licensed national producer directly to the above-named association and its sponsoring service organizations only. The marketing materials used by the producer indicate that coverage provided under the policy is non-renewable.

We appreciate your taking the time to review this filing and trust that you will find everything in order. If you have any questions or require any additional information, please feel free to call or e-mail me directly.

Sincerely,

*Ron Haughton*

Ron Haughton