

State: District of Columbia **Filing Company:** United Heritage Life Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.003 Long Term
Product Name: RGCLTD(08-2009)RATES
Project Name/Number: RGCLTD(08-2009) RATES/RGCLTD(08-2009) RATES

Filing at a Glance

Company: United Heritage Life Insurance Company
Product Name: RGCLTD(08-2009)RATES
State: District of Columbia
TOI: H11G Group Health - Disability Income
Sub-TOI: H11G.003 Long Term
Filing Type: Rate
Date Submitted: 08/22/2013
SERFF Tr Num: HERT-129160423
SERFF Status: Pending Industry Response
State Tr Num:
State Status:
Co Tr Num: RGCLTD(08-2009)RATES

Implementation
Date Requested:
Author(s): Deanne Schildan
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: RGCLTD(08-2009) RATES Status of Filing in Domicile:
 Project Number: RGCLTD(08-2009) RATES Date Approved in Domicile:
 Requested Filing Mode: Domicile Status Comments:
 Explanation for Combination/Other: Market Type: Group
 Submission Type: Group Market Size: Small and Large
 Group Market Type: Employer Overall Rate Impact:
 Filing Status Changed: 09/05/2013
 State Status Changed: Deemer Date:
 Created By: Deanne Schildan Submitted By: Deanne Schildan
 Corresponding Filing Tracking Number:

Filing Description:
August 21, 2013

United Heritage Life Insurance Company
NAIC 63983

District of Columbia
Rates and Forms Filing

Ladies and Gentlemen:

United Heritage is submitting this initial rate filing as required concurrently with Form Filing SERFF # HERT-129028645 for our Group Long Term Disability Certificate, RGCLTD(08-2009)DC.

There are currently no DC Policyholders. Once the initial Form Filing and Rate Filing are approved, the product will be marketed to small and large Employer-Employee groups by licensed agents appointed by United Heritage Life Insurance Company.

The Actuarial Memorandum and Rating Manual are attached to the Rate/Rule Schedule Tab.

Thank you for your time and consideration,

Deanne Schildan
Group Administrator/Forms Analyst

Company and Contact

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Filing Contact Information

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 Meridian, ID 83680 208-475-1070 [FAX]

Filing Company Information

United Heritage Life Insurance Company	CoCode: 63983	State of Domicile: Idaho
PO BOX 7777	Group Code: 2878	Company Type:
Meridian, ID 83680-7777	Group Name:	State ID Number:
(208) 475-0981 ext. [Phone]	FEIN Number: 82-0123320	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

HERT-129160423

State Tracking #:

Company Tracking #:

RGCLTD(08-2009)RATES

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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	09/05/2013	09/05/2013

Response Letters

Responded By	Created On	Date Submitted
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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/05/2013
Submitted Date	09/05/2013
Respond By Date	09/26/2013

Dear Deanne Schildan,

Introduction:

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

Objection 1

Comments: Please provide the status of this filing in the Domiciliary State.

Objection 2

Comments: The Rate Review Data Detail section of the filing is missing. The State understands this is a new filing and not required, however completing would be preferred. Please correct, via post-submission update.

Objection 3

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

Comments: Please provide a detailed, line-by-line, make-up of expenses as a percentage of premiums. Each expense item should be accounted for separately and total 100%. Expenses such as profit, expected loss ratio, commission, e.g. should be included. Expenses such as taxes, administrative, et al should not be grouped together.

Objection 4

- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- Rating Material, [RGCLTD(08-2009)DC] (Rate)

Comments: Appendices B L are referred to in the Rating Manual but not attached to the filing. Please provide.

Objection 5

- 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)
- Rating Material, [RGCLTD(08-2009)DC] (Rate)

Comments: Please confirm: Dispositions with respects to this filing are being made on behalf of residents of the District of Columbia only.

Objection 6

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
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- 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)
- Rating Material, [RGCLTD(08-2009)DC] (Rate)

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,
Darniece Shirley

SERFF Tracking #:

HERT-129160423

State Tracking #:**Company Tracking #:**

RGCLTD(08-2009)RATES

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District of Columbia

Filing Company:

United Heritage Life Insurance Company

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H11G Group Health - Disability Income/H11G.003 Long Term

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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		Rating Material	RGCLTD(08-2009)DC	New		LTD Actuarial Memorandum NW - United Heritage 6-22-11.pdf, LTD Rate Manual Instruction - United Heritage.pdf,

UNITED HERITAGE LIFE INSURANCE COMPANY
ACTUARIAL MEMORANDUM
GROUP LONG TERM DISABILITY INSURANCE
POLICY FORM RGP(08-2009)

Purpose

The purpose of this filing is to document the rate structure used for United Heritage Life Insurance Company's Group Long Term Disability product, identify the sources of the underlying assumptions and to verify that the rate filing is in compliance with the laws and regulations of the state.

General

Acting in the capacity of reinsurer, The Hartford Life and Accident Insurance Company has assisted United Heritage Life Insurance Company in the development of a group long term disability insurance product, referenced above by the policy form GP (08-2009). Standard disability benefits consist of 60% of covered salary less all offsets (Primary & Family Social Security, etc.), with an elimination period of 180 days. The standard definition of disability is an "own occupation" definition during the first 24 months of disability and an "any occupation" definition thereafter. Average annual premium per insured is \$200.

Marketing Methodologies

This policy will be marketed to employer groups of various sizes. Late entrants will be individually medically underwritten. In addition, the underwriting is done on an individual level for those with gross benefits greater than the guaranteed issue amount. The guaranteed issue amount is determined on a class level for each policy based on various parameters such as size of the class, the contributory status, and the average of the top three benefit amounts.

Benefit Summary

The following plan design is considered standard:

1. Benefit Duration - to Age 65 with Reducing Benefit Duration as follows:

<u>Age at Disability</u>	<u>Benefits Payable</u>
Prior to 60	To Age 65
60	60 Months
61	48 Months
62	42 Months
63	36 Months
64	30 Months
65	24 Months
66	21 Months
67	18 Months
68	15 Months
69 or Older	12 Months

2. Integrate direct with Primary and Family Social Security
3. Elimination Period - 180 days
4. "Own occupation" definition during the first 24 months of disability and an "any occupation" definition thereafter.

Other plan design options include:

1. Benefit Duration -

- ADEA III: Benefits are payable to age 70 or for two years, whichever is greater, regardless of age at disablement.
- ADEA II: Benefits are payable to age 65 if disabled prior to age 60. If disabled after age 60, benefits are payable for the shorter of 5 years or to age 70, subject to a minimum benefit duration of 2 years
- Graded Duration - X years: Benefits are payable for the lesser of the graded duration or X years, where X = 2 or 5
- Benefits of 2 or 5 years to a maximum age of 65 or 70
- ADEA I with Normal Retirement Age (NRA): The maximum benefit period payable will end at the age in the ADEA I schedule, as shown above or, to Normal Social Security Retirement Age, whichever is greater. The term "Normal Retirement Age" means the Social Security Normal Retirement Age as stated in the 1983 revision of the United States Social Security Act. It is determined by insured's date of birth, as follows:

Year of Birth	Normal Retirement Age
1937 or before	65
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943 - 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 or after	67

2. Direct Offset Plan -

- Integrate direct with Primary Social Security but not Family Social Security.
- Alternate Integration Plans such as 60%/70% All Source or 60%/70% Backdoor.

3. Elimination Period - a range of 1 to 66 months.

4. Definition of Disability - "Own occupation" definition during the first 6 to 60 months of disability and "any occupation" definition thereafter, or unlimited "own occupation" definition.

Other benefit options include:

1. Cost Of Living Adjustment (COLA) - With the standard COLA option, if an insured has been disabled continuously for 12 months, his or her benefit will increase each year by a fixed percentage for the first 10 years of disability. This percentage will not exceed half the annual increase in the Consumer Price Index. Other options include: A flat percent, 5 to 10 increases, unlimited increases.
2. A 2 year rate guarantee on new business.
3. Survivor Income Benefit (SIB) – If death occurs while receiving benefits under the plan a survivor benefit will be payable to the beneficiary upon the claimant's death. Options include: multiple of the last monthly benefit, lump sum payment, percentage of the last payment for a range of 12 to 24 months following death.

For a more detailed and complete explanation of benefits available, please refer to the contract.

Derivation of Base Rates

The base rates were developed for each individual based on their, age, sex, salary and the plan's benefit percentage, benefit duration and integration method. The base rates are calculated as:

Incidence rate x Actuarial Present Value of Expected Net Benefits
Assumed Permissible Loss Ratio

Net benefits were calculated based on salary, benefit percentage and integration method for 3 scenarios - no Social Security offsets, Primary Social Security offsets and Family Social Security offsets. The expected net benefits were then calculated based on the probability of each scenario. The calculation of the actuarial present value of expected net benefits reflects assumptions for termination due to death or recovery and the current pricing interest rate. Incidence rates, termination rates and Social Security approval assumptions were developed based primarily on the experience of The Hartford Life and Accident Insurance Company's own block of business. Expected Social Security offset amounts are based on the benefit formula used by the Social Security Administration.

Calculation of the base rates include an economic and experience factor. This factor will be used in the future to make adjustments to the base rates as needed due to emerging experience or economic conditions. The current factor is 1.00.

Development of Base Rate Adjustments

The factors for Cost of Living Adjustment (COLA), minimum benefit and alternate integration were developed by modeling the impact of the provision on the expected net benefits and comparing the resulting actuarial present value to the actuarial present value using standard benefits.

The statutory plan credits reflect the difference between the cost of the plan with no statutory short term disability benefit offsets and the cost of the plan with statutory short term disability benefits used as offsets.

Adjustments for Group Characteristics and Additional Plan Design Features

Adjustments were developed to account for the expected differences in incidence and duration due to a group's own demographics and plan design. These adjustments were developed based on a review of The Hartford Life and Accident Insurance Company's own experience, competitive information, actuarial data sources, and, where appropriate, economic data.

Anticipated Loss Ratio

The anticipated loss ratio for this product is not less than 60% for cases with less than 100 lives and not less than 65% for cases with 100 lives or more. The anticipated loss ratio is determined as follows:

	Cases < 100 Lives	Cases > 100 Lives
Commissions	15.0%	12.1%
Profit	5.0%	5.0%
<u>Other Retention</u>	<u>20.0%</u>	<u>17.5%</u>
Total Retention	40.0%	34.6%
Loss Ratio	60.0%	65.4%

Experience

Some groups will have insured experience that is at least partially credible. The rates for these groups may be adjusted, when appropriate, to reflect actual experience and in-force rates.

Actuarial Certification

I certify that, to the best of my knowledge and judgment, the entire rate filing is in compliance with the applicable laws of the state and with the rules of the Department of Insurance, and complies with Actuarial Standard of Practice No. 8, "Regulatory Filings for Rates and Financial Projections for Health Plans," as adopted by the Actuarial Standards Board, December 2005, and that the benefits provided are reasonable in relation to the proposed premiums.



6/22/2011

Michelle Kunzman, FSA, MAAA
AVP and Actuary
Hartford Life and Accident Insurance Company

Date

United Heritage Life Insurance Company

Group Long Term Disability Insurance Rating Manual

STEP A (1):

1. Monthly Base Premium

Determine the appropriate table in Appendix B based on the plan being rated. The tables vary depending on the benefit duration, benefit percent and integration method. In each table, rates are shown for 6 month and 3 month elimination period plans. If rating 1 or 2 month elimination period plans, use the base rates in the 3 month elimination period table as the starting point. For other elimination periods, use the 6 month elimination period base rates. The rates in each table reflect a \$100 minimum benefit and the return to work provision.

Determine the base rate per \$100 of monthly covered salary from the table for each individual based on their sex, current age and monthly covered salary.

Adjustments to base rates for each individual:

Cost of Living Adjustment (COLA): If the plan includes COLA, multiply the base rate by the appropriate factor from the COLA tables in Appendix C. The factors vary based on the individual's age, the level of COLA increase and the number of increases. The same factor is applicable to both males and females.

Minimum Benefit: If the minimum benefit is \$0 or \$50, instead of \$100, multiply the base rate by the appropriate factor from the minimum benefit adjustment tables in Appendix D. The minimum benefit adjustment factor varies based on the salary level of the individual, integration method and benefit percent.

Alternate Integration: If the plan has alternate integration, use the appropriate direct integration with primary and family SS offsets tables based on the benefit duration and benefit percentage. Adjust these base rates using the factors in Appendix E. The factors vary based on the benefit percentage, maximum benefit and the individual's age, sex and salary.

Multiply each individual's base rate, adjusted for each applicable plan design option described above, by their monthly covered salary and divide by 100. Sum the results over all individuals to yield the total group's monthly base premium and enter the value in column 1 of the formula shown in Appendix A.

2. Economic Experience Factor(EEF)

EEF=1.00

STEP A (2): Pension Contribution Benefit (Optional Benefit)

For each individual, calculate the monthly benefit based on the individual's salary, the benefit percentage and the pension contribution benefit maximum. Multiply the benefit amount by the rate per \$100 of benefit shown below and divide by 100.

<u>Age</u>	<u>Male</u>	<u>Female</u>
22	0.206	0.227
27	0.264	0.349
32	0.333	0.544
37	0.498	0.861
42	0.895	1.366
47	1.686	2.143
52	2.891	2.864
57	3.896	3.450
62	3.566	3.135
67	2.631	2.407

Sum the results over all individuals to yield the total group's monthly base premium for the pension contribution benefit and enter the value in column 2 of the formula shown in Appendix A.

3. Pension Contribution Elimination Period:

<u>EP</u>	<u>Rate</u>
90 Days	1.300
180 Days	1.150
365 Days	1.000
730 Days	0.850

STEP B: Adjustments for Group Characteristics and Additional Plan Design Features

The following adjustments apply to the total group's monthly base premium. The same adjustments apply to the monthly base premium for the pension contribution benefit except as noted in the formula shown in Appendix A:

1. Area: See Appendix F
2. Industry: See Appendix G
3. Average Monthly Salary

Calculate the average monthly salary of the group = Total Monthly Salary/Number of Lives

<u>Average Monthly Salary</u>	<u>Factor</u>
<2000	1.00
2000-2499	0.98
2500-2999	0.96
3000-3499	0.94
3500-3999	0.92
4000-4499	0.90
4500-4999	0.89
≥5000	0.88

4. Richness of Benefit

Benefit Percent/Integration Method

70%	1.150
66 2/3%	1.100
60%/70%	1.080
60%/Primary Only	1.030
60%/Primary & Family	1.010
50%/Primary	0.950
50%/Primary & Family	0.930

5. Definition of Disability

Any Occupation	0.92
1 Year Own Occ	0.97
2 Year Own Occ	1.00
3 Year Own Occ	1.05
4 Year Own Occ	1.08
5 Year Own Occ	1.10
Own Occ to 65	1.15
1 Year Own Occ / 1 Year Reasonable Occ	1.00
2 Year Own Occ / 2 Year Reasonable Occ	1.08
1 Year Own Occ / 2 Year Reasonable Occ	1.05
2 Year Own Occ / 1 Year Reasonable Occ	1.05

6. Mental Illness Limitation

2 Year Limit	1.00
Same as any other condition	1.20

7. Substance Abuse Limitation

2 Year Limit	1.00
Same as any other condition	1.04

8. Rate Guarantee on Renewal

1 Year	1.00
2 Year	*Refer to Senior Underwriter
3 Year	Not Available

*A 2-year rate guarantee is granted on renewal business if the renewal rate is not less than 86% of the manual rate. If this condition is met, there is no load applied to the rate, so the factor remains 1.00.

9. Elimination Period

Adjustments for 1 and 2 month elimination periods apply to 3 month elimination period base rates.

Calculate the covered volume for females under 40 as a percentage of total covered volume.

1 Month Elimination Period

<u>% Volume for Females Under 40</u>	<u>Factor</u>
<10%	1.78
10%-19%	1.83
20%-29%	1.89
30%-39%	1.94
40%-49%	2.00
50%-59%	2.05
60%-69%	2.11
70%-79%	2.16
80%-89%	2.22
90%-100%	2.27

2 Month Elimination Period

<u>% Volume for Females Under 40</u>	<u>Factor</u>
<10%	1.31
10%-19%	1.33
20%-29%	1.35
30%-39%	1.37
40%-49%	1.39
50%-59%	1.41
60%-69%	1.43
70%-79%	1.45
80%-89%	1.47
90%-100%	1.49

The following adjustments apply to 6 month elimination period base rates:

4 Month Elimination Period	1.18
5 Month Elimination Period	1.08
9 Month Elimination Period	0.91
12 Month Elimination Period	0.83

10. Collar Color

The following factors are applied to assumed distributions of expected claim costs by collar color for each SIC code to derive a composite collar color factor. Distributions have been established for situations where all employees are covered or only carve-outs of salaried or hourly employees are covered.

White	0.80
Professional	0.85
Administrative	0.90
Light Blue	1.10
Blue	1.45
Heavy Blue	2.15
Heavy Professional	2.50

If more than 5% of the volume is heavy blue, refer to Senior Underwriter.

11. Pre-Existing Condition Exclusion

Lookback/ Treatment Free/ Insured	<36 Lives	36+ Lives
3/3/12	1.05	1.00
3/6/12	1.04	0.99
6/6/12	1.03	0.98
12/12/24	1.00	0.95

12. No Loss/No Gain

Factor = 1.04 for first 2 years only

No Loss/Your Gain

Factor = 1.05 for first 2 years only

13. Maximum Benefit

Calculate:

X = Covered Volume for Individuals with Gross Benefits Exceeding \$10,000 per Month/Total Monthly Covered Volume

$$\text{Factor} = \{1.10 * X\} + \{1.00 * (1.00-X)\}$$

14. Contributory Load

	Benefit %	
	<=60%	>60%
Non-contributory	0.96	0.97
Up to 75% contributory	1.00	1.02
>=75% contributory	1.04	1.07

15. Rehabilitation and Recommended Treatment Adjustment

<u>Include Mandatory Rehabilitation</u>	<u>Include Recommended Treatment</u>	<u>Factor</u>
Yes	Yes	0.93
Yes	No	0.95
No	Yes	0.97
No	No	0.99

16. Earnings Test

<u>Own Occupation</u>	<u>Any Occupation</u>	<u>Factor</u>
80%	60%	1.00
80%	80%	1.03

17. Participation Load: See Appendix J

18. Case Size Factor: See Appendix K

19. Partial and Residual

<u>Option</u>	<u>Factor</u>
Neither partial nor residual benefits	0.95
Partial benefits only	1.00
Partial and residual benefits	1.00
Zero day residual	1.00
Progressive partial	1.05

20. Enrollment Load: See Appendix L

STEP C: Optional Benefits

1. Survivor Income Benefit

Option 1:

Eligibility for benefits begins when the claimant has satisfied the elimination period.

	<u>EP</u>	<u>3 times</u>	<u>6 times</u>	<u>12 times</u>
Lump Sum	< 3 months	1.01	1.02	1.04
Payment based on	3-6 months	1.015	1.03	1.06
<u>Net</u> Benefit	7-12 months	1.02	1.04	1.08
Lump Sum	< 3 months	1.02	1.04	1.08
Payment based on	3-6 months	1.03	1.06	1.12
<u>Gross</u> Benefit	7-12 months	1.04	1.08	1.16

Option 2:

Eligibility for benefits begins when the claimant has received monthly disability benefits for 12 months prior to death.

	<u>EP</u>	<u>12 mos.</u>	<u>Payable for 18 mos.</u>	<u>24 mos.</u>
Payment is	< 3 months	1.03	1.045	1.06
75% of	3-6 months	1.04	1.06	1.08
<u>Net</u> Benefit	7-12 months	1.05	1.075	1.10
Payment is	< 3 months	1.06	1.09	1.12
75% of	3-6 months	1.08	1.12	1.16
<u>Gross</u> Benefit	7-12 months	1.09	1.135	1.18

Option 3:

Eligibility for benefits begins when the claimant has satisfied the elimination period.

	<u>EP</u>	<u>\$5000</u>	<u>\$7500</u>	<u>\$10000</u>
Lump Sum	< 3 months	1.025	1.04	1.05
is Flat	3-6 months	1.035	1.05	1.07
Amount	7-12 months	1.05	1.075	1.10

Acceleration of Survivor Income Benefit:

Claimant can accelerate payment of survivor income benefit chosen above once they have met the eligibility requirements, are diagnosed with a terminal illness and given a life expectancy of X months.

<u>Life Expectancy of X Months</u>	<u>Adjustment*</u>
6	0.00
12	0.01

**Adjustment is added to the Survivor Income Benefit factor*

2. Extended Earnings Benefit

<u>Maximum Benefit Duration</u>	<u>% of Pre-disability Earnings</u>		
	<u>60%</u>	<u>80%</u>	<u>100%</u>
3 months	1.01	1.02	1.04
6 months	1.02	1.03	1.05
12 months	1.03	1.04	1.06
18 months	1.05	1.06	1.08
24 months	1.07	1.08	1.10

3. Business Protection Benefit

<u>Option</u>	<u>Factor</u>
15% to \$2,500/month	1.06
25% to \$5,000/month	1.09

4. Infectious and Contagious Disease Benefit

<u>Maximum Duration</u>	<u>Factor</u>
5 years	1.05
Same as basic contract	1.10

5. Accidental Dismemberment or Loss of Sight

Factor = 1.01

6. FICA Match: See Appendix M

7. Rehabilitation Completion Bonus

<u>Lump Sum Payment</u>	<u>Factor</u>
1 month	1.00
3 months	1.01

STEP D: Expense Adjustment

To determine the total cost, add the monthly base premium for the base plan and the pension contribution benefit, with all applicable adjustments made. Determine the appropriate expense adjustment from the table in Appendix H.

STEP E: Convert Cost to per \$100 of Monthly Covered Salary

Determine the total monthly covered salary for the group. Divide the size adjusted cost by the total monthly covered salary divided by \$100.

STEP F: Conversion

If the plan includes the conversion option, add \$0.01.

STEP G: Other

The rates shown are based on our current pricing interest rate. Our pricing interest rate is determined based on new money rates. As the interest rate environment changes and our pricing interest rate is modified, the rates will be adjusted accordingly.

The rates shown are for the most common plan designs. Rates for other plan designs will be determined on an actuarially consistent basis with those shown here.

Other adjustments may be made in circumstances where it is deemed that the risk or other considerations are not appropriately reflected in the rates. A number of factors could dictate such an adjustment. These factors include, but are not limited to:

1. Significant change in exposure, such as the addition or deletion of subsidiaries;
2. Substantial change in the demographics of the group;
3. Significantly favorable or unfavorable claim patterns;
4. Experience of the group.
5. Evidence of favorable or unfavorable persistency with current or prior carriers.
6. Significant change in the level of the employer's premium contribution.
7. Incomplete transferred business information.
8. Transferred business information that is inconsistent and/or incorrect;
9. Existence of other United Heritage Life Insurance Company coverage
10. Significantly high or low employee turnover rate.
11. An employer group that is deemed to be a significant solvency risk.
12. Non-standard commission schedules.
13. Differences in levels of service provided.

The magnitude of the adjustments to the formula rate will depend on the number of factors that apply in a given situation and the importance of those factors.

APPENDIX A

United Heritage Life Insurance Company Group Long Term Disability Insurance Rating Manual

	(1) Base Plan	(2) Pension Contribution
STEP A: Monthly Base Premium		
Statutory Plan Credit	-	n/a
1. Net Monthly Base Premium	=	=
2. Economic Experience Factor	X	x
3. Pension Contribution EP		x
STEP B: Adjustments		
1. Area	X	x
2. Industry	X	x
3. Average Salary	X	x
4. Richness of Benefit	X	x
5. Definition of Disability	X	x
6. Mental Illness Limitation	X	x
7. Substance Abuse Limitation	X	x
8. Rate Guarantee	X	x
9. Elimination Period	X	n/a
10. Collar Color	X	x
11. Pre-existing Condition Exclusion	X	x
12. No Loss/No Gain or No Loss/Your Gain	X	x
13. Maximum Benefit	X	x
14. Contributory Load	X	x
15. Rehabilitation and Recommended Treatment Adjustment	X	x
16. Earnings Test	X	x
17. Benefit Cutback Plan Design Adjustment	X	x
18. Participation Load	X	x
19. Case Size Factor	X	x
20. Partial and Residual	X	x
21. Enrollment Load	X	x
STEP C: Optional Benefits		
1. Survivor Income Benefit	X	n/a
2. Extended Earnings Benefit	X	n/a
3. Business Protection Benefit	X	n/a
4. Infectious & Contagious Disease Benefit	X	n/a
5. Accidental Dismemberment or Loss of Sight	X	n/a
6. FICA Match	X	n/a
7. Rehabilitation Completion Bonus	X	n/a
STEP D:		
1. Total Cost = Column (1) + Column (2)	=	=
2. Expense Adjustment		x
3. Expense Adjusted Cost		=
STEP E:		
1. Total Monthly Covered Salary		
2. Rate per \$100 Monthly Covered Salary = D(3)/{E(1)/100}		
STEP F: Conversion Option		
1. If applicable, add \$0.01		+

SERFF Tracking #:

HERT-129160423

State Tracking #:

Company Tracking #:

RGCLTD(08-2009)RATES

State:

District of Columbia

Filing Company:

United Heritage Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.003 Long Term

Product Name:

RGCLTD(08-2009)RATES

Project Name/Number:

RGCLTD(08-2009) RATES/RGCLTD(08-2009) RATES

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:	not applicable to this filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	Actuarial memorandum attached to both the Rate Tab and the Supporting documents tab, Actuarial Justification below.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	
Attachment(s):	LTD Actuarial Memorandum NW - United Heritage 6-22-11.pdf
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
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SERFF Tracking #:

HERT-129160423

State Tracking #:

Company Tracking #:

RGCLTD(08-2009)RATES

State:

District of Columbia

Filing Company:

United Heritage Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.003 Long Term

Product Name:

RGCLTD(08-2009)RATES

Project Name/Number:

RGCLTD(08-2009) RATES/RGCLTD(08-2009) RATES

Bypass Reason:	Not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	Not applicable to this filing
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	Not applicable to this filing.
Attachment(s):	
Item Status:	
Status Date:	

August 21, 2013

United Heritage Life Insurance Company
NAIC 63983

District of Columbia
Rates and Forms Filing

Ladies and Gentlemen:

United Heritage is submitting this initial rate filing as required concurrently with Form Filing SERFF # HERT-129028645 for our Group Long Term Disability Certificate, RGCLTD(08-2009)DC.

There are currently no DC Policyholders. Once the initial Form Filing and Rate Filing are approved, the product will be marketed to small and large Employer-Employee groups by licensed agents appointed by United Heritage Life Insurance Company.

The Actuarial Memorandum and Rating Manual are attached to the Rate/Rule Schedule Tab.

Thank you for your time and consideration,

A handwritten signature in cursive script that reads "Deanne Schildan".

Deanne Schildan
Group Administrator/Forms Analyst

UNITED HERITAGE LIFE INSURANCE COMPANY
ACTUARIAL MEMORANDUM
GROUP LONG TERM DISABILITY INSURANCE
POLICY FORM RGP(08-2009)

Purpose

The purpose of this filing is to document the rate structure used for United Heritage Life Insurance Company's Group Long Term Disability product, identify the sources of the underlying assumptions and to verify that the rate filing is in compliance with the laws and regulations of the state.

General

Acting in the capacity of reinsurer, The Hartford Life and Accident Insurance Company has assisted United Heritage Life Insurance Company in the development of a group long term disability insurance product, referenced above by the policy form GP (08-2009). Standard disability benefits consist of 60% of covered salary less all offsets (Primary & Family Social Security, etc.), with an elimination period of 180 days. The standard definition of disability is an "own occupation" definition during the first 24 months of disability and an "any occupation" definition thereafter. Average annual premium per insured is \$200.

Marketing Methodologies

This policy will be marketed to employer groups of various sizes. Late entrants will be individually medically underwritten. In addition, the underwriting is done on an individual level for those with gross benefits greater than the guaranteed issue amount. The guaranteed issue amount is determined on a class level for each policy based on various parameters such as size of the class, the contributory status, and the average of the top three benefit amounts.

Benefit Summary

The following plan design is considered standard:

1. Benefit Duration - to Age 65 with Reducing Benefit Duration as follows:

<u>Age at Disability</u>	<u>Benefits Payable</u>
Prior to 60	To Age 65
60	60 Months
61	48 Months
62	42 Months
63	36 Months
64	30 Months
65	24 Months
66	21 Months
67	18 Months
68	15 Months
69 or Older	12 Months

2. Integrate direct with Primary and Family Social Security
3. Elimination Period - 180 days
4. "Own occupation" definition during the first 24 months of disability and an "any occupation" definition thereafter.

Other plan design options include:

1. Benefit Duration -

- ADEA III: Benefits are payable to age 70 or for two years, whichever is greater, regardless of age at disablement.
- ADEA II: Benefits are payable to age 65 if disabled prior to age 60. If disabled after age 60, benefits are payable for the shorter of 5 years or to age 70, subject to a minimum benefit duration of 2 years
- Graded Duration - X years: Benefits are payable for the lesser of the graded duration or X years, where X = 2 or 5
- Benefits of 2 or 5 years to a maximum age of 65 or 70
- ADEA I with Normal Retirement Age (NRA): The maximum benefit period payable will end at the age in the ADEA I schedule, as shown above or, to Normal Social Security Retirement Age, whichever is greater. The term "Normal Retirement Age" means the Social Security Normal Retirement Age as stated in the 1983 revision of the United States Social Security Act. It is determined by insured's date of birth, as follows:

Year of Birth	Normal Retirement Age
1937 or before	65
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943 - 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 or after	67

2. Direct Offset Plan -

- Integrate direct with Primary Social Security but not Family Social Security.
- Alternate Integration Plans such as 60%/70% All Source or 60%/70% Backdoor.

3. Elimination Period - a range of 1 to 66 months.

4. Definition of Disability - "Own occupation" definition during the first 6 to 60 months of disability and "any occupation" definition thereafter, or unlimited "own occupation" definition.

Other benefit options include:

1. Cost Of Living Adjustment (COLA) - With the standard COLA option, if an insured has been disabled continuously for 12 months, his or her benefit will increase each year by a fixed percentage for the first 10 years of disability. This percentage will not exceed half the annual increase in the Consumer Price Index. Other options include: A flat percent, 5 to 10 increases, unlimited increases.
2. A 2 year rate guarantee on new business.
3. Survivor Income Benefit (SIB) – If death occurs while receiving benefits under the plan a survivor benefit will be payable to the beneficiary upon the claimant's death. Options include: multiple of the last monthly benefit, lump sum payment, percentage of the last payment for a range of 12 to 24 months following death.

For a more detailed and complete explanation of benefits available, please refer to the contract.

Derivation of Base Rates

The base rates were developed for each individual based on their, age, sex, salary and the plan's benefit percentage, benefit duration and integration method. The base rates are calculated as:

Incidence rate x Actuarial Present Value of Expected Net Benefits
Assumed Permissible Loss Ratio

Net benefits were calculated based on salary, benefit percentage and integration method for 3 scenarios - no Social Security offsets, Primary Social Security offsets and Family Social Security offsets. The expected net benefits were then calculated based on the probability of each scenario. The calculation of the actuarial present value of expected net benefits reflects assumptions for termination due to death or recovery and the current pricing interest rate. Incidence rates, termination rates and Social Security approval assumptions were developed based primarily on the experience of The Hartford Life and Accident Insurance Company's own block of business. Expected Social Security offset amounts are based on the benefit formula used by the Social Security Administration.

Calculation of the base rates include an economic and experience factor. This factor will be used in the future to make adjustments to the base rates as needed due to emerging experience or economic conditions. The current factor is 1.00.

Development of Base Rate Adjustments

The factors for Cost of Living Adjustment (COLA), minimum benefit and alternate integration were developed by modeling the impact of the provision on the expected net benefits and comparing the resulting actuarial present value to the actuarial present value using standard benefits.

The statutory plan credits reflect the difference between the cost of the plan with no statutory short term disability benefit offsets and the cost of the plan with statutory short term disability benefits used as offsets.

Adjustments for Group Characteristics and Additional Plan Design Features

Adjustments were developed to account for the expected differences in incidence and duration due to a group's own demographics and plan design. These adjustments were developed based on a review of The Hartford Life and Accident Insurance Company's own experience, competitive information, actuarial data sources, and, where appropriate, economic data.

Anticipated Loss Ratio

The anticipated loss ratio for this product is not less than 60% for cases with less than 100 lives and not less than 65% for cases with 100 lives or more. The anticipated loss ratio is determined as follows:

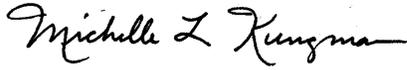
	Cases < 100 Lives	Cases > 100 Lives
Commissions	15.0%	12.1%
Profit	5.0%	5.0%
<u>Other Retention</u>	<u>20.0%</u>	<u>17.5%</u>
Total Retention	40.0%	34.6%
Loss Ratio	60.0%	65.4%

Experience

Some groups will have insured experience that is at least partially credible. The rates for these groups may be adjusted, when appropriate, to reflect actual experience and in-force rates.

Actuarial Certification

I certify that, to the best of my knowledge and judgment, the entire rate filing is in compliance with the applicable laws of the state and with the rules of the Department of Insurance, and complies with Actuarial Standard of Practice No. 8, "Regulatory Filings for Rates and Financial Projections for Health Plans," as adopted by the Actuarial Standards Board, December 2005, and that the benefits provided are reasonable in relation to the proposed premiums.



6/22/2011

Michelle Kunzman, FSA, MAAA
AVP and Actuary
Hartford Life and Accident Insurance Company

Date