
State: District of Columbia **Filing Company:** Pan-American Life Insurance Company
TOI/Sub-TOI: H04 Health - Blanket Accident /Sickness/H04.000 Health - Blanket Accident /Sickness
Product Name: Pan-Am Blanket Group Accident Policy B-BTP-ACC-13-P
Project Name/Number: Pan-Am Blanket Group Accident Policy B-BTP-ACC-13-P/B-BTP ACC-13-P

Filing at a Glance

Company: Pan-American Life Insurance Company
Product Name: Pan-Am Blanket Group Accident Policy B-BTP-ACC-13-P
State: District of Columbia
TOI: H04 Health - Blanket Accident /Sickness
Sub-TOI: H04.000 Health - Blanket Accident /Sickness
Filing Type: Rate
Date Submitted: 09/10/2013
SERFF Tr Num: ICCI-129123690
SERFF Status: Pending Industry Response
State Tr Num:
State Status:
Co Tr Num: B-BTP ACC-13-P-R
Implementation: On Approval
Date Requested:
Author(s): Ann Collins, Brenda Dawson
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: Pan-Am Blanket Group Accident Policy B-BTP- ACC-13-P Status of Filing in Domicile:

Project Number: B-BTP ACC-13-P

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: Blanket

Overall Rate Impact:

Filing Status Changed: 09/24/2013

State Status Changed:

Deemer Date:

Created By: Brenda Dawson

Submitted By: Brenda Dawson

Corresponding Filing Tracking Number: ICI-129123691

PPACA: Not PPACA-Related

PPACA Notes: null

Include Exchange Intentions:

No

Filing Description:

We are hereby submitting rates for the form filing submitted under SERFF Tracking # ICCI-129123691. This is a new filing and is not intended to replace any previously filing.

Insurance Compliance Consultants, Inc., is making this filing on behalf of Pan-American Life Insurance Company. A filing authorization letter is attached. All correspondence should be addressed to Insurance Compliance Consultants, Inc.

Blanket Group Accident Only Policy form B-BTP ACC-13-P will be issued as blanket insurance in your state.

We certify that to the best of our knowledge and belief, these forms do not violate any laws or regulations of your state and do not contain any previously disapproved provisions.

Company and Contact

Filing Contact Information

Brenda Dawson, Authorized Representative Brendadawson@inscompliance.com

3925 East State Street, Suite 200

815-316-6714 [Phone]

Rockford, IL 61108

815-986-2355 [FAX]

Filing Company Information

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

Pan-American Life Insurance

CoCode: 67539

State of Domicile: Louisiana

Company

Group Code: 525

Company Type:

1300 Godward Street NE

Group Name:

State ID Number:

Suite 6800

FEIN Number: 72-0281240

Minneapolis, MN 55413

(612) 331-0112 ext. [Phone]

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Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

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Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Darniece Shirley	09/24/2013	09/24/2013

Response Letters

Responded By	Created On	Date Submitted
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State: District of Columbia **Filing Company:** Pan-American Life Insurance Company
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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/24/2013
Submitted Date	09/24/2013
Respond By Date	10/15/2013

Dear Brenda Dawson,

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)
- Actuarial Memorandum and Certifications (Supporting Document)

Comments: What is the maximum benefit amount per insured per occurrence? What is the maximum aggregate limit for all insured covered under the policy per covered accident? In what increments can benefits (for both) be purchased?

Objection 4

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

Comments: Item 4 of the Actuarial Memorandum states PAL anticipates new issues and renewals under the forms, however the rate filing, as submitted is an initial rate filing. Please clarify.

Objection 5

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

Comments: RE: Item 14 of the Actuarial Memorandum. Please note, DC only allows for one area factor.

Objection 6

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

Comments: What interest rate assumptions, if any are being made? Please justify.

Objection 7

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

Comments: Please provide the rate manual and the premium calculation procedures.

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Objection 8

- 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)
- Consumer Disclosure Form (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)

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

Objection 9

- 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)
- Consumer Disclosure Form (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)

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

Conclusion:

Sincerely,
Darniece Shirley

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Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	See general information tab
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	ICC PAN-AM AUTH - B-BTP ACC-13-P.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Actuarial Memorandum - PAL Blanket Accident Policy Form B-BTP ACC 13-P - Generic.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	See actuarial memorandum
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	NA
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 #:

ICCI-129123690

State Tracking #:

Company Tracking #:

B-BTP ACC-13-P-R

State: District of Columbia **Filing Company:** Pan-American Life Insurance Company
TOI/Sub-TOI: H04 Health - Blanket Accident /Sickness/H04.000 Health - Blanket Accident /Sickness
Product Name: Pan-Am Blanket Group Accident Policy B-BTP-ACC-13-P
Project Name/Number: Pan-Am Blanket Group Accident Policy B-BTP-ACC-13-P/B-BTP ACC-13-P

Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

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

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



January 1, 2013

NAIC Company Code: 67539

Re: Blanket Group Accident Policy, B-BTP ACC-13-P, et al

To: All State Insurance Departments

Pan-American Life Insurance Company of New Orleans, LA, hereby authorizes Insurance Compliance Consultants, Inc., to represent us in the submission of the above captioned forms and to negotiate with insurance departments for their approval.

Sincerely,

PAN-AMERICAN LIFE INSURANCE COMPANY

A handwritten signature in black ink that reads "José Suquet". The signature is written in a cursive style with a long horizontal stroke at the end.

José Suquet, President and Chief Executive Officer

Pan-American Life Insurance Company (PAL)
601 Poydras Street
New Orleans, LA 70130
Blanket Policy of Insurance
Policy Form Number B-BTP ACC 13-P
Actuarial Memorandum

Item 1 **Scope and Purpose of Filing:** The purpose of this filing is to demonstrate compliance with minimum requirements of your state and show that benefits are reasonable in relationship to premiums charged. This is a new rate filing which may not be appropriate for other purposes.

Item 2 **Description of Benefits:** The benefits available under this blanket policy form for are described in the policy. These benefits are subject to the schedule of benefits, the limitations, conditions and exclusions of the policy. The benefits offered under this blanket policy form include the following:

- Accidental Death & Dismemberment Benefit
- Accident Dental Benefit
- Accident Medical Expense Benefit
- Alternative Commutation Benefit
- Broken Bones
- Coma Benefit
- Critical Burn Benefit
- Day Care Benefit
- Emergency Medical Evacuation Benefit
- Extended Felonious Assault Benefit
- Funeral Expense Benefit
- HIV Occupational Accident Benefit
- Home Alteration and Vehicle Modification Benefit
- Permanent Total Disability Benefit
- Post-High School Education Benefit
- Rehabilitation Training Benefit
- Repatriation Benefit
- Seatbelt and Airbag Benefit
- Spouse Education Benefit
- Therapeutic Counseling Benefit
- Total Disability Benefit
- Traumatic Brain Injury Benefit

The benefits are limited to a maximum amount per insured per occurrence as well as an aggregate limit for all insureds covered under this policy per covered accident.

Item 3 **Renewability:** The group policy is renewable, but may be terminated if PAL elects to discontinue offering this type of group insurance in this state upon 60 day written notice to the policyholder.

Item 4 **Applicability:** PAL anticipates new issues and renewals under the forms.

Item 5 **Morbidity:** Claim costs were developed based on the various covered activities and optional benefits utilizing a number of accident and injury statistics. The following data sources were used:

National Safety Council Injury Facts
Centers for Disease Control and Prevention
National Hospital Ambulatory Medical Care Survey
Agency for Healthcare Research and Quality - Healthcare Cost & Utilization Project
American Burn Association - National Burn Repository
United States Census
National Spinal Cord Injury Statistical Center
Bureau of Labor Statistics
Aviation Safety Network
National Transportation Safety Board
National Highway Traffic Safety Administration
National Fire Prevention Association
Federal Bureau of Investigation - Terrorism
Health, United States
National Vital Statistics Reports
Milliman 2012 Health Cost Guidelines
1985 Commissioners' Disability Table (85CIDA)
2012 Individual Disability Experience Committee (IDEC)
National Hospital Discharge Survey

Item 6 **Mortality:** Accidental death rates were derived from accident and injury statistics from the sources outlined above.

Item 7 **Persistency:** Not applicable

Item 8 **Expenses:** Variable – Never greater than 45%

Expense Item	Average Percent of Gross Premium
Overhead Expense	5%
Premium Tax	3%
Administration	14%
Commissions	23%
Total	45%

Item 9 **Marketing Method:** This product is to be sold through licensed insurance brokers, agents, and third party administrators.

Item 10 **Underwriting:** This product will be available on a guarantee issue basis to the employees, supervisors, members, members of a team or registered participants of the employer or policyholder who are in an eligible class. The underwriter will collect information from the applicant group in order to measure the group's risk relative to the assumptions used in the manual rating. In general, underwriting

adjustments may be made with respect to any extraordinary items having an impact on the risk, subject to the discretion of the underwriter. When there is specific information available about the group being underwritten, such as a group's exposure and risk characteristics, it may be appropriate to refine the manual rates.

Item 11 **Experience Rating:** Final rates may vary from manual rates because of an adjustment for the group's actual experience. The credibility formula relies on the loss ratio method to prospectively adjust the manual rate for recent account experience.

The formula for the adjusted rate is as follows:

$$\text{Final Rate} = [P*(ELR/TL)*CR] + [(1-CR)*MR]$$

Where:

P = Prior Rate (Rate In Effect For The Year Being Experience Rated)

ELR = Experienced Loss Ratio (Incurred Claims / Earned Claim Cost)

TL = Target Loss Ratio (Pricing Loss Ratio)

CR = Credibility Factor

MR = Manual Rate

The Credibility Factors are listed in Tables 5A and 5B in the Blanket Rating -GWI - Pan American Spreadsheet included with this filing.

Approximately 3 to 5 years of the group's experience will be review to determine whether existing rates are adequate or need to be adjusted. The result of the calculation is subject to the underwriter's discretion. For start-up groups, the manual rates will be applied.

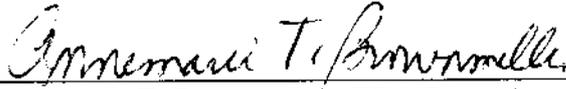
Item 12 **Premium Classes:** Premium rates are based on the plan design and the risk characteristics of the insured group. Premium rates and benefits will generally be uniform for the insured employees, members or participants of the policyholder.

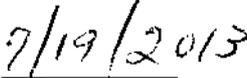
Item 13 **Issue Age Range:** All persons in one of the classes of eligible persons will be eligible and covered by the benefits included in the policy. Benefits for accidental death and dismemberment benefits will be reduced for persons above age 65 as per the policy. Issue age range is subject to underwriting considerations.

Item 14 **Area Factors:** Area adjustment factors provided by the Milliman Health Cost Guidelines will be used for the Accidental Medical Expense Benefit rate. Country area adjustment factors will be used for the 24 Hour World Wide Coverage and Business Travel Coverage.

Item 15 **Industry Factor:** Industry factors will be used for Accidental Death and Dismemberment rates to reflect more hazardous accidental risk exposure.

- Item 16 **Average Annual Premium:** The average annual premium is expected to be \$25,000 per policy.
- Item 17 **Premium Modalization Rules:** Generally only monthly premiums will be available.
- Item 18 **Claim Liability and Reserves:** The claim liability and reserves for incurred but unpaid claims will be developed using standard actuarial methods.
- Item 19 **Active Life Reserves:** Unearned premium reserves will be established if PAL should offer other than monthly premiums.
- Item 20 **Trend Assumptions:** Medical claim costs will be trended from the midpoint of the manual experience period to the midpoint of policy period. The Milliman Health Cost Guidelines will be updated annually.
- Item 21 **Anticipated Loss Ratio:** The anticipated loss ratio for this form is expected to exceed the required state minimums. The overall expected loss ratio is 45%.
- Item 22 **Distribution of Business:** All covered employees and members will be eligible under the class of eligible persons under the terms of the policy.
- Item 23 **Contingency and Risk Margins:** The maximum contingency and risk margin is 10%.
- Item 24 **Experience on the Form:** This is a new rate filing. The expected loss ratio at all durations is 45%.
- Item 25 **Lifetime Loss Ratio:** The expected lifetime loss ratio is 45%.
- Item 26 **History of Rate Adjustments:** Not Applicable.
- Item 27 **Number of Policyholders:** Not Applicable
- Item 28 **Proposed Effective Date:** It is our desire to commence marketing this policy as soon as state approval is obtained.
- Item 29 **Actuarial Certification:** I certify that to the best of my knowledge and judgment, this filing is in compliance with the applicable laws of this state. I certify that the benefits are reasonable in relation to the premiums.


Annemarie T. Brownmillér, FSA, MAAA


Date

Consulting Services of Princeton
1200 Lenox Drive, Suite 103
Lawrenceville, NJ 08648
(856) 787-0780