

SERFF Tracking #:

JEPT-128986588

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

GL41-AMEND.MVA (RATES)

State: District of Columbia**Filing Company:**

The Lincoln National Life Insurance Company

TOI/Sub-TOI: H02G Group Health - Accident Only/H02G.000 Health - Accident Only**Product Name:** Group Accident**Project Name/Number:** 2013 Accident Phase 2 Enhancements/GL41-AMEND.MVA

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		GL41-AMEND.MVA and GL41-AMEND.SHCB 13 Rates	GL41-AMEND.MVA DC, GL41-AMEND.SHCB 13 DC, GL42-AMEND.MVA DC, GL42-AMEND.SHCB 13 DC	New		GL41-AMEND.MVA and GL41-AMEND.SHCB 13 Rates.pdf,

Motor Vehicle Accident Benefit

Monthly Premium Rate

Benefit	Monthly Premium Rates			
	Employee	EE + Spouse	EE + Child	Family
\$500	\$ 0.77	\$ 1.55	\$ 1.50	\$ 2.46
\$1,000	\$ 1.54	\$ 3.08	\$ 2.99	\$ 4.88

Sickness Hospital Confinement Benefit

Monthly Premium Rate

Benefit Payable up to 30 days

Benefit	Monthly Premium Rates			
	Employee	EE + Spouse	EE + Child	Family
\$200/day	\$8.88	\$17.76	\$14.61	\$24.21
\$250/day	\$11.10	\$22.20	\$18.27	\$30.26
\$350/day	\$14.65	\$29.30	\$24.77	\$40.76

Sickness Hospital Admission Benefit

Monthly Premium Rate

Benefit Payable once per person per covered sickness per calendar year

Benefit	Monthly Premium Rates			
	Employee	EE + Spouse	EE + Child	Family
\$1,000	\$7.28	\$14.56	\$10.93	\$18.54
\$1,300	\$9.55	\$19.11	\$14.34	\$24.33
\$1,500	\$10.46	\$20.93	\$15.71	\$26.65

Sickness ICU Confinement Benefit

Monthly Premium Rate

Benefit Payable up to 15 days

Benefit	Monthly Premium Rates			
	Employee	EE + Spouse	EE + Child	Family
\$400/day	\$1.09	\$2.18	\$3.74	\$5.39
\$600/day	\$1.75	\$3.50	\$6.24	\$8.95
\$850/day	\$2.49	\$4.98	\$8.90	\$12.75

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Group Accident

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2013 Accident Phase 2 Enhancements/GL41-AMEND.MVA

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	Accident Phase 2 Rates Cover.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	This is not a third party filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	GL41-AMEND MVA and GL-41 SHCB 13 ActMemo DC.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	
Attachment(s):	GL41-AMEND MVA and GL-41 SHCB 13 ActMemo DC.pdf
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	This is not a P & C 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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H02G Group Health - Accident Only/H02G.000 Health - Accident Only

Product Name:

Group Accident

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2013 Accident Phase 2 Enhancements/GL41-AMEND.MVA

Bypass Reason:	This is not a P & C filing.
Attachment(s):	
Item Status:	
Status Date:	

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

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



The Lincoln National Life Insurance Company
8801 Indian Hills Drive
Omaha, NE 68114-4066
toll free (800) 423-2765

July 15, 2013

NAIC No.: 0020-65676
FEIN No.: 35-0472300

DEPARTMENT OF INSURANCE, SECURITIES, AND BANKING
INSURANCE PRODUCTS DIVISION
FORMS & POLICY ANALYSIS BRANCH
810 FIRST STREET NE, SUITE 701
WASHINGTON, DC 20002

RE: Group Accident Rates
GL41-AMEND.MVA and GL41-AMEND.SHCB 13 Rates

Enclosed for filing with your Department are the captioned rates, which are new and do not replace any rates previously filed. The rates are for the following forms:

Policy amendment forms: GL41-AMEND MVA DC and GL-41 SHCB 13 DC
Certificate amendment forms: GL42-AMEND MVA DC and GL-42 SHCB 13 DC

These are amendment forms which may be attached to the Accident insurance policy and certificate to provide a Motor Vehicle Accident Benefit and a Sickness Hospital Confinement Benefit. The forms are submitted under a separate filing, JEPT-128986589. The forms are for use with our previously approved Group Policy Series GL41 and Group Certificate Series GL41 forms, approved 5/11/10, SERFF Tracking Number JEPT-126572226. The forms are new and will not replace existing forms. The forms will be marketed by licensed agents and brokers primarily to employer groups, but also may be used with labor union or eligible association groups.

As the rates and forms are new, there are no DC policyholders, and no premium impact.

These rates will be effective upon approval. Your review and notice of approval will be greatly appreciated. If you have questions, please feel free to contact me.

Regards,

Matthew S. Rotundo, ACS, AIAA, AIRC, FLMI, HIA, HIPAAA
Senior Compliance Analyst
The Lincoln National Life Insurance Company
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Enclosures

The Lincoln National Life Insurance Company

Actuarial Memorandum

Group Accident Insurance

Policy Amendments GL41-AMEND.MVA DC, GL42-AMEND.MVA DC, GL41-AMEND.SHCB 13 DC, and GL42-AMEND.SHCB 13 DC

1. Scope & Purpose

This Actuarial Memorandum describes the benefits provided in the Motor Vehicle Accident rider (policy form GL41-AMEND.MVA DC and certificate form GL42-AMEND.MVA DC) and in the Sickness Hospital Confinement rider (policy form GL41-AMEND.SHCB 13 DC and certificate form GL42-AMEND.SHCB 13 DC). This memorandum supports the rates being filed. This memorandum is not intended to be used for any other purpose.

2. Benefit Description

These riders may be attached to the Group Accident Insurance product (policy form series GL41 and certificate form series GL42).

Motor Vehicle Accident: Pays a benefit when the insured incurs a covered accident (that is, an accident which pays a benefit under the base policy) while operating or traveling in a motor vehicle.

Sickness Hospital Confinement: Pays a benefit for each day an insured person is confined in a hospital as the result of a sickness.

Optionally, the insured may include a Hospital Admission benefit and/or an ICU Confinement benefit as part of the Sickness Hospital Confinement rider.

Hospital Admission pays a benefit on the first day an insured person is confined in a hospital as the result of a sickness.

ICU Confinement pays a benefit for each day an insured person is confined in an intensive care unit as the result of a sickness.

3. Renewability

As with the base policy, these riders are guaranteed renewable for life.

4. Applicability

These riders may be attached to the Group Accident Insurance product (policy form series GL41 and certificate form series GL42).

5. Morbidity

The Motor Vehicle Accident morbidity assumptions were developed using population data from the Centers for Disease Control.

- Fatal motor vehicle occupant injuries data, WONDER, 2006-2010
- Nonfatal motor vehicle occupant injuries data, MMWR, 2004-2009

The Sickness Hospital Confinement morbidity assumptions were developed using population data from the sources listed below, adjusted to reflect a working population.

- 2006 National Hospital Discharge Survey
- CMS readmission rates, 2008-2012

ICU admission data

- Society of Critical Care Medicine, 2004
- Critical Care Forum, 2006

ICU ALOS data

- American Journal of Critical Care, 2006

6. Mortality

Mortality is included in the persistency rates found in Section 7.

7. Persistency

As with the base policy, the assumed persistency rates are the complement of the lapse rates illustrated below. These lapse rates reflect the impact of both voluntary and involuntary (death) terminations.

Duration	Lapse
1	25.0%
2	20.0%
3	17.0%
4	15.0%
5	13.0%
6	12.0%
7	11.0%
8+	10.0%

8. Marketing Method

As with the base policy, these riders will be sold by independent agents and brokers, primarily to employees at an employer's worksite.

9. Underwriting

For the Motor Vehicle Accident rider, no underwriting will be performed.

For the Sickness Hospital Confinement rider, underwriting will consist of a simple accept/reject question.

10. Premium Classes

Premiums for these riders will vary by family composition. The family composition classes are "Employee", "Employee + Spouse", "Employee + Children", and "Family".

11. Issue Age Range

As with the base policy, benefits will be offered to all eligible active employees (and their dependents) of an employer that are between the ages of 0 and 80. Premium rates do not vary by age or gender.

12. Area Factors

As with the base policy, there are no area factors for these forms. The rates will be the same throughout the state.

13. Average Annual Premium

The average annual premium for the Motor Vehicle Accident rider is expected to be approximately \$29.

The average annual premium for the Sickness Hospital Confinement rider is expected to be approximately \$183.

14. Premium Modalization Rules

As with the base policy, the modal premium factors to be applied to monthly premium rates are:

Mode	Factor
Monthly	1.0
Quarterly	3.0
Semi-Annual	6.0
Annual	12.0

For modes other than those shown above, modal premiums are calculated as:

$$\text{Monthly Premiums} \times 12 / \# \text{ of modal pay periods}$$

15. Claim Liability and Reserves

Claim reserves are set using actuarial methodology that is consistent with the NAIC Health Insurance Reserves Model Regulation.

16. Active Life Reserves

Active life reserves are set using actuarial methodology that is consistent with the NAIC Health Insurance Reserves Model Regulation.

17. Trend Assumptions

No trend has been assumed in this filing.

18. Minimum Loss Ratio

The minimum acceptable loss ratio is 55%.

19. Anticipated Loss Ratio

The anticipated loss ratio is expected to be 55%.

20. Contingency and Risk Margins

No explicit contingency margins were assumed in the rate calculations for these riders.

21. Experience - Past and Future

These are new riders; no claims experience is available.

22. Lifetime Loss Ratio

The lifetime loss ratio is expected to be 55%.

23. History of Rate Adjustments

These are new riders. There have been no rate adjustments.

24. Number of Policyholders

These are new riders. There are no policies with these riders attached at this time.

25. Proposed Effective Date

The rates are to become effective July 1, 2013, or upon approval by your Department of Insurance, whichever is later. These riders will not be sold until they have been submitted and/or approved as required by your regulations.

26. Actuarial Certification

I, Heather Sligh, am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

I believe this rate filing is in compliance with the applicable laws and rules of this state. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

In my opinion, the rates included in the actuarial memorandum are not excessive, inadequate or unfairly discriminatory. The premium rates are not unreasonable in relation to the benefits provided, and the actuarial data and experience shall be maintained by the company and available for review by the Commissioner of Insurance upon request. The premium rates were developed using reasonable assumptions and in accordance with generally accepted actuarial principles. These rates are appropriate for the class of risks for which they are intended. This filing is in compliance with state law and regulation. The actuarial memorandum has been prepared for the sole purpose of demonstrating that the proposed rate schedule is reasonable and the memorandum may be not appropriate for other purposes.

Emerging experience should be carefully monitored relative to the assumptions and appropriate adjustments made to the premiums in a timely manner.



Heather Sligh, FSA, MAAA
Worksite Pricing Actuary
Group Protection
The Lincoln National Life Insurance Company

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Actuarial Memorandum

Group Accident Insurance

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1. Scope & Purpose

This Actuarial Memorandum describes the benefits provided in the Motor Vehicle Accident rider (policy form GL41-AMEND.MVA DC and certificate form GL42-AMEND.MVA DC) and in the Sickness Hospital Confinement rider (policy form GL41-AMEND.SHCB 13 DC and certificate form GL42-AMEND.SHCB 13 DC). This memorandum supports the rates being filed. This memorandum is not intended to be used for any other purpose.

2. Benefit Description

These riders may be attached to the Group Accident Insurance product (policy form series GL41 and certificate form series GL42).

Motor Vehicle Accident: Pays a benefit when the insured incurs a covered accident (that is, an accident which pays a benefit under the base policy) while operating or traveling in a motor vehicle.

Sickness Hospital Confinement: Pays a benefit for each day an insured person is confined in a hospital as the result of a sickness.

Optionally, the insured may include a Hospital Admission benefit and/or an ICU Confinement benefit as part of the Sickness Hospital Confinement rider.

Hospital Admission pays a benefit on the first day an insured person is confined in a hospital as the result of a sickness.

ICU Confinement pays a benefit for each day an insured person is confined in an intensive care unit as the result of a sickness.

3. Renewability

As with the base policy, these riders are guaranteed renewable for life.

4. Applicability

These riders may be attached to the Group Accident Insurance product (policy form series GL41 and certificate form series GL42).

5. Morbidity

The Motor Vehicle Accident morbidity assumptions were developed using population data from the Centers for Disease Control.

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6. Mortality

Mortality is included in the persistency rates found in Section 7.

7. Persistency

As with the base policy, the assumed persistency rates are the complement of the lapse rates illustrated below. These lapse rates reflect the impact of both voluntary and involuntary (death) terminations.

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Premiums for these riders will vary by family composition. The family composition classes are "Employee", "Employee + Spouse", "Employee + Children", and "Family".

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As with the base policy, benefits will be offered to all eligible active employees (and their dependents) of an employer that are between the ages of 0 and 80. Premium rates do not vary by age or gender.

12. Area Factors

As with the base policy, there are no area factors for these forms. The rates will be the same throughout the state.

13. Average Annual Premium

The average annual premium for the Motor Vehicle Accident rider is expected to be approximately \$29.

The average annual premium for the Sickness Hospital Confinement rider is expected to be approximately \$183.

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26. Actuarial Certification

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