

**State:** District of Columbia **Filing Company:** Aetna Life Insurance Company  
**TOI/Sub-TOI:** MS08G Group Medicare Supplement - Standard Plans 2010/MS08G.012 Multi-Plan 2010  
**Product Name:** ATN-Grp. Med. Supp.-Rates  
**Project Name/Number:** /

## Filing at a Glance

Company: Aetna Life Insurance Company  
Product Name: ATN-Grp. Med. Supp.-Rates  
State: District of Columbia  
TOI: MS08G Group Medicare Supplement - Standard Plans 2010  
Sub-TOI: MS08G.012 Multi-Plan 2010  
Filing Type: Rate  
Date Submitted: 02/06/2014  
SERFF Tr Num: MCHU-129394672  
SERFF Status: Closed-APPROVED  
State Tr Num:  
State Status:  
Co Tr Num: GPHMSP13A  
Implementation: On Approval  
Date Requested:  
Author(s): Betty Dabrowski, Ginny Mchugh, Jackie Tootchen, Lauren Regnery, Jane Neal, Emma Kalbach, Kathy Nangle, Amber Myers  
Reviewer(s): Donghan Xu (primary), Alula Selassie  
Disposition Date: 02/19/2014  
Disposition Status: APPROVED  
Implementation Date: 02/19/2014  
State Filing Description:

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## General Information

Project Name: Status of Filing in Domicile: Not Filed  
 Project Number: Date Approved in Domicile:  
 Requested Filing Mode: Review & Approval Domicile Status Comments:  
 Explanation for Combination/Other: Market Type: Group  
 Submission Type: New Submission Group Market Size: Small and Large  
 Group Market Type: Discretionary, Trust Overall Rate Impact:  
 Filing Status Changed: 02/19/2014  
 State Status Changed: Deemer Date:  
 Created By: Lauren Regnery Submitted By: Lauren Regnery  
 Corresponding Filing Tracking Number: MCHU-129383527

Filing Description:  
 OUT OF STATE GROUP FILING  
 Aetna Life Insurance Company  
 NAIC No: 60054 / FEIN: 06-6033492  
 Out-of-State Group Medicare Supplement Program  
 Rates

Rate Filing  
 SERFF Tracking Nos.: MCHU-129394672

McHugh Consulting Resources, Inc. has been requested to file the above-referenced forms on behalf of Aetna Life Insurance Company. We have provided a letter of authorization for your files.

The enclosed rates are hereby submitted for your review and approval. These rates will be used with our Aetna Medicare Supplement forms currently pending review with your Department under SERFF Tracking # MCHU-129383527.

Thank you for your attention to this filing. Please do not hesitate to contact the undersigned at (215) 230-7960 if there are any questions that we can answer regarding this filing.

Sincerely,

Laura Hoogland  
 Compliance Consultant  
 mcr@mchughconsulting.com  
 www.mchughconsulting.com

Enclosures

## Company and Contact

### Filing Contact Information

Lauren Regnery, [mcr@mchughconsulting.com](mailto:mcr@mchughconsulting.com)

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2005 South Easton Road 215-230-7960 [Phone]  
 Suite 207 215-230-7961 [FAX]  
 Doylestown, PA 18901

**Filing Company Information**

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

Aetna Life Insurance Company	CoCode: 60054	State of Domicile: Connecticut
151 Farmington Avenue	Group Code: 1	Company Type:
Hartford, CT 06156	Group Name:	State ID Number:
(215) 230-7960 ext. [Phone]	FEIN Number: 06-6033492	

**Filing Fees**

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

SERFF Tracking #:

MCHU-129394672

State Tracking #:

Company Tracking #:

GPHMSP13A

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### Rate Information

Rate data applies to filing.

**Filing Method:** Upon Approval  
**Rate Change Type:** Neutral  
**Overall Percentage of Last Rate Revision:** %  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:**

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Aetna Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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

GPHMSP13A

**State:**

District of Columbia

**Filing Company:**

Aetna Life Insurance Company

**TOI/Sub-TOI:**

MS08G Group Medicare Supplement - Standard Plans 2010/MS08G.012 Multi-Plan 2010

**Product Name:**

ATN-Grp. Med. Supp.-Rates

**Project Name/Number:**

/

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Tables	GPHMSP13A, GPHMSP13B, GPHMSP13F, GPHMSP13G, GPHMSP13N	New		DC ALIC Group Rates.pdf,

**Aetna Life Insurance Company**  
Exhibit A - Annual Non-Smoker Premiums

Group Medicare Supplement Policy  
2010 Standardized Plans

Attained Age	Plan A		Plan B		Plan F		Plan G		Plan N	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
65	1,162	1,255	1,325	1,430	1,549	1,665	1,423	1,528	1,107	1,169
66	1,196	1,291	1,370	1,478	1,604	1,724	1,475	1,584	1,149	1,213
67	1,230	1,328	1,414	1,527	1,658	1,782	1,526	1,639	1,190	1,256
68	1,264	1,364	1,458	1,574	1,712	1,840	1,576	1,693	1,230	1,299
69	1,297	1,400	1,502	1,621	1,765	1,897	1,626	1,746	1,270	1,341
70	1,329	1,435	1,545	1,668	1,817	1,953	1,675	1,799	1,309	1,383
71	1,362	1,470	1,588	1,714	1,869	2,009	1,724	1,852	1,348	1,424
72	1,394	1,505	1,630	1,760	1,921	2,064	1,773	1,903	1,387	1,465
73	1,423	1,536	1,675	1,808	1,977	2,125	1,826	1,961	1,431	1,511
74	1,452	1,567	1,719	1,855	2,032	2,184	1,879	2,018	1,475	1,557
75	1,479	1,596	1,760	1,900	2,085	2,241	1,930	2,072	1,516	1,601
76	1,507	1,626	1,803	1,946	2,139	2,299	1,982	2,128	1,558	1,645
77	1,534	1,656	1,846	1,992	2,193	2,357	2,033	2,183	1,600	1,690
78	1,547	1,670	1,878	2,027	2,237	2,405	2,077	2,230	1,638	1,730
79	1,559	1,683	1,911	2,062	2,282	2,452	2,121	2,278	1,676	1,770
80	1,567	1,691	1,938	2,092	2,320	2,493	2,160	2,319	1,709	1,805
81	1,579	1,704	1,970	2,126	2,363	2,540	2,203	2,365	1,746	1,844
82	1,591	1,717	2,001	2,160	2,406	2,586	2,246	2,411	1,783	1,882
83	1,603	1,730	2,057	2,220	2,490	2,677	2,333	2,505	1,861	1,964
84	1,615	1,744	2,112	2,279	2,573	2,766	2,419	2,597	1,937	2,045
85	1,628	1,757	2,152	2,323	2,640	2,837	2,490	2,673	2,002	2,114
86	1,640	1,770	2,193	2,367	2,708	2,911	2,563	2,751	2,070	2,185
87	1,653	1,784	2,235	2,412	2,778	2,986	2,638	2,832	2,139	2,259
88	1,665	1,797	2,277	2,458	2,849	3,063	2,715	2,915	2,211	2,335
89	1,678	1,811	2,321	2,505	2,923	3,142	2,794	3,000	2,286	2,413
90+	1,691	1,825	2,365	2,553	2,998	3,223	2,876	3,088	2,362	2,494

Modal Factors:            Semi-Annual: 0.5000            Quarterly: 0.2500            Monthly: 0.0833

The \$20 application fee is not included in the rates provided above.

Smoker premiums are determined by multiplying the premiums above by a factor of 1.10. Open enrollees and applicants enrolled during specified guarantee issue periods receive the non-smoker rates.

A discount factor of .95 is applied for applicants eligible for the Household Discount.

**Aetna Life Insurance Company**  
Exhibit B - Anticipated Durational Loss Ratios

2010 Standardized Group Medicare Supplement Plans

<u>Policy Year</u>	<u>Loss Ratio</u>
1	64%
2	70%
3	75%
4	79%
5	80%
6	81%
7	82%
8	82%
9	83%
10	83%
11	84%
12	85%
13	85%
14	86%
15	86%
16	87%
17	88%
18	89%
19	89%
20	90%

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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	Please see Filing Description
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Certificate of Authority to File
<b>Comments:</b>	
<b>Attachment(s):</b>	2014 Authorization Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	DC ALIC Group Actuarial Memo.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	Please see Actuarial Memorandum
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

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

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	Not applicable to this filing
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



SERFF Tracking #:

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ATN-Grp. Med. Supp.-Rates

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<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	Not applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

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

**Aetna Health and Life Insurance Company**  
**Aetna Life Insurance Company**  
**American Continental Insurance Company**  
**Continental Life Insurance Company of Brentwood, Tennessee**

Aetna Companies

**Genworth Life Insurance Company**  
**Genworth Life and Annuity Insurance Company**

Genworth Financial Companies; Administered by Aetna Life Insurance Company and its affiliates

800 Crescent Centre Dr.  
Suite 200  
Franklin, TN 37067  
800.264.4000  
aetnaseniorproducts.com

January 9, 2014

McHugh Consulting Resources, Inc.  
350 South Main Street, Suite 103  
Doylestown, Pennsylvania 18901

Re: **Aetna Life Insurance Company**  
**NAIC Company Code: 60054**

Please accept this letter as authorization from Aetna Life Insurance Company for McHugh Consulting Resources, Inc. to file any or all policy forms and/or rates and to respond to any correspondence received in response to these filings as referenced in the corresponding SERFF filing on behalf of Aetna Life Insurance Company.

This authorization is effective from the date of this letter through January 9, 2015.

Sincerely,



Steven L. Hendrich  
Assistant Vice President  
Aetna Life Insurance Company

**Aetna Life Insurance Company**  
**2010 Standardized Group Medicare Supplement Plans A, B, F, G, and N**  
**Filing of Initial Proposed Premium Rates**

**Actuarial Memorandum**

**1) Purpose**

This actuarial memorandum provides the basis for the development of initial premium rates for standardized group Medicare Supplement plans A, B, F, G, and N.

**2) Description of Benefits**

These plans are 2010 Group Standardized Plans, as described in the NAIC Medicare Supplement Insurance Model Regulation.

**3) Renewal Provisions**

These policy forms are guaranteed renewable.

**4) Marketing Approach**

These plans will be sold through general agents of the Company and on a direct to consumer basis.

**5) Underwriting Method and Pre-Existing Conditions Exclusion**

Simplified medical underwriting will be utilized only for individuals that apply outside of their open enrollment period or a specified guarantee issue period. These plans do not have pre-existing conditions exclusions.

**6) Issue Age Limits**

These policy forms will be available to qualifying applicants age 65 and over.

**7) Premium Basis and Rating Classes**

Premiums are based on the policyholder's gender and attained age. Smoker/non-smoker rating classes are also used, but all applicants in their open enrollment period or a specified guarantee issue period will receive non-smoker rates. A 5% household discount also applies for eligible individuals.

**Aetna Life Insurance Company**  
**2010 Standardized Group Medicare Supplement Plans A, B, F, G, and N**  
**Filing of Initial Proposed Premium Rates**

**8) Premium Development Methodology**

A policy year pricing model was used to calculate the gross annual premiums where the calculations were based on the present values of premiums, claims, expenses, commissions, reserves, income on reserves, taxes, and profit. The input assumptions for the model are based on reasonable values and are set forth in the following:

- i) **Morbidity:** The expected claim costs were based on Milliman USA, Inc. Health Cost Guidelines for Ages 65 and Over.
  
- ii) **Mortality and Lapse Rates:** Mortality rates are based on the 2001 Commissioners Standard Ordinary Table. The voluntary annual lapse rates for these policies are assumed to be:

Policy Year(s)	Lapse Rate
1	6%
2	8%
3-4	10%
5-6	9%
7-10	8%
11-12	7%
13-14	6%
15	5%
16-17	4%
18	3%
19+	2%

- iii) **Experience Basis for Future Rate Adjustments:** Future rate adjustments will be based on a review of actual experience on these plans by state, to the extent credible. Nationwide experience and other relevant experience will also be considered to supplement such information. Trends and other variables affecting experience will be recognized in calculating future rate adjustments. A justification of the rates and proposed rate changes will be filed for approval on an annual basis.
  
- iv) **Allowance for Expenses:** Expenses excluding taxes and profit are assumed to average 14% of premium for this block of business.

**Aetna Life Insurance Company**  
**2010 Standardized Group Medicare Supplement Plans A, B, F, G, and N**  
**Filing of Initial Proposed Premium Rates**

v) **Modal Premium Distribution**

Mode	Distribution
Annual	6%
Semi-Annual	1%
Quarterly	4%
Monthly	89%

vi) **Discount Rate:** 5% for all years

vii) **Issue Age Distribution of Business**

Issue Age	Distribution
65	26%
66-69	21%
70-74	21%
75-79	16%
80+	16%

viii) **Durational Loss Ratios:** The minimum required loss ratio over the lifetime of the policy form is assumed to be 75%. The anticipated loss ratios by policy duration are provided in the attached Exhibit B.

**9) Rating Period**

The premiums shown in Exhibit A are expected to apply for 12 months after implementation. It is anticipated that the rates will be updated annually for benefit changes, trend, and experience adjustments.

**10) Annual Average Premium**

The annual average premiums are expected to be as follows:

Plan	Average Annual Premium
A	\$1,401
B	\$1,655
F	\$1,952
G	\$1,804
N	\$1,404

**Aetna Life Insurance Company**  
**2010 Standardized Group Medicare Supplement Plans A, B, F, G, and N**  
**Filing of Initial Proposed Premium Rates**

**11) Actuarial Certification**

I certify that, to the best of my knowledge and judgment that premiums charged for these plans are reasonable in relation to the benefits provided; the assumptions presented are a reasonable value for each assumption and are consistent with the Company's business plan at the time of filing; the anticipated lifetime loss ratio, future loss ratios, and third year loss ratio all exceed the applicable loss ratio requirement; the filing was prepared based on the current standards of practice promulgated by the Actuarial Standards board including the quality data standard of practice; and the filing is in compliance with applicable state laws and regulations.



\_\_\_\_\_  
Jason Cafaro, FSA, MAAA

10/22/2013  
Date