

State: District of Columbia **Filing Company:** The Chesapeake Life Insurance Company
TOI/Sub-TOI: H07I Individual Health - Specified Disease - Limited Benefit/H07I.002A Dread Disease - Cancer Only
Product Name: 2014 CANCER
Project Name/Number: 2014 CANCER/CH-26055-IP (03/14)

Filing at a Glance

Company: The Chesapeake Life Insurance Company
Product Name: 2014 CANCER
State: District of Columbia
TOI: H07I Individual Health - Specified Disease - Limited Benefit
Sub-TOI: H07I.002A Dread Disease - Cancer Only
Filing Type: Rate
Date Submitted: 04/30/2014
SERFF Tr Num: MGCC-129494018
SERFF Status: Pending Industry Response
State Tr Num:
State Status:
Co Tr Num: CH-26055-IP (03/14) DC [RATES]
Implementation: On Approval
Date Requested:
Author(s): Jaime Butler, Kim Perkins
Reviewer(s): Darniece Shirley (primary), Alula Selassie, John Morgan
Disposition Date:
Disposition Status:
Implementation Date:
State Filing Description:

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General Information

Project Name: 2014 CANCER Status of Filing in Domicile: Pending
Project Number: CH-26055-IP (03/14) Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Individual Market Type:
Overall Rate Impact: Filing Status Changed: 05/12/2014
State Status Changed:
Deemer Date: Created By: Kim Perkins
Submitted By: Jaime Butler Corresponding Filing Tracking Number:

Filing Description:
Please refer to the cover letter.

Company and Contact

Filing Contact Information

Jaime Butler, Compliance jaime.butler@healthmarkets.com
Technician/Admin. Assistant
9151 Boulevard 26 817-255-8299 [Phone]
North Richland Hills, TX 76180 817-255-8153 [FAX]

Filing Company Information

The Chesapeake Life Insurance CoCode: 61832 State of Domicile: Oklahoma
Company Group Code: 264 Company Type: Health
9151 Boulevard 26 Group Name: State ID Number:
North Richland Hills, TX 76180 FEIN Number: 52-0676509
(817) 255-3100 ext. [Phone]

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

SERFF Tracking #:

MGCC-129494018

State Tracking #:

Company Tracking #:

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Rate Information

Rate data applies to filing.

Filing Method:

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):
The Chesapeake Life Insurance Company	%	%				%	%

SERFF Tracking #:

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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		Rates	CH-26055-IP (03/14) DC, CH-26055-IP (03/14) OC DC	New		CH-26055-IP (0314) DC Rates 20140428.pdf,

The Chesapeake Life Insurance Company

Administration Office: P.O. Box 982010, North Richland Hills, TX 76182-8010

Cancer Benefit Policy
CH-26055-IP (03/14) DC

Formula
Round(AgeSex x Base x Inflation x Tobacco x Lump Sum Benefit ,2)

Multiply the Base Rate by 3 for quarterly rates, 6 for semi-annual, and 12 for annual premium rates.

Inflation
1.000000000

A billing fee of \$5 will be charged on direct bill modes. A one-time application fee of \$20 will be applicable.

Base	Factor
Base	1.200

Benefit Options	Factor
Lump Sum Benefit 2000	0.200000
Lump Sum Benefit 3000	0.300000
Lump Sum Benefit 5000	0.500000
Lump Sum Benefit 10000	1.000000
Lump Sum Benefit 20000	2.000000
Lump Sum Benefit 30000	3.000000
Lump Sum Benefit 40000	4.000000
Lump Sum Benefit 50000	5.000000

Monthly rates are determined by dividing the lump sum benefit by 10,000 and multiplying by the rates.

Demographic	Value	Factor
Tobacco	No	1.000
Tobacco	Yes	1.700

Age*	Factor	Gender	Adult/Dep
00	1.4400	Female	Adult
01	1.4400	Female	Adult
02	1.4400	Female	Adult
03	1.4400	Female	Adult
04	1.4400	Female	Adult
05	1.4400	Female	Adult
06	1.4400	Female	Adult
07	1.4400	Female	Adult
08	1.4400	Female	Adult
09	1.4400	Female	Adult
10	1.4400	Female	Adult
11	1.4400	Female	Adult
12	1.4400	Female	Adult
13	1.4400	Female	Adult
14	1.4400	Female	Adult
15	1.4400	Female	Adult
16	1.4400	Female	Adult
17	1.4400	Female	Adult
18	1.5900	Female	Adult
19	1.6600	Female	Adult
20	1.7300	Female	Adult

*Issue Age Rating

Age*	Factor	Gender	Adult/Dep
21	1.8700	Female	Adult
22	1.9400	Female	Adult
23	2.0700	Female	Adult
24	2.1100	Female	Adult
25	2.1600	Female	Adult
26	2.3100	Female	Adult
27	2.4600	Female	Adult
28	2.6100	Female	Adult
29	2.7600	Female	Adult
30	3.1100	Female	Adult
31	3.2900	Female	Adult
32	3.3900	Female	Adult
33	3.4800	Female	Adult
34	3.5600	Female	Adult
35	3.6500	Female	Adult
36	3.8800	Female	Adult
37	4.1000	Female	Adult
38	4.3100	Female	Adult
39	4.5100	Female	Adult
40	4.7000	Female	Adult
41	4.8900	Female	Adult
42	5.0600	Female	Adult
43	5.2300	Female	Adult
44	5.3800	Female	Adult
45	5.5200	Female	Adult
46	5.6100	Female	Adult
47	5.6900	Female	Adult
48	5.7500	Female	Adult
49	5.8100	Female	Adult
50	6.3600	Female	Adult
51	6.3900	Female	Adult
52	6.5700	Female	Adult
53	6.7500	Female	Adult
54	6.9300	Female	Adult
55	7.6000	Female	Adult
56	7.7400	Female	Adult
57	7.8400	Female	Adult
58	7.9400	Female	Adult
59	8.0500	Female	Adult
60	8.1300	Female	Adult
61	8.2300	Female	Adult
62	8.3900	Female	Adult
63	8.5400	Female	Adult
00	1.6600	Male	Adult
01	1.6600	Male	Adult
02	1.6600	Male	Adult
03	1.6600	Male	Adult
04	1.6600	Male	Adult
05	1.6600	Male	Adult
06	1.6600	Male	Adult
07	1.6600	Male	Adult
08	1.6600	Male	Adult
09	1.6600	Male	Adult
10	1.6600	Male	Adult
11	1.6600	Male	Adult

Age*	Factor	Gender	Adult/Dep
12	1.6600	Male	Adult
13	1.6600	Male	Adult
14	1.6600	Male	Adult
15	1.6600	Male	Adult
16	1.6600	Male	Adult
17	1.6600	Male	Adult
18	1.8500	Male	Adult
19	1.9200	Male	Adult
20	1.9900	Male	Adult
21	2.1400	Male	Adult
22	2.2900	Male	Adult
23	2.3400	Male	Adult
24	2.3700	Male	Adult
25	2.4000	Male	Adult
26	2.5100	Male	Adult
27	2.7900	Male	Adult
28	2.9600	Male	Adult
29	3.2400	Male	Adult
30	3.4400	Male	Adult
31	3.6300	Male	Adult
32	3.8600	Male	Adult
33	4.0800	Male	Adult
34	4.2900	Male	Adult
35	4.4800	Male	Adult
36	4.7600	Male	Adult
37	5.0200	Male	Adult
38	5.2800	Male	Adult
39	5.5200	Male	Adult
40	5.8900	Male	Adult
41	6.1100	Male	Adult
42	6.2600	Male	Adult
43	6.3900	Male	Adult
44	6.5100	Male	Adult
45	6.8000	Male	Adult
46	6.9200	Male	Adult
47	7.0200	Male	Adult
48	7.1000	Male	Adult
49	7.1500	Male	Adult
50	7.3800	Male	Adult
51	7.4100	Male	Adult
52	7.7200	Male	Adult
53	8.0400	Male	Adult
54	8.3500	Male	Adult
55	8.9700	Male	Adult
56	9.2100	Male	Adult
57	9.4000	Male	Adult
58	9.6100	Male	Adult
59	9.8000	Male	Adult
60	10.0000	Male	Adult
61	10.1600	Male	Adult
62	10.3400	Male	Adult
63	10.5200	Male	Adult
-	1.1300	Female	Dep Child
-	1.0100	Male	Dep Child

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Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	FILING LTR CH-26055-IP _0314_ DC [Rates].pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	CH-26055-IP (0314) DC Act Memo 20140428.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	Please see the attached Actuarial Memorandum under the Actuarial Memorandum section.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

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Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A - new form filing
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A - new form filing
Attachment(s):	
Item Status:	
Status Date:	



**The Chesapeake
Life Insurance Company**
Home Office: Oklahoma City, OK

9151 Boulevard 26
North Richland Hills, TX 76180

April 30, 2014

Interim Commissioner Chester McPherson
Dept. of Insurance, Securities, and Banking
810 First Street, N.E. Suite 701
Washington, DC 20002

RE: THE CHESAPEAKE LIFE INSURANCE COMPANY
NAIC#: 264-61832 FEIN#: 52-0676509

<u>Form Number</u>	<u>DESCRIPTION</u>
CH-26055-IP (03/14) DC	Cancer Benefit Policy
CH-26055-IP (03/14) OC DC	Outline of Coverage

Dear Commissioner McPherson:

The above referenced forms are being submitted as a "RATE" filing for your review and approval. The corresponding form filing has been submitted under SERFF tracking number MGCC-129494019.

The above referenced form is being submitted for your review and approval. This form is new and not intended to replace any forms previously approved by your Department. ***Please note, however, that these forms are similar to form CH-26055-IP (5/07) DC that was approved by your department on 04/10/2008 under SERFF filing No. MGCC-125589467.***

Policy Form CH-26055-IP (03/14) DC provides a lump-sum benefit upon the First Diagnosis of Cancer, as outlined in the Policy Schedule. A reduced benefit is payable for a First Diagnosis that occurs within the Policy Waiting Period. Only one benefit is paid per person, per lifetime. All benefits are subject to the Policy Pre-Existing Condition Limitation, the Policy Exclusions and Limitations, and all other provisions of the Policy.

Coverage is not provided for basic hospital, basic medical-surgical, or major medical expenses.

Please note the bracketed items are intended as variable information to allow flexibility within the benefit option selections. At no time will this bracketed information be arranged in such a way to violate the laws of your state.

We intend to use application form CH-26109-APP (10/13) DC, which was approved by your department on 02/12/2014 under SERFF Filing number MGCC-129402803, to solicit this product.

To the best of our knowledge, information and belief, the forms submitted herewith are in compliance in all respects with the provisions of the insurance laws, rules and regulations of your state.

The required transmittal forms and certifications are enclosed herewith.

Should you need anything further in order to expedite this filing, please do not hesitate to contact me at any of the options referenced below.

Page 2

Your assistance in this matter is greatly appreciated.

Sincerely,

A handwritten signature in black ink that reads "Jaime Butler". The signature is written in a cursive, flowing style.

Jaime Butler
Product Compliance Analyst II, Product Compliance

Corporate Compliance

HealthMarkets[®]

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THE CHESAPEAKE LIFE INSURANCE COMPANY

9151 Boulevard 26, North Richland Hills, Texas 76180

Actuarial Memorandum

Cancer Benefit Policy

Policy Form: CH-26055-IP (03/14) DC

1 Scope and Purpose

The purpose of this actuarial memorandum is to provide documentation and descriptive material in support of the filing of rates for the Cancer Benefit Policy form CH-26055-IP (03/14) DC.

2 Benefit Description

This policy is designed to provide a lump sum payment amount upon first diagnosis of cancer. The lump sum benefit amounts are stated in the Policy.

3 Renewability Clause

This Policy is guaranteed renewable to age 65, or Medicare eligibility, whichever occurs first, subject to the Company's right to discontinue or terminate the coverage as provided in the termination of coverage section of this Policy. Insured Person's coverage also terminates when the Lifetime Maximum Benefit Amount has been paid out.

4 Morbidity

Claim costs were developed from claim experience of insurance benefits provided by the company and industry data after adjusting for benefit differences.

5 Mortality

Mortality is assumed to be in the lapses.

6 Persistency

Termination Rates – q_t

Policy Year	q_t
1	30%
2	20%
3	19%
4	18%
5	17%
6	16%
7+	15%

7 Expenses

Policy Year	Premium Tax	Administrative Expenses	Total
1	2.25%	12.75%	15.00%
2	2.25%	12.75%	15.00%
3+	2.25%	12.75%	15.00%

8 Commissions

Commission is paid as a percentage of the premium; and depending on distribution source, it can range from approximately 20% to 30% lifetime with an average of 25%.

9 Marketing Method

This form is intended to initially be marketed individually through agents.

10 Underwriting

This form will be subject to simplified underwriting with mainly accept/reject questions.

11 Premium Structure

Premiums vary by insured Person's age at issue, gender, tobacco/nicotine usage, and elected Benefit Amount. The company reserves the right to change the table of premiums, for all like policies, at any time and from time to time provided it gives the policyholder the advance written notice required by your state prior to the effective date of the new rates.

12 Issue Age Range

This policy form will be issued from ages 0 to 63.

13 Area Factors

There are no area factors for these forms.

14 Premium Modalization Rules

For premiums other than monthly, multiply the monthly premium by 3 for quarterly, 6 for semi-annual, and 12 for annual.

15 Claim Liability and Reserves

Claim liabilities and reserves will be established using the completion factor method with adjustments as necessary.

16 Active Life Reserves

Statutory reserves are calculated using the two-year full preliminary term method with 2001 CSO ALB mortality, appropriate morbidity assumptions, and interest no greater than the maximum rate allowed by the Standard Valuation Law in the valuation of whole life issued on the same date, currently 3.5%.

17 Trend Assumption – Medical and Insurance

The benefits on these forms are not affected by medical inflation.

18 Proposed Effective Date

Rates will be effective upon approval by your department.

19 Average Annual Premium

The estimated average annual premium per insured is \$212.01.

20 Anticipated Loss Ratio

The anticipated lifetime loss ratio on this form is 55%.

21 Actuarial Certification

I certify, to the best of my knowledge and judgment, that this rate filing is in compliance with the applicable laws and regulations of this state, and that the rates are not excessive, inadequate, or unfairly discriminatory.

4/28/2014

Date



Certified by Benjamin Coneway, FSA, MAAA