

SERFF Tracking Number:	PERR-128017298	State:	District of Columbia
Filing Company:	Beazley Insurance Company, Inc.	State Tracking Number:	
Company Tracking Number:	BICI-GH-LMI-DC-11-02-R		
TOI:	H14G Group Health - Hospital Indemnity	Sub-TOI:	H14G.000 Health - Hospital Indemnity
Product Name:	Group Limited Medical Indemnity		
Project Name/Number:	BICI-GH-LMI-DC-11-02-R/BICI-GH-LMI-DC-11-02-R		

Rate Information

Rate data applies to filing.

Filing Method:	PRIOR APPROVAL
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	N/A NEW PROGRAM

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Beazley Insurance Company, Inc.	0.000%	0.000%	\$0	0	\$0	%	%

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Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:*	Rate Action Information:	Attachments
	Fee Schedule	Page 1 of 1	New		Beazley Limited Medical Fee Schedule.pdf

**Beazley Insurance Company, Inc.
Group Limited Medical Indemnity
Fee Schedule**

This document lists fees that can be charged, in addition to premium, under this product.

1) Reinstatement Fee

A \$25.00 reinstatement fee will be charged if premium payment is received after a certificate has been terminated for non-payment of premium, and underwriting approves reinstating the policy.

2) Non-Sufficient Funds Fee

A \$15.00 fee will be charged for each incidence of a returned check, including stop pay or non-sufficient funds, and for each incidence of non-sufficient funds for bank drafts.

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Supporting Document Schedules

	Item Status:	Status
		Date:

Satisfied - Item: Actuarial Justification

Comments:

Attachment:

Beazley Limited Medical DC Actuarial Memorandum January 2012.pdf

	Item Status:	Status
		Date:

Satisfied - Item: Authorization letter

Comments:

Attachment:

Beazley Authorization Letter.pdf

Beazley Insurance Company, Inc. ("Beazley")
Actuarial Memorandum
Group Limited Medical Indemnity Policy
Form AHFIM0001-DC (052011 Ed.)
District of Columbia
January 2012

1. Purpose of Filing

This actuarial memorandum has been created for the purpose of demonstrating that the anticipated loss ratio standard of the product, Group Limited Medical Indemnity, meets the minimum requirements of your state. This memorandum is not intended to be used for other purposes.

2. Description of Benefits

This policy pays a fixed dollar indemnity benefit based upon the occurrence of various medical events that have been selected for coverage. The core benefit coverage is Hospital Confinement. Other benefit coverages are optional.

Hospital Confinement:

The Hospital Confinement benefit pays a daily fixed dollar amount for an insured that is confined and receiving treatment in a Hospital due to sickness or injury. This benefit may have varying benefit daily amounts between the first five days of confinement and any subsequent days of confinement. Benefit amounts for the first five days of confinement can vary from \$100 to \$2,000 in \$100 increments per day of confinement. Benefits for any subsequent days of confinement can vary from \$50 to \$1,000 in \$100 increments (beginning with \$100) per day of confinement. The maximum number of days of confinement covered during a period of confinement or calendar year will be 15, 30, or 60 days per insured.

Hospital Intensive Care Unit:

The Hospital Intensive Care benefit pays a daily fixed dollar amount for an insured that incurs charges for and is confined to a Hospital Intensive Care Unit due to sickness or injury. Benefit amounts can vary from \$100 to \$3,000 in \$100 increments per day of confinement. The maximum number of days of confinement covered during a calendar year will be 15 or 30 days per insured.

Surgical:

The Surgical benefit pays a fixed dollar amount for an insured that incurs charges for Inpatient Hospital Surgery or Outpatient Hospital Surgery due to sickness or injury. The Inpatient Hospital Surgical Benefit amounts can vary from \$100 to \$1,000 in \$100 increments per day. The Outpatient Hospital Surgical Benefit is equal to 50% of the Inpatient Hospital Surgical Benefit up to a maximum benefit of \$375 per day. The maximum number of Inpatient Hospital Surgeries covered in a calendar year will be 1 or 2 surgeries per insured. The maximum number of Outpatient Hospital Surgeries covered in a calendar year will be 1 or 2 surgeries per insured.

Anesthesia:

The Anesthesia benefit pays a fixed dollar amount for an insured that incurs charges for and receives general anesthesia during a surgical procedure for which a surgical benefit is payable. The Anesthesia benefit can only be selected as a benefit option if the surgical benefit option is also selected. Benefit amounts can either equal 20% of the Surgical Benefit or vary from \$25 to \$200 in \$25 increments per day. The maximum calendar year benefit amount can either be \$100 or \$200 per insured.

Physician Office/Urgent Care Facility Visit:

The Physician Office/Urgent Care Facility Visit benefit pays a fixed dollar amount for an insured that incurs charges for and requires services rendered by a Physician at a Physician's office or Urgent Care Facility due to sickness or injury. Benefit amounts can vary from \$15 to \$125 in \$5 increments per day. The maximum number of visits covered in a calendar year can vary from 3 to 6 days per insured.

Emergency Room:

The Emergency Room benefit pays a fixed dollar amount for an insured that incurs charges for and receives treatment rendered in an Emergency Room due to sickness or injury. Benefit amounts can vary between Emergency Room treatments for injury or sickness. Benefit amounts per sickness can vary from \$50 to \$150 in \$5 increments per day. Benefits amounts per injury are twice the amount of the sickness benefit. The maximum number of Emergency Room days covered in a calendar year benefit can vary from 1 to 3 days per insured.

X-Ray and Laboratory Testing:

The X-Ray and Laboratory Testing benefit pays a daily fixed dollar amount for an insured that incurs charges for and undergoes any type of X-ray or laboratory testing that is

ordered by a Physician. Benefit amounts can vary for X-Rays from \$50 to \$250 in increments of \$50 per day. Benefit amounts can vary for Laboratory Testing from \$25 to \$100 in increments of \$25 per day. The maximum number of covered days in a calendar year for X-Rays or Laboratory testing can vary from 3 to 5 days per insured.

Major Diagnostic Testing:

The Major Diagnostic Testing benefit pays a fixed dollar amount for an insured that incurs charges for and undergoes a major diagnostic test that is ordered by a Physician. For purposes of this benefit, a major diagnostic test is an MRI (magnetic resonance imaging), a CT (computed tomography) scan, or a PET (positron emission tomography) scan. Benefit amounts can vary from \$250 to \$500 in increments of \$50 per day. The maximum number of tests covered in a calendar year will be 1 or 2 days per insured.

Preventive Care Visit:

The Preventive Care Visit benefit pays a fixed dollar amount for an insured that incurs charges for a Physician's office visit for preventive care. For purposes of this benefit, preventive care encompasses immunizations, well baby care, prostate cancer screenings, preventive Physician office visits, colorectal screenings, pap smears, mammograms and routine physical exams. Benefit amounts can vary from \$25 to \$75 in \$5 increments per day. The maximum number of visits covered in a calendar year will be 1 or 2 days per insured.

Ground/Air Ambulance:

The Ground/Air Ambulance benefit pays a fixed dollar amount for an insured that incurs charges for and requires transportation by a Ground/Air Ambulance to or from a Hospital or between medical facilities, where treatment is received as the result of a Sickness or Injury. Benefit amounts for Ground Ambulance can either be \$50 or \$100 per day. Benefit amounts for Air Ambulance can either be \$150 or \$300 per day. The maximum number of Ground Ambulance trips covered in a calendar year will be 1 or 2 trips per insured. The maximum number of Air Ambulance trips covered in a calendar year will be 1 trip per insured.

Skilled Nursing Care Facility:

The Skilled Nursing Care Facility benefit pays a daily fixed dollar amount for an insured that is confined and receiving treatment in a Skilled Nursing Care Facility due to sickness or injury. Benefit amounts can vary from \$100 to \$250 in \$50 increments per day of

confinement. The maximum number of days of confinement covered during a calendar year will be 15 or 30 days per insured.

Mental Illness and Substance Abuse Confinement:

The Mental Illness and Substance Abuse Confinement benefit pays a daily fixed dollar amount for an insured that is confined and receiving treatment for Mental Illness or Substance abuse in a Mental Illness/Substance Abuse Facility. Benefit amounts can vary from \$100 to \$250 in \$50 increments per day of confinement. The maximum number of days of confinement covered during a calendar year will be 15 or 30 days per insured.

Hospital Admission – Lump Sum:

The Hospital Admission – Lump Sum benefit pays a one-time fixed dollar lump sum amount for an insured that is admitted and confined to a Hospital due to sickness or injury. Lump Sum benefit amounts can vary from \$100 to \$2,500 in \$100 increments per admission. The maximum number of admissions covered during a calendar year will be 1 or 2 admissions per insured.

Mental Illness and Substance Abuse Admission – Lump Sum:

The Mental Illness and Substance Abuse Admission – Lump Sum benefit pays a one-time fixed dollar lump sum amount for an insured that is admitted to, confined and receiving inpatient treatment in a Mental Illness/Substance Abuse treatment facility. Lump Sum benefit amounts will be from \$150 or \$250 per admission. The maximum number of admissions covered during a calendar year will be 1 admission per insured.

Transplant Travel Lump Sum:

The Transplant Travel Lump Sum benefit pays a one-time fixed dollar lump sum amount for an insured that travels more than 100 miles from his or her primary residence for purposes of obtaining a Transplant. Lump Sum benefit amounts can vary from \$250 or \$1000 in increments of \$50 per occurrence. The maximum number of occurrences covered during a calendar year will be 1 occurrence per insured.

Prescription Drug:

The Prescription Drug benefit pays a fixed dollar amount for an insured that incurs charges for a Prescription Drug dispensed by a Pharmacy. Benefit amounts can vary from \$5 to \$25 in \$5 increments per day. The maximum number of dispensed Prescription Drugs covered in a calendar year can vary from 5 to 12 days per insured.

3. Renewability

This policy is optionally renewable.

4. Marketing and Underwriting Method

This policy will be marketed to employer groups by either salaried sales representatives or selected independent brokers. This product will be underwritten at the group level with consideration given to the number of eligible employees and group census data.

Additionally, this policy will be marketed to Associations that comply with the applicable laws of your state.

5. Rate Development

The utilization rates used to develop the manual rate expected claims costs for this policy were based upon a large block of group medical claims data that are representative of the types of plans with which this business will be associated.

Gross premium rates are based upon the manual rate expected claims costs and group experience, if credible, that are adjusted for benefit options and case characteristics and then loaded with provisions for expenses, commissions, and profit.

Large groups that provide prior experience will have their experience considered in the development of their premium rate. Smaller groups will have their premiums based upon the rate manual.

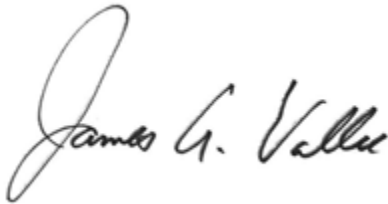
6. Anticipated Loss Ratio

The rates filed in the accompanying rate manual are anticipated to develop a loss ratio of 60.0% based upon our expected distribution of business. Outlined below are the expense components as a percentage of premium, corresponding with the anticipated loss ratio referenced above.

Loss Ratio:	60.0%
Commissions:	15.0%
Expense and Premium Taxes:	17.5%
Profit and Contingency Margin:	<u>7.5%</u>
Total	100.0%

7. Actuarial Certification

In my opinion, rates for the product described in this actuarial memorandum have been developed using reasonable actuarial assumptions and methods. I believe the premiums to be reasonable in relation to the benefits. 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.



1/18/2012

James A. Vallee, FSA, MAAA

Date

Beazley Group

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March 16, 2011

To Whom It May Concern:

Perr&Knight, Inc. is hereby authorized to submit rate, rule, and form filings on behalf of Beazley Insurance Company, Inc. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed in be in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to Perr&Knight, Inc. at the following address:

State Filings Department
Perr&Knight, Inc.
881 Alma Real Drive, Suite 205
Pacific Palisades, CA 90272
Tel: (888) 201-5123
Fax: (310) 230-1061
doi@perrknight.com

Please contact me at 952-886-7221 if you have any questions regarding this authorization.

Sincerely,



Paul Gulstrand
Head of Accident & Health Insurance, USA
Email: paul.gulstrand@beazley.com

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