

SERFF Tracking #:

SLAI-128954476

State Tracking #:

Company Tracking #:

RATES 03.2013

State: District of Columbia
TOI/Sub-TOI: H10I Individual Health - Dental/H10I.000 Health Dental
Product Name: Individual Dental Policy
Project Name/Number: Rates/Rates

Filing Company: Security Life Insurance Company of America

Rate Information

Rate data applies to filing.

Filing Method: For 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:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Security Life Insurance Company of America	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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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	IP1000-DC	New		SLICA Dental Rate Manual 4-15-13.pdf,

Security Life Insurance Company of America

Individual Dental Rating Manual for Policy Form IP1000

Overview

This rate manual provides the methodology to determine premium rates for plans of dental insurance with different designs. These rates apply to Security Life Insurance Company of America's (SLICA's) individual dental insurance product under Policy Form IP1000.

All factor tables are provided in the attached Appendix A. Some simple factors are included in the body of the rate manual itself.

Appendix B provides rate calculations for three sample plans for better understanding of how the rate manual works. The calculated rates represent three different coverage schedules:

- IPS1000 (Indemnity)

- IPS1000-PPO (PPO type)

- IPS1000-MAC (PPO with a Maximum Allowable Charge)

Date: April 15, 2013

Manual Rate Calculation

The following items are used to calculate the estimated monthly claim cost and final premium:

1. Basic Claim Costs by category
2. Coinsurance factors
3. Deductible factors
4. Waiting period factors
5. Annual maximum factors
6. Graded plan utilization factor, if applicable
7. PPO MAC plan utilization factor, if applicable
8. Trend factor: Estimate claims for future dates
9. Area factors
10. Network factors
11. Usual, Customary and Reasonable percentile factor
12. Assumption for Distribution of claims between In-Network and Out of Network
13. Network access fee (additive amount when PPO is used)
14. 3-Tier contract distribution
15. Tier relativities
16. Orthodontia Rider
17. Vision Rider
18. Monthly Premium Basis
19. Fees

1. Basic Claim Costs by category

Use starting claim costs for several categories which are based on SLICA's recent experience. Appendix A, Table 1a, provides a summary of these claim costs. Use the claim costs for the particular benefits as specified in the plan and disregard those not specified. Separate the costs by service level (Preventive, Basic, Major) and, if the plan involves some form of PPO, build two sets of costs, one for In-Network and the other for Out of Network. If the plan incorporates Orthodontia, use Appendix A, Table 1b, to determine the coverage level and corresponding claim cost.

At the beginning of the claim cost calculation, there are seven possible service levels for basic claim costs, as shown here:

In-Network Preventive	Out of Network Preventive
In-Network Basic	Out of Network Basic
In-Network Major	Out of Network Major

Orthodontia (if included in the plan)

2. Coinsurance factors

Assign company paid coinsurance levels to each category above, such as 100% to Preventive, 80% to Basic, 50% to Major for Out of Network claims; and, if the plan includes some type of PPO, assign appropriate levels to the In Network categories. Normally, Orthodontia is covered at 50% so assign 50% to Orthodontia unless the plan design has a different level.

3. Deductible factors

Apply deductible factors based on the plan design.

Appendix A, Table 3a, provides the factors for the calendar year deductible. The table shows three combinations of possible uses of the calendar year deductible:

Preventive, Basic, Major (ABC)	
Basic, Major (BC)	No discount for Preventive for this combination
Major (C)	No discount for Preventive or Basic here

For each of these sets of deductibles, the tables show the discounts for several amounts of deductibles. Each table has four discount factors: Preventive, Basic, Major and Major if Basic Restorative is in Major

Appendix A, Table 3b, provides the factors for a Lifetime Deductible, if applicable.

4. Waiting period factors

There are three sets of waiting period factors:

- Basic wait factors
- Major wait factors
- Orthodontia wait factors (used if the plan includes Orthodontia)

Appendix A, Table 4, provides all of the applicable factors. Apply them to the appropriate service. For plans with waiting periods, the preventive cost goes down simply due to insureds waiting for their Basic or Major services to be covered before going to the dentist.

* * * * *

At this point, all of the various factors in steps 2-4 can be applied to the basic claim costs in order to simplify the next steps into three subtotals:

In-Network	Out of Network	Orthodontia
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Multiply the claim costs for each of the seven service levels by each of the factors above. Then, separately add up the In-Network amounts, the Out of Network amounts and the Orthodontia amounts. Some of these subtotals may be zero depending on the plan design.

The next series of factors can be applied to each of these three subtotals.

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5. Annual maximum factors

Annual maximum factors can be set up in two ways. The first is a simple annual maximum that applies to all claims in the plan. The second allows for an annual maximum with a separate 50% level for claims in Major services. Appendix A, Table 5, shows the annual maximum factor for different levels.

6. Graded plan utilization factor, if applicable

If the plan uses the graded approach, the company paid coinsurance starts at a lower level and grades annually to the ultimate level in the third year or, in some cases, the second year. These ultimate levels are then continued into the future. There are many possible combinations of coinsurance levels in graded plans. Lower company paid coinsurance levels are expected to produce lower utilization rates.

Several assumptions go into calculating a discount for graded plan utilization:

- Utilization is lower for any plan years with less than a standard 100/80/50
- The further away from the standard, the lower utilization will be
- Respective weighting of claims by Service Level are considered
- Utilization is affected for graded plans where only the first year benefits are graded
- Assumptions for lapse rates affect overall utilization

The high level formula for finding the utilization discount factor is as follows:

Graded utilization discount factor =

{ Sum of [Respective claim weights by Service Level *
Factor representing the level of decrease from the 100/80/50 coinsurance level] } *

Factor of 0.95 if all Service Levels are discounted *

Factor of 0.95 if ultimate coinsurance levels for Basic or Major services are less than 80/50 *

Factor of 0.90 if ultimate coinsurance for Preventive is less than 100%

Appendix A shows several schedules that are used to calculate the graded plan utilization discount:

Table 6a	Graded Plan Utilization Discount, Classes that have a three year grade
Table 6b	Graded Plan Utilization Discount, Classes that have a two year grade

7. PPO MAC plan utilization factor, if applicable

For Maximum Allowable Charge (MAC) plans there is a discount for lower utilization rates. For pervasive networks the utilization could be 100% which would not have a discount. For plans utilizing the Careington network, there is a discount for utilization of 22%, inferring a factor of 78%. For Maximum Care, the discount is 11% (factor of 89%) and for DenteMax, 7% (factor of 93%). As other PPO networks are used, similar discounts will be assumed.

8. Trend factor: Estimate claims for future dates

For the purposes of this rate manual, the trend factor is 3% per year going forward from the period of the experience. Typically, the trend factor would provide the best estimate of claims in the following year by projecting to the middle of the rating period. In this rate manual the time frame is about 18 months and produces a trend factor of approximately 1.045.

9. Area factors

Area factors are applicable to calculate premium rates. The factors are based on the zip code of the policyholder and reflect the level of claim costs in that area. Appendix A, Table 9, shows area factors for several zip codes in the United States. These factors also apply to the orthodontia rider rate.

10. Network factors

Network factors vary based on the PPO discounts provided. For standard PPO plans, the In-Network factor varies depending on the level of discount of the PPO. For plans utilizing the Careington network, the network factor is 72%, for Maximum Care, the factor is 80% and for DenteMax, 82%.

For MAC PPO plans, the level of company paid benefits is similar for In-Network and Out of network claims. The discount factor for these claims is dependent on the PPO Network. For plans utilizing the Careington network, the factor is 72%, for Maximum Care and DenteMax, the factor is 77%.

11. Usual, Customary and Reasonable percentile factor

SLICA assumes that claims will be paid at the 80th percentile of the UCR (normal factor is 1); however, there are possible differences that may be used, ranging from 70th percentile to 90th percentile. Appendix A, Table 11 shows the factors for various percentiles. This does not apply to PPO MAC's.

12. Assumption for Distribution of claims between In-Network and Out of Network

The distribution of claims for PPO's affects the total claim costs. For the normal PPO utilizing the Careington network, the distribution is assumed to be 10% In-Network; the Maximum Care network is assumed to be 20% In-Network; and, for the DenteMax network, 20%. For MAC PPO's the In-Network distribution is usually higher. For PPO MAC plans utilizing the Careington network, the distribution is assumed to be 30% In-Network; the Maximum Care network is assumed to be 50% In-Network; and, for the DenteMax network, 50%.

At this point it is possible to calculate the Final claim costs for the plan. Right after step four, the claim costs were consolidated into three subtotals, In-Network, Out of Network and Orthodontia. Now, the In-Network and Out of Network subtotals can be combined to give the final claim costs in the plan.

Multiply the claim costs for each of the three subtotals by the eight factors in steps 5-12 above. Add the In-Network amount to the Out of Network amount to get the resulting final claim costs for the dental plan being calculated.

The Orthodontia total needs to continue to be separate. The Orthodontia calculation continues in step 16 below. For now, the calculation continues for the basic dental services.

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13. Network access fee (additive amount when PPO is used)

Network access fees are assumed to be about \$0.85 per month and this fee is added to the total of the final claim costs. Some networks charge less and some more. Depending on the network used in the plan, the appropriate amount will be used.

Careington charges	\$0.70
Maximum Care charges	\$0.85
DenteMax charges	\$0.70

As other networks are added, new plans would use the amount charged by that network.

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The total monthly claim cost is found by adding the network fee to the final claim figure.

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14. 3-Tier contract distribution

The next step involves allocating the claim costs to the 3-Tier contract distribution. From Security Life Insurance Company of America's (SLICA's) experience, the distribution of contracts between the three tiers is as shown in this table:

Contract Distribution	
Individual	65.0% (no Orthodontia in an Individual contract)
Individual + 1	16.5%
Family	18.5%

15. Tier relativities

According to SLICA's experience and some judgment, the relativity of the level of each tier is as follows:

Tier Relativities	
Individual	1.00
Individual + 1	2.00
Family	3.20

(There is no Orthodontia in an Individual contract. See step 16 for Orthodontia premium calculation.)

The results of steps 14 and 15 can be used to set the Individual rate and looks like this:

$$\text{Total monthly claim cost (from calculation after step 13)} = \text{Individual rate} * 65\% + (\text{Individual rate} * 2) * 16.5\% + (\text{Individual rate} * 3.20) * 18.5\%$$

$$\text{Individual rate} = \text{Total monthly claim cost} / (1*65\% + 2*16.5\% + 3.20*18.5\%)$$

16. Orthodontia Rider

The Orthodontia Rider is an optional benefit that can be added to the dental coverage. Not all plans include Orthodontia because not all individuals need it or want it. Orthodontia Rider rates are determined using similar logic as the basic dental rates as indicated in earlier steps but with some modification. The premium rate formula for Orthodontia is only applicable for “Individual +1” or Family tiers. Premium rates are somewhat dependent on the base plan parameters for contract distribution (step 14). Since the Individual tier does not have Orthodontia, the cost of the benefit resides in the “Individual + 1” and Family tiers. Not all “Individual +1” policyholders will have orthodontia because some of the insureds will be spouses, not children. The rate manual assumes 14% of the “Individual + 1” policyholders will have child coverage while all of the Family policyholders will cover children.

Basic formula to set the Orthodontia rates:

$$\text{Total monthly claim cost for Orthodontia (from calculation after step 12)} = \text{Family rate} * 18.5\% + \text{Family rate} * 16.5\% * 14\%$$

$$\text{Family rate} = \text{Total monthly claim cost} / (18.5\% + 16.5\% * 14\%)$$

$$\text{Individual + 1 rate} = \text{Family Rate} * 14\%$$

There are no further adjustments to the expected total claim costs.

17. Vision Rider

The Vision Rider is an optional benefit that can be added to the dental coverage. There are two vision riders available, one is standard indemnity plan and the other has a PPO. Both of these riders produce similar benefits and have a similar premium. The vision rider is a simple add on premium of \$7 for Individuals, \$14 for Individual +1 and \$20 for Family. This rate applies without any area factors.

18. Monthly Premium Basis

The premium rates are determined by dividing the expected total monthly claim costs by the expected loss ratio.

19. Fees

There are two fees associated either to setting up policies or to administering them.

The first is an enrollment fee which will be no more than \$50. This fee is a one-time fee charged at the point of sale when the first premium is paid.

The second is a fee for processing premiums. A fee, no more than \$20, will be charged as a billing fee for those policies that need to be billed by administrators or it may be for processing the bill with a credit card. Typically, there should be no bills because most policies premiums will be paid via ACH or some other checking account draft. This fee will apply each time a bill is sent or possibly when a credit card is used to pay the premium.

There are no modal loads for premiums. If the policy holder wants to pay more than one monthly premium, there is no reduction in cost.

Appendix A: Tables

Table 1a: Basic Claim Costs

Claim Category	Monthly Claim Costs	Possible Service Placement
01: Evaluations	10.01	Preventive, Basic
01: X Rays – Bitewings	4.38	Preventive, Basic, Major
01: X-Rays – Other	3.22	Preventive, Basic, Major
02: Routine Dental Prophylaxis—Cleanings	14.38*	Preventive, Basic
02: Fluoride Treatments	0.40	Preventive, Basic
02: Sealants	0.50	Preventive, Basic, Major
02: Space Maintainers	0.26	Preventive, Basic, Major
03: Basic Restorative—Fillings	12.91	Preventive, Basic, Major
04: Major Restorative—Inlays, Onlays, Crowns	18.48	Major
05: Endodontics	4.91	Basic, Major
06: Periodontics	5.05	Basic, Major
07: Removable Prosthodontics	1.93	Basic, Major
08: Fixed Prosthodontics – Bridges, Dentures	3.14	Basic, Major
08: Fixed Prosthodontics - Implants	4.89	Major
09: Basic Oral Surgery - Simple Extractions	0.66	Basic, Major
09: Complex Oral Surgery	4.28	Basic, Major
11: Adjunctive General Services	0.19	Basic, Major

*For a plan that includes an extra cleaning (three cleanings versus the normal two), the “Routine Dental Prophylaxis—Cleanings” category above would be increased by 5% to 15.10.

Table 1b: Orthodontia Claim Costs

Ortho Base Cost PMPM	Lifetime Max	With Calendar Year Max	W/O Calendar Year Max
\$1,000 Lifetime Max (\$500 Calendar Year Max)	\$1,000	6.00	6.90
\$1,200 Lifetime Max (\$600 Calendar Year Max)	\$1,200	7.20	8.28
\$1,500 Lifetime Max (\$750 Calendar Year Max)	\$1,500	9.00	10.35
\$2,000 Lifetime Max (\$1,000 Calendar Year Max)	\$2,000	10.80	12.42

Table 2: Coinsurance factors

Use plan factors for company paid coinsurance levels for each of the seven categories:

In-Network Preventive Out of Network Preventive
 In-Network Basic Out of Network Basic
 In-Network Major Out of Network Major

Orthodontia (usually 50% after two years)

Table 3a: Calendar Year Deductible Factors

Calendar Year Deductible	Deductible on ABC			
	Preventive	Basic	Major	Major if Basic Restorative in C
\$0	1.00	1.00	1.00	1.00
\$25	0.90	0.97	1.00	0.99
\$50	0.79	0.94	0.99	0.97
\$75	0.76	0.90	0.98	0.95
\$100	0.73	0.86	0.97	0.93

Calendar Year Deductible	Deductible on BC			
	Preventive	Basic	Major	Major if Basic Restorative in C
\$0	1.00	1.00	1.00	1.00
\$25	1.00	0.92	0.99	0.96
\$50	1.00	0.83	0.98	0.92
\$75	1.00	0.78	0.97	0.90
\$100	1.00	0.73	0.96	0.88

Calendar Year Deductible	Deductible on C			
	Preventive	Basic	Major	Major if Basic Restorative in C
\$0	1.00	1.00	1.00	1.00
\$25	1.00	1.00	0.98	0.97
\$50	1.00	1.00	0.95	0.94
\$75	1.00	1.00	0.93	0.92
\$100	1.00	1.00	0.90	0.89

Table 3b: Lifetime Deductible Factors

Lifetime Deductible	Factor
None	1.000
\$25	0.97
\$50	0.94
\$75	0.91
\$100	0.88

Table 4: Waiting Period Factors

Basic Wait Factors	Preventive	Basic
0 months	1.00	1.00
3 months	0.99	0.96
6 months	0.97	0.93
9 months	0.97	0.91
12 months	0.96	0.88

Major Wait Factors	Preventive	Major
0 months	1.00	1.00
6 months	0.97	0.94
12 months	0.95	0.77
15 months	0.94	0.72
18 months	0.92	0.65
24 months	0.92	0.58

Waiting Period	Ortho
0 months	1.00
6 months	0.90
12 months	0.76
15 months	0.71
18 months	0.67
24 months	0.53

Table 5: Annual Maximum Factors

No Type C Maximum		Additional 50% Type C Maximum	
Maximum	Factor	Maximum	Factor
\$500	0.82	500 / 250	0.77
\$750	0.93	750 / 375	0.87
\$1,000	1.00	1000 / 500	0.94
\$1,200	1.05	1200 / 600	0.99
\$1,250	1.07	1250 / 625	1.01
\$1,500	1.13	1500 / 750	1.06
\$1,750	1.18	1750 / 875	1.11
\$2,000	1.23	2000 / 1000	1.16
\$2,500	1.29	2500 / 1250	1.21
\$3,000	1.34	3000 / 1500	1.26
\$3,500	1.39	3500 / 1750	1.31
\$4,000	1.45	4000 / 2000	1.36
\$4,500	1.51	4500 / 2250	1.42
\$5,000	1.57	5000 / 2500	1.48

Table 6a: Graded Plan Utilization Discount, Classes that have a three year grade

Grade	0.0%	10.0%	20.0%	30.0%	40.0%	50.0%
Preventive	1.00	0.95	0.90	0.88	0.87	0.86
Basic	1.00	0.94	0.88	0.86	0.84	0.82
Major	1.00	0.93	0.86	0.84	0.82	0.80
Ortho	1.00	0.96	0.93	0.90	0.88	0.86

Table 6b: Graded Plan Utilization Discount, Classes that have a two year grade

Grade	0.0%	10.0%	20.0%	30.0%	40.0%	50.0%
Preventive	1.00	0.98	0.96	0.95	0.94	0.93
Basic	1.00	0.97	0.94	0.93	0.92	0.91
Major	1.00	0.95	0.91	0.88	0.86	0.84
Ortho	1.00	0.98	0.97	0.96	0.95	0.94

Table 9: Area Factors

Zip Code		State	Region	Area Factor
Low	High			
1000	1099	MA	6	1.21
1100	1199	MA	6	1.21
1200	1299	MA	6	1.21
1300	1399	MA	6	1.21
1400	1499	MA	7	1.33
1500	1599	MA	7	1.33
1600	1699	MA	7	1.33
1700	1799	MA	7	1.33
1800	1899	MA	7	1.33
1900	1999	MA	7	1.33
2000	2099	MA	7	1.33
2100	2199	MA	7	1.33
2200	2299	MA	7	1.33
2300	2399	MA	7	1.33
2400	2499	MA	7	1.33
2500	2599	MA	7	1.33
2600	2699	MA	7	1.33
2700	2799	MA	6	1.21
2800	2899	RI	4	1.00
2900	2999	RI	4	1.00
3000	3099	NH	6	1.21
3100	3199	NH	6	1.21
3200	3299	NH	5	1.10
3300	3399	NH	5	1.10
3400	3499	NH	5	1.10
3500	3599	NH	5	1.10
3600	3699	NH	5	1.10
3700	3799	NH	5	1.10
3800	3899	NH	6	1.21
3900	3999	ME	5	1.10
4000	4099	ME	5	1.10
4100	4199	ME	5	1.10
4200	4299	ME	4	1.00
4300	4399	ME	3	0.91
4400	4499	ME	3	0.91
4500	4599	ME	3	0.91
4600	4699	ME	3	0.91
4700	4799	ME	3	0.91
4800	4899	ME	3	0.91
4900	4999	ME	3	0.91
5000	5099	VT	4	1.00
5100	5199	VT	4	1.00
5200	5299	VT	4	1.00
5300	5399	VT	4	1.00
5400	5499	VT	4	1.00

Zip Code		State	Region	Area Factor
Low	High			
5600	5699	VT	4	1.00
5700	5799	VT	4	1.00
5800	5899	VT	4	1.00
5900	5999	VT	4	1.00
6000	6099	CT	7	1.33
6100	6199	CT	7	1.33
6200	6299	CT	6	1.21
6300	6389	CT	6	1.21
6390	6399	NY	7	1.33
6400	6599	CT	7	1.33
6600	6699	CT	7	1.33
6700	6799	CT	7	1.33
6800	6899	CT	7	1.33
6900	6999	CT	7	1.33
7000	7099	NJ	7	1.33
7100	7199	NJ	7	1.33
7200	7299	NJ	7	1.33
7300	7399	NJ	7	1.33
7400	7499	NJ	7	1.33
7500	7599	NJ	7	1.33
7600	7699	NJ	7	1.33
7700	7799	NJ	7	1.33
7800	7899	NJ	7	1.33
7900	7999	NJ	7	1.33
8000	8099	NJ	6	1.21
8100	8199	NJ	5	1.10
8200	8299	NJ	5	1.10
8300	8399	NJ	5	1.10
8400	8499	NJ	5	1.10
8500	8599	NJ	6	1.21
8600	8699	NJ	6	1.21
8700	8799	NJ	7	1.33
8800	8899	NJ	7	1.33
8900	8999	NJ	7	1.33
15000	15099	PA	3	0.91
15100	15199	PA	3	0.91
15200	15299	PA	3	0.91
15300	15399	PA	3	0.91
15400	15499	PA	3	0.91
15500	15599	PA	2	0.83
15600	15699	PA	3	0.91
15700	15799	PA	2	0.83
15800	15899	PA	2	0.83
15900	15999	PA	2	0.83
16000	16099	PA	3	0.91

Zip Code		State	Region	Area Factor
Low	High			
16100	16199	PA	2	0.83
16200	16299	PA	2	0.83
16300	16399	PA	2	0.83
16400	16499	PA	2	0.83
16500	16599	PA	2	0.83
16600	16699	PA	2	0.83
16700	16799	PA	2	0.83
16800	16899	PA	2	0.83
16900	16999	PA	2	0.83
17000	17099	PA	3	0.91
17100	17199	PA	3	0.91
17200	17299	PA	2	0.83
17300	17399	PA	2	0.83
17400	17499	PA	2	0.83
17500	17599	PA	3	0.91
17600	17699	PA	3	0.91
17700	17799	PA	2	0.83
17800	17899	PA	2	0.83
17900	17999	PA	2	0.83
18000	18099	PA	3	0.91
18100	18199	PA	3	0.91
18200	18299	PA	2	0.83
18300	18399	PA	5	1.10
18400	18499	PA	2	0.83
18500	18599	PA	2	0.83
18600	18699	PA	2	0.83
18700	18799	PA	2	0.83
18800	18899	PA	2	0.83
18900	18999	PA	5	1.10
19000	19099	PA	5	1.10
19100	19199	PA	5	1.10
19200	19299	PA	5	1.10
19300	19399	PA	5	1.10
19400	19499	PA	5	1.10
19500	19599	PA	2	0.83
19600	19699	PA	2	0.83
19700	19799	DE	5	1.10
19800	19899	DE	5	1.10
19900	19999	DE	3	0.91
20000	20099	DC	7	1.33
20100	20199	VA	5	1.10
20200	20299	DC	7	1.33
20300	20399	DC	7	1.33
20400	20499	DC	7	1.33
20500	20599	DC	7	1.33

Zip Code		State	Region	Area Factor
Low	High			
20600	20699	MD	5	1.10
20700	20799	MD	5	1.10
20800	20899	MD	6	1.21
20900	20999	MD	6	1.21
21000	21099	MD	5	1.10
21100	21199	MD	5	1.10
21200	21299	MD	5	1.10
21300	21399	MD	4	1.00
21400	21499	MD	5	1.10
21500	21599	MD	4	1.00
21600	21699	MD	4	1.00
21700	21799	MD	5	1.10
21800	21899	MD	4	1.00
21900	21999	MD	5	1.10
22000	22099	VA	5	1.10
22100	22199	VA	5	1.10
22200	22299	VA	5	1.10
22300	22399	VA	5	1.10
22400	22499	VA	5	1.10
22500	22599	VA	5	1.10
22600	22699	VA	3	0.91
22700	22799	VA	2	0.83
22800	22899	VA	3	0.91
22900	22999	VA	3	0.91
23000	23099	VA	4	1.00
23100	23199	VA	4	1.00
23200	23299	VA	4	1.00
23300	23399	VA	4	1.00
23400	23499	VA	4	1.00
23500	23599	VA	4	1.00
23600	23699	VA	4	1.00
23700	23799	VA	4	1.00
23800	23899	VA	4	1.00
23900	23999	VA	2	0.83
24000	24099	VA	3	0.91
24100	24199	VA	3	0.91
24200	24299	VA	2	0.83
24300	24399	VA	2	0.83
24400	24499	VA	2	0.83
24500	24599	VA	2	0.83
24600	24699	VA	2	0.83
24700	24799	WV	1	0.75
24800	24899	WV	1	0.75
24900	24999	WV	1	0.75
25000	25099	WV	1	0.75

Zip Code		State	Region	Area Factor
Low	High			
25100	25199	WV	1	0.75
25200	25299	WV	1	0.75
25300	25399	WV	1	0.75
25400	25499	WV	3	0.91
25500	25599	WV	1	0.75
25600	25699	WV	1	0.75
25700	25799	WV	1	0.75
25800	25899	WV	1	0.75
25900	25999	WV	1	0.75
26000	26099	WV	1	0.75
26100	26199	WV	1	0.75
26200	26299	WV	1	0.75
26300	26399	WV	1	0.75
26400	26499	WV	1	0.75
26500	26599	WV	1	0.75
26600	26699	WV	1	0.75
26700	26799	WV	3	0.91
26800	26899	WV	1	0.75
27000	27099	NC	3	0.91
27100	27199	NC	3	0.91
27200	27299	NC	3	0.91
27300	27399	NC	3	0.91
27400	27499	NC	3	0.91
27500	27599	NC	4	1.00
27600	27699	NC	4	1.00
27700	27799	NC	4	1.00
27800	27899	NC	3	0.91
27900	27999	NC	3	0.91
28000	28099	NC	4	1.00
28100	28199	NC	4	1.00
28200	28299	NC	4	1.00
28300	28399	NC	2	0.83
28400	28499	NC	2	0.83
28500	28599	NC	2	0.83
28600	28699	NC	2	0.83
28700	28799	NC	2	0.83
28800	28899	NC	2	0.83
28900	28999	NC	2	0.83
29000	29099	SC	2	0.83
29100	29199	SC	2	0.83
29200	29299	SC	2	0.83
29300	29399	SC	1	0.75
29400	29499	SC	2	0.83
29500	29599	SC	1	0.75
29600	29699	SC	2	0.83

Zip Code		State	Region	Area Factor
Low	High			
29700	29799	SC	2	0.83
29800	29899	SC	2	0.83
29900	29999	SC	1	0.75
30000	30099	GA	3	0.91
30100	30199	GA	3	0.91
30200	30299	GA	3	0.91
30300	30399	GA	3	0.91
30400	30499	GA	2	0.83
30500	30599	GA	2	0.83
30600	30699	GA	2	0.83
30700	30799	GA	2	0.83
30800	30899	GA	3	0.91
30900	30999	GA	3	0.91
31000	31099	GA	2	0.83
31100	31199	GA	2	0.83
31200	31299	GA	2	0.83
31300	31399	GA	2	0.83
31400	31499	GA	2	0.83
31500	31599	GA	2	0.83
31600	31699	GA	2	0.83
31700	31799	GA	2	0.83
31800	31899	GA	2	0.83
31900	31999	GA	2	0.83
32000	32099	FL	3	0.91
32100	32199	FL	3	0.91
32200	32299	FL	3	0.91
32300	32399	FL	3	0.91
32400	32499	FL	3	0.91
32500	32599	FL	3	0.91
32600	32699	FL	3	0.91
32700	32799	FL	3	0.91
32800	32899	FL	3	0.91
32900	32999	FL	3	0.91
33000	33099	FL	5	1.10
33100	33199	FL	5	1.10
33200	33299	FL	5	1.10
33300	33399	FL	5	1.10
33400	33499	FL	5	1.10
33500	33599	FL	3	0.91
33600	33699	FL	3	0.91
33700	33799	FL	3	0.91
33800	33899	FL	3	0.91
33900	33999	FL	3	0.91
34000	34099	FL	3	0.91
34100	34199	FL	4	1.00

Zip Code		State	Region	Area Factor
Low	High			
34200	34299	FL	4	1.00
34400	34499	FL	3	0.91
34600	34699	FL	3	0.91
34700	34799	FL	3	0.91
34900	34999	FL	3	0.91
35000	35099	AL	1	0.75
35100	35199	AL	1	0.75
35200	35299	AL	1	0.75
35300	35399	AL	1	0.75
35400	35499	AL	1	0.75
35500	35599	AL	1	0.75
35600	35699	AL	1	0.75
35700	35799	AL	1	0.75
35800	35899	AL	1	0.75
35900	35999	AL	1	0.75
36000	36099	AL	1	0.75
36100	36199	AL	1	0.75
36200	36299	AL	1	0.75
36300	36399	AL	1	0.75
36400	36499	AL	1	0.75
36500	36599	AL	1	0.75
36600	36699	AL	1	0.75
36700	36799	AL	1	0.75
36800	36899	AL	1	0.75
36900	36999	AL	1	0.75
37000	37099	TN	3	0.91
37100	37199	TN	3	0.91
37200	37299	TN	3	0.91
37300	37399	TN	2	0.83
37400	37499	TN	2	0.83
37500	37599	TN	1	0.75
37600	37699	TN	1	0.75
37700	37799	TN	2	0.83
37800	37899	TN	2	0.83
37900	37999	TN	2	0.83
38000	38099	TN	2	0.83
38100	38199	TN	2	0.83
38200	38299	TN	1	0.75
38300	38399	TN	1	0.75
38400	38499	TN	1	0.75
38500	38599	TN	1	0.75
38600	38699	MS	1	0.75
38700	38799	MS	1	0.75
38800	38899	MS	1	0.75
38900	38999	MS	1	0.75

Zip Code		State	Region	Area Factor
Low	High			
39000	39099	MS	1	0.75
39100	39199	MS	1	0.75
39200	39299	MS	1	0.75
39300	39399	MS	1	0.75
39400	39499	MS	1	0.75
39500	39599	MS	1	0.75
39600	39699	MS	1	0.75
39700	39799	MS	1	0.75
39800	39899	GA	2	0.83
39900	39999	GA	2	0.83
40000	40099	KY	3	0.91
40100	40199	KY	3	0.91
40200	40299	KY	3	0.91
40300	40399	KY	2	0.83
40400	40499	KY	1	0.75
40500	40599	KY	2	0.83
40600	40699	KY	1	0.75
40700	40799	KY	1	0.75
40800	40899	KY	1	0.75
40900	40999	KY	1	0.75
41000	41099	KY	3	0.91
41100	41199	KY	2	0.83
41200	41299	KY	1	0.75
41300	41399	KY	1	0.75
41400	41499	KY	1	0.75
41500	41599	KY	1	0.75
41600	41699	KY	1	0.75
41700	41799	KY	1	0.75
41800	41899	KY	1	0.75
42000	42099	KY	1	0.75
42100	42199	KY	2	0.83
42200	42299	KY	3	0.91
42300	42399	KY	2	0.83
42400	42499	KY	2	0.83
42500	42599	KY	1	0.75
42600	42699	KY	1	0.75
42700	42799	KY	2	0.83
43000	43099	OH	3	0.91
43100	43199	OH	3	0.91
43200	43299	OH	3	0.91
43300	43399	OH	2	0.83
43400	43499	OH	2	0.83
43500	43599	OH	2	0.83
43600	43699	OH	2	0.83
43700	43799	OH	2	0.83

Zip Code		State	Region	Area Factor
Low	High			
43800	43899	OH	2	0.83
43900	43999	OH	2	0.83
44000	44099	OH	3	0.91
44100	44199	OH	3	0.91
44200	44299	OH	3	0.91
44300	44399	OH	2	0.83
44400	44499	OH	2	0.83
44500	44599	OH	2	0.83
44600	44699	OH	2	0.83
44700	44799	OH	2	0.83
44800	44899	OH	2	0.83
44900	44999	OH	2	0.83
45000	45099	OH	2	0.83
45100	45199	OH	2	0.83
45200	45299	OH	2	0.83
45300	45399	OH	2	0.83
45400	45499	OH	2	0.83
45500	45599	OH	2	0.83
45600	45699	OH	2	0.83
45700	45799	OH	2	0.83
45800	45899	OH	2	0.83
46000	46099	IN	3	0.91
46100	46199	IN	3	0.91
46200	46299	IN	3	0.91
46300	46399	IN	3	0.91
46400	46499	IN	3	0.91
46500	46599	IN	2	0.83
46600	46699	IN	2	0.83
46700	46799	IN	2	0.83
46800	46899	IN	2	0.83
46900	46999	IN	2	0.83
47000	47099	IN	2	0.83
47100	47199	IN	2	0.83
47200	47299	IN	2	0.83
47300	47399	IN	2	0.83
47400	47499	IN	2	0.83
47500	47599	IN	2	0.83
47600	47699	IN	2	0.83
47700	47799	IN	2	0.83
47800	47899	IN	2	0.83
47900	47999	IN	2	0.83
48000	48099	MI	5	1.10
48100	48199	MI	5	1.10
48200	48299	MI	5	1.10
48300	48399	MI	5	1.10

Zip Code		State	Region	Area Factor
Low	High			
48400	48499	MI	4	1.00
48500	48599	MI	4	1.00
48600	48699	MI	3	0.91
48700	48799	MI	3	0.91
48800	48899	MI	4	1.00
48900	48999	MI	4	1.00
49000	49099	MI	4	1.00
49100	49199	MI	4	1.00
49200	49299	MI	4	1.00
49300	49399	MI	3	0.91
49400	49499	MI	3	0.91
49500	49599	MI	3	0.91
49600	49699	MI	3	0.91
49700	49799	MI	3	0.91
49800	49899	MI	3	0.91
49900	49999	MI	3	0.91
50000	50099	IA	3	0.91
50100	50199	IA	3	0.91
50200	50299	IA	3	0.91
50300	50399	IA	3	0.91
50400	50499	IA	1	0.75
50500	50599	IA	1	0.75
50600	50699	IA	1	0.75
50700	50799	IA	1	0.75
50800	50899	IA	1	0.75
50900	50999	IA	1	0.75
51000	51099	IA	1	0.75
51100	51199	IA	2	0.83
51200	51299	IA	1	0.75
51300	51399	IA	1	0.75
51400	51499	IA	1	0.75
51500	51599	IA	2	0.83
51600	51699	IA	1	0.75
52000	52099	IA	2	0.83
52100	52199	IA	1	0.75
52200	52299	IA	2	0.83
52300	52399	IA	2	0.83
52400	52499	IA	2	0.83
52500	52599	IA	1	0.75
52600	52699	IA	1	0.75
52700	52799	IA	2	0.83
52800	52899	IA	2	0.83
53000	53099	WI	4	1.00
53100	53199	WI	4	1.00
53200	53299	WI	4	1.00

Zip Code		State	Region	Area Factor
Low	High			
53400	53499	WI	4	1.00
53500	53599	WI	4	1.00
53700	53799	WI	4	1.00
53800	53899	WI	3	0.91
53900	53999	WI	3	0.91
54000	54099	WI	4	1.00
54100	54199	WI	4	1.00
54200	54299	WI	3	0.91
54300	54399	WI	4	1.00
54400	54499	WI	4	1.00
54500	54599	WI	3	0.91
54600	54699	WI	3	0.91
54700	54799	WI	3	0.91
54800	54899	WI	3	0.91
54900	54999	WI	4	1.00
55000	55099	MN	4	1.00
55100	55199	MN	4	1.00
55300	55399	MN	4	1.00
55400	55499	MN	4	1.00
55500	55599	MN	3	0.91
55600	55699	MN	3	0.91
55700	55799	MN	3	0.91
55800	55899	MN	3	0.91
55900	55999	MN	3	0.91
56000	56099	MN	3	0.91
56100	56199	MN	3	0.91
56200	56299	MN	3	0.91
56300	56399	MN	3	0.91
56400	56499	MN	3	0.91
56500	56599	MN	3	0.91
56600	56699	MN	3	0.91
56700	56799	MN	3	0.91
57000	57099	SD	2	0.83
57100	57199	SD	2	0.83
57200	57299	SD	2	0.83
57300	57399	SD	2	0.83
57400	57499	SD	2	0.83
57500	57599	SD	2	0.83
57600	57699	SD	2	0.83
57700	57799	SD	2	0.83
58000	58099	ND	3	0.91
58100	58199	ND	3	0.91
58200	58299	ND	2	0.83
58300	58399	ND	2	0.83
58400	58499	ND	2	0.83

Zip Code		State	Region	Area Factor
Low	High			
58500	58599	ND	3	0.91
58600	58699	ND	2	0.83
58700	58799	ND	2	0.83
58800	58899	ND	2	0.83
59000	59099	MT	4	1.00
59100	59199	MT	4	1.00
59200	59299	MT	3	0.91
59300	59399	MT	3	0.91
59400	59499	MT	3	0.91
59500	59599	MT	3	0.91
59600	59699	MT	3	0.91
59700	59799	MT	3	0.91
59800	59899	MT	4	1.00
59900	59999	MT	3	0.91
60000	60099	IL	5	1.10
60100	60199	IL	5	1.10
60200	60299	IL	5	1.10
60300	60399	IL	5	1.10
60400	60499	IL	5	1.10
60500	60599	IL	5	1.10
60600	60699	IL	5	1.10
60700	60799	IL	5	1.10
60800	60899	IL	5	1.10
60900	60999	IL	3	0.91
61000	61099	IL	3	0.91
61100	61199	IL	3	0.91
61200	61299	IL	2	0.83
61300	61399	IL	1	0.75
61400	61499	IL	1	0.75
61500	61599	IL	2	0.83
61600	61699	IL	2	0.83
61700	61799	IL	3	0.91
61800	61899	IL	3	0.91
61900	61999	IL	1	0.75
62000	62099	IL	3	0.91
62200	62299	IL	3	0.91
62300	62399	IL	1	0.75
62400	62499	IL	1	0.75
62500	62599	IL	1	0.75
62600	62699	IL	3	0.91
62700	62799	IL	3	0.91
62800	62899	IL	1	0.75
62900	62999	IL	1	0.75
63000	63099	MO	3	0.91
63100	63199	MO	3	0.91

Zip Code		State	Region	Area Factor
Low	High			
63300	63399	MO	3	0.91
63400	63499	MO	1	0.75
63500	63599	MO	1	0.75
63600	63699	MO	1	0.75
63700	63799	MO	1	0.75
63800	63899	MO	1	0.75
63900	63999	MO	1	0.75
64000	64099	MO	3	0.91
64100	64199	MO	3	0.91
64400	64499	MO	1	0.75
64500	64599	MO	1	0.75
64600	64699	MO	1	0.75
64700	64799	MO	1	0.75
64800	64899	MO	1	0.75
64900	64999	MO	1	0.75
65000	65099	MO	2	0.83
65100	65199	MO	2	0.83
65200	65299	MO	2	0.83
65300	65399	MO	1	0.75
65400	65499	MO	1	0.75
65500	65599	MO	1	0.75
65600	65699	MO	2	0.83
65700	65799	MO	2	0.83
65800	65899	MO	2	0.83
66000	66099	KS	2	0.83
66100	66199	KS	2	0.83
66200	66299	KS	2	0.83
66400	66499	KS	1	0.75
66500	66599	KS	1	0.75
66600	66699	KS	2	0.83
66700	66799	KS	1	0.75
66800	66899	KS	1	0.75
66900	66999	KS	1	0.75
67000	67099	KS	2	0.83
67100	67199	KS	2	0.83
67200	67299	KS	2	0.83
67300	67399	KS	1	0.75
67400	67499	KS	1	0.75
67500	67599	KS	1	0.75
67600	67699	KS	1	0.75
67700	67799	KS	1	0.75
67800	67899	KS	1	0.75
67900	67999	KS	1	0.75
68000	68099	NE	2	0.83
68100	68199	NE	2	0.83

Zip Code		State	Region	Area Factor
Low	High			
68200	68299	NE	1	0.75
68300	68399	NE	1	0.75
68400	68499	NE	1	0.75
68500	68599	NE	2	0.83
68600	68699	NE	1	0.75
68700	68799	NE	3	0.91
68800	68899	NE	1	0.75
68900	68999	NE	1	0.75
69000	69099	NE	1	0.75
69100	69199	NE	1	0.75
69200	69299	NE	1	0.75
69300	69399	NE	1	0.75
70000	70099	LA	2	0.83
70100	70199	LA	2	0.83
70300	70399	LA	1	0.75
70400	70499	LA	2	0.83
70500	70599	LA	1	0.75
70600	70699	LA	1	0.75
70700	70799	LA	1	0.75
70800	70899	LA	1	0.75
71000	71099	LA	1	0.75
71100	71199	LA	1	0.75
71200	71299	LA	1	0.75
71300	71399	LA	1	0.75
71400	71499	LA	1	0.75
71600	71699	AR	1	0.75
71700	71799	AR	1	0.75
71800	71899	AR	1	0.75
71900	71999	AR	1	0.75
72000	72099	AR	1	0.75
72100	72199	AR	1	0.75
72200	72299	AR	1	0.75
72300	72399	AR	1	0.75
72400	72499	AR	1	0.75
72500	72599	AR	1	0.75
72600	72699	AR	1	0.75
72700	72799	AR	1	0.75
72800	72899	AR	1	0.75
72900	72999	AR	1	0.75
73000	73099	OK	3	0.91
73100	73199	OK	3	0.91
73200	73299	OK	1	0.75
73300	73399	TX	3	0.91
73400	73499	OK	1	0.75
73500	73599	OK	1	0.75

Zip Code		State	Region	Area Factor
Low	High			
73600	73699	OK	1	0.75
73700	73799	OK	1	0.75
73800	73899	OK	1	0.75
73900	73999	OK	1	0.75
74000	74099	OK	2	0.83
74100	74199	OK	2	0.83
74300	74399	OK	1	0.75
74400	74499	OK	1	0.75
74500	74599	OK	1	0.75
74600	74699	OK	1	0.75
74700	74799	OK	1	0.75
74800	74899	OK	1	0.75
74900	74999	OK	1	0.75
75000	75099	TX	3	0.91
75100	75199	TX	3	0.91
75200	75299	TX	3	0.91
75300	75399	TX	3	0.91
75400	75499	TX	3	0.91
75500	75599	TX	2	0.83
75600	75699	TX	2	0.83
75700	75799	TX	2	0.83
75800	75899	TX	2	0.83
75900	75999	TX	2	0.83
76000	76099	TX	2	0.83
76100	76199	TX	2	0.83
76200	76299	TX	3	0.91
76300	76399	TX	2	0.83
76400	76499	TX	2	0.83
76500	76599	TX	2	0.83
76600	76699	TX	2	0.83
76700	76799	TX	2	0.83
76800	76899	TX	2	0.83
76900	76999	TX	2	0.83
77000	77099	TX	3	0.91
77200	77299	TX	2	0.83
77300	77399	TX	3	0.91
77400	77499	TX	3	0.91
77500	77599	TX	3	0.91
77600	77699	TX	2	0.83
77700	77799	TX	2	0.83
77800	77899	TX	2	0.83
77900	77999	TX	2	0.83
78000	78099	TX	2	0.83
78100	78199	TX	2	0.83
78200	78299	TX	2	0.83

Zip Code		State	Region	Area Factor
Low	High			
78300	78399	TX	2	0.83
78400	78499	TX	2	0.83
78500	78599	TX	2	0.83
78600	78699	TX	3	0.91
78700	78799	TX	3	0.91
78800	78899	TX	2	0.83
78900	78999	TX	2	0.83
79000	79099	TX	2	0.83
79100	79199	TX	2	0.83
79200	79299	TX	2	0.83
79300	79399	TX	2	0.83
79400	79499	TX	2	0.83
79500	79599	TX	2	0.83
79600	79699	TX	2	0.83
79700	79799	TX	2	0.83
79800	79899	TX	2	0.83
79900	79999	TX	2	0.83
80000	80099	CO	5	1.10
80100	80199	CO	5	1.10
80200	80299	CO	5	1.10
80300	80399	CO	5	1.10
80400	80499	CO	5	1.10
80500	80599	CO	5	1.10
80600	80699	CO	5	1.10
80700	80799	CO	3	0.91
80800	80899	CO	5	1.10
80900	80999	CO	5	1.10
81000	81099	CO	3	0.91
81100	81199	CO	3	0.91
81200	81299	CO	3	0.91
81300	81399	CO	3	0.91
81400	81499	CO	3	0.91
81500	81599	CO	3	0.91
81600	81699	CO	3	0.91
82000	82099	WY	2	0.83
82100	82199	WY	2	0.83
82200	82299	WY	2	0.83
82300	82399	WY	2	0.83
82400	82499	WY	2	0.83
82500	82599	WY	2	0.83
82600	82699	WY	2	0.83
82700	82799	WY	2	0.83
82800	82899	WY	2	0.83
82900	82999	WY	2	0.83
83000	83099	WY	2	0.83

Zip Code		State	Region	Area Factor
Low	High			
83100	83199	WY	2	0.83
83200	83299	ID	2	0.83
83300	83399	ID	2	0.83
83400	83499	ID	2	0.83
83500	83599	ID	3	0.91
83600	83699	ID	3	0.91
83700	83799	ID	3	0.91
83800	83899	ID	3	0.91
84000	84099	UT	2	0.83
84100	84199	UT	2	0.83
84200	84299	UT	2	0.83
84300	84399	UT	2	0.83
84400	84499	UT	2	0.83
84500	84599	UT	2	0.83
84600	84699	UT	2	0.83
84700	84799	UT	2	0.83
85000	85099	AZ	3	0.91
85100	85199	AZ	2	0.83
85200	85299	AZ	3	0.91
85300	85399	AZ	3	0.91
85500	85599	AZ	2	0.83
85600	85699	AZ	2	0.83
85700	85799	AZ	3	0.91
85900	85999	AZ	2	0.83
86000	86099	AZ	3	0.91
86300	86399	AZ	3	0.91
86400	86499	AZ	3	0.91
86500	86599	AZ	2	0.83
87000	87099	NM	2	0.83
87100	87199	NM	2	0.83
87200	87299	NM	2	0.83
87300	87399	NM	2	0.83
87400	87499	NM	2	0.83
87500	87599	NM	2	0.83
87700	87799	NM	2	0.83
87800	87899	NM	2	0.83
87900	87999	NM	2	0.83
88000	88099	NM	2	0.83
88100	88199	NM	2	0.83
88200	88299	NM	2	0.83
88300	88399	NM	2	0.83
88400	88499	NM	2	0.83
88500	88599	TX	2	0.83
88900	88999	NV	4	1.00
89000	89099	NV	4	1.00

Zip Code		State	Region	Area Factor
Low	High			
89100	89199	NV	4	1.00
89300	89399	NV	4	1.00
89400	89499	NV	5	1.10
89500	89599	NV	5	1.10
89700	89799	NV	5	1.10
89800	89899	NV	4	1.00
90000	90099	CA	7	1.33
90100	90199	CA	7	1.33
90200	90299	CA	7	1.33
90300	90399	CA	7	1.33
90400	90499	CA	7	1.33
90500	90599	CA	7	1.33
90600	90699	CA	7	1.33
90700	90799	CA	7	1.33
90800	90899	CA	7	1.33
91000	91099	CA	7	1.33
91100	91199	CA	7	1.33
91200	91299	CA	7	1.33
91300	91399	CA	7	1.33
91400	91499	CA	7	1.33
91500	91599	CA	7	1.33
91600	91699	CA	7	1.33
91700	91799	CA	7	1.33
91800	91899	CA	7	1.33
91900	91999	CA	7	1.33
92000	92099	CA	7	1.33
92100	92199	CA	7	1.33
92200	92299	CA	5	1.10
92300	92399	CA	5	1.10
92400	92499	CA	5	1.10
92500	92599	CA	5	1.10
92600	92699	CA	7	1.33
92700	92799	CA	7	1.33
92800	92899	CA	7	1.33
93000	93099	CA	7	1.33
93100	93199	CA	7	1.33
93200	93299	CA	5	1.10
93300	93399	CA	5	1.10
93400	93499	CA	6	1.21
93500	93599	CA	7	1.33
93600	93699	CA	5	1.10
93700	93799	CA	5	1.10
93800	93899	CA	6	1.21
93900	93999	CA	6	1.21
94000	94099	CA	7	1.33

Zip Code		State	Region	Area Factor
Low	High			
94100	94199	CA	7	1.33
94200	94299	CA	6	1.21
94300	94399	CA	7	1.33
94400	94499	CA	7	1.33
94500	94599	CA	7	1.33
94600	94699	CA	7	1.33
94700	94799	CA	7	1.33
94800	94899	CA	7	1.33
94900	94999	CA	7	1.33
95000	95099	CA	7	1.33
95100	95199	CA	7	1.33
95200	95299	CA	5	1.10
95300	95399	CA	5	1.10
95400	95499	CA	7	1.33
95500	95599	CA	6	1.21
95600	95699	CA	7	1.33
95700	95799	CA	7	1.33
95800	95899	CA	7	1.33
95900	95999	CA	6	1.21
96000	96099	CA	6	1.21
96100	96199	CA	6	1.21
96700	96799	HI	5	1.10
96800	96899	HI	5	1.10
97000	97099	OR	4	1.00
97100	97199	OR	4	1.00
97200	97299	OR	4	1.00

Zip Code		State	Region	Area Factor
Low	High			
97300	97399	OR	4	1.00
97400	97499	OR	4	1.00
97500	97599	OR	4	1.00
97600	97699	OR	4	1.00
97700	97799	OR	4	1.00
97800	97899	OR	4	1.00
97900	97999	OR	4	1.00
98000	98099	WA	5	1.10
98100	98199	WA	7	1.33
98200	98299	WA	4	1.00
98300	98399	WA	5	1.10
98400	98499	WA	5	1.10
98500	98599	WA	4	1.00
98600	98699	WA	3	0.91
98800	98899	WA	4	1.00
98900	98999	WA	4	1.00
99000	99099	WA	3	0.91
99100	99199	WA	3	0.91
99200	99299	WA	3	0.91
99300	99399	WA	4	1.00
99400	99499	WA	4	1.00
99500	99599	AK	7	1.33
99600	99699	AK	7	1.33
99700	99799	AK	7	1.33
99800	99899	AK	7	1.33
99900	99999	AK	7	1.33

Table 11: Usual, Customary and Reasonable percentile Factors

UCR Percentile	factor
70	0.96
75	0.98
80	1.00
85	1.015
90	1.03

Appendix B: Sample Rate Calculation

Attached here are three sample rate calculations representing the rate manual requirements outlined in this document:

IPS1000 (Indemnity)

IPS1000-PPO (PPO type)

IPS1000-MAC (PPO with a Maximum Allowable Charge)

PLAN 1: The first sample plan is a regular indemnity type design under the IPS1000 (Indemnity) coverage schedule.

Input:

Plan Options				
	Effective Date	7/1/2013		
	Zip Code	48400		
	R&C Percentile	80		
PPO Options:	PPO Option	None		
	PPO MAC Plan	No		
	In-Network Usage Override		100%	
Deductible:		Indemnity		
	Calendar Year Deductible	\$50		
	Deductible Claim Types	BC		
	Lifetime Deductible	None		
Plan Type:	Waiting Period or Graded	Waiting		
Coinsurance for Waiting Plan or 3rd+ Year Graded	Preventive	100%		
	Basic	80%		
	Major	50%		
Coinsurance for 2nd Year Graded	Preventive			
	Basic			
	Major			
Coinsurance for 1st Year Graded	Preventive			
	Basic			
	Major			
Waiting Period:	Basic Waiting Period	6 months		
	Major Waiting Period	15 months		
Annual Maximum:	Annual Maximum	\$1,000		
	Additional Major Maximum	No		
Extra Cleaning:	1 Extra Cleaning per year	No		
Orthodontia:	Plan Type	None		
	Year 3 Coinsurance			
	Year 2 Graded Coinsurance			
	Year 1 Graded Coinsurance			
	Ortho Lifetime Maximum			
	Calendar Year Max Waiting Period			

Benefit Classifications			
1 Preventive, 2 Basic, 3 Major, 0 is Not Covered			
	Indemnity		
01: Diagnostic - Exams	1		
01: Diagnostic - X Rays - Bitewings	2		
01: Diagnostic - X-Rays - Other	2		
02: Preventive - Cleanings	1		
02: Preventive - Flouride	1		
02: Preventive - Sealants	1		
02: Preventive - Space Maintaners	1		
03: Basic Restorative - Fillings	2		
04: Other Restorative	3		
05: Endodontics	3		
06: Periodontics	3		
07: Removable Prosthodontics	3		
08: Fixed Prosthodontics - Bridges	3		
08: Fixed Prosthodontics - Implants	0		
09: Oral Surgery - Simple Extractions	2		
09: Oral Surgery - Surgery	2		
11: Adjunctive General Services	3		

Rate Calculation PLAN 1:

	In-Network			Out-of-Network			Ortho
	Preventive	Basic	Major	Preventive	Basic	Major	
Base Cost PMPM	25.54	25.44	33.70	0.00	0.00	0.00	0.00
Coinsurance	1.00	0.80	0.50	0.00	0.00	0.00	0.00
Deductible	1.00	0.83	0.98	0.00	0.00	0.00	
Basic Wait	0.97	0.93	1.00	0.00	0.00	0.00	0.00
Major Wait	0.94	1.00	0.72	0.00	0.00	0.00	
Subtotal	23.29	15.71	11.89	0.00	0.00	0.00	0.00

	In-Network	Out-of-Network	Ortho
Claims Subtotal	50.89	0.00	0.00
Annual Maximum	1.000	0.000	
Additional Major Maximum	1.000	0.000	
Graded Plan Utilization Discount	1.000	0.000	0.00
PPO MAC Plan Discount	1.000	0.000	
Trend	1.045	0.000	
Area Factor	1.000	0.000	0.00
Network Factor	1.000	0.000	
R&C Percentile Adjustment	1.000	0.000	
Subtotal	53.18	0.00	0.00
INN/OON Distribution	1.00	0.00	

	Total	Ortho
Final Claims	53.18	0.00
Network Access Fee	0.00	
Subtotal	53.18	0.00
Total Expense and Risk	31.0%	31.0%
Required Premium	77.08	0.00
Final Required Premium	77.08	

3-Tier Rates	Individual	Individual + 1	Individual + 2	Composite
Contract Distribution	0.65	0.165	0.185	
Tier Relativities	1.00	2.00	3.20	
Premium By Tier	49.03	98.06	156.90	77.08
Ortho		0.00	0.00	
Final Premium By Tier	49.03	98.06	156.90	77.08

PLAN 2: The second sample plan is a PPO type design under the IPS1000-PPO (PPO type) coverage schedule.

Input:

Plan Options				
	Effective Date	7/1/2013		
	Zip Code	48400		
	R&C Percentile	80		
PPO Options:	PPO Option	Maximum Care		
	PPO MAC Plan	No		
	In-Network Usage Override		20%	
Deductible:		In-Network	Out Override	Out Final
	Calendar Year Deductible	\$50		\$50
	Deductible Claim Types	BC		BC
	Lifetime Deductible	\$50		\$50
Plan Type:	Waiting Period or Graded	Graded		
Coinsurance for Waiting Plan or 3rd+ Year Graded	Preventive	100%		100%
	Basic	80%		80%
	Major	50%		50%
Coinsurance for 2nd Year Graded	Preventive	100%		100%
	Basic	65%		65%
	Major	50%		50%
Coinsurance for 1st Year Graded	Preventive	100%		100%
	Basic	35%		35%
	Major	15%		15%
Waiting Period:	Basic Waiting Period	0 months		0 months
	Major Waiting Period	0 months		0 months
Annual Maximum:	Annual Maximum	\$1,000		
	Additional Major Maximum	No		
Extra Cleaning:	1 Extra Cleaning per year	No		
Orthodontia:	Plan Type	Waiting		
	Year 3 Coinsurance	50%		
	Year 2 Graded Coinsurance			
	Year 1 Graded Coinsurance			
	Ortho Lifetime Maximum	\$1,000		
	Calendar Year Max	Yes		
	Waiting Period	24 months		

Benefit Classifications			
1 Preventive, 2 Basic, 3 Major, 0 is Not Covered			
	In-Network	Out Override	Out Final
01: Diagnostic - Exams	1		1
01: Diagnostic - X Rays - Bitewings	2		2
01: Diagnostic - X-Rays - Other	2		2
02: Preventive - Cleanings	1		1
02: Preventive - Flouride	1		1
02: Preventive - Sealants	1		1
02: Preventive - Space Maintaners	1		1
03: Basic Restorative - Fillings	2		2
04: Other Restorative	3		3
05: Endodontics	3		3
06: Periodontics	3		3
07: Removable Prosthodontics	3		3
08: Fixed Prosthodontics - Bridges	3		3
08: Fixed Prosthodontics - Implants	0		0
09: Oral Surgery - Simple Extractions	2		2
09: Oral Surgery - Surgery	3		3
11: Adjunctive General Services	3		3

Rate Calculation PLAN 2:

	In-Network			Out-of-Network			Ortho
	Preventive	Basic	Major	Preventive	Basic	Major	
Base Cost PMPM	25.54	21.16	37.98	25.54	21.16	37.98	6.00
Coinsurance	1.00	0.65	0.41	1.00	0.65	0.41	0.50
Deductible	0.94	0.83	0.98	0.94	0.83	0.98	
Basic Wait	1.00	1.00	1.00	1.00	1.00	1.00	0.53
Major Wait	1.00	1.00	1.00	1.00	1.00	1.00	
Subtotal	24.01	11.47	15.09	24.01	11.47	15.09	1.59

	In-Network	Out-of-Network	Ortho
Claims Subtotal	50.58	50.58	1.59
Annual Maximum	1.000	1.000	
Additional Major Maximum	1.000	1.000	
Graded Plan Utilization Discount	0.906	0.906	1.00
PPO MAC Plan Discount	1.000	1.000	
Trend	1.045	1.045	
Area Factor	1.000	1.000	1.00
Network Factor	0.800	1.000	
R&C Percentile Adjustment	1.000	1.000	
Subtotal	38.31	47.88	1.59
INN/OON Distribution	0.20	0.80	

	Total	Ortho
Final Claims	45.97	1.59
Network Access Fee	0.85	
Subtotal	46.82	1.59
Total Expense and Risk	31.0%	31.0%
Required Premium	67.85	2.30
Final Required Premium	70.15	

3-Tier Rates	Individual	Individual + 1	Individual + 2	Composite
Contract Distribution	0.65	0.165	0.185	
Tier Relativities	1.00	2.00	3.20	
Premium By Tier	43.16	86.32	138.11	67.85
Ortho		1.55	11.06	
Final Premium By Tier	43.16	87.87	149.17	70.15

PLAN 3: The third sample plan is a PPO-MAC type design under the IPS1000-MAC (PPO with a Maximum Allowable Charge) coverage schedule.

Input:

Plan Options				
	Effective Date	7/1/2013		
	Zip Code	48400		
	R&C Percentile			
PPO Options:	PPO Option	Careington		
	PPO MAC Plan	Yes		
	In-Network Usage Override		30%	
Deductible:		In-Network	Out Override	Out Final
	Calendar Year Deductible	\$50		\$50
	Deductible Claim Types	ABC		ABC
	Lifetime Deductible	None		None
Plan Type:	Waiting Period or Graded	Waiting		
Coinsurance for Waiting Plan or 3rd+ Year Graded	Preventive	100%		100%
	Basic	80%		80%
	Major	50%		50%
Coinsurance for 2nd Year Graded	Preventive			0%
	Basic			0%
	Major			0%
Coinsurance for 1st Year Graded	Preventive			0%
	Basic			0%
	Major			0%
Waiting Period:	Basic Waiting Period	6 months		6 months
	Major Waiting Period	18 months		18 months
Annual Maximum:	Annual Maximum	\$1,000		
	Additional Major Maximum	No		
Extra Cleaning:	1 Extra Cleaning per year	No		
Orthodontia:	Plan Type	None		
	Year 3 Coinsurance			
	Year 2 Graded Coinsurance			
	Year 1 Graded Coinsurance			
	Ortho Lifetime Maximum			
	Calendar Year Max			
	Waiting Period			

Benefit Classifications			
1 Preventive, 2 Basic, 3 Major, 0 is Not Covered			
	In-Network	Out Override	Out Final
01: Diagnostic - Exams	1		1
01: Diagnostic - X Rays - Bitewings	2		2
01: Diagnostic - X-Rays - Other	2		2
02: Preventive - Cleanings	1		1
02: Preventive - Flouride	1		1
02: Preventive - Sealants	0		0
02: Preventive - Space Maintaners	0		0
03: Basic Restorative - Fillings	2		2
04: Other Restorative	3		3
05: Endodontics	3		3
06: Periodontics	3		3
07: Removable Prosthodontics	3		3
08: Fixed Prosthodontics - Bridges	3		3
08: Fixed Prosthodontics - Implants	0		0
09: Oral Surgery - Simple Extractions	2		2
09: Oral Surgery - Surgery	3		3
11: Adjunctive General Services	3		3

Rate Calculation PLAN 3:

	In-Network			Out-of-Network			Ortho
	Preventive	Basic	Major	Preventive	Basic	Major	
Base Cost PMPM	24.79	21.16	37.98	24.79	21.16	37.98	0.00
Coinsurance	1.00	0.80	0.50	1.00	0.80	0.50	0.00
Deductible	0.79	0.94	0.99	0.79	0.94	0.99	
Basic Wait	0.97	0.93	1.00	0.97	0.93	1.00	0.00
Major Wait	0.92	1.00	0.65	0.92	1.00	0.65	
Subtotal	17.48	14.80	12.22	17.48	14.80	12.22	0.00

	In-Network	Out-of-Network	Ortho
Claims Subtotal	44.50	44.50	0.00
Annual Maximum	1.000	1.000	
Additional Major Maximum	1.000	1.000	
Graded Plan Utilization Discount	1.000	1.000	0.00
PPO MAC Plan Discount	0.780	0.780	
Trend	1.045	1.045	
Area Factor	1.000	1.000	0.00
Network Factor	0.720	0.720	
R&C Percentile Adjustment	1.000	1.000	
Subtotal	26.11	26.11	0.00
INN/OON Distribution	0.30	0.70	

	Total	Ortho
Final Claims	26.11	0.00
Network Access Fee	0.70	
Subtotal	26.81	0.00
Total Expense and Risk	31.0%	31.0%
Required Premium	38.86	0.00
Final Required Premium	38.86	

3-Tier Rates	Individual	Individual + 1	Individual + 2	Composite
Contract Distribution	0.65	0.165	0.185	
Tier Relativities	1.00	2.00	3.20	
Premium By Tier	24.72	49.44	79.10	38.86
Ortho		0.00	0.00	
Final Premium By Tier	24.72	49.44	79.10	38.86

State: District of Columbia
TOI/Sub-TOI: H10I Individual Health - Dental/H10I.000 Health Dental
Product Name: Individual Dental Policy
Project Name/Number: Rates/Rates

Filing Company: Security Life Insurance Company of America

Supporting Document Schedules

Bypassed - Item:	Cover Letter All Filings
Bypass Reason:	See Filing Description
Attachment(s):	
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):	Ind Dental PF IP1000 53% LR with fee disclosure.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	See Actuarial Memorandum attached hereto.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Not applicable to this 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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SERFF Tracking #:

SLAI-128954476

State Tracking #:

Company Tracking #:

RATES 03.2013

State:

District of Columbia

Filing Company:

Security Life Insurance Company of America

TOI/Sub-TOI:

H101 Individual Health - Dental/H101.000 Health Dental

Product Name:

Individual Dental Policy

Project Name/Number:

Rates/Rates

Bypass Reason:	Not applicable to this filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Rate Summary Worksheet
Bypass Reason:	Not applicable to this filing.
Attachment(s):	
Item Status:	
Status Date:	

ACTUARIAL MEMORANDUM
FOR
Security Life Insurance Company of America

SCOPE AND PURPOSE OF FILING- The following provides the basis for the rates charged for the individual dental insurance under **Policy Form IP1000** on three coverage schedules:

IPS1000 (Indemnity)
IPS1000-PPO (PPO)
IPS1000-MAC (MAC PPO)

DESCRIPTION OF BENEFITS – This policy form provides dental coverage with benefits for preventive, basic and/or major services. Optional coverage may be offered on some plans including orthodontia and vision. Security Life will offer various plan designs having waiting periods or graded benefits. PPO discounts may be used with some of these plans in areas where PPO networks are available. Annual maximums, deductibles and coinsurance levels can vary on each plan. See policy and rate manual for further details.

RENEWABILITY CLAUSE – Coverage can be renewed as stated in the policy.

APPLICABILITY – These rates apply to newly issued business under this form.

MORBIDITY – Pricing of the plans is based on historical dental claims experience.

PERSISTENCY – A lapse rate of 30% per year is assumed.

MAXIMUM ANNUAL EXPENSES:

Commissions	20.0%	(or an equivalent)
Administration	14.5%	
PPACA	2.5%	
Premium Tax	<u>2.0%</u>	
Total All Years	39.0%	

MARKETING METHOD – This product is sold through brokers and agents and may, in some instances, include the use of online applications, especially in the case of direct to consumer through our website.

UNDERWRITING – There is no underwriting.

PREMIUM CLASSES - Premium rates vary based on plan design and by dependent structure. All plans have three tiers: Individual, Individual plus one and Family.

ISSUE AGE RANGE – Coverage is available to individuals age 18 and older, plus their eligible dependents.

AREA FACTORS – Area factors are applicable.

AVERAGE PREMIUM – The average annual premium per policy is expected to be about \$1,000.

PREMIUM MODALIZATION RULES – Premiums are on a monthly basis but can be billed and paid monthly, quarterly, semiannually or annually. There are no modal adjustment factors. For paper bills, there is a billing fee of up to \$20 per bill. A similar charge may be made for premiums paid with credit cards.

ENROLLMENT FEE – Policies are subject to an enrollment fee of no more than \$50.

ANTICIPATED LIFETIME LOSS RATIO: Policy form anticipates a 53% loss ratio with expenses of 39% and contingency and risk margin of 8%.

LIFETIME LOSS RATIO—A minimum lifetime loss ratio of 53% is expected to develop over time with an anticipated pattern such as this:

Policy Year	Loss Ratio
1	40%
2	53%
3+	61%

CONTINGENCY AND RISK MARGINS – This policy form assumes contingency and risk margins of 8%.

ACTIVE LIFE RESERVES- N/A

TREND – Rates are derived from the experience of similar plans. Trend factors are derived from internal studies. Trend is used to estimate future claim amounts.

EXPERIENCE ON THE FORM – There is no experience available for this new form. Experience on similar plans is used as the basis for expected experience on this form.


RENEWAL METHODOLOGY – Generally, rate increases will be sought annually based on trend factors and other relevant experience. Loss ratios will be monitored to determine the pattern of claims as compared to the expected claim patterns.

HISTORY OF RATE ADJUSTMENTS – None, new form.

PROPOSED EFFECTIVE DATE – After the state's approval.

ACTUARIAL CERTIFICATION

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 in which it is filed. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of that organization required to provide this opinion. In my opinion, this actuarial memorandum has been developed using reasonable and actuarially sound assumptions and methods. I believe the resulting rates to be reasonable in relation to the benefits and not to be excessive or unfairly discriminatory. The resulting premiums conform to the appropriate minimum state standards for loss ratios.



Glenn Stading, A S A , MAAA
Product Actuary
Security Life Insurance Company of America

Date: March 21, 2013

SERFF Tracking #:

SLAI-128954476

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

RATES 03.2013

State:

District of Columbia

Filing Company:

Security Life Insurance Company of America

TOI/Sub-TOI:

H10I Individual Health - Dental/H10I.000 Health Dental

Product Name:

Individual Dental Policy

Project Name/Number:

Rates/Rates

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
03/22/2013		Rate	Rates	04/19/2013	SLICA Dental Rate Manual PF IP1000 3-21-13.pdf (Superseded)

Security Life Insurance Company of America

Individual Dental Rating Manual for Policy Form IP1000

Overview

This rate manual provides the methodology to determine premium rates for plans of dental insurance with different designs. These rates apply to Security Life Insurance Company of America's (SLICA's) individual dental insurance product under Policy Form IP1000.

All factor tables are provided in the attached Appendix A. Some simple factors are included in the body of the rate manual itself.

Appendix B provides rate calculations for three sample plans for better understanding of how the rate manual works. The calculated rates represent three different coverage schedules:

- IPS1000 (Indemnity)

- IPS1000-PPO (PPO type)

- IPS1000-MAC (PPO with a Maximum Allowable Charge)

Date: March 21, 2013

Manual Rate Calculation

The following items are used to calculate the estimated monthly claim cost and final premium:

1. Basic Claim Costs by category
2. Coinsurance factors
3. Deductible factors
4. Waiting period factors
5. Annual maximum factors
6. Graded plan utilization factor, if applicable
7. PPO MAC plan factor, if applicable
8. Trend factor: Estimate claims for future dates
9. Area factors
10. Network factors
11. Usual, Customary and Reasonable percentile factor
12. Assumption for Distribution of claims between In-Network and Out of Network
13. Network access fee (additive amount when PPO is used)
14. 3-Tier contract distribution
15. Tier relativities
16. Orthodontia Rider
17. Vision Rider
18. Monthly Premium Basis
19. Fees

1. Basic Claim Costs by category

Use starting claim costs for several categories which are based on SLICA's recent experience. Appendix A, Table 1a, provides a summary of these claim costs. Use the claim costs for the particular benefits as specified in the plan and disregard those not specified. Separate the costs by service level (Preventive, Basic, Major) and, if the plan involves some form of PPO, build two sets of costs, one for In-Network and the other for Out of Network. If the plan incorporates Orthodontia, use Appendix A, Table 1b, to determine the coverage level and corresponding claim cost.

At the beginning of the claim cost calculation, there are seven possible service levels for basic claim costs, as shown here:

In-Network Preventive	Out of Network Preventive
In-Network Basic	Out of Network Basic
In-Network Major	Out of Network Major

Orthodontia (if included in the plan)

2. Coinsurance factors

Assign company paid coinsurance levels to each category above, such as 100% to Preventive, 80% to Basic, 50% to Major for Out of Network claims; and, if the plan includes some type of PPO, assign appropriate levels to the In Network categories. Normally, Orthodontia is covered at 50% so assign 50% to Orthodontia unless the plan design has a different level.

3. Deductible factors

Apply deductible factors based on the plan design.

Appendix A, Table 3a, provides the factors for the calendar year deductible. The table shows three combinations of possible uses of the calendar year deductible:

Preventive, Basic, Major (ABC)	
Basic, Major (BC)	No discount for Preventive for this combination
Major (C)	No discount for Preventive or Basic here

For each of these sets of deductibles, the tables show the discounts for several amounts of deductibles. Each table has four discount factors: Preventive, Basic, Major and Major if Basic Restorative is in Major

Appendix A, Table 3b, provides the factors for a Preventive Lifetime Deductible, if applicable.

4. Waiting period factors

There are three sets of waiting period factors:

Basic wait factors

Major wait factors

Orthodontia wait factors (used if the plan includes Orthodontia)

Appendix A, Table 4, provides all of the applicable factors. Apply them to the appropriate service. For plans with waiting periods, the preventive cost goes down simply due to insureds waiting for their Basic or Major services to be covered before going to the dentist.

* * * * *

At this point, all of the various factors in steps 2-4 can be applied to the basic claim costs in order to simplify the next steps into three subtotals:

In-Network

Out of Network

Orthodontia

Multiply the claim costs for each of the seven service levels by each of the factors above. Then, separately add up the In-Network amounts, the Out of Network amounts and the Orthodontia amounts. Some of these subtotals may be zero depending on the plan design.

The next series of factors can be applied to each of these three subtotals.

* * * * *

5. Annual maximum factors

Annual maximum factors can be set up in two ways. The first is a simple annual maximum that applies to all claims in the plan. The second allows for an annual maximum with a separate 50% level for claims in Major services. Appendix A, Table 5, shows the annual maximum factor for different levels.

6. Graded plan utilization factor, if applicable

If the plan uses the graded approach, the company paid coinsurance starts at a lower level and grades annually to the ultimate level in the third year or, in some cases, the second year. These ultimate levels are then continued into the future. There are many possible combinations of coinsurance levels in graded plans. Lower company paid coinsurance levels are expected to produce lower utilization rates.

Several assumptions go into calculating a discount for graded plan utilization:

- Utilization is lower for any plan years with less than a standard 100/80/50
- The further away from the standard, the lower utilization will be
- Respective weighting of claims by Service Level are considered
- Utilization is affected for graded plans where only the first year benefits are graded
- Assumptions for lapse rates affect overall utilization

The high level formula for finding the utilization discount factor is as follows:

Graded utilization discount factor =

{ Sum of [Respective claim weights by Service Level *
Factor representing the level of decrease from the 100/80/50 coinsurance level] } *

Factor of 0.95 if all Service Levels are discounted *

Factor of 0.95 if ultimate coinsurance levels for Basic or Major services are less than 80/50 *

Factor of 0.90 if ultimate coinsurance for Preventive is less than 100%

Appendix A shows several schedules that are used to calculate the graded plan utilization discount:

Table 6a	Graded Plan Utilization Discount, Classes that have a three year grade
Table 6b	Graded Plan Utilization Discount, Classes that have a two year grade

7. PPO MAC plan factor, if applicable

For Maximum Allowable Charge (MAC) plans there is a discount for lower utilization rates. For pervasive networks the utilization could be 100% which would not have a discount. For plans utilizing the Careington network, there is a discount for utilization of 22%, inferring a factor of 78%.

8. Trend factor: Estimate claims for future dates

For the purposes of this rate manual, the trend factor is 3% per year going forward from the period of the experience. Typically, the trend factor would provide the best estimate of claims in the following year by projecting to the middle of the rating period. In this rate manual the time frame is about 18 months and produces a trend factor of approximately 1.045.

9. Area factors

Area factors are applicable to calculate premium rates. The factors are based on the zip code of the policyholder and reflect the level of claim costs in that area. Appendix A, Table 9, shows area factors for several zip codes in the United States. These factors also apply to the orthodontia rider rate.

10. Network factors

Network factors vary based on the PPO discounts provided. For standard PPO plans, the In-Network factor varies depending on the level of discount of the PPO. This discount factor is generally 80%.

For MAC PPO plans, the level of company paid benefits is similar for In-Network and Out of network claims. The discount factor for these claims is dependent on the PPO Network and is about 75%.

11. Usual, Customary and Reasonable percentile factor

SLICA assumes that claims will be paid at the 80th percentile of the UCR (normal factor is 1); however, there are possible differences that may be used, ranging from 70th percentile to 90th percentile.

Appendix A, Table 11 shows the factors for various percentiles. This does not apply to MAC PPO's.

12. Assumption for Distribution of claims between In-Network and Out of Network

SLCIA assumes that the distribution for PPO's (non-MAC PPO's) is going to be 20% In-Network and 80% Out of Network based on experience. For MAC PPO's the In-Network distribution is usually higher, somewhere between 30% and 75%, likely due to the higher out of pocket expenses when going Out of Network for benefits.

* * * * *

At this point it is possible to calculate the Final claim costs for the plan. Right after step four, the claim costs were consolidated into three subtotals, In-Network, Out of Network and Orthodontia. Now, the In-Network and Out of Network subtotals can be combined to give the final claim costs in the plan.

Multiply the claim costs for each of the three subtotals by the eight factors in steps 5-12 above. Add the In-Network amount to the Out of Network amount to get the resulting final claim costs for the dental plan being calculated.

The Orthodontia total needs to continue to be separate. The Orthodontia calculation continues in step 16 below. For now, the calculation continues for the basic dental services.

* * * * *

13. Network access fee (additive amount when PPO is used)

Network access fees are assumed to be about \$0.85 per month and this fee is added to the total of the final claim costs. Some networks charge less and some more. Depending on the network used in the plan, the appropriate amount will be used.

The total monthly claim cost is found by adding the network fee to the final claim figure.

14. 3-Tier contract distribution

The next step involves allocating the claim costs to the 3-Tier contract distribution. From Security Life Insurance Company of America's (SLICA's) experience, the distribution of contracts between the three tiers is as shown in this table:

	Contract Distribution	
Individual	65.0%	(no Orthodontia in an Individual contract)
Individual + 1	16.5%	
Family	18.5%	

15. Tier relativities

According to SLICA's experience and some judgment, the relativity of the level of each tier is as follows:

	Tier Relativities
Individual	1.00
Individual + 1	2.00
Family	3.35

(There is no Orthodontia in an Individual contract. See step 16 for premium calculation.)

The results of steps 14 and 15 can be used to set the Individual rate and looks like this:

$$\text{Total monthly claim cost (from calculation after step 13)} =$$

$$\text{Individual rate} * 65\% + (\text{Individual rate} * 2) * 16.5\% + (\text{Individual rate} * 3.35) * 18.5\%$$

$$\text{Individual rate} = \text{Total monthly claim cost} / (1*65\% + 2*16.5\% + 3.35*18.5\%)$$

16. Orthodontia Rider

The Orthodontia Rider is an optional benefit that can be added to the dental coverage. Not all plans include Orthodontia because not all individuals need it or want it. Orthodontia Rider rates are determined using similar logic as the basic dental rates as indicated in earlier steps but with some modification. The premium rate formula for Orthodontia is only applicable for "Individual +1" or Family tiers. Premium rates are somewhat dependent on the base plan parameters for contract distribution (step 14). Since the Individual tier does not have Orthodontia, the cost of the benefit resides in the "Individual + 1" and Family tiers. Not all "Individual +1" policyholders will have orthodontia because some of the insureds will be spouses, not children. The rate manual assumes 14% of the "Individual + 1" policyholders will have child coverage while all of the Family policyholders will cover children.

Basic formula to set the Orthodontia rates:

$$\begin{aligned} \text{Total monthly claim cost for Orthodontia (from calculation after step 12)} = \\ \text{Family rate} * 18.5\% + \text{Family rate} * 16.5\% * 14\% \end{aligned}$$

$$\text{Family rate} = \text{Total monthly claim cost} / (18.5\% + 16.5\% * 14\%)$$

$$\text{Individual + 1 rate} = \text{Family Rate} * 14\%$$

17. Vision Rider

The Vision Rider is an optional benefit that can be added to the dental coverage. There are two vision riders available, one is standard indemnity plan and the other has a PPO. Both of these riders produce similar benefits and have a similar premium. The vision rider is a simple add on premium of \$7 for Individuals, \$14 for Individual +1 and \$20 for Family. This rate applies without any area factors.

18. Monthly Premium Basis

There are no further adjustments to the expected total claim costs.

The premium rates are determined by dividing the expected total monthly claim costs by the expected loss ratio.

19. Fees

There are two fees associated either to setting up policies or to administering them.

The first is an enrollment fee which will be no more than \$50. This fee is a one-time fee charged at the point of sale when the first premium is paid.

The second is a fee for processing premiums. A fee, no more than \$20, will be charged as a billing fee for those policies that need to be billed by administrators or it may be for processing the bill with a credit card. Typically, there should be no bills because most policies premiums will be paid via ACH or some other checking account draft. This fee will apply each time a bill is sent or possibly when a credit card is used to pay the premium.

There are no modal loads for premiums. If the policy holder wants to pay more than one monthly premium, there is no reduction in cost.

Appendix A: Tables

Table 1a: Basic Claim Costs

Claim Category	Monthly Claim Costs	Possible Service Placement
01: Evaluations	10.01	Preventive, Basic
01: X Rays – Bitewings	4.38	Preventive, Basic, Major
01: X-Rays – Other	3.22	Preventive, Basic, Major
02: Routine Dental Prophylaxis—Cleanings	14.38*	Preventive, Basic
02: Fluoride Treatments	0.40	Preventive, Basic
02: Sealants	0.50	Preventive, Basic, Major
02: Space Maintainers	0.26	Preventive, Basic, Major
03: Basic Restorative—Fillings	12.91	Preventive, Basic, Major
04: Major Restorative—Inlays, Onlays, Crowns	18.48	Major
05: Endodontics	4.91	Basic, Major
06: Periodontics	5.05	Basic, Major
07: Removable Prosthodontics	1.93	Basic, Major
08: Fixed Prosthodontics – Bridges, Dentures	3.14	Basic, Major
08: Fixed Prosthodontics - Implants	4.89	Major
09: Basic Oral Surgery - Simple Extractions	0.66	Basic, Major
09: Complex Oral Surgery	4.28	Basic, Major
11: Adjunctive General Services	0.19	Basic, Major

*For a plan that includes an extra cleaning (three cleanings versus the normal two), the “Routine Dental Prophylaxis—Cleanings” category above would be increased by 5% to 15.10.

Table 1b: Orthodontia Claim Costs

Ortho Base Cost PMPM	Lifetime Max	With Calendar Year Max	W/O Calendar Year Max
\$1,000 Lifetime Max (\$500 Calendar Year Max)	\$1,000	6.00	6.90
\$1,200 Lifetime Max (\$600 Calendar Year Max)	\$1,200	7.20	8.28
\$1,500 Lifetime Max (\$750 Calendar Year Max)	\$1,500	9.00	10.35
\$2,000 Lifetime Max (\$1,000 Calendar Year Max)	\$2,000	10.80	12.42

Table 2: Coinsurance factors

Use plan factors for company paid coinsurance levels for each of the seven categories:

In-Network Preventive Out of Network Preventive
 In-Network Basic Out of Network Basic
 In-Network Major Out of Network Major

Orthodontia (usually 50% after two years)

Table 3a: Calendar Year Deductible Factors

Calendar Year Deductible	Deductible on ABC			
	Preventive	Basic	Major	Major if Basic Restorative in C
\$0	1.00	1.00	1.00	1.00
\$25	0.90	0.97	1.00	0.99
\$50	0.79	0.94	0.99	0.97
\$75	0.76	0.90	0.98	0.95
\$100	0.73	0.86	0.97	0.93

Calendar Year Deductible	Deductible on BC			
	Preventive	Basic	Major	Major if Basic Restorative in C
\$0	1.00	1.00	1.00	1.00
\$25	1.00	0.92	0.99	0.96
\$50	1.00	0.83	0.98	0.92
\$75	1.00	0.78	0.97	0.90
\$100	1.00	0.73	0.96	0.88

Calendar Year Deductible	Deductible on C			
	Preventive	Basic	Major	Major if Basic Restorative in C
\$0	1.00	1.00	1.00	1.00
\$25	1.00	1.00	0.98	0.97
\$50	1.00	1.00	0.95	0.94
\$75	1.00	1.00	0.93	0.92
\$100	1.00	1.00	0.90	0.89

Table 3b: Preventive Lifetime Deductible Factors

Preventive Lifetime Deductible	Preventive Factor
None	1.000
\$25	0.97
\$50	0.94
\$75	0.91
\$100	0.88

Table 4: Waiting Period Factors

Basic Wait Factors	Preventive	Basic
0 months	1.00	1.00
3 months	0.99	0.96
6 months	0.97	0.93
9 months	0.97	0.91
12 months	0.96	0.88

Major Wait Factors	Preventive	Major
0 months	1.00	1.00
6 months	0.97	0.94
12 months	0.95	0.77
15 months	0.94	0.72
18 months	0.92	0.65
24 months	0.92	0.58

Waiting Period	Ortho
0 months	1.00
6 months	0.90
12 months	0.76
15 months	0.71
18 months	0.67
24 months	0.53

Table 5: Annual Maximum Factors

No Type C Maximum		Additional 50% Type C Maximum	
Maximum	Factor	Maximum	Factor
\$500	0.82	500 / 250	0.77
\$750	0.93	750 / 375	0.87
\$1,000	1.00	1000 / 500	0.94
\$1,200	1.05	1200 / 600	0.99
\$1,250	1.07	1250 / 625	1.01
\$1,500	1.13	1500 / 750	1.06
\$1,750	1.18	1750 / 875	1.11
\$2,000	1.23	2000 / 1000	1.16
\$2,500	1.29	2500 / 1250	1.21
\$3,000	1.34	3000 / 1500	1.26
\$3,500	1.39	3500 / 1750	1.31
\$4,000	1.45	4000 / 2000	1.36
\$4,500	1.51	4500 / 2250	1.42
\$5,000	1.57	5000 / 2500	1.48

Table 6a: Graded Plan Utilization Discount, Classes that have a three year grade

Grade	0.0%	10.0%	20.0%	30.0%	40.0%	50.0%
Preventive	1.00	0.95	0.90	0.88	0.87	0.86
Basic	1.00	0.94	0.88	0.86	0.84	0.82
Major	1.00	0.93	0.86	0.84	0.82	0.80
Ortho	1.00	0.96	0.93	0.90	0.88	0.86

Table 6b: Graded Plan Utilization Discount, Classes that have a two year grade

Grade	0.0%	10.0%	20.0%	30.0%	40.0%	50.0%
Preventive	1.00	0.98	0.96	0.95	0.94	0.93
Basic	1.00	0.97	0.94	0.93	0.92	0.91
Major	1.00	0.95	0.91	0.88	0.86	0.84
Ortho	1.00	0.98	0.97	0.96	0.95	0.94

Table 9: Area Factors

Zip Code		State	Region	Factor
Low	High			
1000	1099	MA	6	1.21
1100	1199	MA	6	1.21
1200	1299	MA	6	1.21
1300	1399	MA	6	1.21
1400	1499	MA	7	1.33
1500	1599	MA	7	1.33
1600	1699	MA	7	1.33
1700	1799	MA	7	1.33
1800	1899	MA	7	1.33
1900	1999	MA	7	1.33
2000	2099	MA	7	1.33
2100	2199	MA	7	1.33
2200	2299	MA	7	1.33
2300	2399	MA	7	1.33
2400	2499	MA	7	1.33
2500	2599	MA	7	1.33
2600	2699	MA	7	1.33
2700	2799	MA	6	1.21
2800	2899	RI	4	1.00
2900	2999	RI	4	1.00
3000	3099	NH	6	1.21
3100	3199	NH	6	1.21
3200	3299	NH	5	1.10
3300	3399	NH	5	1.10
3400	3499	NH	5	1.10
3500	3599	NH	5	1.10
3600	3699	NH	5	1.10
3700	3799	NH	5	1.10
3800	3899	NH	6	1.21
3900	3999	ME	5	1.10
4000	4099	ME	5	1.10
4100	4199	ME	5	1.10
4200	4299	ME	4	1.00
4300	4399	ME	3	0.91
4400	4499	ME	3	0.91
4500	4599	ME	3	0.91
4600	4699	ME	3	0.91
4700	4799	ME	3	0.91
4800	4899	ME	3	0.91
4900	4999	ME	3	0.91
5000	5099	VT	4	1.00
5100	5199	VT	4	1.00
5200	5299	VT	4	1.00
5300	5399	VT	4	1.00
5400	5499	VT	4	1.00
5600	5699	VT	4	1.00
5700	5799	VT	4	1.00
5800	5899	VT	4	1.00
5900	5999	VT	4	1.00

Zip Code		State	Region	Factor
Low	High			
6000	6099	CT	7	1.33
6100	6199	CT	7	1.33
6200	6299	CT	6	1.21
6300	6389	CT	6	1.21
6400	6599	CT	7	1.33
6600	6699	CT	7	1.33
6700	6799	CT	7	1.33
6800	6899	CT	7	1.33
6900	6999	CT	7	1.33
7000	7099	NJ	7	1.33
7100	7199	NJ	7	1.33
7200	7299	NJ	7	1.33
7300	7399	NJ	7	1.33
7400	7499	NJ	7	1.33
7500	7599	NJ	7	1.33
7600	7699	NJ	7	1.33
7700	7799	NJ	7	1.33
7800	7899	NJ	7	1.33
7900	7999	NJ	7	1.33
8000	8099	NJ	6	1.21
8100	8199	NJ	5	1.10
8200	8299	NJ	5	1.10
8300	8399	NJ	5	1.10
8400	8499	NJ	5	1.10
8500	8599	NJ	6	1.21
8600	8699	NJ	6	1.21
8700	8799	NJ	7	1.33
8800	8899	NJ	7	1.33
8900	8999	NJ	7	1.33
19700	19799	DE	5	1.10
19800	19899	DE	5	1.10
19900	19999	DE	3	0.91
20000	20099	DC	7	1.33
20100	20199	VA	5	1.10
20200	20299	DC	7	1.33
20300	20399	DC	7	1.33
20400	20499	DC	7	1.33
20500	20599	DC	7	1.33
20600	20699	MD	5	1.10
20700	20799	MD	5	1.10
20800	20899	MD	6	1.21
20900	20999	MD	6	1.21
21000	21099	MD	5	1.10
21100	21199	MD	5	1.10
21200	21299	MD	5	1.10
21300	21399	MD	4	1.00
21400	21499	MD	5	1.10
21500	21599	MD	4	1.00
21600	21699	MD	4	1.00
21700	21799	MD	5	1.10
21800	21899	MD	4	1.00
21900	21999	MD	5	1.10

Zip Code		State	Region	Factor
Low	High			
22000	22099	VA	5	1.10
22100	22199	VA	5	1.10
22200	22299	VA	5	1.10
22300	22399	VA	5	1.10
22400	22499	VA	5	1.10
22500	22599	VA	5	1.10
22600	22699	VA	3	0.91
22700	22799	VA	2	0.83
22800	22899	VA	3	0.91
22900	22999	VA	3	0.91
23000	23099	VA	4	1.00
23100	23199	VA	4	1.00
23200	23299	VA	4	1.00
23300	23399	VA	4	1.00
23400	23499	VA	4	1.00
23500	23599	VA	4	1.00
23600	23699	VA	4	1.00
23700	23799	VA	4	1.00
23800	23899	VA	4	1.00
23900	23999	VA	2	0.83
24000	24099	VA	3	0.91
24100	24199	VA	3	0.91
24200	24299	VA	2	0.83
24300	24399	VA	2	0.83
24400	24499	VA	2	0.83
24500	24599	VA	2	0.83
24600	24699	VA	2	0.83
24700	24799	WV	1	0.75
24800	24899	WV	1	0.75
24900	24999	WV	1	0.75
25000	25099	WV	1	0.75
25100	25199	WV	1	0.75
25200	25299	WV	1	0.75
25300	25399	WV	1	0.75
25400	25499	WV	3	0.91
25500	25599	WV	1	0.75
25600	25699	WV	1	0.75
25700	25799	WV	1	0.75
25800	25899	WV	1	0.75
25900	25999	WV	1	0.75
26000	26099	WV	1	0.75
26100	26199	WV	1	0.75
26200	26299	WV	1	0.75
26300	26399	WV	1	0.75
26400	26499	WV	1	0.75
26500	26599	WV	1	0.75
26600	26699	WV	1	0.75
26700	26799	WV	3	0.91
26800	26899	WV	1	0.75

Zip Code		State	Region	Factor
Low	High			
27000	27099	NC	3	0.91
27100	27199	NC	3	0.91
27200	27299	NC	3	0.91
27300	27399	NC	3	0.91
27400	27499	NC	3	0.91
27500	27599	NC	4	1.00
27600	27699	NC	4	1.00
27700	27799	NC	4	1.00
27800	27899	NC	3	0.91
27900	27999	NC	3	0.91
28000	28099	NC	4	1.00
28100	28199	NC	4	1.00
28200	28299	NC	4	1.00
28300	28399	NC	2	0.83
28400	28499	NC	2	0.83
28500	28599	NC	2	0.83
28600	28699	NC	2	0.83
28700	28799	NC	2	0.83
28800	28899	NC	2	0.83
28900	28999	NC	2	0.83
29000	29099	SC	2	0.83
29100	29199	SC	2	0.83
29200	29299	SC	2	0.83
29300	29399	SC	1	0.75
29400	29499	SC	2	0.83
29500	29599	SC	1	0.75
29600	29699	SC	2	0.83
29700	29799	SC	2	0.83
29800	29899	SC	2	0.83
29900	29999	SC	1	0.75
30000	30099	GA	3	0.91
30100	30199	GA	3	0.91
30200	30299	GA	3	0.91
30300	30399	GA	3	0.91
30400	30499	GA	2	0.83
30500	30599	GA	2	0.83
30600	30699	GA	2	0.83
30700	30799	GA	2	0.83
30800	30899	GA	3	0.91
30900	30999	GA	3	0.91
31000	31099	GA	2	0.83
31100	31199	GA	2	0.83
31200	31299	GA	2	0.83
31300	31399	GA	2	0.83
31400	31499	GA	2	0.83
31500	31599	GA	2	0.83
31600	31699	GA	2	0.83
31700	31799	GA	2	0.83
31800	31899	GA	2	0.83
31900	31999	GA	2	0.83

Zip Code		State	Region	Factor
Low	High			
35000	35099	AL	1	0.75
35100	35199	AL	1	0.75
35200	35299	AL	1	0.75
35300	35399	AL	1	0.75
35400	35499	AL	1	0.75
35500	35599	AL	1	0.75
35600	35699	AL	1	0.75
35700	35799	AL	1	0.75
35800	35899	AL	1	0.75
35900	35999	AL	1	0.75
36000	36099	AL	1	0.75
36100	36199	AL	1	0.75
36200	36299	AL	1	0.75
36300	36399	AL	1	0.75
36400	36499	AL	1	0.75
36500	36599	AL	1	0.75
36600	36699	AL	1	0.75
36700	36799	AL	1	0.75
36800	36899	AL	1	0.75
36900	36999	AL	1	0.75
37000	37099	TN	3	0.91
37100	37199	TN	3	0.91
37200	37299	TN	3	0.91
37300	37399	TN	2	0.83
37400	37499	TN	2	0.83
37500	37599	TN	1	0.75
37600	37699	TN	1	0.75
37700	37799	TN	2	0.83
37800	37899	TN	2	0.83
37900	37999	TN	2	0.83
38000	38099	TN	2	0.83
38100	38199	TN	2	0.83
38200	38299	TN	1	0.75
38300	38399	TN	1	0.75
38400	38499	TN	1	0.75
38500	38599	TN	1	0.75
38600	38699	MS	1	0.75
38700	38799	MS	1	0.75
38800	38899	MS	1	0.75
38900	38999	MS	1	0.75
39000	39099	MS	1	0.75
39100	39199	MS	1	0.75
39200	39299	MS	1	0.75
39300	39399	MS	1	0.75
39400	39499	MS	1	0.75
39500	39599	MS	1	0.75
39600	39699	MS	1	0.75
39700	39799	MS	1	0.75
39800	39899	GA	2	0.83
39900	39999	GA	2	0.83

Zip Code		State	Region	Factor
Low	High			
40000	40099	KY	3	0.91
40100	40199	KY	3	0.91
40200	40299	KY	3	0.91
40300	40399	KY	2	0.83
40400	40499	KY	1	0.75
40500	40599	KY	2	0.83
40600	40699	KY	1	0.75
40700	40799	KY	1	0.75
40800	40899	KY	1	0.75
40900	40999	KY	1	0.75
41000	41099	KY	3	0.91
41100	41199	KY	2	0.83
41200	41299	KY	1	0.75
41300	41399	KY	1	0.75
41400	41499	KY	1	0.75
41500	41599	KY	1	0.75
41600	41699	KY	1	0.75
41700	41799	KY	1	0.75
41800	41899	KY	1	0.75
42000	42099	KY	1	0.75
42100	42199	KY	2	0.83
42200	42299	KY	3	0.91
42300	42399	KY	2	0.83
42400	42499	KY	2	0.83
42500	42599	KY	1	0.75
42600	42699	KY	1	0.75
42700	42799	KY	2	0.83
46000	46099	IN	3	0.91
46100	46199	IN	3	0.91
46200	46299	IN	3	0.91
46300	46399	IN	3	0.91
46400	46499	IN	3	0.91
46500	46599	IN	2	0.83
46600	46699	IN	2	0.83
46700	46799	IN	2	0.83
46800	46899	IN	2	0.83
46900	46999	IN	2	0.83
47000	47099	IN	2	0.83
47100	47199	IN	2	0.83
47200	47299	IN	2	0.83
47300	47399	IN	2	0.83
47400	47499	IN	2	0.83
47500	47599	IN	2	0.83
47600	47699	IN	2	0.83
47700	47799	IN	2	0.83
47800	47899	IN	2	0.83
47900	47999	IN	2	0.83

Zip Code		State	Region	Factor
Low	High			
48000	48099	MI	5	1.10
48100	48199	MI	5	1.10
48200	48299	MI	5	1.10
48300	48399	MI	5	1.10
48400	48499	MI	4	1.00
48500	48599	MI	4	1.00
48600	48699	MI	3	0.91
48700	48799	MI	3	0.91
48800	48899	MI	4	1.00
48900	48999	MI	4	1.00
49000	49099	MI	4	1.00
49100	49199	MI	4	1.00
49200	49299	MI	4	1.00
49300	49399	MI	3	0.91
49400	49499	MI	3	0.91
49500	49599	MI	3	0.91
49600	49699	MI	3	0.91
49700	49799	MI	3	0.91
49800	49899	MI	3	0.91
49900	49999	MI	3	0.91
50000	50099	IA	3	0.91
50100	50199	IA	3	0.91
50200	50299	IA	3	0.91
50300	50399	IA	3	0.91
50400	50499	IA	1	0.75
50500	50599	IA	1	0.75
50600	50699	IA	1	0.75
50700	50799	IA	1	0.75
50800	50899	IA	1	0.75
50900	50999	IA	1	0.75
51000	51099	IA	1	0.75
51100	51199	IA	2	0.83
51200	51299	IA	1	0.75
51300	51399	IA	1	0.75
51400	51499	IA	1	0.75
51500	51599	IA	2	0.83
51600	51699	IA	1	0.75
52000	52099	IA	2	0.83
52100	52199	IA	1	0.75
52200	52299	IA	2	0.83
52300	52399	IA	2	0.83
52400	52499	IA	2	0.83
52500	52599	IA	1	0.75
52600	52699	IA	1	0.75
52700	52799	IA	2	0.83
52800	52899	IA	2	0.83

Zip Code		State	Region	Factor
Low	High			
53000	53099	WI	4	1.00
53100	53199	WI	4	1.00
53200	53299	WI	4	1.00
53400	53499	WI	4	1.00
53500	53599	WI	4	1.00
53700	53799	WI	4	1.00
53800	53899	WI	3	0.91
53900	53999	WI	3	0.91
54000	54099	WI	4	1.00
54100	54199	WI	4	1.00
54200	54299	WI	3	0.91
54300	54399	WI	4	1.00
54400	54499	WI	4	1.00
54500	54599	WI	3	0.91
54600	54699	WI	3	0.91
54700	54799	WI	3	0.91
54800	54899	WI	3	0.91
54900	54999	WI	4	1.00
55000	55099	MN	5	1.10
55100	55199	MN	5	1.10
55300	55399	MN	5	1.10
55400	55499	MN	5	1.10
55500	55599	MN	3	0.91
55600	55699	MN	3	0.91
55700	55799	MN	3	0.91
55800	55899	MN	3	0.91
55900	55999	MN	3	0.91
56000	56099	MN	3	0.91
56100	56199	MN	3	0.91
56200	56299	MN	3	0.91
56300	56399	MN	3	0.91
56400	56499	MN	3	0.91
56500	56599	MN	3	0.91
56600	56699	MN	3	0.91
56700	56799	MN	3	0.91
57000	57099	SD	2	0.83
57100	57199	SD	2	0.83
57200	57299	SD	2	0.83
57300	57399	SD	2	0.83
57400	57499	SD	2	0.83
57500	57599	SD	2	0.83
57600	57699	SD	2	0.83
57700	57799	SD	2	0.83
58000	58099	ND	3	0.91
58100	58199	ND	3	0.91
58200	58299	ND	2	0.83
58300	58399	ND	2	0.83
58400	58499	ND	2	0.83
58500	58599	ND	3	0.91
58600	58699	ND	2	0.83
58700	58799	ND	2	0.83
58800	58899	ND	2	0.83

Zip Code		State	Region	Factor
Low	High			
59000	59099	MT	4	1.00
59100	59199	MT	4	1.00
59200	59299	MT	3	0.91
59300	59399	MT	3	0.91
59400	59499	MT	3	0.91
59500	59599	MT	3	0.91
59600	59699	MT	3	0.91
59700	59799	MT	3	0.91
59800	59899	MT	4	1.00
59900	59999	MT	3	0.91
60000	60099	IL	5	1.10
60100	60199	IL	5	1.10
60200	60299	IL	5	1.10
60300	60399	IL	5	1.10
60400	60499	IL	5	1.10
60500	60599	IL	5	1.10
60600	60699	IL	5	1.10
60700	60799	IL	5	1.10
60800	60899	IL	5	1.10
60900	60999	IL	3	0.91
61000	61099	IL	3	0.91
61100	61199	IL	3	0.91
61200	61299	IL	2	0.83
61300	61399	IL	1	0.75
61400	61499	IL	1	0.75
61500	61599	IL	2	0.83
61600	61699	IL	2	0.83
61700	61799	IL	3	0.91
61800	61899	IL	3	0.91
61900	61999	IL	1	0.75
62000	62099	IL	3	0.91
62200	62299	IL	3	0.91
62300	62399	IL	1	0.75
62400	62499	IL	1	0.75
62500	62599	IL	1	0.75
62600	62699	IL	3	0.91
62700	62799	IL	3	0.91
62800	62899	IL	1	0.75
62900	62999	IL	1	0.75
63000	63099	MO	3	0.91
63100	63199	MO	3	0.91
63300	63399	MO	3	0.91
63400	63499	MO	1	0.75
63500	63599	MO	1	0.75
63600	63699	MO	1	0.75
63700	63799	MO	1	0.75
63800	63899	MO	1	0.75
63900	63999	MO	1	0.75
64000	64099	MO	3	0.91
64100	64199	MO	3	0.91
64400	64499	MO	1	0.75
64500	64599	MO	1	0.75

Zip Code		State	Region	Factor
Low	High			
64600	64699	MO	1	0.75
64700	64799	MO	1	0.75
64800	64899	MO	1	0.75
64900	64999	MO	1	0.75
65000	65099	MO	2	0.83
65100	65199	MO	2	0.83
65200	65299	MO	2	0.83
65300	65399	MO	1	0.75
65400	65499	MO	1	0.75
65500	65599	MO	1	0.75
65600	65699	MO	2	0.83
65700	65799	MO	2	0.83
65800	65899	MO	2	0.83
66000	66099	KS	2	0.83
66100	66199	KS	2	0.83
66200	66299	KS	2	0.83
66400	66499	KS	1	0.75
66500	66599	KS	1	0.75
66600	66699	KS	2	0.83
66700	66799	KS	1	0.75
66800	66899	KS	1	0.75
66900	66999	KS	1	0.75
67000	67099	KS	2	0.83
67100	67199	KS	2	0.83
67200	67299	KS	2	0.83
67300	67399	KS	1	0.75
67400	67499	KS	1	0.75
67500	67599	KS	1	0.75
67600	67699	KS	1	0.75
67700	67799	KS	1	0.75
67800	67899	KS	1	0.75
67900	67999	KS	1	0.75
68000	68099	NE	2	0.83
68100	68199	NE	2	0.83
68200	68299	NE	1	0.75
68300	68399	NE	1	0.75
68400	68499	NE	1	0.75
68500	68599	NE	2	0.83
68600	68699	NE	1	0.75
68700	68799	NE	3	0.91
68800	68899	NE	1	0.75
68900	68999	NE	1	0.75
69000	69099	NE	1	0.75
69100	69199	NE	1	0.75
69200	69299	NE	1	0.75
69300	69399	NE	1	0.75
70000	70099	LA	2	0.83
70100	70199	LA	2	0.83
70300	70399	LA	1	0.75
70400	70499	LA	2	0.83
70500	70599	LA	1	0.75
70600	70699	LA	1	0.75

Zip Code		State	Region	Factor
Low	High			
70700	70799	LA	1	0.75
70800	70899	LA	1	0.75
71000	71099	LA	1	0.75
71100	71199	LA	1	0.75
71200	71299	LA	1	0.75
71300	71399	LA	1	0.75
71400	71499	LA	1	0.75
71600	71699	AR	1	0.75
71700	71799	AR	1	0.75
71800	71899	AR	1	0.75
71900	71999	AR	1	0.75
72000	72099	AR	1	0.75
72100	72199	AR	1	0.75
72200	72299	AR	1	0.75
72300	72399	AR	1	0.75
72400	72499	AR	1	0.75
72500	72599	AR	1	0.75
72600	72699	AR	1	0.75
72700	72799	AR	1	0.75
72800	72899	AR	1	0.75
72900	72999	AR	1	0.75
73000	73099	OK	3	0.91
73100	73199	OK	3	0.91
73200	73299	OK	1	0.75
73300	73399	TX	3	0.91
73400	73499	OK	1	0.75
73500	73599	OK	1	0.75
73600	73699	OK	1	0.75
73700	73799	OK	1	0.75
73800	73899	OK	1	0.75
73900	73999	OK	1	0.75
74000	74099	OK	2	0.83
74100	74199	OK	2	0.83
74300	74399	OK	1	0.75
74400	74499	OK	1	0.75
74500	74599	OK	1	0.75
74600	74699	OK	1	0.75
74700	74799	OK	1	0.75
74800	74899	OK	1	0.75
74900	74999	OK	1	0.75
80000	80099	CO	5	1.10
80100	80199	CO	5	1.10
80200	80299	CO	5	1.10
80300	80399	CO	5	1.10
80400	80499	CO	5	1.10
80500	80599	CO	5	1.10
80600	80699	CO	5	1.10
80700	80799	CO	3	0.91
80800	80899	CO	5	1.10
80900	80999	CO	5	1.10
81000	81099	CO	3	0.91
81100	81199	CO	3	0.91

Zip Code		State	Region	Factor
Low	High			
81200	81299	CO	3	0.91
81300	81399	CO	3	0.91
81400	81499	CO	3	0.91
81500	81599	CO	3	0.91
81600	81699	CO	3	0.91
82000	82099	WY	2	0.83
82100	82199	WY	2	0.83
82200	82299	WY	2	0.83
82300	82399	WY	2	0.83
82400	82499	WY	2	0.83
82500	82599	WY	2	0.83
82600	82699	WY	2	0.83
82700	82799	WY	2	0.83
82800	82899	WY	2	0.83
82900	82999	WY	2	0.83
83000	83099	WY	2	0.83
83100	83199	WY	2	0.83
83200	83299	ID	2	0.83
83300	83399	ID	2	0.83
83400	83499	ID	2	0.83
83500	83599	ID	3	0.91
83600	83699	ID	3	0.91
83700	83799	ID	3	0.91
83800	83899	ID	3	0.91
84000	84099	UT	2	0.83
84100	84199	UT	2	0.83
84200	84299	UT	2	0.83
84300	84399	UT	2	0.83
84400	84499	UT	2	0.83
84500	84599	UT	2	0.83
84600	84699	UT	2	0.83
84700	84799	UT	2	0.83
85000	85099	AZ	3	0.91
85100	85199	AZ	2	0.83
85200	85299	AZ	3	0.91
85300	85399	AZ	3	0.91
85500	85599	AZ	2	0.83
85600	85699	AZ	2	0.83
85700	85799	AZ	3	0.91
85900	85999	AZ	2	0.83
86000	86099	AZ	3	0.91
86300	86399	AZ	3	0.91
86400	86499	AZ	3	0.91
86500	86599	AZ	2	0.83
87000	87099	NM	2	0.83
87100	87199	NM	2	0.83
87200	87299	NM	2	0.83
87300	87399	NM	2	0.83
87400	87499	NM	2	0.83
87500	87599	NM	2	0.83
87700	87799	NM	2	0.83
87800	87899	NM	2	0.83

Zip Code		State	Region	Factor
Low	High			
87900	87999	NM	2	0.83
88000	88099	NM	2	0.83
88100	88199	NM	2	0.83
88200	88299	NM	2	0.83
88300	88399	NM	2	0.83
88400	88499	NM	2	0.83
88500	88599	TX	2	0.83
88900	88999	NV	4	1.00
89000	89099	NV	4	1.00
89100	89199	NV	4	1.00
89300	89399	NV	4	1.00
89400	89499	NV	5	1.10
89500	89599	NV	5	1.10
89700	89799	NV	5	1.10
89800	89899	NV	4	1.00
90000	90099	CA	7	1.33
90100	90199	CA	7	1.33
90200	90299	CA	7	1.33
90300	90399	CA	7	1.33
90400	90499	CA	7	1.33
90500	90599	CA	7	1.33
90600	90699	CA	7	1.33
90700	90799	CA	7	1.33
90800	90899	CA	7	1.33
91000	91099	CA	7	1.33
91100	91199	CA	7	1.33
91200	91299	CA	7	1.33
91300	91399	CA	7	1.33
91400	91499	CA	7	1.33
91500	91599	CA	7	1.33
91600	91699	CA	7	1.33
91700	91799	CA	7	1.33
91800	91899	CA	7	1.33
91900	91999	CA	7	1.33
92000	92099	CA	7	1.33
92100	92199	CA	7	1.33
92200	92299	CA	5	1.10
92300	92399	CA	5	1.10
92400	92499	CA	5	1.10
92500	92599	CA	5	1.10
92600	92699	CA	7	1.33
92700	92799	CA	7	1.33
92800	92899	CA	7	1.33
93000	93099	CA	7	1.33
93100	93199	CA	7	1.33
93200	93299	CA	5	1.10
93300	93399	CA	5	1.10
93400	93499	CA	6	1.21
93500	93599	CA	7	1.33
93600	93699	CA	5	1.10
93700	93799	CA	5	1.10
93800	93899	CA	6	1.21

Zip Code		State	Region	Factor
Low	High			
93900	93999	CA	6	1.21
94000	94099	CA	7	1.33
94100	94199	CA	7	1.33
94200	94299	CA	6	1.21
94300	94399	CA	7	1.33
94400	94499	CA	7	1.33
94500	94599	CA	7	1.33
94600	94699	CA	7	1.33
94700	94799	CA	7	1.33
94800	94899	CA	7	1.33
94900	94999	CA	7	1.33
95000	95099	CA	7	1.33
95100	95199	CA	7	1.33
95200	95299	CA	5	1.10
95300	95399	CA	5	1.10
95400	95499	CA	7	1.33
95500	95599	CA	6	1.21
95600	95699	CA	7	1.33
95700	95799	CA	7	1.33
95800	95899	CA	7	1.33
95900	95999	CA	6	1.21
96000	96099	CA	6	1.21
96100	96199	CA	6	1.21
96700	96799	HI	5	1.10
96800	96899	HI	5	1.10
97000	97099	OR	4	1.00
97100	97199	OR	4	1.00
97200	97299	OR	4	1.00
97300	97399	OR	4	1.00
97400	97499	OR	4	1.00
97500	97599	OR	4	1.00
97600	97699	OR	4	1.00
97700	97799	OR	4	1.00
97800	97899	OR	4	1.00
97900	97999	OR	4	1.00

Table 11: Usual, Customary and Reasonable percentile Factors

UCR Percentile	factor
70	0.96
75	0.98
80	1.00
85	1.015
90	1.03

Appendix B: Sample Rate Calculation

Attached here are three sample rate calculations representing the rate manual requirements outlined in this document:

IPS1000 (Indemnity)

IPS1000-PPO (PPO type)

IPS1000-MAC (PPO with a Maximum Allowable Charge)

PLAN 1: The first sample plan is a regular indemnity type design under the IPS1000 (Indemnity) coverage schedule.

Input:

Plan Options				
	Effective Date	7/1/2013		
	Zip Code	48400		
	R&C Percentile	80		
PPO Options:	PPO Option	None		
	PPO MAC Plan	No		
	In-Network Usage Override		100%	
Deductible:		Indemnity		
	Calendar Year Deductible	\$50		
	Deductible Claim Types	BC		
	Preventive Lifetime Deductible	None		
Plan Type:	Waiting Period or Graded	Waiting		
Coinsurance for Waiting Plan or 3rd+ Year Graded	Preventive	100%		
	Basic	80%		
	Major	50%		
Coinsurance for 2nd Year Graded	Preventive			
	Basic			
	Major			
Coinsurance for 1st Year Graded	Preventive			
	Basic			
	Major			
Waiting Period:	Basic Waiting Period	6 months		
	Major Waiting Period	15 months		
Annual Maximum:	Annual Maximum	\$1,000		
	Additional Major Maximum	No		
Extra Cleaning:	1 Extra Cleaning per year	No		
Orthodontia:	Plan Type	None		
	Year 3 Coinsurance			
	Year 2 Graded Coinsurance			
	Year 1 Graded Coinsurance			
	Ortho Lifetime Maximum			
	Calendar Year Max			
	Waiting Period			

Benefit Classifications			
1 Preventive, 2 Basic, 3 Major, 0 is Not Covered			
	Indemnity		
01: Diagnostic - Exams	1		
01: Diagnostic - X Rays - Bitewings	2		
01: Diagnostic - X-Rays - Other	2		
02: Preventive - Cleanings	1		
02: Preventive - Flouride	1		
02: Preventive - Sealants	1		
02: Preventive - Space Maintaners	1		
03: Basic Restorative - Fillings	2		
04: Other Restorative	3		
05: Endodontics	3		
06: Periodontics	3		
07: Removable Prosthodontics	3		
08: Fixed Prosthodontics - Bridges	3		
08: Fixed Prosthodontics - Implants	0		
09: Oral Surgery - Simple Extractions	2		
09: Oral Surgery - Surgery	2		
11: Adjunctive General Services	3		

Rate Calculation for PLAN 1

	In-Network			Out-of-Network			Ortho
	Preventive	Basic	Major	Preventive	Basic	Major	
Base Cost PMPM	25.54	25.44	33.70	0.00	0.00	0.00	0.00
Coinsurance	1.00	0.80	0.50	0.00	0.00	0.00	0.00
Deductible	1.00	0.83	0.98	0.00	0.00	0.00	
Basic Wait	0.97	0.93	1.00	0.00	0.00	0.00	0.00
Major Wait	0.94	1.00	0.72	0.00	0.00	0.00	
Subtotal	23.29	15.71	11.89	0.00	0.00	0.00	0.00

	In-Network	Out-of-Network	Ortho
Claims Subtotal	50.89	0.00	0.00
Annual Maximum	1.000	0.000	
Graded Plan Utilization Discount	1.000	0.000	0.00
PPO MAC Plan Discount	1.000	0.000	
Trend	1.045	0.000	
Area Factor	1.000	0.000	0.00
Network Factor	1.000	0.000	
R&C Percentile Adjustment	1.000	0.000	
Subtotal	53.18	0.00	0.00
INN/OON Distribution	1.00	0.00	

	Total	Ortho
Final Claims	53.18	0.00
Network Access Fee	0.00	
Subtotal	53.18	0.00
Total Expense and Risk	37.0%	37.0%
Required Premium	84.42	0.00
Final Required Premium	84.42	

3-Tier Rates	Individual	Individual + 1	Individual + 2	Composite
Contract Distribution	0.65	0.165	0.185	
Tier Relativities	1.00	2.00	3.35	
Premium By Tier	52.77	105.54	176.78	84.42
Ortho		0.00	0.00	
Final Premium By Tier	52.77	105.54	176.78	84.42

PLAN 2: The second sample plan is a PPO type design under the IPS1000-PPO (PPO type) coverage schedule.

Input:

Plan Options				
	Effective Date	7/1/2013		
	Zip Code	48400		
	R&C Percentile	80		
PPO Options:	PPO Option	Maximum Care		
	PPO MAC Plan	No		
	In-Network Usage Override		20%	
Deductible:		In-Network	Out Override	Out Final
	Calendar Year Deductible	\$50		\$50
	Deductible Claim Types	BC		BC
	Preventive Lifetime Deductible	\$50		\$50
Plan Type:	Waiting Period or Graded	Graded		
Coinsurance for Waiting Plan or 3rd+ Year Graded	Preventive	100%		100%
	Basic	80%		80%
	Major	50%		50%
Coinsurance for 2nd Year Graded	Preventive	100%		100%
	Basic	65%		65%
	Major	50%		50%
Coinsurance for 1st Year Graded	Preventive	100%		100%
	Basic	35%		35%
	Major	15%		15%
Waiting Period:	Basic Waiting Period	0 months		0 months
	Major Waiting Period	0 months		0 months
Annual Maximum:	Annual Maximum	\$1,000		
	Additional Major Maximum	No		
Extra Cleaning:	1 Extra Cleaning per year	No		
Orthodontia:	Plan Type	Waiting		
	Year 3 Coinsurance	50%		
	Year 2 Graded Coinsurance			
	Year 1 Graded Coinsurance			
	Ortho Lifetime Maximum	\$1,000		
	Calendar Year Max	Yes		
	Waiting Period	24 months		

Benefit Classifications			
1 Preventive, 2 Basic, 3 Major, 0 is Not Covered			
	In-Network	Out Override	Out Final
01: Diagnostic - Exams	1		1
01: Diagnostic - X Rays - Bitewings	2		2
01: Diagnostic - X-Rays - Other	2		2
02: Preventive - Cleanings	1		1
02: Preventive - Flouride	1		1
02: Preventive - Sealants	1		1
02: Preventive - Space Maintaners	1		1
03: Basic Restorative - Fillings	2		2
04: Other Restorative	3		3
05: Endodontics	3		3
06: Periodontics	3		3
07: Removable Prosthodontics	3		3
08: Fixed Prosthodontics - Bridges	3		3
08: Fixed Prosthodontics - Implants	0		0
09: Oral Surgery - Simple Extractions	2		2
09: Oral Surgery - Surgery	3		3
11: Adjunctive General Services	3		3

Rate Calculation for PLAN 2

	In-Network			Out-of-Network			Ortho
	Preventive	Basic	Major	Preventive	Basic	Major	
Base Cost PMPM	25.54	21.16	37.98	25.54	21.16	37.98	6.00
Coinsurance	1.00	0.65	0.41	1.00	0.65	0.41	0.50
Deductible	0.94	0.83	0.98	0.94	0.83	0.98	
Basic Wait	1.00	1.00	1.00	1.00	1.00	1.00	0.53
Major Wait	1.00	1.00	1.00	1.00	1.00	1.00	
Subtotal	24.01	11.47	15.09	24.01	11.47	15.09	1.59

	In-Network	Out-of-Network	Ortho
Claims Subtotal	50.58	50.58	1.59
Annual Maximum	1.000	1.000	
Graded Plan Utilization Discount	0.906	0.906	1.00
PPO MAC Plan Discount	1.000	1.000	
Trend	1.045	1.045	
Area Factor	1.000	1.000	1.00
Network Factor	0.800	1.000	
R&C Percentile Adjustment	1.000	1.000	
Subtotal	38.31	47.88	1.59
INN/OON Distribution	0.20	0.80	

	Total	Ortho
Final Claims	45.97	1.59
Network Access Fee	0.85	
Subtotal	46.82	1.59
Total Expense and Risk	37.0%	37.0%
Required Premium	74.31	2.52
Final Required Premium	76.83	

3-Tier Rates	Individual	Individual + 1	Individual + 2	Composite
Contract Distribution	0.65	0.165	0.185	
Tier Relativities	1.00	2.00	3.35	
Premium By Tier	46.45	92.90	155.61	74.31
Ortho		1.70	12.11	
Final Premium By Tier	46.45	94.60	167.72	76.83

PLAN 3: The third sample plan is a PPO-MAC type design under the IPS1000-MAC (PPO with a Maximum Allowable Charge) coverage schedule.

Input:

Plan Options				
	Effective Date	7/1/2013		
	Zip Code	48400		
	R&C Percentile			
PPO Options:	PPO Option	Careington		
	PPO MAC Plan	Yes		
	In-Network Usage Override		30%	
Deductible:		In-Network	Out Override	Out Final
	Calendar Year Deductible	\$50		\$50
	Deductible Claim Types	ABC		ABC
	Preventive Lifetime Deductible	None		None
Plan Type:	Waiting Period or Graded	Waiting		
Coinsurance for Waiting Plan or 3rd+ Year Graded	Preventive	100%		100%
	Basic	80%		80%
	Major	50%		50%
Coinsurance for 2nd Year Graded	Preventive			0%
	Basic			0%
	Major			0%
Coinsurance for 1st Year Graded	Preventive			0%
	Basic			0%
	Major			0%
Waiting Period:	Basic Waiting Period	6 months		6 months
	Major Waiting Period	18 months		18 months
Annual Maximum:	Annual Maximum	\$1,000		
	Additional Major Maximum	No		
Extra Cleaning:	1 Extra Cleaning per year	No		
Orthodontia:	Plan Type	None		
	Year 3 Coinsurance			
	Year 2 Graded Coinsurance			
	Year 1 Graded Coinsurance			
	Ortho Lifetime Maximum			
	Calendar Year Max			
	Waiting Period			

Benefit Classifications			
1 Preventive, 2 Basic, 3 Major, 0 is Not Covered			
	In-Network	Out Override	Out Final
01: Diagnostic - Exams	1		1
01: Diagnostic - X Rays - Bitewings	2		2
01: Diagnostic - X-Rays - Other	2		2
02: Preventive - Cleanings	1		1
02: Preventive - Flouride	1		1
02: Preventive - Sealants	0		0
02: Preventive - Space Maintaners	0		0
03: Basic Restorative - Fillings	2		2
04: Other Restorative	3		3
05: Endodontics	3		3
06: Periodontics	3		3
07: Removable Prosthodontics	3		3
08: Fixed Prosthodontics - Bridges	3		3
08: Fixed Prosthodontics - Implants	0		0
09: Oral Surgery - Simple Extractions	2		2
09: Oral Surgery - Surgery	3		3
11: Adjunctive General Services	3		3

Rate Calculation for PLAN 3

	In-Network			Out-of-Network			Ortho
	Preventive	Basic	Major	Preventive	Basic	Major	
Base Cost PMPM	24.79	21.16	37.98	24.79	21.16	37.98	0.00
Coinsurance	1.00	0.80	0.50	1.00	0.80	0.50	0.00
Deductible	0.79	0.94	0.99	0.79	0.94	0.99	
Basic Wait	0.97	0.93	1.00	0.97	0.93	1.00	0.00
Major Wait	0.92	1.00	0.65	0.92	1.00	0.65	
Subtotal	17.48	14.80	12.22	17.48	14.80	12.22	0.00

	In-Network	Out-of-Network	Ortho
Claims Subtotal	44.50	44.50	0.00
Annual Maximum	1.000	1.000	
Graded Plan Utilization Discount	1.000	1.000	0.00
PPO MAC Plan Discount	0.780	0.780	
Trend	1.045	1.045	
Area Factor	1.000	1.000	0.00
Network Factor	0.720	0.720	
R&C Percentile Adjustment	1.000	1.000	
Subtotal	26.11	26.11	0.00
INN/OON Distribution	0.30	0.70	

	Total	Ortho
Final Claims	26.11	0.00
Network Access Fee	0.70	
Subtotal	26.81	0.00
Total Expense and Risk	37.0%	37.0%
Required Premium	42.56	0.00
Final Required Premium	42.56	

3-Tier Rates	Individual	Individual + 1	Individual + 2	Composite
Contract Distribution	0.65	0.165	0.185	
Tier Relativities	1.00	2.00	3.35	
Premium By Tier	26.61	53.22	89.14	42.57
Ortho		0.00	0.00	
Final Premium By Tier	26.61	53.22	89.14	42.57