

SERFF Tracking #:

UHLC-128962214

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group

Product Name:

COL-12A Student Association

Project Name/Number:

COL-12A Rate Increase/

Rate Information

Rate data applies to filing.

Filing Method:

Review and Approval

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

%

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Company Rate Change:	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):
UnitedHealthcare Insurance Company	Increase	9.000%	9.000%	\$295,173	11	\$3,279,700	9.000%	9.000%

Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		2,232						
Policy Holders:		11						

State: District of Columbia **Filing Company:** UnitedHealthcare Insurance Company
TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group
Product Name: COL-12A Student Association
Project Name/Number: COL-12A Rate Increase/

Rate Review Detail

COMPANY:

Company Name: UnitedHealthcare Insurance Company
 HHS Issuer Id: 00000
 Product Names: COL-12A Student Association
 Trend Factors: 10.5%

FORMS:

New Policy Forms: n/a
 Affected Forms: n/a
 Other Affected Forms: n/a

REQUESTED RATE CHANGE INFORMATION:

Change Period: Annual
 Member Months: 44,900
 Benefit Change: Increase
 Percent Change Requested: Min: 9.0 Max: 9.0 Avg: 9.0

PRIOR RATE:

Total Earned Premium: 3,279,700.00
 Total Incurred Claims: 5,470,364.00
 Annual \$: Min: 101.03 Max: 182.52 Avg: 122.45

REQUESTED RATE:

Projected Earned Premium: 3,574,860.00
 Projected Incurred Claims: 6,044,613.00
 Annual \$: Min: 110.12 Max: 198.95 Avg: 133.47

State: District of Columbia

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group

Product Name: COL-12A Student Association

Project Name/Number: COL-12A Rate Increase/

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Change Supporting Info		New		Pricing Guidelines.pdf,
2		Exhibit I		New		DC Exhibit 1 COL-12A-DC members by state.pdf,
3		Exhibit II		New		EXHIBIT 2 - COL-12A experience to SERFF.pdf,

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**UnitedHealthcare Insurance Company
StudentResources**

Pricing Guidelines

Policy Form COL-12A

**Aug 2012
Revised Mar 2013**

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UnitedHealthcare Insurance Company StudentResources

Pricing Guidelines

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UnitedHealthcare Insurance Company StudentResources

Pricing Guidelines

Introduction

The policy supported by these Pricing Guidelines provides for custom designed programs for associations that make health coverage available to college students and their dependents. Generally, the plans have been designed to satisfy the association's requirements. Generally, students may elect to obtain coverage in quarterly, semester or annual increments.

This product uses rating concepts similar to large group insurance. There is no medical underwriting of individuals. Policies cover all eligible students and dependents who are members of the association.

The policy is marketed through company-employed licensed agents, brokers and independent agents.

Scope of Coverage

The policy is designed to provide a broad range of medical expense insurance options.

The policy provides for the following coverages:

- Hospital Inpatient Expenses
- Surgical Expenses
- Physician Visit Expenses
- Laboratory and X-ray Expenses
- Diagnostic Testing
- Chemotherapy and Radiation Therapy
- Prescription Drugs
- Ambulance
- Durable Medical Equipment
- Repatriation and Medical Evacuation
- AD&D

There are plans that provide a higher level of benefits when a preferred provider is utilized.

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UnitedHealthcare Insurance Company StudentResources

Pricing Guidelines

Rating Structure

Programs for the policyholders are highly customized. The flexibility of the policy is used to meet the policyholders' needs.

Premiums are paid annually, quarterly or monthly.

Premium rates are developed taking into account all relevant known factors: past experience, size, claims costs, relationships and any other factors relevant to the expected cost of insurance.

Recent past experience, if available, is a most important underwriting factor. The experience rating formula is given in a subsequent section.

Average claim costs are available from continuance tables developed from UnitedHealthcare **StudentResources** data. A "Benefit Differential Tool" is used to price variations of plan parameters. Area and unisex age factors are from employer data.

The anticipated overall target loss ratio is 76%. See the "Expense Factors" table in the Experience Rating Tables below.

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COL-12A Pricing Guidelines

Experience Rating Formula

Prior Student Rate per Insured (PSI)
 Earned Premium (EP)
 Annualized # of Insureds (INS)
 Paid Claims (PC)
 Pooling Limit based on Current Year Earned Premium
 Paid Claims > Pooling Limit (LC)
 Account Completion Factor (ACF)
 Tabular Completion Factor (TCF)
 Completion Factor Weight (CFW)
 Projected Policy Year Claims (PPC)
 Claims per Insured (net of large claims)
 Projected Policy Year Loss Ratios (gross)
 Projected Policy Year Loss Ratios (net of pooled claims)
 Trend Factor (TFy#) to next policy year
 Cumulative Trend Factor (CTFy#)
 % Benefit Changes to next Policy Year (BCy#)
 Network Efficiency Factor Changes
 Expected Losses (EL), Based on policy year # of insureds
 Expected Loss Ratio (ELR), Based on Current Year Earned Premium
 Policy Year Weighting Factor (PYWF) (factors must sum to 1.00)
 Projected Net Loss Ratio (PNLR = sum of LR components)
 Projected net claims (PNC)
 Other Claim Adjustments (Pooling Charge, Travel assist, etc.)
 TOTAL Projected Claims
 Projected Loss Ratio (PLR)

Target Loss Ratio Calculation

Expenses
 Admin
 Commission
 Premium Tax & Overhead
 Risk Margin and Profit
 Other
 Total Expense Ratio
 Target Loss Ratio (TLR)
 Rate Change Needed (RCN)
 Final Rate per Insured (FR)

Formulas

Experience Period by Policy Year

Symbol	Experience Period by Policy Year				
	Projected Year	Current Year (y0)	First Prior Year (y1)	Second Prior Year (y2)	Third Prior Year (y3)
PSI	<input>	<input>	<input>	<input>	<input>
EP	<input>	<input>	<input>	<input>	<input>
INS	EP / PSI	EP / PSI	EP / PSI	EP / PSI	EP / PSI
PC	<input>	<input>	<input>	<input>	<input>
<input>					
LC	<input>	<input>	<input>	<input>	<input>
ACF	< PC / PPC >				
TCF	<from table - based on Policy Year and duration>				
CFW	<from table - based on Policy Year and duration>				
PPC	< (PC - LC) / (AvgACFprior) + LC >				
CPI	(PPC - LC) / INS	(PPC - LC) / INS	(PPC - LC) / INS	(PPC - LC) / INS	(PPC - LC) / INS
	PPC / EP	PPC / EP	PPC / EP	PPC / EP	PPC / EP
	(PPC - LC) / EP	(PPC - LC) / EP	(PPC - LC) / EP	(PPC - LC) / EP	(PPC - LC) / EP
TFy#	<from table, based on Policy year and Policy parameters>				
CTFy#	CTFy0 = TFy0*CTFy1	CTFy1 = TFy1*CTFy2	CTFy2 = TFy2*CTFy3	CTFy3 = TFy3	
BCy#	<input>	<input>	<input>	<input>	
NEF#	<input>	<input>	<input>	<input>	
Ely#	< INS * CPI * CTFy# * BCy# * NEF# >				
ELRy#	ELy0 / EPy0	ELy1 / EPy0	ELy2 / EPy0	ELy3 / EPy0	
PYWFy#	<from table, based on duration since beginning of policy year>				

PNLR $\Sigma(\text{ELRy\#} * \text{PYWFy\#})$
 PNC PNLN * EP
 OCA <input>
 PNC+OCA
 PLR (PNC+OCA) / EP

Override	from table
<input>	<from table>

TER $\Sigma(\text{Override column})$

TLR 1.000 - TER
 RCN PLR/TLR - 1.000
 FR PSI * (1.000 + RCN)

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COL-12A Pricing Guidelines

Tabular Completion Factors given Policy Year and Duration

(Factors are updated periodically based on the entire block's loss development pattern)

Duration Since Start of Policy Year	Policy Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1	0.009	0.012	0.017	0.015
2	0.035	0.046	0.053	0.050
3	0.071	0.093	0.104	0.098
4	0.132	0.163	0.176	0.169
5	0.200	0.230	0.244	0.237
6	0.272	0.302	0.325	0.314
7	0.361	0.394	0.416	0.405
8	0.452	0.488	0.504	0.496
9	0.539	0.572	0.594	0.583
10	0.640	0.667	0.690	0.679
11	0.739	0.758	0.767	0.762
12	0.813	0.841	0.847	0.844
13	0.882	0.897	0.906	0.902
14	0.924	0.933	0.941	0.937
15	0.948	0.955	0.957	0.956
16	0.964	0.968	0.966	0.967
17	0.975	0.977	0.976	
18	0.981	0.984	0.982	
19	0.986	0.988	0.987	
20	0.989	0.991	0.990	
21	0.992	0.993	0.993	
22	0.994	0.995	0.994	
23	0.995	0.996	0.995	
24	0.996	0.996	0.996	
25	0.997	0.995	0.996	
26	0.997	0.996	0.996	
27	0.997	0.997	0.997	
28	0.998	0.997	0.997	
29	0.999	0.999	0.999	
30	1.000	0.999	0.999	

Source - Actual completion factors from in-house data sources.
Future months extrapolated.

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COL-12A Pricing Guidelines

Completion Factor Weights based on Membership

<u>Members</u>	<u>Weight</u>
0	-
500	0.20
1000	0.30
1500	0.40
2000	0.60
2500	0.70
5000	0.80
7500	0.90
10000	0.95
12500	1.00
15000+	1.00

For example, if membership is expected to be 1500, then the completion factor weight for that policy year is 0.4

The completion factor weight is used to blend the account completion factor with the tabular completion factor. The resulting completion factor is used to gross up paid claims to incurred claims.

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COL-12A Pricing Guidelines

Trend Factors

Medical Trend is 10.5% per year
subject to these adjustments:

Medical Trend Adjustment Factors

		Policy Year beginning:			
		2012	2011	2010	2009
<u>Plan</u>	PPO	1.045	1.045	1.045	1.045
	U&C	1.060	1.060	1.060	1.060
<u>Network</u>	UHC	1.000	1.000	1.000	1.000
	Leased	1.015	1.015	1.015	1.015
	None	1.040	1.040	1.040	1.040

For example, for a 2012-13 Policy Year, with
PPO
Leased network

1.0450
1.0150

the medical trend is 10.5% x 1.045 x 1.015=

11.14%

Rx Trend is per the following table:

Rx Plan	Rx Card - No Max	7.50%	7.50%	7.50%	7.50%
	Yes, No PBM	11.00%	11.00%	11.00%	11.00%
	None	0.00%	0.00%	0.00%	0.00%

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COL-12A Pricing Guidelines

Policy Year Weighting Factor

# of months experience available	<u>Experience Period by Policy Year</u>		
	<u>Current Year</u> <u>(y0)</u>	<u>First Prior</u> <u>Year (y1)</u>	<u>Second Prior</u> <u>Year (y2)</u>
0	0.00	0.70	0.30
1	0.00	0.70	0.30
2	0.00	0.70	0.30
3	0.00	0.75	0.25
4	0.00	0.85	0.15
5	0.15	0.85	0.00
6	0.20	0.80	0.00
7	0.25	0.75	0.00
8	0.30	0.70	0.00
9	0.40	0.60	0.00
10	0.50	0.50	0.00
11	0.65	0.35	0.00
12	0.80	0.20	0.00

Current Year = Most recent year of experience

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COL-12A Pricing Guidelines

Expense Factors

<u>Expense Description</u>	<u>Average Expenses</u>
Policy, Claim Administration, Marketing, Sales Expense	11.25%
Premium Taxes, Other Taxes, Licenses & Fees	6.25%
Risk margin and Profit	6.50%
Total Expenses	24.00%

COL-12A Pricing Guidelines

Block of Business - Benefit Differential Tool - Plan B

Example

All Amounts are annual per person

Last calculated on:
May 24, 2012

Plan B

MEDICAL				
Combined Ded? (Y/N)	<input type="text" value="n"/>		<input type="text" value="1,285.49"/>	
Combined OOP? (Y/N)	<input type="text" value="n"/>			
Unlimited OOP? (Y/N)	<input type="text" value="n"/>		<input type="text" value="114.1%"/>	
Ded part of OOP? (Y/N)	<input type="text" value="n"/>			
		In-Network Preferred	As a % of Plan A Out-of-Network Non-Preferred SHC	
Ded per Incident? (Y/N)	<input type="text" value="n"/>	Ded <input type="text" value="250"/>	<input type="text" value="100"/>	<input type="text" value="-"/>
(N = per person)		Coins <input type="text" value="80%"/>	<input type="text" value="60%"/>	<input type="text" value="100%"/>
		OOP <input type="text" value="2,500"/>	<input type="text" value="2,500"/>	<input type="text" value="1,000"/>
Medco Rx Card?	<input type="text" value="y"/>			
SHC?	<input type="text" value="n"/>			
			Overall Policy Maximum*	<input type="text" value="100,000"/>
Subtotal		<input type="text" value="905.61"/>	<input type="text" value="143.78"/>	<input type="text" value="-"/>
Medical Copays per Unit		Preferred	Non-Pref	SHC
CT-Scan/MRI		<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Injections		<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Laboratory		<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Medical Emer.		<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Physician Visit		<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
X-Ray		<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Copay Savings		<input type="text" value="\$ -"/>	<input type="text" value="\$ -"/>	<input type="text" value="\$ -"/>
Pooling Charge	<input type="text" value="\$ 3.04"/>	<input type="text" value="\$ 905.61"/>	<input type="text" value="\$ 143.78"/>	<input type="text" value="\$ -"/>
Medical Cost	<input type="text" value="\$ 1,052.42"/>			
As a % of Plan A	<input type="text" value="110.8%"/>	<input type="text" value="110.6%"/>	<input type="text" value="109.5%"/>	<input type="text" value="N/A"/>

CONTRACEPTION	0 - Not Covered 2 - 100% covered**	<input type="text" value="2"/>
	1 - Covered with Copay	

MEDCO Rx Copay Structure				
		SHC	Retail	Mail Order
	Tier 1	<input type="text" value="15.00"/>	<input type="text" value="15.00"/>	<input type="text" value="15.00"/>
	Tier 2	<input type="text" value="30.00"/>	<input type="text" value="30.00"/>	<input type="text" value="30.00"/>
	Tier 3	<input type="text" value="50.00"/>	<input type="text" value="50.00"/>	<input type="text" value="50.00"/>
Max Rx Benefit	<input type="text" value="100000"/>			
Medco Rx Cost	<input type="text" value="220.81"/>			As a % of Plan A
				<input type="text" value="109.2%"/>

Preventive - We pay	<input type="text" value="100%"/>	up to a maximum of	<input type="text" value="1,000.00"/>	after deductible of:
and	<input type="text" value="100%"/>	of the remaining cost.		<input type="text" value="100.00"/>
Which is worth	<input type="text" value="\$ 27.26"/>	in addition to what is built into the model.		
		(Note - does not include contraception)		

Non-Service Charges for ADI for AD&D and Other/Other charge codes	<input type="text" value="(15.00)"/>
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COL-12A Pricing Guidelines

Unisex Age Factors

<u>Age Range</u>	<u>Factor</u>
<25	0.540
25-29	0.696
30-34	0.832
35-39	0.904
40-44	0.999
45-49	1.219
50-54	1.559
55-59	1.928
60-64	2.447
65+	3.118
Medicare Primary	1.251
Child	0.524

Relationship Factors

Student	1.000
Spouse	2.750
Child	1.750

Premium Modalization Factor

Annual	1.000
Other	1.020

Non-annual Premiums may be rounded to the nearest dollar.

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COL-12A Pricing Guidelines

Area Factors

State	MSA	Description	Factor	
AK	0380	Anchorage, AK	1.114	
	9999-AK	Alaska - No MSA	1.124	
AL	0450	Anniston, AL	0.921	
	0580	Auburn-Opelika, AL	0.961	
	1000	Birmingham, AL	0.990	
	1800	Columbus, GA-AL	0.938	
	2030	Decatur, AL	0.975	
	2180	Dothan, AL	0.938	
	2650	Florence, AL	0.927	
	2880	Gadsden, AL	0.907	
	3440	Huntsville, AL	0.936	
	5160	Mobile, AL	0.965	
	5240	Montgomery, AL	0.958	
	8600	Tuscaloosa, AL	0.973	
	9999-AL	Alabama - No MSA	0.991	
	AR	2580	Fayetteville-Springdale-Rogers, AR	0.932
2720		Fort Smith, AR-OK	0.935	
3700		Jonesboro, AR	0.968	
4400		Little Rock-North Little Rock, AR	0.946	
4920		Memphis, TN-AR-MS	0.970	
6240		Pine Bluff, AR	0.916	
8360		Texarkana, TX-Texarkana, AR	0.946	
9999-AR		Arkansas - No MSA	0.964	
AZ		2620	Flagstaff, AZ-UT	1.014
	4120	Las Vegas, NV-AZ	0.946	
	6200	Phoenix-Mesa, AZ	0.994	
	8520	Tucson, AZ	0.985	
	9360	Yuma, AZ	0.978	
	9999-AZ	Arizona - No MSA	1.024	
CA	0680	Bakersfield, CA	0.971	
	1620	Chico-Paradise, CA	1.009	
	2840	Fresno, CA	1.003	
	4480	Los Angeles-Long Beach, CA	1.013	
	4940	Merced, CA	0.987	
	5170	Modesto, CA	0.988	
	5775	Oakland, CA	1.090	
	5945	Orange County, CA	1.029	
	6690	Redding, CA	1.029	
	6780	Riverside-San Bernardino, CA	1.025	
	6920	Sacramento, CA	1.068	
	7120	Salinas, CA	1.083	
	7320	San Diego, CA	1.012	
	7360	San Francisco, CA	1.093	
	7400	San Jose, CA	1.125	
	7460	San Luis Obispo-Atascadero-Paso Robles, CA	1.011	
	7480	Santa Barbara-Santa Maria-Lompoc, CA	1.059	
	7485	Santa Cruz-Watsonville, CA	1.087	
	7500	Santa Rosa, CA	1.073	
	8120	Stockton-Lodi, CA	1.021	
	8720	Vallejo-Fairfield-Napa, CA	1.088	
8735	Ventura, CA	1.000		
8780	Visalia-Tulare-Porterville, CA	0.967		
9270	Yolo, CA	1.154		
9340	Yuba City, CA	1.014		
9999-CA	California - No MSA	1.066		
CO	1125	Boulder-Longmont, CO	0.975	
	1720	Colorado Springs, CO	0.936	
	2080	Denver, CO	0.997	
	2670	Fort Collins-Loveland, CO	1.080	
	2995	Grand Junction, CO	0.984	
	3060	Greeley, CO	1.011	
	6560	Pueblo, CO	0.949	
	9999-CO	Colorado - No MSA	1.058	
	CT	1160	Bridgeport, CT	1.054
		1930	Danbury, CT	1.045
3280		Hartford, CT	1.029	
5480		New Haven-Meriden, CT	1.053	
5520		New London-Norwich, CT-RI	0.981	
8040		Stamford-Norwalk, CT	1.045	
8880		Waterbury, CT	1.045	
9240		Worcester, MA-CT	1.058	

State	MSA	Description	Factor
DC	9999-CT	Connecticut - No MSA	1.045
	8840	Washington, DC-MD-VA-WV	1.032
DE	2190	Dover, DE	0.954
	9160	Wilmington-Newark, DE-MD	1.017
	9999-DE	Delaware - No MSA	1.011
FL	2020	Daytona Beach, FL	1.009
	2680	Fort Lauderdale, FL	1.017
	2700	Fort Myers-Cape Coral, FL	1.007
	2710	Fort Pierce-Port St. Lucie, FL	0.997
	2750	Fort Walton Beach, FL	0.945
	2900	Gainesville, FL	1.040
	3600	Jacksonville, FL	1.020
	3980	Lakeland-Winter Haven, FL	0.993
	4900	Melbourne-Titusville-Palm Bay, FL	0.982
	5000	Miami, FL	1.006
	5345	Naples, FL	1.023
	5790	Ocala, FL	0.949
	5960	Orlando, FL	0.993
	6015	Panama City, FL	0.995
	6080	Pensacola, FL	0.976
6580	Punta Gorda, FL	0.935	
7510	Sarasota-Bradenton, FL	0.992	
8240	Tallahassee, FL	0.949	
8280	Tampa-St. Petersburg-Clearwater, FL	0.991	
8960	West Palm Beach-Boca Raton, FL	1.005	
9999-FL	Florida - No MSA	0.964	
GA	0120	Albany, GA	0.965
	0500	Athens, GA	1.012
	0520	Atlanta, GA	1.010
	0600	Augusta-Aiken, GA-SC	0.986
	1560	Chattanooga, TN-GA	1.001
	1800	Columbus, GA-AL	0.938
	4680	Macon, GA	1.014
	7520	Savannah, GA	0.966
9999-GA	Georgia - No MSA	1.001	
HI	3320	Honolulu, HI	0.986
	9999-HI	Hawaii - No MSA	1.012
IA	1360	Cedar Rapids, IA	0.958
	1960	Davenport-Moline-Rock Island, IA-IL	0.941
	2120	Des Moines, IA	0.932
	2200	Dubuque, IA	0.924
	3500	Iowa City, IA	0.904
	5920	Omaha, NE-IA	0.951
	7720	Sioux City, IA-NE	0.962
	8920	Waterloo-Cedar Falls, IA	0.956
	9999-IA	Iowa - No MSA	0.963
ID	1080	Boise City, ID	0.940
	6340	Pocatello, ID	0.976
9999-ID	Idaho - No MSA	0.976	
IL	1040	Bloomington-Normal, IL	0.938
	1400	Champaign-Urbana, IL	0.976
	1600	Chicago, IL	1.035
	1960	Davenport-Moline-Rock Island, IA-IL	0.941
	2040	Decatur, IL	0.943
	3740	Kankakee, IL	0.975
	6120	Peoria-Pekin, IL	0.963
	6880	Rockford, IL	0.975
	7040	St. Louis, MO-IL	0.998
	7880	Springfield, IL	0.968
9999-IL	Illinois - No MSA	0.967	

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COL-12A Pricing Guidelines

Area Factors

State	MSA	Description	Factor	
IN	1020	Bloomington, IN	0.918	
	1640	Cincinnati, OH-KY-IN	0.989	
	2330	Elkhart-Goshen, IN	0.926	
	2440	Evansville-Henderson, IN-KY	0.934	
	2760	Fort Wayne, IN	0.939	
	2960	Gary, IN	0.951	
	3480	Indianapolis, IN	0.981	
	3850	Kokomo, IN	0.936	
	3920	Lafayette, IN	0.971	
	4520	Louisville, KY-IN	0.978	
	5280	Muncie, IN	0.932	
	7800	South Bend, IN	0.944	
	8320	Terre Haute, IN	0.938	
	9999-IN	Indiana - No MSA	0.969	
	KS	3760	Kansas City, MO-KS	0.974
		4150	Lawrence, KS	0.981
8440		Topeka, KS	0.943	
9040		Wichita, KS	0.944	
9999-KS		Kansas, KS - No MSA	0.971	
KY	1640	Cincinnati, OH-KY-IN	0.989	
	1660	Clarksville-Hopkinsville, TN-KY	0.971	
	2440	Evansville-Henderson, IN-KY	0.934	
	3400	Huntington-Ashland, WV-KY-OH	0.973	
	4280	Lexington, KY	0.988	
	4520	Louisville, KY-IN	0.978	
LA	5990	Owensboro, KY	1.048	
	9999-KY	Kentucky - No MSA	1.015	
	0220	Alexandria, LA	0.925	
	0760	Baton Rouge, LA	0.958	
	3350	Houma, LA	0.934	
	3880	Lafayette, LA	0.955	
	3960	Lake Charles, LA	0.928	
	5200	Monroe, LA	0.947	
	5560	New Orleans, LA	1.020	
	7680	Shreveport-Bossier City, LA	0.989	
9999-LA	Louisiana - No MSA	0.964		
MA	0740	Barnstable-Yarmouth, MA	1.010	
	1120	Boston, MA-NH	1.037	
	1200	Brockton, MA	0.982	
	2600	Fitchburg-Leominster, MA	1.080	
	4160	Lawrence, MA-NH	0.986	
	4560	Lowell, MA-NH	1.027	
	5400	New Bedford, MA	1.080	
	6320	Pittsfield, MA	1.023	
	6480	Providence-Fall River-Warwick, RI-MA	0.990	
	8000	Springfield, MA	0.999	
	9240	Worcester, MA-CT	1.058	
9999-MA	Massachusetts, MA - No MSA	1.048		
MD	0720	Baltimore, MD	1.167	
	1900	Cumberland, MD-WV	1.036	
	3180	Hagerstown, MD	1.070	
	8840	Washington, DC-MD-VA-WV	1.032	
	9160	Wilmington-Newark, DE-MD	1.017	
	9999-MD	Maryland, MD - No MSA	1.104	
ME	0730	Bangor, ME	0.977	
	4240	Lewiston-Auburn, ME	0.999	
	6400	Portland, ME	0.967	
	6450	Portsmouth-Rochester, NH-ME	1.032	
	9999-ME	Maine - No MSA	0.999	
MI	0440	Ann Arbor, MI	1.057	
	0870	Benton Harbor, MI	0.969	
	2160	Detroit, MI	1.007	
	2640	Flint, MI	1.011	
	3000	Grand Rapids-Muskegon-Holland, MI	1.007	
	3520	Jackson, MI	0.962	
	3720	Kalamazoo-Battle Creek, MI	1.020	
	4040	Lansing-East Lansing, MI	1.011	
	6960	Saginaw-Bay City-Midland, MI	0.956	
	9999-MI	Michigan - No MSA	1.016	

State	MSA	Description	Factor	
MN	2240	Duluth-Superior, MN-WI	0.999	
	2520	Fargo-Moorhead, ND-MN	0.928	
	2985	Grand Forks, ND-MN	0.978	
	3870	La Crosse, WI-MN	1.042	
	5120	Minneapolis-St. Paul, MN-WI	1.040	
	6820	Rochester, MN	1.093	
	6980	St. Cloud, MN	1.003	
	9999-MN	Minnesota - No MSA	1.046	
	MO	1740	Columbia, MO	0.979
		3710	Joplin, MO	0.983
3760		Kansas City, MO-KS	0.974	
7000		St. Joseph, MO	1.023	
7040		St. Louis, MO-IL	0.998	
7920		Springfield, MO	0.946	
9999-MO		Missouri - No MSA	0.983	
MS	0920	Biloxi-Gulfport-Pascagoula, MS	0.995	
	3285	Hattiesburg, MS	0.984	
	3560	Jackson, MS	0.989	
	4920	Memphis, TN-AR-MS	0.970	
	9999-MS	Mississippi - No MSA	1.001	
MT	0880	Billings, MT	0.968	
	3040	Great Falls, MT	0.959	
	5140	Missoula, MT	0.979	
	9999-MT	Montana, MT - No MSA	1.020	
NC	0480	Asheville, NC	0.992	
	1520	Charlotte-Gastonia-Rock Hill, NC-SC	0.964	
	2560	Fayetteville, NC	0.978	
	2980	Goldsboro, NC	0.943	
	3120	Greensboro-Winston-Salem-High Point, NC	0.989	
	3150	Greenville, NC	1.039	
	3290	Hickory-Morganton-Lenoir, NC	0.969	
	3605	Jacksonville, NC	0.969	
	5720	Norfolk-Virginia Beach-Newport News, VA-NC	0.964	
	6640	Raleigh-Durham-Chapel Hill, NC	1.035	
	6895	Rocky Mount, NC	0.984	
	9200	Wilmington, NC	0.997	
	9999-NC	North Carolina - No MSA	0.986	
ND	1010	Bismarck, ND	0.931	
	2520	Fargo-Moorhead, ND-MN	0.928	
	2985	Grand Forks, ND-MN	0.978	
	9999-ND	North Dakota - No MSA	0.973	
NE	4360	Lincoln, NE	0.981	
	5920	Omaha, NE-IA	0.951	
	7720	Sioux City, IA-NE	0.962	
	9999-NE	Nebraska - No MSA	0.986	
NH	1120	Boston, MA-NH	1.037	
	4160	Lawrence, MA-NH	0.986	
	4560	Lowell, MA-NH	1.027	
	4760	Manchester, NH	1.058	
	5350	Nashua, NH	1.005	
	6450	Portsmouth-Rochester, NH-ME	1.032	
	9999-NH	New Hampshire - No MSA	1.026	
NJ	0560	Atlantic-Cape May, NJ	0.987	
	0875	Bergen-Passaic, NJ	1.054	
	3640	Jersey City, NJ	1.023	
	5015	Middlesex-Somerset-Hunterdon, NJ	1.029	
	5190	Monmouth-Ocean, NJ	0.999	
	5640	Newark, NJ	1.050	
	6160	Philadelphia, PA-NJ	1.065	
	8480	Trenton, NJ	1.030	
	8760	Vineland-Milville-Bridgeton, NJ	1.004	
	9999-NJ	New Jersey - No MSA	1.004	
NM	0200	Albuquerque, NM	0.981	
	4100	Las Cruces, NM	0.936	
	7490	Santa Fe, NM	1.023	
	9999-NM	New Mexico - No MSA	0.998	
NV	4120	Las Vegas, NV-AZ	0.946	
	6720	Reno, NV	0.964	
	9999-NV	Nevada - No MSA	1.012	

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COL-12A Pricing Guidelines

Area Factors

State	MSA	Description	Factor	
NY	0160	Albany-Schenectady-Troy, NY	0.977	
	0960	Binghamton, NY	0.968	
	1280	Buffalo-Niagara Falls, NY	0.985	
	2281	Dutchess County, NY	1.034	
	2335	Elmira, NY	0.944	
	2975	Glens Falls, NY	0.933	
	3610	Jamestown, NY	0.984	
	5380	Nassau-Suffolk, NY	1.084	
	5600	New York, NY	1.154	
	5660	Newburgh, NY-PA	1.014	
	6840	Rochester, NY	1.008	
	8160	Syracuse, NY	1.007	
	8680	Utica-Rome, NY	0.938	
	9999-NY	New York - No MSA	0.981	
	OH	0080	Akron, OH	0.972
		1320	Canton-Massillon, OH	0.938
		1640	Cincinnati, OH-KY-IN	0.989
1680		Cleveland-Lorain-Elyria, OH	1.002	
1840		Columbus, OH	0.984	
2000		Dayton-Springfield, OH	0.957	
3200		Hamilton-Middletown, OH	0.940	
3400		Huntington-Ashland, WV-KY-OH	0.973	
4320		Lima, OH	0.952	
4800		Mansfield, OH	0.963	
6020		Parkersburg-Marietta, WV-OH	0.912	
8080		Steubenville-Weirton, OH-WV	0.936	
8400		Toledo, OH	0.992	
9000		Wheeling, WV-OH	0.984	
9320		Youngstown-Warren, OH	0.939	
9999-OH		Ohio - No MSA	0.992	
OK		2340	Enid, OK	0.943
	2720	Fort Smith, AR-OK	0.935	
	4200	Lawton, OK	0.959	
	5880	Oklahoma City, OK	0.954	
	8560	Tulsa, OK	0.961	
	9999-OK	Oklahoma - No MSA	0.975	
	OR	1890	Corvallis, OR	1.044
2400		Eugene-Springfield, OR	1.042	
4890		Medford-Ashland, OR	0.977	
6440		Portland-Vancouver, OR-WA	1.027	
7080		Salem, OR	0.994	
9999-OR	Oregon - No MSA	1.063		
PA	0240	Allentown-Bethlehem-Easton, PA	0.994	
	0280	Altoona, PA	0.928	
	2360	Erie, PA	0.946	
	3240	Harrisburg-Lebanon-Carlisle, PA	0.955	
	3680	Johnstown, PA	0.936	
	4000	Lancaster, PA	0.949	
	5660	Newburgh, NY-PA	1.014	
	6160	Philadelphia, PA-NJ	1.065	
	6280	Pittsburgh, PA	0.996	
	6680	Reading, PA	0.949	
	7560	Scranton-Wilkes-Barre-Hazleton, PA	0.972	
	7610	Sharon, PA	0.967	
	8050	State College, PA	0.928	
	9140	Williamsport, PA	0.979	
	9280	York, PA	0.990	
9999-PA	Pennsylvania - No MSA	0.975		
PR	9999-PR	Puerto Rico	0.799	
RI	5520	New London-Norwich, CT-RI	0.981	
	6480	Providence-Fall River-Warwick, RI-MA	0.990	
	9999-RI	Rhode Island - No MSA	1.031	
SC	0600	Augusta-Aiken, GA-SC	0.986	
	1440	Charleston-North Charleston, SC	0.986	
	1520	Charlotte-Gastonia-Rock Hill, NC-SC	0.964	
	1760	Columbia, SC	0.930	
	2655	Florence, SC	0.922	
	3160	Greenville-Spartanburg-Anderson, SC	0.928	
	5330	Myrtle Beach, SC	0.964	
	8140	Sumter, SC	0.926	
	9999-SC	South Carolina - No MSA	0.966	

State	MSA	Description	Factor	
SD	6660	Rapid City, SD	0.919	
	7760	Sioux Falls, SD	0.946	
	9999-SD	South Dakota - No MSA	1.020	
TN	1560	Chattanooga, TN-GA	1.001	
	1660	Clarksville-Hopkinsville, TN-KY	0.971	
	3580	Jackson, TN	0.988	
	3660	Johnson City-Kingsport-Bristol, TN-VA	0.973	
	3840	Knoxville, TN	0.972	
	4920	Memphis, TN-AR-MS	0.970	
	5360	Nashville, TN	1.031	
	9999-TN	Tennessee, TN - No MSA	1.024	
	TX	0040	Abilene, TX	0.888
		0320	Amarillo, TX	0.931
0640		Austin-San Marcos, TX	0.956	
0840		Beaumont-Port Arthur, TX	0.950	
1145		Brazoria, TX	1.063	
1240		Brownsville-Harlingen-San Benito, TX	0.978	
1260		Bryan-College Station, TX	0.965	
1880		Corpus Christi, TX	0.949	
1920		Dallas, TX	0.993	
2320		El Paso, TX	0.942	
2800		Fort Worth-Arlington, TX	0.955	
2920		Galveston-Texas City, TX	1.094	
3360		Houston, TX	0.995	
3810		Killeen-Temple, TX	0.994	
4080		Laredo, TX	0.979	
4420		Longview-Marshall, TX	0.956	
4600		Lubbock, TX	0.942	
4880		McAllen-Edinburg-Mission, TX	0.969	
5800		Odessa-Midland, TX	0.967	
7200		San Angelo, TX	0.958	
7240		San Antonio, TX	0.939	
7640		Sherman-Denison, TX	0.966	
8360		Texarkana, TX-Texarkana	0.946	
8640	Tyler, TX	0.954		
8750	Victoria, TX	0.948		
8800	Waco, TX	0.971		
9080	Wichita Falls, TX	0.925		
9999-TX	Texas - No MSA	0.975		
UT	2620	Flagstaff, AZ-UT	1.014	
	6520	Provo-Orem, UT	0.973	
	7160	Salt Lake City-Ogden, UT	0.979	
9999-UT	Utah - No MSA	1.023		
VA	1540	Charlottesville, VA	1.063	
	1950	Danville, VA	0.942	
	3660	Johnson City-Kingsport-Bristol, TN-VA	0.973	
	4640	Lynchburg, VA	0.980	
	5720	Norfolk-Virginia Beach-Newport News, VA-NC	0.964	
	6760	Richmond-Petersburg, VA	0.983	
	6800	Roanoke, VA	0.981	
	8840	Washington, DC-MD-VA-WV	1.032	
	9999-VA	Virginia - No MSA	0.978	
	VT	1305	Burlington, VT	0.997
9999-VT		Vermont - No MSA	1.014	
WA	0860	Bellingham, WA	1.091	
	1150	Bremerton, WA	1.028	
	5910	Olympia, WA	1.016	
	6440	Portland-Vancouver, OR-WA	1.027	
	6740	Richland-Kennewick-Pasco, WA	1.047	
	7600	Seattle-Bellevue-Everett, WA	1.080	
	7840	Spokane, WA	0.980	
	8200	Tacoma, WA	1.025	
	9260	Yakima, WA	1.028	
9999-WA	Washington - No MSA	1.079		

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COL-12A Pricing Guidelines

Area Factors

State	MSA	Description	Factor
WI	0460	Appleton-Oshkosh-Neenah, WI	0.979
	2240	Duluth-Superior, MN-WI	0.999
	2290	Eau Claire, WI	1.002
	3080	Green Bay, WI	0.973
	3620	Janesville-Beloit, WI	0.951
	3800	Kenosha, WI	0.957
	3870	La Crosse, WI-MN	1.042
	4720	Madison, WI	1.019
	5080	Milwaukee-Waukesha, WI	1.000
	5120	Minneapolis-St. Paul, MN-WI	1.040
	6600	Racine, WI	0.978
	7620	Sheboygan, WI	0.974
	8940	Wausau, WI	0.961
	9999-WI	Wisconsin - No MSA	1.006
	WV	1480	Charleston, WV
1900		Cumberland, MD-WV	1.036
3400		Huntington-Ashland, WV-KY-OH	0.973
6020		Parkersburg-Marietta, WV-OH	0.912
8080		Steubenville-Weirton, OH-WV	0.936
8840		Washington, DC-MD-VA-WV	1.032
9000		Wheeling, WV-OH	0.984
9999-WV		West Virginia - No MSA	0.991
WY		1350	Casper, WY
	1580	Cheyenne, WY	0.908
	9999-WY	Wyoming - No MSA	1.107

Exhibit 1 - Members by Resident State as of Dec 15, 2012

Resident State	Policy Form COL-12A-DC
AK	4
AL	14
AR	12
AS	1
AZ	16
CA	212
CO	51
CT	25
DC	4
DE	4
FL	374
GA	64
IA	13
ID	3
IL	205
IN	75
KS	28
KY	51
LA	42
MA	6
MD	46
ME	5
MI	27
MN	10

Resident State	Policy Form COL-12A-DC
MO	26
MS	8
MT	9
NC	5
NE	11
NJ	4
NM	4
NV	43
NY	8
OH	43
OK	11
OR	1
PA	128
RI	28
SC	95
TN	102
TX	185
UT	18
VA	69
WA	1
WI	29
WV	46
WY	45
Grand Total	2,211

Exhibit 2 - Experience

Student Association Business

Policy Year	Premium	Lives	Premium per Life	Incurred Claims	Loss Ratio
2009-10	6,522,090	5,547	1,176	5,193,238	79.6%
2010-11	5,649,324	4,518	1,250	5,472,336	96.9%
2011-12	5,101,254	3,742	1,363	4,828,039	94.6%

SERFF Tracking #:

UHLC-128962214

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group

Product Name:

COL-12A Student Association

Project Name/Number:

COL-12A Rate Increase/

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	Cover Letter DC.pdf
Item Status:	
Status Date:	

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

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	COL-12A-DC Actu Memo.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	Rate Summary Worksheets attached.
Attachment(s):	Part I of the Preliminary Rate Justification - Rate Summary Worksheet.xls Part II of the Preliminary Justification.pdf
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A - this is hospital/surgical/medical related.
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

UHLC-128962214

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group

Product Name:

COL-12A Student Association

Project Name/Number:

COL-12A Rate Increase/

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

Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	N/A - does not meet threshold.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A - It is our understanding that this is only a requirement for filings filed after 04/01/13.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A - It is our understanding that this is only a requirement for filings filed after 04/01/13.
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

UHLC-128962214

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

UnitedHealthcare Insurance Company

TOI/Sub-TOI:

H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group

Product Name:

COL-12A Student Association

Project Name/Number:

COL-12A Rate Increase/

Attachment Part I of the Preliminary Rate Justification - Rate Summary Worksheet.xls is not a PDF document and cannot be reproduced here.



StudentResources
2301 West Plano Parkway
Suite 300
Plano, TX 75075
1-888-767-0700

March 28, 2013

Honorable William P. White
Commissioner of Insurance
District of Columbia Department of Insurance
810 First Street, NE, Suite #701
Washington, DC 20002

Re: UnitedHealthcare Insurance Company
NAIC# 79413

**Rate Increase Filing for Policy Forms COL-12A-DC
Group Student Association Injury and Sickness Insurance Coverage**

Dear Commissioner White:

The purpose of this document is to file a 9% rate increase to be effective August 1, 2013 and rate review documents for policy form COL-12A-DC, a student association plan situated in the District of Columbia. The plan covers insureds in several states including the District of Columbia. See Exhibit 1 for the count of members by state of residence.

The policy provides medical insurance in compliance with ACA requirements to college students who are members of an association, and their dependents. The students are responsible for paying the entire premium.

This form was submitted to and approved by the District of Columbia for use in school year 2012-13 and is a new form for that school year. The policy is serviced by the StudentResources Division of UnitedHealthcare Insurance Company.

Since this is a new policy form, and the amount of business is not large enough to be credible, we are requesting a rate increase of 9% for the upcoming school year 2013-14 even though past history with similar business indicates a higher increase. This rate increase is slightly less than our claims cost trend assumption of 10.5%.

Included in the rate increase filing are a table showing the number of resident insureds by state, the actuarial memoranda for the policy, Part 1 of the Preliminary Rate Justification - Rate Summary Worksheet and Part II of the Preliminary Rate Justification - Written Explanation of the Rate Increase.

Thank you for your attention to this matter.

Respectfully submitted,

William M. Glasgow, ASA, MAAA
UnitedHealthcare Insurance Company
805 Executive Center Dr. W., Suite 220
St. Petersburg, FL 33702-2407
wglasgow@uhcsr.com
Office Direct: (727) 563-3494

Mr. White
March 28, 2013
Page 2

Attachments:

- Exhibit 1 – Number of insureds by form by state of residence as of Dec 15, 2012
- Exhibit 2 - Experience
- Actuarial Memorandum for COL-12A-DC
- Pricing Guidelines
- Part I of the Preliminary Rate Justification - Rate Summary Worksheet
- Part II of the Preliminary Rate Justification – Written Explanation of the Rate Increase

UnitedHealthcare Insurance Company
450 Columbus Boulevard
Hartford, CT 06115
(877) 832-7734

Group Association A&H Policy Form COL-12A-DC et. al.

ACTUARIAL MEMORANDUM

1. Scope and Purpose

This memorandum and attached Pricing Guidelines are filed in support of a 9% rate increase for policy form COL-12A-DC for the upcoming 2013-14 school year starting Aug 1, 2013. Exhibit 1 shows the number of insureds in force under this by resident state.

This policy is a group policy under the regulations of the District of Columbia. The rating structure is that commonly used in large group insurance. This form is intended to be used for association plans. The plan provides health coverage for college students that are members of associations.

Please note that the attached Pricing Guidelines are considered proprietary and confidential for use by appropriate insurance regulators.

2. Benefit Description

The policy provides for a broad range of medical expense insurance for college students and their dependents. In addition to covering hospital, physician, prescription drug and therapy type expenses, there are options for AD&D and Repatriation and Medical Evacuation.

This form is designed to be compliant with PPACA and HHS regulations.

3. Renewability Clause

The policy is a non-renewable one-year contract.

4. Applicability

The company anticipates that associations that want to make health coverage available to their members who are college students will utilize this policy.

5. Morbidity

The company uses claim costs studies based on the UnitedHealthcare StudentResources block of business along with adjustments based on UnitedHealthcare employer market.

6. Mortality

Not applicable.

7. Persistency

Persistency was not used in pricing this policy.

8. Expenses

Policy, Claim Administration, Marketing and Sales Expense	11.25% of premium
Premium Taxes, Other Taxes, Licenses & Fees	6.25%
Risk Margin and Profit	6.50%
Total Expenses	24.00% of premium

9. Marketing Method

The product is sold through company-employed licensed agents and brokers.

10. Underwriting

There is no medical underwriting of individuals. Each association plan is underwritten to take into account all relevant known factors: past experience; size; average claims costs and relationships; type of program and any other factors relevant to the expected cost of insurance for the particular association of college students. Recent past experience, if available, is a most important underwriting factor. The experience rating formula is given in the Pricing Guidelines attached.

11. Premium Classes

Premium classes for a particular program are dependent on the benefits and factors outlined in the Pricing Guidelines and account experience. Generally, rates are provided for students, spouses and children.

12. Issue Age Range

There are no minimum or maximum issue ages.

13. Area Factors

The company uses area factors developed for employer business as needed. See the attached Pricing Guidelines.

14. Average Annual Premium

The average annual premium for this form is expected to be \$369,000 per policy. The average annual premium per person is expected to be \$1,595.

15. Premium Modalization

Rates can be annual, quarterly or monthly. The modal factor for non-annual premiums is 1.02. Non-annual premiums will be rounded to the nearest dollar.

16. Claim Liability and Reserves

The company uses a development method for reserves.

17. Active Life Reserves

Active life reserves are not required for this policy.

18. Trend Assumptions

The formula for annual trend is given in the Pricing Guidelines. The annual trend is 10.5% adjusted by factors that depend on the provider structure. For example, for policy year 2012-2013, for a PPO policy with a leased provider network, the annual medical cost trend would be 11.14% = 10.5% x 1.045 x 1.015.

19. Minimum Required Loss Ratio

There is no minimum loss ratio required in the District of Columbia for this form. The target loss ratio is 76%.

Business under this form is subject to medical loss ratio (MLR) requirements as set forth in PPACA and HHS regulations.

20. Anticipated Loss Ratio

The anticipated loss ratio is 76.0%.

21. Distribution of Business

The company expects the distribution of business under this and similar forms in other states to be as follows:

<u>State</u>	<u>% of Premium</u>	<u>Relationship</u>	<u>% of members</u>
Dist. of Columbia	56.8%	Student	96.6%
Illinois	19.3%	Spouse	2.0%
New York	12.6%	<u>Child</u>	<u>1.4%</u>
Massachusetts	5.5%	Total	100.0%
Virginia	2.5%		
Missouri	2.4%		
<u>Alabama</u>	<u>0.9%</u>		
Total	100.0%		

22. Contingency and Risk Margins

The rating structure assumes a risk margin and profit of 6.5%.

23. Experience

See Exhibit 2.

24. Lifetime Loss Ratio

Not applicable.

25. History of Rate Adjustments

This is the first rate adjustment. We are raising the rates by 9% for the 2013-14 school year.

26. Number of Policyholders

There are nine policyholders for the current school year 2012-2013.

27. Proposed Effective Date

The proposed effective date is Aug 1, 2013.

I certify that, to the best of my knowledge and judgment, the entire rate filing is in compliance with applicable laws of the District of Columbia, rules of the Department of Insurance and all actuarial standards of practice including ASOP No. 8, and that the benefits provided are reasonable in relation to the proposed premiums. Furthermore, I am the actuary responsible for this memorandum and attachment, and am qualified to make this filing.



William M. Glasgow, ASA, MAAA



Date

Part II of the Preliminary Justification

This rate increase filing requests a 9% rate increase for the Company's student association policies filed in Alabama and the District of Columbia. As of December 15, 2012, there were 2,232 members insured by these plans. The rate increase for these members would go into effect on August 1, 2013 corresponding to the new school year of 2013-2014.

The policy forms for these plans have been effective since the beginning of the current school year 2012-2013. The claims experience of these new plans is not credible due to the short amount of time in force and small number of insureds.

The Company has provided medical insurance to students belonging to student associations for many years under similar plans. The claims experience under those similar plans is shown below.

School Year	Premium	Lives	Incurred Claims	Claims Expense	Profit (Loss)
2009-2010	6,522,090	5,547	5,193,238	1,826,185	(497,333)
2010-2011	5,649,324	4,518	5,472,336	1,581,811	(1,404,823)
2011-2012	5,101,254	3,742	4,828,039	1,428,351	(1,155,136)

The Company is requesting the 9% rate increase to lessen losses and to counteract medical claims cost trend.

The main driver of the increase is expected utilization and medical claims costs increases, i.e. medical trend. The current trend assumption for the student block of business is 10.5%

The maximum benefit per member for the 2013-2014 school year will increase from \$1.25 million to \$2 million as required by the Affordable Care Act.

Administrative costs (including normal premium taxes) were 28% of premium for school years up to and including 2011-2012. For school year 2012-2013 administrative costs were reduced to 15.5%. The administrative costs will increase to 17.5% of premium for school year 2013-2014 due to normal premium taxes and new fees required under the Affordable Care Act.