

SERFF Tracking Number: CFAP-125790478 State: District of Columbia
Filing Company: Group Hospitalization and Medical Services, Inc. State Tracking Number:
Company Tracking Number: 1126
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other
Product Name: Filing #1126 GHMSI DC Comprehensive Major Medical
Project Name/Number: DC CMM 200901 Eff/1126

Filing at a Glance

Company: Group Hospitalization and Medical Services, Inc.
Product Name: Filing #1126 GHMSI DC Comprehensive Major Medical
TOI: H21 Health - Other
Sub-TOI: H21.000 Health - Other
Filing Type: Rate
SERFF Tr Num: CFAP-125790478 State: District of Columbia
SERFF Status: Closed-APPROVED State Tr Num:
Co Tr Num: 1126 State Status:
Reviewer(s): Laszlo Pentek
Authors: Anna Guloy, Todd Switzer, David Mok, Katheryn Barron
Disposition Date: 10/02/2008
Date Submitted: 08/26/2008 Disposition Status: APPROVED
Implementation Date Requested: 01/01/2009 Implementation Date:

General Information

Project Name: DC CMM 200901 Eff
Project Number: 1126
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:
Filing Status Changed: 10/02/2008
Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Individual
Group Market Size:
Group Market Type:
Explanation for Other Group Market Type:
State Status Changed:
Created By: David Mok
Corresponding Filing Tracking Number: 1126
Deemer Date:
Submitted By: Katheryn Barron
Filing Description:
To Whom It May Concern:

This filing contains the rate proposal for individual, non-Medigap, Indemnity, Comprehensive Major Medical, medical coverage with an effective date of 1/1/2009. Please refer to the cover letter / filing description (supporting documentation) and actuarial memorandum (rate/rule schedule) for more details.

If you have questions regarding this filing, please contact me at (410) 998-5308 or Mr. Todd Switzer, A.S.A., M.A.A.A., Director of Actuarial Pricing at (410) 998-7107.

Sincerely,

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David Mok
Actuarial Assistant
Actuarial Pricing Department

Company and Contact

Filing Contact Information

David Mok, Actuarial Assistant david.mok@carefirst.com
10455 Mill Run Circle 410-998-5308 [Phone]
Owing Mills, MD 21117 410-998-7704 [FAX]

Filing Company Information

Group Hospitalization and Medical Services, CoCode: 53007 State of Domicile: District of
Inc. Columbia
840 First Street NE Group Code: Company Type: Hospital, Medical &
Washington, DC 20065 Group Name: Dental Service or Indemnity
(410) 581-3000 ext. [Phone] FEIN Number: 53-0078070
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Actuarial Justification	APPROVED	10/02/2008
Comments:		
Attachment: DC_GHMSI_Certification.pdf		

	Item Status:	Status Date:
Satisfied - Item: Cover Letter / Filing Description	APPROVED	10/02/2008
Comments:		
Attachment: 1126 DC SERFF CMM Cover Letter&Memo.pdf		

	Item Status:	Status Date:
Satisfied - Item: NAIC Transmittal Doc	APPROVED	10/02/2008
Comments:		
Attachment: 1126 NAIC Transmittal Doc.pdf		

ACTUARIAL CERTIFICATION

I, Todd Switzer, am the Director of Actuarial Pricing with Group Hospitalization and Medical Services, Inc (GHMSI) doing business as CareFirst BlueCross BlueShield and a member of the American Academy of Actuaries. I have been involved in the development of these rates.

To the best of my knowledge and judgment, this rate filing complies with applicable laws and regulations of the District of Columbia and produces premiums that are reasonable in relation to benefits provided.



Todd Switzer, A.S.A., M.A.A.A.
Director of Actuarial Pricing
CareFirst BlueCross BlueShield
NAIC Number 53007
Finance Division
Mail Drop Point 01-780
10455 Mill Run Circle
Owings Mills, MD 21117-4208

August 25, 2008



Mr. Laszlo Pentek
Actuary
Government of the District of Columbia
Department of Insurance, Securities and Banking
Insurance Products Division
810 First Street, NE, Suite 701
Washington, DC 20002-8023

Re:
Group Hospitalization and Medical Services, Inc. dba
CareFirst BlueCross BlueShield
NAIC# 53007. FEIN# 53-0078070
Individual, non-Medigap Business
Indemnity, Comprehensive Major Medical
Medical and Prescription Drug Coverage
Company Filing # 1126 (Previous Approved Filing Number: #994)

Dear Mr. Pentek:

Enclosed for your review is a rate filing for Group Hospitalization and Medical Services, Inc. dba CareFirst BlueCross BlueShield's (NAIC # 53007) individual, non-Medigap Indemnity coverage for a January 1, 2009 effective date.

CFBCBS is proposing a rate increase to the Comprehensive Major Medical (CMM), 2-tiered, 3-year age banded, Underwritten and Group Conversion coverage and to the 4-tiered Underwritten. The 2-tiered is a closed block of business while the 4-tiered is open for new business. The proposed rate increase is effective January 1, 2009.

Below is a summary of the pricing analysis page.

	Contracts a/o 5/31/08	LR	Needed Rate Increase	Proposed Rate Increase
CMM	260	89.2%	25.2%	14.5%

As of 12/31/07, the "Risk-Based Capital" (RBC) percentage for GHMSI was 916%, for CFMI was 808% and for CFI was 869%. In 2005, an independent actuarial consultant, Milliman, recommended an optimal RBC range for GHMSI of 800%-1100% (midpoint = 950%) and for CFMI of 950%-1250% (midpoint = 1100%). We have engaged Milliman to update their report and recommended optimal RBC ranges. The Boards of Directors

of CFI, CFMI and GHMSI have approved a Long Range Strategic Plan which includes targeted RBC ranges.

Over the past several years, health care costs have continued to increase at a pace significantly greater than CPI and increases in wages. In recent years CareFirst (CF) rate filings have shown an itemization of the premium dollar where 4¢ is targeted as "contribution to reserve (before Federal income taxes)" (CtR). Due to the continuing increases in health care trends, the difficult economic environment and the sound financial position of the companies, in certain cases the enclosed rate filings include less contribution to reserves than past filings. CareFirst will continue to evaluate the investment of its reserves towards rate moderation, consistent with its mission of providing affordable health insurance while maintaining a financially viable and competitive company.

The forms that define this coverage are shown below.

DC/DP-IEA-9/95
ATTB/DC/DB-9/95
DC/C-DP 9/95
DOCS-DC-6/95
DC/FORTRAN 8/95
DC/MM Rx 8/95
DC/C CONV 9/95

If you have questions regarding this filing, please contact me at (410) 998-5308 or Mr. Todd Switzer, A.S.A., M.A.A.A., Director of Actuarial Pricing, at (410) 998-7107.

Sincerely,

David Mok
Actuarial Assistant
Actuarial Pricing Department

Life, Accident & Health, Annuity, Credit Transmittal Document

1.	Prepared for the State of	
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2.	Department Use Only
	State Tracking ID

3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #

4.	Contact Name & Address	Telephone #	Fax #	E-mail Address

5.	Requested Filing Mode	<input type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____
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6.	Company Tracking Number	
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7.	<input type="checkbox"/> New Submission <input type="checkbox"/> Resubmission	Previous file # _____
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8.	Market	<input type="checkbox"/> Individual <input type="checkbox"/> Franchise	
		Group	<input type="checkbox"/> Small <input type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____

9.	Type of Insurance	
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10.	Product Coding Matrix Filing Code	
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11.	Submitted Documents	<p><input type="checkbox"/> FORMS</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Policy</td> <td><input type="checkbox"/> Outline of Coverage</td> <td><input type="checkbox"/> Certificate</td> </tr> <tr> <td><input type="checkbox"/> Application/Enrollment</td> <td><input type="checkbox"/> Rider/Endorsement</td> <td><input type="checkbox"/> Advertising</td> </tr> <tr> <td><input type="checkbox"/> Schedule of Benefits</td> <td><input type="checkbox"/> Other</td> <td></td> </tr> </table> <p>Rates</p> <input type="checkbox"/> New Rate <input type="checkbox"/> Revised Rate	<input type="checkbox"/> Policy	<input type="checkbox"/> Outline of Coverage	<input type="checkbox"/> Certificate	<input type="checkbox"/> Application/Enrollment	<input type="checkbox"/> Rider/Endorsement	<input type="checkbox"/> Advertising	<input type="checkbox"/> Schedule of Benefits	<input type="checkbox"/> Other		
<input type="checkbox"/> Policy	<input type="checkbox"/> Outline of Coverage	<input type="checkbox"/> Certificate										
<input type="checkbox"/> Application/Enrollment	<input type="checkbox"/> Rider/Endorsement	<input type="checkbox"/> Advertising										
<input type="checkbox"/> Schedule of Benefits	<input type="checkbox"/> Other											
		<input type="checkbox"/> FILING OTHER THAN FORM OR RATE: Please explain: _____										
		<p>SUPPORTING DOCUMENTATION</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Articles of Incorporation</td> <td><input type="checkbox"/> Third Party Authorization</td> </tr> <tr> <td><input type="checkbox"/> Association Bylaws</td> <td><input type="checkbox"/> Trust Agreements</td> </tr> <tr> <td><input type="checkbox"/> Statement of Variability</td> <td><input type="checkbox"/> Certifications</td> </tr> <tr> <td><input type="checkbox"/> Actuarial Memorandum</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table>	<input type="checkbox"/> Articles of Incorporation	<input type="checkbox"/> Third Party Authorization	<input type="checkbox"/> Association Bylaws	<input type="checkbox"/> Trust Agreements	<input type="checkbox"/> Statement of Variability	<input type="checkbox"/> Certifications	<input type="checkbox"/> Actuarial Memorandum		<input type="checkbox"/> Other _____	
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<input type="checkbox"/> Statement of Variability	<input type="checkbox"/> Certifications											
<input type="checkbox"/> Actuarial Memorandum												
<input type="checkbox"/> Other _____												

12.	Filing Submission Date	
13.	Filing Fee (If required)	Amount _____ Check Date _____
		Retaliatory <input type="checkbox"/> Yes <input type="checkbox"/> No Check Number _____
14.	Date of Domiciliary Approval	
15.	Filing Description:	

16.	Certification (If required)
I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of _____.	
Print Name _____ Title _____	
Signature _____ Date: _____	

18.		Rate Filing Attachment		
This filing transmittal is part of company tracking number				
This filing corresponds to form filing company tracking number				
Overall percentage rate indication (when applicable)				
Overall percentage rate impact for this filing		%		
	Document Name	Affected Form Numbers		Previous State Filing Number
	Description			
01			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	

LH RFA-1