

**State:** District of Columbia **Filing Company:** Unum Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
**Product Name:** Be Well Benefit Rider  
**Project Name/Number:** Be Well Benefit Rider/BWELL16-1

## Filing at a Glance

Company: Unum Insurance Company  
Product Name: Be Well Benefit Rider  
State: District of Columbia  
TOI: H07G Group Health - Specified Disease - Limited Benefit  
Sub-TOI: H07G.001 Critical Illness  
Filing Type: Rate  
Date Submitted: 11/21/2016  
SERFF Tr Num: UNUM-130813768  
SERFF Status: Submitted to State  
State Tr Num:  
State Status:  
Co Tr Num: BWELL16-1  
Implementation: On Approval  
Date Requested:  
Author(s): Catherine Dekubber, Karen Gibson, Julie Mader, Vanessa Vice, Lauren Tuttle  
Reviewer(s):  
Disposition Date:  
Disposition Status:  
Implementation Date:

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### General Information

Project Name: Be Well Benefit Rider Status of Filing in Domicile: Pending  
 Project Number: BWELL16-1 Date Approved in Domicile:  
 Requested Filing Mode: Review & Approval Domicile Status Comments: ME is the state of Domicile.  
 Explanation for Combination/Other: Market Type: Group  
 Submission Type: New Submission Group Market Size: Small and Large  
 Group Market Type: Employer Overall Rate Impact:  
 Filing Status Changed: 11/21/2016  
 State Status Changed: Deemer Date:  
 Created By: Vanessa Vice Submitted By: Vanessa Vice  
 Corresponding Filing Tracking Number: unum-130756331

#### Filing Description:

Attached for your review are rate materials, which we wish to place on file with your department to support form filing, UNUM-130756331.

We appreciate your review of this filing. If you have any questions or need additional information, please contact me at 800-451-8475, extension 47048, or by e-mail at vvice@unum.com.

### Company and Contact

#### Filing Contact Information

Vanessa Vice, BOC II vvice@unum.com  
 One Fountain Square 423-294-7048 [Phone]  
 Chattanooga, TN 37402

#### Filing Company Information

Unum Insurance Company	CoCode: 67601	State of Domicile: Maine
2211 Congress Street	Group Code: 565	Company Type: L&H
Portland, ME 04122	Group Name:	State ID Number:
(800) 974-2266 ext. [Phone]	FEIN Number: 04-2381280	

### Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

SERFF Tracking #:

UNUM-130813768

State Tracking #:

Company Tracking #:

BWELL16-1

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### Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** Neutral  
**Overall Percentage of Last Rate Revision:** 0.000%  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:** n/a

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Unum Insurance Company	%	%				%	%

**SERFF Tracking #:**

UNUM-130813768

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

BWELL16-1

**State:**

District of Columbia

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H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness

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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		Rate Manual BWELL16-1	BWELL16-1	New		BWELL16-1 Rate Manual (Standard).pdf,
2		Actuarial Memo BWELL16-1	BWELL16-1	New		BWELL16-1 Actuarial Memo (Standard).pdf,

**Be Well Benefit  
Rate Manual  
Rider Form BWELL16-1**

	<u>Page:</u>
ANNUAL CLAIM COSTS RATES PER \$25 BENEFIT:	2
CLAIM COST ADJUSTMENT FACTORS:	
Tobacco use	3
Region	3
Industry	3
Case size	3
Rate guarantee	3
Portability	3
Underwriting adjustment factor	3
Employer Funding	3
Utilization Factor	4
Benefit Level Factor	4
Enhanced Be Well Factor	4
Customized Be Well Factor	4
ANNUAL PREMIUM CALCULATIONS	
Composite	5

**ANNUAL CLAIM COST RATES PER \$25 OF BENEFIT**

*For Policy Forms where children are automatically included*

**Annual Claim Cost Rates per \$25**

	<i>EE/CH</i>		<i>SP</i>	
	<i>Male</i>	<i>Female</i>	<i>Male</i>	<i>Female</i>
<b>BE WELL Benefit</b>	\$2.19	\$4.41	\$2.19	\$4.41

*For Policy Forms where children may be optionally included*

**Annual Claim Cost Rates per \$25**

	<i>EE</i>		<i>SP</i>		<i>CH</i>
	<i>Male</i>	<i>Female</i>	<i>Male</i>	<i>Female</i>	<i>Unisex</i>
<b>BE WELL Benefit</b>	\$2.03	\$4.03	\$2.03	\$4.03	\$2.01

## **CLAIM COST ADJUSTMENT FACTORS**

### **Tobacco Use Factors**

This factor will be used to develop tobacco distinct rates or cases expected to have a non-standard tobacco distribution.

Range

0.75 – 2.00

Varies by

Tobacco usage, gender, benefit

### **Regional Factors**

This factor will be used to account for the regional differences expected in claim incidence.

Range

0.75 – 1.25

Varies by

Geographical region

### **Industry Factors**

This factor will be used to account for the differences in expected claim incidence for different industries.

Range

0.75 – 1.25

Varies by

Industry

### **Case Size Factors**

This factor will be used to account for the variation in expected claim incidence by group size.

Range

0.75 – 1.25

Varies by

Case size (eligible lives)

### **Rate Guarantee Factor**

This factor will be used to account for the higher the risk of a longer rate guarantee which lengthens the time before able to renew a case if experience diverges from expectations.

Range

1.00 – 1.25

Varies by

Number of years guaranteed

### **Underwriting Adjustment Factor**

This factor will serve as an additional rating adjustment that may be used at the underwriter's discretion to reflect case specific considerations.

Range

0.75 – 1.25

**Employer Funding**

This factor will be used to account for the lessening of anti-selection that will result from different levels of employee/group sponsor participation in premiums, where applicable.

Range  
0.60 – 1.00

Varies by  
Level of employee / group sponsorship

**Utilization Factor**

This factor will be used to account for the risk of increased incidence resulting from claim submission method.

Range  
1.00 – 5.00

Varies by  
Claim submission method

**Benefit Level Factor**

This factor will be used to account for the risk of increased incidence resulting from higher benefit selections.

Range  
1.00 – 2.00

Varies by  
Be Well benefit amount

**Enhanced Be Well Factor**

This factor will be used to account for the extra risk taken on when the Be Well benefit is offered as an 'Enhanced benefit'.

Range  
1.00 – 2.00

Varies by  
Type of Be Well offering, gender, insured

**Customized Be Well Factor**

This factor will be used to account for the extra risk taken on when the Be Well benefit is offered as a 'Customized benefit'.

Range  
1.00 – 2.00

Varies by  
Type of Be Well offering, gender, insured

## CALCULATING PREMIUM AMOUNTS – COMPOSITE

Premiums will be calculated through the following steps:

**Step 1** Determine the Be Well annual claim cost rate by selecting the appropriate annual claim cost rate based on the base product and multiply by the number of units selected.

**Step 2** Determine the adjusted claim cost rate by multiplying the total benefit weighted claim cost by each of the applicable claim cost adjustment factors.

**Step 3** Develop gross premium rate table.

$$\text{Annual gross premium rate table} = \text{Be Well Annual claim cost (from Step 2)} / (1 - \text{commission load \%} - \text{expense load \%})$$

For groups with significant prior Be Well claim experience, experience rating may be completed. Experience rating is the process of utilizing a group customer's claim history as part of the development of the prospective Be Well rate for the customer. Depending on the life years exposure of prior claim history, the customer's actual claim experience is blended with manual rates in order to develop the case's final rate. The relative weight placed on experience rating and manual rating is a function of the level of credibility assigned to prior claims experience. Adjustments may be made based on positive or negative claim experience trends.

The final rate may be adjusted based on underwriter judgment and discretion due to a case's particular characteristics, service features and Unum's expenses and profit expectations. Rate determination for a particular case may be based on the experience and rating across a broader cross section of cases and with consideration of the customers current rates.

Additionally Unum may market on a program basis, where the rates would be calculated consistently with the approved rate basis, however adjustments may be determined and applied based on block characteristics, economies of scale and experience.

**ACTUARIAL MEMORANDUM**  
**Rider Form BWELL16-1**

**Statement of Purpose**

The purpose of this filing is to provide Be Well Benefit rates on a new form for Unum Insurance Company. Composite rates will be provided.

To the extent that any material or information contained in this Actuarial Memorandum is required by law or regulation in this state to accompany this filing, then the purpose of this memorandum is to comply with those requirements. Any material contained in this memorandum that is not required by law or regulation is included for the purpose of supplying the regulator with information relevant to this filing. This Actuarial Memorandum is not intended to be used for any purpose other than described above. A rate manual is provided to supplement this memorandum.

This rider offers a health screening benefit for policy forms GAP16-1, GCIP16-1 and GHIP16-1.

**Underwriting**

The Be Well rider will be offered with the same underwriting as the base policy it is associated with. The options are guaranteed issue or simplified underwriting based on yes/no answers to questions.

**Description of Benefits**

The Be Well benefit provides financial protection for an insured by paying a lump sum benefit if the insured undergoes a covered health screening test. This is an annual cash benefit that may be claimed after completing an eligible Be Well Screening, and may be used to help with monetary expenditures such as transportation, missed work, or other incidentals.

The employee also has the opportunity to have coverage for his/her spouse. Dependent children may be automatically included or optionally included, depending on the structure of the base policy.

Employers will have the option enhance and/or customize the Be Well rider if desired. The “Enhanced” Be Well benefit covers the additional payouts Annual Examinations by a Physician and Immunizations. The “Customized” Be Well benefit additionally covers Employer Sponsored Wellness Initiatives. A complete list of covered screenings and services is provided in the form.

	<b>Standard Be Well Benefit</b>	<b>Enhanced Be Well Benefit</b>
	Cholesterol and Diabetes	Cholesterol and Diabetes
	Cancer	Cancer
	Cardiovascular Function	Cardiovascular Function
	Imaging Studies	Imaging Studies
		Annual Examinations by a Physician
		Immunizations
<b>Customized Be Well Benefit</b>	+Employer Sponsored Wellness Initiatives	+Employer Sponsored Wellness Initiatives

Unum Insurance Company  
Portland, Maine

**Premium Calculations**

Premium rates were calculated on a composite basis. Various factors may be applied to the standard rates to reflect the specific plan design and benefit options applicable to a given group. Ultimately rates may be adjusted within a certain range based upon underwriting discretion. Cases may also be experience rated.

**Premium Modes**

Our Rate Manual contains annual rates. Rates will be offered on the billing mode requested by the Policyholder. There is no modal loading.

**Actuarial Certification**

To the best of my knowledge and judgment, this rate filing is in compliance with the applicable laws and regulations of this state and Actuarial Standard of Practice No. 8. The rates are not excessive, inadequate or unfairly discriminatory.



Tamra VanAllen, FSA, MAAA



Date

**State:** District of Columbia **Filing Company:** Unum Insurance Company  
**TOI/Sub-TOI:** H07G Group Health - Specified Disease - Limited Benefit/H07G.001 Critical Illness  
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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Rate Cover Letter - Be Well Rider.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	Not applicable.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	BWELL16-1 Actuarial Memo (Standard).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	We have added the Actuarial Memorandum to the Rate/Rule Schedule tab.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	Not applicable.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	Not applicable.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

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<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	Not applicable as these are new rates for a new product.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	Not applicable.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



2211 Congress Street  
Portland, ME 04122  
www.unum.com

Government of the District of Columbia  
Department of Insurance and Securities Regulation  
810 First Street, N.E., Suite 701  
Washington, DC 20002

Date: November 21, 2016

RE: Unum Insurance Company  
NAIC # 565-67601  
Be Well Benefit Rider – Rates  
Effective Date – Upon Approval

Dear Examiner:

We submitted the form for our new Be Well Benefit Rider under SERFF #UNUM-130756331 on November 1, 2016.

Attached for your review are rate materials to support that filing in which we would like to place on file with your Department.

We appreciate your review of this filing. If you have any questions or need additional information, please contact me at 800-451-8475, extension 47048, or by e-mail at [vvice@unum.com](mailto:vvice@unum.com).

Sincerely,

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

Vanessa Vice  
Product Compliance Consultant  
Unum Insurance Company

**ACTUARIAL MEMORANDUM**  
**Rider Form BWELL16-1**

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Unum Insurance Company  
Portland, Maine

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Tamra VanAllen, FSA, MAAA



Date