CUNA MUTUAL GROUP
CUMIS Insurance Society
Bivvy – A Pet Health Insurance Policy

<u>Actuarial Memorandum – Form Number PH001-0320CO</u>

<u>Introduction</u>
CUMIS Insurance Society is submitting for approval this rate filing supporting our bivvy Pet Health Insurance Policy providing Accident and Sickness coverage for Dogs and Cats. The product was first introduced in Wisconsin in 2019. The concept was tested through 2019 and sufficient consumer insight was gained to file the product for formal approval in Colorado. We desire to continue product testing in Colorado where we hope to understand the needs of Colorado consumers as well as continuing to test a small range of product features to measure consumer acceptance and long-term product sustainability. We are building a design that is different than current market insurers, where the focus is on broad coverage with high limits and high monthly cost. Many consumers told us that they could not afford that type of full cost product, yet still struggled with unplanned and unknow pet health issues. We have built a low-cost product providing for both Accident & Sickness coverage with various product limits to keep the premium or cost of the product within reach for many of these consumers.

Overview of Actuarial Memo: We have limited data at this point and little meaningful data to support the assumptions being made in this actuarial memorandum. We have put controls in place that limit the overall liability and are backed (Owned by) in this testing by CUNA Mutual Group – CUMIS Insurance Society. Through testing, we know consumers have expressed a need for this protection of their Dogs and Cats, that they understand the limits being placed on the product designs and that they find value in the coverage at the price points supported by the filing.

<u>Rule 1.0 Policy Form</u>
<u>Form Number PH001-0320CO</u>

<u>Description of Product</u>
This product provides for consumer reimbursement of fees associated with unplanned pet care expenses for Accident & Sickness, for dogs and cats at the provider of choice for the consumer. There is an optional wellness care endorsement which offset the cost of some level or routine pet care.

The design utilizes pet lifetime limits, annual limits, per incident limits, per claim deductible, annual deductibles and coinsurance options. The product is mainly offered direct to consumer through digital marketing techniques, and is supported by other traditional awareness campaigns (Radio, billboard and TV advertising). It will also be made available to employees by employers through employer communications. The employee however will purchase coverage through the direct to consumer channel. A consumer will be offered 1-3 different product combinations at any point in time. Certain product combinations will not be offered. The product is renewable annually.

CUMIS Insurance Society maintains the right to underwrite the business and determine certain pets and pet owners are not eligible for coverage. Initially, it is not our intent to underwrite nor specify rating by breed, age or geography of the pet. Breed is used in one design to determine