

SERFF Tracking Number: WKLY-125780896 State: Arkansas
Filing Company: State Mutual Insurance Company State Tracking Number: 39961
Company Tracking Number: SM MS RI
TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
Product Name: State Mutual Insurance Company Medicare Supplement Rate Increase Filing
Project Name/Number: /

Filing at a Glance

Company: State Mutual Insurance Company
Product Name: State Mutual Insurance Company Medicare Supplement Rate Increase Filing
SERFF Tr Num: WKLY-125780896 State: ArkansasLH
TOI: MS06 Medicare Supplement - Other SERFF Status: Closed State Tr Num: 39961
Sub-TOI: MS06.000 Medicare Supplement - Other Co Tr Num: SM MS RI State Status: Approved-Closed
Other
Filing Type: Rate Co Status: Reviewer(s): Stephanie Fowler
Author: Jeffrey McGinn Disposition Date: 10/07/2008
Date Submitted: 08/19/2008 Disposition Status: Approved
Implementation Date Requested: 01/01/2009 Implementation Date: 01/01/2009
State Filing Description:

General Information

Project Name: Status of Filing in Domicile: Pending
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Group Market Size:
Overall Rate Impact: 9% Group Market Type:
Filing Status Changed: 10/07/2008
State Status Changed: 10/07/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
State Mutual Insurance Company Medicare Supplement and Select Rate Increase Filing

Form Numbers: MEDSUP-(AR)-A-01 – Plan A; MEDSUP-(AR)-B-01 – Plan B; MEDSUP-(AR)-C-01 – Plan C; MEDSUP-(AR)-D-01 – Plan D; MEDSUP-(AR)-F-01 – Plan F; MSEL (AR) B-01 – Select Plan B; MSEL (AR) C-01 – Select Plan C; MSEL (AR) D-01 – Select Plan D; MSEL (AR) F-01 – Select Plan F

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Rate Increase Amount: 9.0%

This filing is pending approval in the Company's domicile state of Georgia.

Company and Contact

Filing Contact Information

(This filing was made by a third party - WAI01)

Jeffrey McGinn, Compliance Analyst jeffrey.mcgin@wakelyinc.com
 Wakely and Associates, Inc. (727) 584-8128 [Phone]
 Largo, FL 33773-1502 (727) 584-5613[FAX]

Filing Company Information

State Mutual Insurance Company	CoCode: 69132	State of Domicile: Georgia
One State Mutual Drive	Group Code: 986	Company Type:
Rome, GA 30165	Group Name:	State ID Number:
(706) 291-1054 ext. [Phone]	FEIN Number: 58-1449898	

Filing Fees

Fee Required? Yes
 Fee Amount: \$450.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Mutual Insurance Company	\$450.00	08/19/2008	22008871

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Stephanie Fowler	10/07/2008	10/07/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Stephanie Fowler	10/01/2008	10/01/2008	Jeffrey McGinn	10/07/2008	10/07/2008

SERFF Tracking Number: WKLY-125780896 State: Arkansas
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 Project Name/Number: /

Disposition

Disposition Date: 10/07/2008

Implementation Date: 01/01/2009

Status: Approved

Comment: We have approved the requested 9% rate increase for Standard Plans A, B, C, D and F and Select Plans B, C, D, and F to be implemented on or after January 1, 2009. This approval is subject to the following:

Increases will not be given more frequently than once in a twelve-month period.

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
State Mutual Insurance Company	9.000%	\$52,131	146	\$579,230	9.000%	9.000%	9.000%

SERFF Tracking Number: WKLY-125780896 State: Arkansas
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 TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
 Product Name: State Mutual Insurance Company Medicare Supplement Rate Increase Filing
 Project Name/Number: /

Item Type	Item Name	Item Status	Public Access
Supporting Document	Health - Actuarial Justification	Approved	No
Supporting Document	Third Party Authorization Letter	Accepted for Informational Purposes	Yes
Supporting Document	Exhibit A	Approved	Yes
Rate	AR Rate Pages	Approved	Yes

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Company Tracking Number: SM MS RI
TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
Product Name: State Mutual Insurance Company Medicare Supplement Rate Increase Filing
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/01/2008
Submitted Date 10/01/2008
Respond By Date 11/01/2008

Dear Jeffrey McGinn,

This will acknowledge receipt of the captioned filing.

I previously left a voicemail requesting clarification on Exhibit A. The plan titles under Incurred Claims and Incurred Loss Ratio sections do not match the Earned Premium section. I just need these clarified or corrected before I continue my review.

Please feel free to contact me if you have questions.

Sincerely,
Stephanie Fowler

Response Letter

Response Letter Status Submitted to State
Response Letter Date 10/07/2008
Submitted Date 10/07/2008

Dear Stephanie Fowler,

Comments:

Response 1

Comments: Dear Ms. Fowler,

Thank you for your continued consideration of this rate increase request. The attached Exhibit A has been revised in order to include consistent plan headings.

If you have any questions, please let me know.

Thanks,

SERFF Tracking Number: WKLY-125780896 *State:* Arkansas
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TOI: MS06 Medicare Supplement - Other *Sub-TOI:* MS06.000 Medicare Supplement - Other
Product Name: State Mutual Insurance Company Medicare Supplement Rate Increase Filing
Project Name/Number: /
Jeff McGinn

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Exhibit A

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Jeffrey McGinn

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 Company Tracking Number: SM MS RI
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 Product Name: State Mutual Insurance Company Medicare Supplement Rate Increase Filing
 Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 17.500%
Effective Date of Last Rate Revision: 01/01/2008
Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
State Mutual Insurance Company	9.000%	9.000%	\$52,131	146	\$579,230	9.000%	9.000%

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Rate/Rule Schedule

Review Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
Approved	AR Rate Pages	MEDSUP-(AR)-A-01, MEDSUP-(AR)-B-01, MEDSUP-(AR)-C-01, MEDSUP-(AR)-D-01, MEDSUP-(AR)-F-01, MSEL (AR) B-01 -, MSEL (AR) C-01, MSEL (AR) D-01, MSEL (AR) F-01	Revised	Previous State Filing Number: Percent Rate Change Request:	36642 9 AR Rates.pdf

STATE MUTUAL INSURANCE COMPANY
STANDARD MEDICARE SUPPLEMENT ANNUAL PREMIUM RATES

CURRENT ANNUAL BASE RATES

Age	STANDARD PLAN A		STANDARD PLAN B		STANDARD PLAN C		STANDARD PLAN D		STANDARD PLAN F	
	Preferred	Standard								
All	3,123	3,390	3,462	3,759	4,261	4,610	3,826	4,158	4,160	4,560

Area Factors

3-Digit Zip Code	Factor
720-722	1.10
Rest of State	1.00

Modal Factors

Mode	Factor
Annual	1.0000
Semi-Annual	0.5250
Quarterly	0.2625
Monthly	0.0875

ZIP CODES 720-722

Mode	STANDARD PLAN A		STANDARD PLAN B		STANDARD PLAN C		STANDARD PLAN D		STANDARD PLAN F	
	Preferred	Standard								
Annual	3,435.00	3,729.00	3,808.00	4,135.00	4,687.00	5,071.00	4,209.00	4,574.00	4,576.00	5,016.00
Semi-Annual	1,803.38	1,957.73	1,999.20	2,170.88	2,460.68	2,662.28	2,209.73	2,401.35	2,402.40	2,633.40
Quarterly	901.69	978.86	999.60	1,085.44	1,230.34	1,331.14	1,104.86	1,200.68	1,201.20	1,316.70
Monthly	300.56	326.29	333.20	361.81	410.11	443.71	368.29	400.23	400.40	438.90

ZIP CODES EXCEPT 720-722

Mode	STANDARD PLAN A		STANDARD PLAN B		STANDARD PLAN C		STANDARD PLAN D		STANDARD PLAN F	
	Preferred	Standard								
Annual	3,123.00	3,390.00	3,462.00	3,759.00	4,261.00	4,610.00	3,826.00	4,158.00	4,160.00	4,560.00
Semi-Annual	1,639.58	1,779.75	1,817.55	1,973.48	2,237.03	2,420.25	2,008.65	2,182.95	2,184.00	2,394.00
Quarterly	819.79	889.88	908.78	986.74	1,118.51	1,210.13	1,004.33	1,091.48	1,092.00	1,197.00
Monthly	273.26	296.63	302.93	328.91	372.84	403.38	334.78	363.83	364.00	399.00

STATE MUTUAL INSURANCE COMPANY
SELECT MEDICARE SUPPLEMENT ANNUAL PREMIUM RATES

CURRENT ANNUAL BASE RATES

Age	SELECT PLAN B		SELECT PLAN C		SELECT PLAN D		SELECT PLAN F	
	Preferred	Standard	Preferred	Standard	Preferred	Standard	Preferred	Standard
All	2,695	2,928	3,409	3,687	2,979	3,239	3,326	3,647

Area Factors

3-Digit Zip Code	Factor
720-722	1.10
Rest of State	1.00

Modal Factors

Mode	Factor
Annual	1.0000
Semi-Annual	0.5250
Quarterly	0.2625
Monthly	0.0875

ZIP CODES 720-722

Mode	SELECT PLAN B		SELECT PLAN C		SELECT PLAN D		SELECT PLAN F	
	Preferred	Standard	Preferred	Standard	Preferred	Standard	Preferred	Standard
Annual	2,965.00	3,221.00	3,750.00	4,056.00	3,277.00	3,563.00	3,659.00	4,012.00
Semi-Annual	1,556.63	1,691.03	1,968.75	2,129.40	1,720.43	1,870.58	1,920.98	2,106.30
Quarterly	778.31	845.51	984.38	1,064.70	860.21	935.29	960.49	1,053.15
Monthly	259.44	281.84	328.13	354.90	286.74	311.76	320.16	351.05

ZIP CODES EXCEPT 720-722

Mode	SELECT PLAN B		SELECT PLAN C		SELECT PLAN D		SELECT PLAN F	
	Preferred	Standard	Preferred	Standard	Preferred	Standard	Preferred	Standard
Annual	2,695.00	2,928.00	3,409.00	3,687.00	2,979.00	3,239.00	3,326.00	3,647.00
Semi-Annual	1,414.88	1,537.20	1,789.73	1,935.68	1,563.98	1,700.48	1,746.15	1,914.68
Quarterly	707.44	768.60	894.86	967.84	781.99	850.24	873.08	957.34
Monthly	235.81	256.20	298.29	322.61	260.66	283.41	291.03	319.11

STATE MUTUAL INSURANCE COMPANY
STANDARD MEDICARE SUPPLEMENT ANNUAL PREMIUM RATES

PROPOSED ANNUAL BASE RATES

Age	STANDARD PLAN A		STANDARD PLAN B		STANDARD PLAN C		STANDARD PLAN D		STANDARD PLAN F	
	Preferred	Standard								
All	3,404	3,695	3,774	4,097	4,644	5,025	4,170	4,532	4,534	4,970

Area Factors

3-Digit Zip Code	Factor
720-722	1.10
Rest of State	1.00

Modal Factors

Mode	Factor
Annual	1.0000
Semi-Annual	0.5250
Quarterly	0.2625
Monthly	0.0875

ZIP CODES 720-722

Mode	STANDARD PLAN A		STANDARD PLAN B		STANDARD PLAN C		STANDARD PLAN D		STANDARD PLAN F	
	Preferred	Standard								
Annual	3,744.00	4,065.00	4,151.00	4,507.00	5,108.00	5,528.00	4,587.00	4,985.00	4,987.00	5,467.00
Semi-Annual	1,965.60	2,134.13	2,179.28	2,366.18	2,681.70	2,902.20	2,408.18	2,617.13	2,618.18	2,870.18
Quarterly	982.80	1,067.06	1,089.64	1,183.09	1,340.85	1,451.10	1,204.09	1,308.56	1,309.09	1,435.09
Monthly	327.60	355.69	363.21	394.36	446.95	483.70	401.36	436.19	436.36	478.36

ZIP CODES EXCEPT 720-722

Mode	STANDARD PLAN A		STANDARD PLAN B		STANDARD PLAN C		STANDARD PLAN D		STANDARD PLAN F	
	Preferred	Standard								
Annual	3,404.00	3,695.00	3,774.00	4,097.00	4,644.00	5,025.00	4,170.00	4,532.00	4,534.00	4,970.00
Semi-Annual	1,787.10	1,939.88	1,981.35	2,150.93	2,438.10	2,638.13	2,189.25	2,379.30	2,380.35	2,609.25
Quarterly	893.55	969.94	990.68	1,075.46	1,219.05	1,319.06	1,094.63	1,189.65	1,190.18	1,304.63
Monthly	297.85	323.31	330.23	358.49	406.35	439.69	364.88	396.55	396.73	434.88

STATE MUTUAL INSURANCE COMPANY
SELECT MEDICARE SUPPLEMENT ANNUAL PREMIUM RATES

PROPOSED ANNUAL BASE RATES

Age	SELECT PLAN B		SELECT PLAN C		SELECT PLAN D		SELECT PLAN F	
	Preferred	Standard	Preferred	Standard	Preferred	Standard	Preferred	Standard
All	2,938	3,192	3,716	4,019	3,247	3,531	3,625	3,975

Area Factors

3-Digit Zip Code	Factor
720-722	1.10
Rest of State	1.00

Modal Factors

Mode	Factor
Annual	1.0000
Semi-Annual	0.5250
Quarterly	0.2625
Monthly	0.0875

ZIP CODES 720-722

Mode	SELECT PLAN B		SELECT PLAN C		SELECT PLAN D		SELECT PLAN F	
	Preferred	Standard	Preferred	Standard	Preferred	Standard	Preferred	Standard
Annual	3,232.00	3,511.00	4,088.00	4,421.00	3,572.00	3,884.00	3,988.00	4,373.00
Semi-Annual	1,696.80	1,843.28	2,146.20	2,321.03	1,875.30	2,039.10	2,093.70	2,295.83
Quarterly	848.40	921.64	1,073.10	1,160.51	937.65	1,019.55	1,046.85	1,147.91
Monthly	282.80	307.21	357.70	386.84	312.55	339.85	348.95	382.64

ZIP CODES EXCEPT 720-722

Mode	SELECT PLAN B		SELECT PLAN C		SELECT PLAN D		SELECT PLAN F	
	Preferred	Standard	Preferred	Standard	Preferred	Standard	Preferred	Standard
Annual	2,938.00	3,192.00	3,716.00	4,019.00	3,247.00	3,531.00	3,625.00	3,975.00
Semi-Annual	1,542.45	1,675.80	1,950.90	2,109.98	1,704.68	1,853.78	1,903.13	2,086.88
Quarterly	771.23	837.90	975.45	1,054.99	852.34	926.89	951.56	1,043.44
Monthly	257.08	279.30	325.15	351.66	284.11	308.96	317.19	347.81

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Product Name: State Mutual Insurance Company Medicare Supplement Rate Increase Filing
Project Name/Number: /

Supporting Document Schedules

Satisfied -Name: Third Party Authorization Letter **Review Status:** Accepted for Informational 10/07/2008
Purposes

Comments:

Attachment:

2008 03 SM Authorization.pdf

Satisfied -Name: Exhibit A **Review Status:** Approved 10/07/2008

Comments:

Attachment:

AR Resp.pdf



March 18, 2008

Ms. Darcey Shaffer, ACS, FLMI
Wakely & Associates, Inc.
33 North Garden Avenue, Suite 1100
Clearwater, FL 33755-6606

RE: Authorization for Filing Requirements
State Mutual Insurance Company

Dear Darcey,

This letter authorizes Wakely & Associates, Inc. to file on behalf of State Mutual Insurance Company form filing requirements with the State Insurance Departments. Also, Wakely and Associates may correspond with the State Insurance Departments regarding any questions they have may have pertaining to the filings.

A copy of this letter is as valid as the original.

Sincerely,



Rick A. Gordon
Executive Vice President

State Mutual Insurance Company

Actuarial Memorandum for Individual A&H Rate Filing

Exhibit A - Arkansas Experience by Plan (through 6/30/08)

Calendar Year	Earned Premium									TOTAL
	STD A	STD B	STD C	STD D	STD F	SEL B	SEL C	SEL D	SEL F	
1997	-	-	-	-	-	-	-	-	-	-
1998	122	11,527	29,914	776	416,306	-	-	-	-	458,645
1999	1,465	67,080	238,959	1,401	2,330,313	-	-	-	-	2,639,218
2000	4,878	80,140	314,759	3,673	3,571,460	-	718	-	2,276	3,977,904
2001	5,594	64,974	303,942	9,919	3,166,694	348	4,951	3,118	19,008	3,578,548
2002	4,933	42,771	214,488	5,685	2,227,081	3,221	5,517	6,560	24,414	2,534,670
2003	6,463	39,446	158,274	4,158	1,669,007	1,170	3,521	2,274	20,290	1,904,603
2004	18,654	43,844	119,888	3,501	1,269,180	136	3,370	2,248	13,693	1,474,514
2005	17,671	34,242	97,350	10,026	984,129	-	2,219	1,802	7,185	1,154,624
2006	12,853	27,845	75,930	7,624	753,846	365	977	-	3,014	882,454
2007	11,279	12,926	60,679	6,166	597,341	-	-	-	3,257	691,648
2008	3,768	6,319	24,729	3,418	259,828	-	-	-	1,792	299,854
TOTAL	87,680	431,114	1,638,912	56,347	17,245,185	5,240	21,273	16,002	94,929	19,596,682

Calendar Year	Incurred Claims									TOTAL
	STD A	STD B	STD C	STD D	STD F	SEL B	SEL C	SEL D	SEL F	
1997	-	-	-	-	-	-	-	-	-	-
1998	245	2,906	13,203	162	232,581	-	-	-	-	249,097
1999	1,061	39,703	173,994	410	1,724,845	-	-	-	-	1,940,013
2000	6,480	56,286	205,664	2,952	2,686,254	-	1,438	-	1,572	2,960,646
2001	3,357	50,016	230,403	4,942	2,518,111	115	5,117	4,177	15,699	2,831,937
2002	2,437	36,669	141,183	2,148	1,707,545	363	4,485	2,491	27,075	1,924,396
2003	5,430	34,353	120,001	2,627	1,154,045	1,664	1,469	594	11,796	1,331,979
2004	17,637	35,874	84,535	4,457	938,103	-	2,229	1,335	5,769	1,089,939
2005	14,604	20,609	70,950	5,661	761,850	-	2,131	1,016	2,995	879,816
2006	6,245	17,743	60,868	1,870	578,574	37	408	-	350	666,095
2007	2,115	8,856	34,223	4,383	480,607	-	-	-	306	530,490
2008	1,144	3,831	13,124	1,529	194,850	-	-	-	389	214,867
TOTAL	60,755	306,846	1,148,148	31,141	12,977,365	2,179	17,277	9,613	65,951	14,619,275

Calendar Year	Incurred Loss Ratio									TOTAL
	STD A	STD B	STD C	STD D	STD F	SEL B	SEL C	SEL D	SEL F	
1997										
1998	200.8%	25.2%	44.1%	20.9%	55.9%					54.3%
1999	72.4%	59.2%	72.8%	29.3%	74.0%					73.5%
2000	132.8%	70.2%	65.3%	80.4%	75.2%		200.3%		69.1%	74.4%
2001	60.0%	77.0%	75.8%	49.8%	79.5%	33.0%	103.4%	134.0%	82.6%	79.1%
2002	49.4%	85.7%	65.8%	37.8%	76.7%	11.3%	81.3%	38.0%	110.9%	75.9%
2003	84.0%	87.1%	75.8%	63.2%	69.1%	142.2%	41.7%	26.1%	58.1%	69.9%
2004	94.5%	81.8%	70.5%	127.3%	73.9%	0.0%	66.1%	59.4%	42.1%	73.9%
2005	82.6%	60.2%	72.9%	56.5%	77.4%		96.0%	56.4%	41.7%	76.2%
2006	48.6%	63.7%	80.2%	24.5%	76.7%	10.1%	41.8%		11.6%	75.5%
2007	18.8%	68.5%	56.4%	71.1%	80.5%				9.4%	76.7%
2008	30.4%	60.6%	53.1%	44.7%	75.0%				21.7%	71.7%
TOTAL	69.3%	71.2%	70.1%	55.3%	75.3%	41.6%	81.2%	60.1%	69.5%	74.6%