

<i>SERFF Tracking Number:</i>	<i>FEMC-125642713</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federated Mutual Insurance Company</i>	<i>State Tracking Number:</i>	<i>38946</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>H06 Health - Conversion</i>	<i>Sub-TOI:</i>	<i>H06.000 Health - Conversion</i>
<i>Product Name:</i>	<i>Health Conversion</i>		
<i>Project Name/Number:</i>	<i>ConvRates08/ConvRates08</i>		

## Filing at a Glance

Company: Federated Mutual Insurance Company

Product Name: Health Conversion	SERFF Tr Num: FEMC-125642713	State: ArkansasLH
TOI: H06 Health - Conversion	SERFF Status: Closed	State Tr Num: 38946
Sub-TOI: H06.000 Health - Conversion	Co Tr Num:	State Status: Approved-Closed
Filing Type: Form/Rate	Co Status:	Reviewer(s): Rosalind Minor
	Author: Jeanette Myers	Disposition Date: 05/13/2008
	Date Submitted: 05/12/2008	Disposition Status: Approved-Closed
		Implementation Date:
Implementation Date Requested: 07/01/2008		

State Filing Description:

## General Information

Project Name: ConvRates08	Status of Filing in Domicile: Not Filed
Project Number: ConvRates08	Date Approved in Domicile:
Requested Filing Mode:	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Group Market Size:
Overall Rate Impact: 5%	Group Market Type:
Filing Status Changed: 05/13/2008	
State Status Changed: 05/13/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

Federated Insurance is submitting a health conversion rate increase, outline of coverage and application filing. This is a 3.8% average rate increase that will be used with new and in-force business written under policy form 1494 (MM) Ed. 7-80. The proposed effective date of this rate increase in July 1, 2008.

Federated Insurance has always submitted for approval the application and outline of coverage with each conversion rate increase. Since the only change is the rate schedule and edition date we have bracketed these areas and will not submit the application and outline of coverage for approval with future rate increases. We will change the rate schedule

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and edition date only after the rate schedules have been approved by your department.

## Company and Contact

### Filing Contact Information

Jeanette Myers, Compliance Analyst jmmyers@fedins.com  
 121 East Park Square (800) 533-0472 [Phone]  
 Owatonna, MN 55060 (507) 455-8226[FAX]

### Filing Company Information

Federated Mutual Insurance Company CoCode: 13935 State of Domicile: Minnesota  
 121 East Park Square Group Code: 7 Company Type:  
 PO Box 328  
 Owatonna, MN 55060 Group Name: State ID Number:  
 (800) 533-0472 ext. [Phone] FEIN Number: 41-0417460  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$150.00  
 Retaliatory? Yes  
 Fee Explanation: Minnesota filing fees are \$75 per form filing and \$75 per rate filing.  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Federated Mutual Insurance Company	\$150.00	05/12/2008	20269170

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	05/13/2008	05/13/2008

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## Disposition

Disposition Date: 05/13/2008

Implementation Date:

Status: Approved-Closed

Comment: We have approved a 5% level rate increase on the above policy form. The approval is subject to the following conditions:

1. Rate increases will not be given prior to the first annual anniversary date of any policy.
2. After the first annual anniversary date of any policy, increases will not be given more frequently than once in a twelve (12) month period.
3. All increases in rates, other than change in age or an individual moving to another geographical area, must be submitted to our Department for approval.

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:
Federated Mutual Insurance Company	3.800%	\$266	1	\$6,811	5.000%	0.000%	3.800%

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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Certification/Notice	Approved-Closed	Yes
<b>Supporting Document</b>	Application	Approved-Closed	Yes
<b>Supporting Document</b>	Health - Actuarial Justification	Approved-Closed	No
<b>Supporting Document</b>	Outline of Coverage	Approved-Closed	Yes
<b>Form</b>	Conversion Application	Approved-Closed	Yes
<b>Form</b>	Conversion Outline of Coverage	Approved-Closed	Yes

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## Form Schedule

**Lead Form Number:** 1476 (AR-MM) Ed. 7-08

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	1476 (AR-MM) Ed. 7-08	Application/Conversion Enrollment Form	Application	Revised	Replaced Form #: 1476 (AR-MM) Ed. 8-05 Previous Filing #: USPH-6CZHWD353		1476AR08.pdf
Approved-Closed	4101 (AR-MM) 07-08	Outline of Coverage	Conversion Outline of Coverage	Revised	Replaced Form #: 4101 (AR-MM Outline) Ed. 8-05 Previous Filing #: USPH-6CZK4C128		4101AR08.pdf

**CONVERSION APPLICATION**

**CONVERSION PRIVILEGE**

Subject to the conversion provisions of the group health policy from which your coverage has terminated, you may be eligible to purchase an individual conversion policy, as described below, covering yourself and your insured dependents.

**WHAT YOU MUST DO**

Choose any plan set forth below, attach your payment for the first quarterly premium and mail to the above address.

		Plan		
		<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C
<b>YOUR CHOICE OF BENEFITS</b> — Please check the plan you want . . . . .				
Comprehensive Major Medical Benefits				
Deductible per Year per Person . . . . .		\$ 100.	\$ 500.	\$1,000.
Coinsurance . . . . .		80% for all plans . . . . .		
Out of pocket limit per Year per Person . . . . .		\$1,100.	\$1,500.	\$2,000.
Lifetime Maximum . . . . .		\$250,000 for all plans . . . . .		
Hospital Room Limitation . . . . .		Semi-Private for all plans . . . . .		

**YOUR ADVANCE QUARTERLY PREMIUM**

Age	Plan A			Plan B			Plan C		
	Male	Female	Children Under 19	Male	Female	Children Under 19	Male	Female	Children Under 19
Under 30	[\$1,286]	[\$3,390]	[\$1,778]	[\$881]	[\$2,417]	[\$1,260]	[\$709]	[\$1,791]	[\$949]
30-39	[1,828]	[3,556]	[1,778]	[1,260]	[2,556]	[1,260]	[1,029]	[1,904]	[949]
40-49	[2,570]	[3,834]	[1,778]	[1,766]	[2,834]	[1,260]	[1,398]	[2,109]	[949]
50-59	[4,167]	[5,058]	[1,778]	[3,027]	[3,788]	[1,260]	[2,417]	[2,818]	[949]
60-64	[5,885]	[6,351]	[1,778]	[4,246]	[4,548]	[1,260]	[3,354]	[3,548]	[949]
65 & Over (Renewals Only)	[7,649]	[8,257]	[1,778]	[5,360]	[5,875]	[1,260]	[4,360]	[4,613]	[949]

Include the premium charge below for each person to be insured. **THE PREMIUM CHARGE FOR "CHILDREN UNDER 19" DOES NOT APPLY SEPARATELY TO EACH CHILD. RATHER, IT IS A TOTAL CHARGE REGARDLESS OF THE NUMBER OF CHILDREN TO BE INSURED.**

INDIVIDUALS TO BE INSURED (Please print clearly)	Social Security No.	Date of Birth	Premium Charge
Applicant _____	_____	_____	_____
Spouse _____	_____	_____	_____
Child _____	_____	_____	} _____
Child _____	_____	_____	
Child _____	_____	_____	
Child _____	_____	_____	

**PAY THIS AMOUNT** — Your Advance Quarterly Premium . . . . . **Total** \$ \_\_\_\_\_

**INFORMATION WE NEED**

- Your residence address (Street and Number) \_\_\_\_\_  
(City) \_\_\_\_\_ (County) \_\_\_\_\_ (State) \_\_\_\_\_ (Zip) \_\_\_\_\_
- Telephone number (\_\_\_\_) \_\_\_\_\_
- If premium notices are to be sent to a different address than shown in 1. above, indicate that name and address \_\_\_\_\_  
\_\_\_\_\_
- Your former employer (Name) \_\_\_\_\_ (City & State) \_\_\_\_\_
- Your Group Policy Number \_\_\_\_\_
- Are you or any of the above dependents covered under or eligible for any other health coverage or Medicare coverage?  Yes  No  
If "yes", indicate who is and provide a description of such plan(s). \_\_\_\_\_  
\_\_\_\_\_
- Date of termination of employment. (Not applicable for a dependent) (Mo., Day, Yr.) \_\_\_\_\_
- Reason for termination of group insurance. \_\_\_\_\_
- Number of hours per week regularly working immediately before termination of employment shown in (6) above. (Not applicable for a dependent.) \_\_\_\_\_

The information filled in above is correct to the best of my knowledge and belief.

(Date) \_\_\_\_\_ (Applicant) \_\_\_\_\_

**HEALTH CONVERSION POLICY**

**Retain This For Your Records**

This disclosure statement provides a very brief description of some important features of your policy. However, the policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY!**

**Renewal Provision**

The policy is guaranteed renewable. Federated Mutual Insurance Company cannot alter any policy provisions once this policy is in force. However, Federated does reserve the right to change the table of renewal premiums.

**Termination Provision**

Coverage terminates for the Insured on the date the policy terminates. For the spouse of the Insured, coverage terminates on the earliest of (a) the date the policy terminates and (b) the end of the premium period in which the spouse is divorced from the Insured. For a child of the Insured, coverage terminates on the earliest of (a) the date the policy terminates, (b) the end of the premium period in which the child marries and (c) the end of the premium period in which the child becomes 19. (However, handicapped children may be continued beyond age 19 subject to compliance with the requirements of the policy.)

**Benefit Provisions**

The plan checked outlines your benefits and premiums:	Plan		
	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C
Comprehensive Major Medical Benefits			
Deductible per Year per Person . . . . .	\$ 100.	\$ 500.	\$1,000.
Coinsurance . . . . .	80% for all plans . . . . .		
Out of pocket limit per Year per Person . . . . .	\$1,100.	\$1,500.	\$2,000.
Lifetime Maximum . . . . .	\$250,000 for all plans . . . . .		
Hospital Room Limitation . . . . .	Semi-Private for all plans . . . . .		

Premium Provisions — Payable per quarter

Age	Plan A			Plan B			Plan C		
	Male	Female	Children Under 19	Male	Female	Children Under 19	Male	Female	Children Under 19
Under 30	[\$1,286]	[\$3,390]	[\$1,778]	[\$881]	[\$2,417]	[\$1,260]	[\$709]	[\$1,791]	[\$949]
30-39	[1,828]	[3,556]	[1,778]	[1,260]	[2,556]	[1,260]	[1,029]	[1,904]	[949]
40-49	[2,570]	[3,834]	[1,778]	[1,766]	[2,834]	[1,260]	[1,398]	[2,109]	[949]
50-59	[4,167]	[5,058]	[1,778]	[3,027]	[3,788]	[1,260]	[2,417]	[2,818]	[949]
60-64	[5,885]	[6,351]	[1,778]	[4,246]	[4,548]	[1,260]	[3,354]	[3,548]	[949]
65 & Over (Renewals Only)	[7,649]	[8,257]	[1,778]	[5,360]	[5,875]	[1,260]	[4,360]	[4,613]	[949]

**Exclusions and Limitations**

- The policy does not cover charges:
- payable under a workers' compensation or similar law.
  - not legally bound or required to pay.
  - for treatment, services and supplies not advised and approved by attendant physician.
  - for which benefits are payable under the converted group policy.
  - for custodial care.
  - resulting from an act of war, whether declared or not.
  - resulting from intentionally self-inflicted injury.
  - resulting from participation in a riot.

**Pre-Existing Conditions Limitation**

Not more than \$2,000 in benefits will be payable for an injury or disease for which a Covered Person received treatment within the 3-month period immediately prior to the date he became insured under the plan from which conversion was made.

This limitation will expire on the date the Covered Person has been insured under the plan from which conversion was made and this policy for a period of 12 successive months; or if earlier, on the date he has gone treatment free for such injury or disease for a period of 3 successive months while insured under the plan from which conversion was made and this policy.

Date \_\_\_\_\_ Employee \_\_\_\_\_

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## Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 5.000%  
**Effective Date of Last Rate Revision:** 08/01/2005  
**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):
Federated Mutual Insurance Company	3.800%	3.800%	\$266	1	\$6,811	5.000%	0.000%

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## Supporting Document Schedules

**Satisfied -Name:** Certification/Notice **Review Status:** Approved-Closed 05/13/2008

**Comments:**

Attached are certifications for compliance with Rule & Regulation 19 and Flesch Certification. Also attached are forms L-619 (AR) (01-04) for compliance with Rule & Regulation 49 and MFO-279 (AR) (03-00) our Consumer Information Notice.

**Attachments:**

AR Reg 19 Cert.pdf  
 L-619 (AR) (01-04).pdf  
 AR CERT.pdf  
 MFO-279 \_AR\_ \_03-00\_.pdf

**Bypassed -Name:** Application **Review Status:** Approved-Closed 05/13/2008

**Bypass Reason:** The application is attached to the Form Schedule.

**Comments:**

**Bypassed -Name:** Outline of Coverage **Review Status:** Approved-Closed 05/13/2008

**Bypass Reason:** The outline of coverage is attached to the Form Schedule.

**Comments:**

FEDERATED MUTUAL INSURANCE COMPANY

Owatonna, Minnesota

May 12, 2008

CERTIFICATE OF COMPLIANCE

Arkansas

I hereby certify that Federated Mutual Insurance Company meets the provisions set forth in Rule and Regulation 19 as well as all applicable requirements of the Arkansas Department of Insurance.

---

Timothy G. Luy  
Vice President



**LIMITATIONS AND EXCLUSIONS UNDER THE  
ARKANSAS LIFE AND HEALTH INSURANCE  
GUARANTY ASSOCIATION ACT**

Residents of Arkansas who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association"). The purpose of this Guaranty Association is to assure that policy and contract holders will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

**DISCLAIMER**

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in this state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association  
C/O The Liquidation Division  
1023 West Capitol  
Little Rock, Arkansas 72201

Arkansas Insurance Department  
1200 West Third Street; Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net coverage is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

### **COVERAGE**

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life or annuity, or health insurance contract or policy, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

### **EXCLUSIONS FROM COVERAGE**

However, persons owning such policies are NOT protected by the Guranty Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guranty Association also does NOT provide coverage for:

- any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under available life or variable annuity contract;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends and voting rights and experience rating credits;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contractholders, not individuals).
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit paln or its trustees).

### **LIMITS ON AMOUNT OF COVERAGE**

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Guaranty Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or cash surrender values - again no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.

FEDERATED MUTUAL INSURANCE COMPANY

Owatonna, Minnesota

May 12, 2008

CERTIFICATE OF COMPLIANCE

Arkansas

I hereby certify that Federated Mutual Insurance Company meets the provisions set forth in Rule and Regulation 19 as well as all applicable requirements of the Arkansas Department of Insurance.

---

Timothy G. Luy  
Vice President

FEDERATED MUTUAL INSURANCE COMPANY  
FEDERATED LIFE INSURANCE COMPANY  
FEDERATED SERVICE INSURANCE COMPANY  
HOME OFFICE: OWATONNA, MN 55060-2401



**TO OUR ARKANSAS POLICY AND CERTIFICATHOLDERS:**

This notice is to inform you that you may contact the following if any complaints arise regarding this insurance:

Federated Mutual Insurance Company  
Federated Life Insurance Company  
Federated Service Insurance Company  
P.O Box 328  
Owatonn, MN 55060  
800-533-0472

If we at Federated Mutual Insurance Company/Federated Life Insurance Company fail to provide you with reasonable and adequate service, you should feel free to contact:

Arkansas Insurance Department  
Consumer Services Division  
400 University Tower Building  
Little Rock, AR 72204  
501-371-2600

Your Agent:

This disclosure form is not your policy. You should read your policy and review your declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.