

SERFF Tracking Number: WAKE-125688912 State: Arkansas
Filing Company: USAbLe Life State Tracking Number: 39266
Company Tracking Number:
TOI: H071 Individual Health - Specified Disease - Limited Benefit Sub-TOI: H071.002A Dread Disease - Cancer Only
Product Name: CSEL Cancer Rate 2009
Project Name/Number: USAbLe/062008

Filing at a Glance

Company: USAbLe Life

Product Name: CSEL Cancer Rate 2009 SERFF Tr Num: WAKE-125688912 State: ArkansasLH

TOI: H071 Individual Health - Specified Disease - Limited Benefit SERFF Status: Closed State Tr Num: 39266

- Limited Benefit

Sub-TOI: H071.002A Dread Disease - Cancer Only Co Tr Num: State Status: Approved-Closed

Only

Filing Type: Rate

Co Status:

Reviewer(s): Rosalind Minor

Author: Jennifer Snell

Disposition Date: 06/25/2008

Date Submitted: 06/10/2008

Disposition Status: Approved-

Closed

Implementation Date Requested: 02/01/2009

Implementation Date:

State Filing Description:

General Information

Project Name: USAbLe

Project Number: 062008

Requested Filing Mode: Review & Approval

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments: This filing is currently pending in the home domicile state of Arkansas.

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact: 50%

Filing Status Changed: 06/25/2008

State Status Changed: 06/25/2008

Corresponding Filing Tracking Number:

Filing Description:

SUBMISSION

RATE INCREASE FILING

CANCER POLICY

Market Type: Individual

Group Market Size:

Group Market Type:

Deemer Date:

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FORM NUMBERS: CSEL (5-94)

Wakely Actuarial Services, Inc. has been authorized to file the above captioned filing on behalf of USAbLe Life.

The Company is requesting a 50.0% rate increase in premiums. The proposed effective date for this rate increase is 2/1/2009.

We appreciate the Department's time and consideration in the review of this filing for USAbLe Life.

Company and Contact

Filing Contact Information

(This filing was made by a third party - WAS01)

Jennifer Snell, Compliance Analyst jennifer.snell@wakelyactuarial.com
 34125 US Highway N (727) 373-4558 [Phone]
 Palm Harbor, FL 34684 (727) 373-4559[FAX]

Filing Company Information

USAbLe Life	CoCode: 94358	State of Domicile: Arkansas
320 W. Capitol	Group Code: 876	Company Type:
P. O. Box 1650		
Little Rock, AR 72203-1650	Group Name:	State ID Number:
(501) 375-7200 ext. [Phone]	FEIN Number: 71-0505232	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	\$50.00 per a rate filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
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USAbLe Life \$50.00 06/10/2008 20757876

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	06/25/2008	06/25/2008

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	Rosalind Minor	06/13/2008	06/13/2008	Jennifer Snell	06/24/2008	06/24/2008

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Disposition

Disposition Date: 06/25/2008

Implementation Date:

Status: Approved-Closed

Comment: We have approved a 50% level rate increase on the above referenced 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:
USABLE Life	50.000%	\$660,298	2,011	\$1,320,596	50.000%	50.000%	50.000%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Health - Actuarial Justification	Approved-Closed	No
Supporting Document	Authorization Letter	Approved-Closed	Yes
Supporting Document	Actuarial Response Letter 062408	Approved-Closed	Yes
Supporting Document	Exhibit C - Nationwide Historical and Projected Future Experience	Approved-Closed	No
Rate	Rate Page	Approved-Closed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/13/2008
Submitted Date 06/13/2008
Respond By Date
Dear Jennifer Snell,
This will acknowledge receipt of the captioned filing.

Objection 1

- Health - Actuarial Justification (Supporting Document)

Comment: Based on the fact that the policyholders have continually received rate increases since 2003 and the impact that a 50% rate increase would have on the insureds, our Department would consider a 25% rate increase in lieu of the 50% requested.

If you accept the 25% rate increase, please provide us with an amended actuarial memorandum along with the adjusted rates.

Please feel free to contact me if you have questions.
Sincerely,
Rosalind Minor

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/24/2008
Submitted Date 06/24/2008

Dear Rosalind Minor,

Comments:

Response 1

Comments: Attached you will find a response from our Actuary regarding your objection letter of June 13, 2008. Feel free to contact me should further information be needed.

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Thank you

Related Objection 1

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

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If you accept the 25% rate increase, please provide us with an amended actuarial memorandum along with the adjusted rates.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Actuarial Response Letter 062408

Comment:

Satisfied -Name: Exhibit C - Nationwide Historical and Projected Future Experience

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Jennifer Snell

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Supporting Document Schedules

Satisfied -Name: Authorization Letter **Review Status:** Approved-Closed 06/25/2008
Comments:
Attachment:
Authorization Letter.pdf

Satisfied -Name: Exhibit C - Nationwide Historical and Projected Future Experience **Review Status:** Approved-Closed 06/25/2008
Comments:
Attachment:
AR Exhibit 6-12-2008 CSEL.pdf



Julie Marshall
Executive Vice President

May 21, 2008

To Whom It May Concern:

This letter authorizes Wakely Actuarial Services, Inc. to make filings on behalf of US Able Life for the CancerCare III, CancerCare IV, CancerCare Series and CancerCare Silver products in your state. This letter is effective as of June 1, 2008 and will continue through January 31, 2009.

Should you have any questions, please do not hesitate to contact me at the phone number below or via email at jmarshall@usablelife.com.

Sincerely,

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

USABLE LIFE INSURANCE COMPANY (NAIC #94358)

Actuarial Memorandum for Individual A&H Rate Increase
Cancer Plans with Chemotherapy Benefits

Exhibit C - Nationwide Historical and Projected Future Experience

1. Historical Experience

Nationwide experience is provided by the Company and is being used to enhance credibility. Nationwide historical experience since 1994 is as follows:

Calendar Year	Collected Premium	Paid Claims	Incurred Claims	Incurred Loss Ratio	Expected Loss Ratio	Actual to Expected
1994	42,637	6,177	8,088	19.0%	31.2%	60.8%
1995	1,157,525	181,395	405,726	35.1%	31.3%	111.8%
1996	2,517,353	601,536	617,221	24.5%	32.8%	74.7%
1997	3,798,580	748,924	851,722	22.4%	35.1%	64.0%
1998	4,791,015	1,524,743	1,589,539	33.2%	37.3%	88.8%
1999	5,557,615	1,855,857	2,026,301	36.5%	39.4%	92.5%
2000	6,414,020	2,487,850	2,536,201	39.5%	41.1%	96.3%
2001	7,640,872	3,085,755	3,184,986	41.7%	42.4%	98.3%
2002	8,878,099	3,511,561	3,742,922	42.2%	42.9%	98.3%
2003	9,779,086	4,542,098	5,050,028	51.6%	44.5%	116.1%
2004	9,002,941	5,268,751	4,810,742	53.4%	48.9%	109.4%
2005	6,820,447	4,662,219	4,500,240	66.0%	54.6%	120.9%
2006	4,115,742	3,613,020	3,547,609	86.2%	61.0%	141.4%
2007	3,025,917	3,164,171	2,961,534	97.9%	66.8%	146.5%
1Q 2008	658,387	764,229	752,990	114.4%	71.8%	159.3%
Total	74,200,236	36,018,286	36,585,849	49.3%	45.4%	108.7%
Accumulated at 5.0%	100,309,773		47,036,324	46.9%		

2. Current Loss Ratio at 3/31/2008

The current loss ratio is defined as the 2007 through 1Q 2008 historical incurred claims adjusted to current claims levels, divided by the 2007 through 1Q 2008 historical collected premium adjusted to current premium rate levels.

Calendar Year	Historical Collected Premium	Current Rate Level Factor*	Current Collected Premium	Historical Incurred Claims	Claim Trend Factor**	Current Incurred Claims	Current Loss Ratio
2007	3,025,917	1.237	3,743,700	2,961,534	1.152	3,411,396	91.1%
1Q 2008	658,387	1.068	703,078	752,990	1.024	770,948	109.7%
Total			4,446,778			4,182,344	94.1%

* Adjusts for any rate increases previously implemented.

** Applies a 20.8% claim cost trend from the midpoint of the period to 3/31/2008.

USABLE LIFE INSURANCE COMPANY (NAIC #94358)

Actuarial Memorandum for Individual A&H Rate Increase Cancer Plans with Chemotherapy Benefits

Exhibit C - Nationwide Historical and Projected Future Experience

3. Projected Future Experience

Future experience has been projected for 20 years using the current loss ratio at 3/31/2008, annualized premium inforce at 3/31/2008, and the rate increase and persistency assumptions, as follows:

Year	Persistency Factor*	Projected Premium w/o Increase	Current Loss Ratio Factor**	Projected Incurred Claims	Rate Increase Factor***	Projected Premium with increase	Projected Loss Ratio	Expected Loss Ratio****	Actual to Expected
3/31/2008 Values --->		2,667,399	94.1%						
Rest of 2008	0.941	1,882,268	100.9%	1,900,042	1.000	1,882,268	100.9%	73.1%	138.1%
2009	0.528	1,408,565	119.1%	1,676,912	1.450	2,042,650	82.1%	76.3%	107.6%
2010	0.694	1,850,464	143.8%	2,660,118	1.705	3,155,088	84.3%	80.1%	105.2%
2011	0.590	1,572,894	173.6%	2,730,278	1.961	3,084,099	88.5%	84.1%	105.2%
2012	0.501	1,336,960	209.6%	2,802,289	2.255	3,014,707	93.0%	88.3%	105.2%
2013	0.426	1,136,416	253.1%	2,876,200	2.593	2,946,876	97.6%	92.7%	105.2%
2014	0.362	965,954	305.6%	2,952,060	2.982	2,880,571	102.5%	97.4%	105.2%
2015	0.308	821,061	369.0%	3,029,920	3.429	2,815,758	107.6%	102.3%	105.2%
2016	0.262	697,901	445.6%	3,109,834	3.944	2,752,404	113.0%	107.4%	105.2%
2017	0.222	593,216	538.1%	3,191,856	4.535	2,690,474	118.6%	112.7%	105.2%
2018	0.189	504,234	649.7%	3,276,041	5.216	2,629,939	124.6%	118.4%	105.2%
2019	0.161	428,599	784.5%	3,362,447	5.998	2,570,765	130.8%	124.3%	105.2%
2020	0.137	364,309	947.3%	3,451,131	6.898	2,512,923	137.3%	130.5%	105.2%
2021	0.116	309,663	1143.9%	3,542,155	7.932	2,456,382	144.2%	137.0%	105.2%
2022	0.099	263,213	1381.2%	3,635,579	9.122	2,401,114	151.4%	143.9%	105.2%
2023	0.084	223,731	1667.8%	3,731,468	10.491	2,347,089	159.0%	151.1%	105.2%
2024	0.071	190,172	2013.9%	3,829,885	12.064	2,294,279	166.9%	158.6%	105.2%
2025	0.061	161,646	2431.8%	3,930,898	13.874	2,242,658	175.3%	166.6%	105.2%
2026	0.052	137,399	2936.4%	4,034,576	15.955	2,192,198	184.0%	174.9%	105.2%
2027	0.044	116,789	3545.7%	4,140,988	18.348	2,142,874	193.2%	183.6%	105.2%
2028	0.037	99,271	4281.4%	4,250,206	21.100	2,094,659	202.9%	192.8%	105.2%
Total				68,114,885		53,149,773	128.2%		
		Discounted at 5.0%		40,630,866		34,198,632	118.8%		

* Applies a 15.0% annual termination rate from 3/31/2008 to the midpoint of the period. There is an additional shock lapse of 25.0% assumed for the year of implementation of the rate increase.

** Applies the current loss ratio, projected using a 20.8% trend.

*** Applies a one-time rate increase of 50.0% at 2/1/2009 and increases equal to 15.0% on 2/1 each year thereafter.

**** Expected loss ratio is estimated to be the 3/31/2008 expected loss ratio increased for aging.

4. Lifetime Anticipated Loss Ratio

The lifetime anticipated loss ratio is defined as the present value of the historical and projected future incurred claims divided by the present value of the historical and projected future earned premiums. Active life reserves are not included in these

	Present Values at 5.0%		
	Collected Premium	Incurred Claims	Loss Ratio
Historical	100,309,773	47,036,324	46.9%
Projected Future	34,198,632	40,630,866	118.8%
Lifetime Anticipated	134,508,405	87,667,190	65.2%

The projected future loss ratio and the lifetime anticipated loss ratio are both greater than the required minimum loss ratio, after implementation of the 50.0% rate increase.