

SERFF Tracking Number: MGCC-126419061 State: Arkansas
Filing Company: The Chesapeake Life Insurance Company State Tracking Number: 44334
Company Tracking Number: CH-26114-IP (01/10) AR
TOI: H111 Individual Health - Disability Income Sub-TOI: H111.004 Other
Product Name: CH-26114-IP (01/10)
Project Name/Number: Direct Benefit Series/

Filing at a Glance

Company: The Chesapeake Life Insurance Company

Product Name: CH-26114-IP (01/10) SERFF Tr Num: MGCC-126419061 State: Arkansas

TOI: H111 Individual Health - Disability Income SERFF Status: Closed-Approved- State Tr Num: 44334
Closed

Sub-TOI: H111.004 Other Co Tr Num: CH-26114-IP (01/10) State Status: Approved-Closed
AR

Filing Type: Form/Rate

Reviewer(s): Rosalind Minor

Authors: Kathleen Allen, Jaime
Butler, Kim Perkins

Disposition Date: 12/16/2009

Date Submitted: 12/14/2009

Disposition Status: Approved-
Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: Direct Benefit Series

Project Number:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 12/16/2009

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 12/16/2009

Created By: Kathleen Allen

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Kathleen Allen

Filing Description:

Please refer to cover letter under Supporting Documentation tab.

Company and Contact

Filing Contact Information

Kathleen Allen, Senior Compliance Analyst
9151 Boulevard 26

kathleen.allen@healthmarkets.com
817-255-3590 [Phone]

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North Richland Hills, TX 76180 817-255-8153 [FAX]

Filing Company Information

The Chesapeake Life Insurance Company CoCode: 61832 State of Domicile: Oklahoma
 9151 Boulevard 26 Group Code: 264 Company Type: Health
 North Richland Hills, TX 76180 Group Name: State ID Number:
 (817) 255-3100 ext. [Phone] FEIN Number: 52-0676509

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$50.00 policy fee + \$50.00 rate filing=\$100.00 total
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Chesapeake Life Insurance Company	\$100.00	12/14/2009	32766396

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	12/16/2009	12/16/2009

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Disposition

Disposition Date: 12/16/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Health - Actuarial Justification	Approved-Closed	No
Supporting Document	Outline of Coverage	Approved-Closed	Yes
Supporting Document	Cover letter	Approved-Closed	Yes
Form	Accident Only Disability Income Insurance Policy	Approved-Closed	Yes
Rate	Rates	Approved-Closed	Yes

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Form Schedule

Lead Form Number:

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved- Closed 12/16/2009	CH-26114- IP (01/10) AR	Policy/Cont ract/Fratern al	Accident Only Disability Income Insurance Policy Certificate	Initial			CH-26114-IP _0110_AR.pdf

THE CHESAPEAKE LIFE INSURANCE COMPANY

A Stock Company

(Hereinafter called: the Company, We, Our or Us)

Home Office: Oklahoma City, Oklahoma
Administrative Office: P.O. Box 982010
North Richland Hills, Texas 76182-8010
Customer Service: 1-800-733-1110

ACCIDENT-ONLY DISABILITY INCOME INSURANCE POLICY

This Policy is effective from 12:01 A.M. standard time on the Policy Effective Date at Your place of residence. It shall continue in effect until terminated in the manner provided within this Policy.

IMPORTANT NOTICE ABOUT STATEMENTS IN THE APPLICATION

The attached application is a part of this Policy. Please read it and check it carefully. This Policy is issued on the basis that Your answers are correct and complete. If it is not complete or has an error, please let Us know within 10 days. **IF THE STATEMENTS OR REPRESENTATIONS ARE INCORRECT OR UNTRUE, WE HAVE THE RIGHT TO DENY BENEFITS, OR TO REFORM OR VOID THIS POLICY.** The best time to clear up any misunderstanding is now, before a claim arises!

10 DAY RIGHT TO EXAMINE THE POLICY

It is important to Us that You understand and are satisfied with the coverage being provided to You. If You are not satisfied that this coverage will meet Your insurance needs, You may return this Policy to Us at Our administrative office in North Richland Hills, Texas, within 10 days after You receive it. Upon receipt, We will cancel Your coverage as of the Policy Date, refund all premiums paid and treat the Policy as if it were never issued.

RENEWABILITY

This Policy is guaranteed renewable to age 65, subject to the Company's right to discontinue or terminate the coverage as provided in the TERMINATION OF COVERAGE section of this Policy. The Company reserves the right to change the applicable table of premium rates on a Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]

NOTICE TO BUYER: This is a Disability Income Insurance Policy. This Policy provides limited benefits for Total Disability resulting from Injuries and should not be considered a substitute for comprehensive health insurance coverage.

 SECRETARY	 PRESIDENT
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This Policy is a legal contract between You and Us. **PLEASE READ YOUR POLICY CAREFULLY!**

**THIS IS AN ACCIDENT-ONLY POLICY.
IT DOES NOT PAY BENEFITS FOR LOSS FROM SICKNESS.
REVIEW YOUR POLICY CAREFULLY.**

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POLICY SCHEDULE

INSURED PERSON: [John Doe, Sr.]

EFFECTIVE DATE OF COVERAGE: [01/02/10]

POLICY NUMBER: [ABC1234567]

POLICY DATE: [01/02/10]

INITIAL PREMIUM:[\$0.00]

MODE OF PAYMENT: [Monthly]

SCHEDULE OF BENEFITS

MONTHLY TOTAL DISABILITY BENEFITS

Elimination Period	[14 days][30 days]
Monthly Indemnity Benefit	[\$500][\$1,000][\$1,500][\$2,000][\$2,500]
Maximum Period Payable	[6 months][12 months][18 months] [24months][36 months][48 months][60 months]

DEFINITIONS

Actively at Work means You are:

1. Working on a permanent basis at least [25] hours per week for wage or salary; and
2. Performing the material and substantial duties of Your regular job or any other job for which You are qualified by reason of education, training or experience.

Class Basis means the classification by which Your rates are determined. We will not and cannot change the rates on this Policy unless rates are changed on all Policies issued on the same Class Basis.

Effective Date of Coverage means the date Your coverage becomes effective under this Policy.

Elimination Period means the consecutive period of time beginning from the date in which You are considered Totally Disabled before the Monthly Indemnity Benefit is payable. The Elimination Period is shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS.

Immediate Family means the spouse, parent, son, daughter, brother or sister of the Insured Person.

Injury means bodily harm caused by an accident resulting in unforeseen trauma requiring immediate medical attention and is not contributed to, directly or indirectly, by a Sickness. The Injury must first occur after Your coverage has become effective and while the coverage is in force.

Insured Person means You.

Legally Qualified Physician means a person, other than the Insured Person, a member of the Insured Person's Immediate Family, or a business associate of the Insured Person, who is duly licensed and practicing medicine in the United States, and who is legally qualified to diagnose and treat Sickness and Injuries. He or she must be providing services within the scope of his or her license, and must be a board certified specialist where required under this Policy.

Maximum Period Payable means the maximum number of months for which benefits are payable under this Policy and its Riders, if any, for any one Period of Total Disability. The Maximum Period Payable is shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS.

Mental or Nervous Disorder means any condition or disease, regardless of its cause, listed in the most recent edition of the International Classification of Diseases as a Mental Disorder, including but not limited to neurosis, psychoneurosis, psychopathy, psychosis, bipolar Affective Disorder or Autism. Mental or Nervous Disorder does not include Alzheimer's disease or similar forms of dementia resulting from degenerative diseases, stroke, head trauma or viral infection.

Monthly Indemnity Benefit means the amount that We will pay for any full month of Total Disability. The Monthly Indemnity Benefit will be the lesser of:

1. The Maximum Monthly Benefit shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS; or
2. 60% of Your Prior Monthly Income.

Period of Total Disability means the period of time during which You are Totally Disabled, not to exceed the Maximum Period Payable.

Policy means the written description of coverage provided to You.

Prior Monthly Income means the greater of Your monthly earnings at the time Total Disability commences or Your average monthly earnings for a period of 12 months immediately preceding the commencement of Total Disability, and does not include any investment income or any other income not derived from Your vocational activities.

Recurrent Disability means becoming Totally Disabled, ceasing to be Totally Disabled, then becoming Totally Disabled again for the same or related conditions. The latter Total Disability will be considered a Recurrent Disability.

Sickness means an illness or disease.

Total Disability or Totally Disabled means that due to Injury, You are:

1. Under a Legally Qualified Physician's care; and
2. Not in fact Actively at Work, as certified by a Legally Qualified Physician upon Our request.

We, Us and Our means The Chesapeake Life Insurance Company.

You, Your, Yours means the Insured Person named in the Policy Schedule whose coverage is effective.

EFFECTIVE DATE OF COVERAGE

Beginning of Coverage

Once We have approved Your application based upon the information You provided therein, the Effective Date of Coverage for You will be the Policy Date shown in the POLICY SCHEDULE.

PREMIUMS

Premium Due Date

Premiums are payable to Us at Our administrative office in North Richland Hills, Texas or any location designated and communicated by Us. The premium is payable monthly, quarterly, semi-annually or annually, as indicated in the POLICY SCHEDULE. Payment of any premium will not maintain coverage in force beyond the next premium due date, except as provided by the Grace Period. Upon the payment of a claim under this Policy, any premium then due and unpaid or covered by any note or written order may be deducted therefrom.

Grace Period

There is a grace period of 31 days for the payment of any premiums due, except the first. At the end of the 31 day grace period, We may cancel the Policy without further notice. During the grace period, the contract will remain in force; however, the Company is not obligated to pay any claims incurred by You during the grace period unless and until the premium due is received during the grace period.

Premium Changes

We reserve the right to change the table of premiums, on a Class Basis, becoming due under this Policy at any time and from time to time; provided, We have given You written notice of at least 31 days prior to the effective date of the new rates. Such change will be on a Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]

Waiver of Premium

If You continue to be Totally Disabled for [90] consecutive days and are receiving the Monthly Indemnity Benefit under this Policy, We will waive all future premiums on a monthly basis for that Period of Total Disability during which benefits are being paid. Your coverage and its benefits will continue during the waiver of premium period. The waiver of premium period will expire and premiums will resume under this Policy once the Period of Total Disability ends. You can continue Your coverage in force by resuming premium payments within 31 days of the date the Period of Total Disability ends.

Unearned Premiums Refund

Upon the death of an Insured Person, the proceeds payable to the Insured Person or his/her estate shall include premiums paid for insurance coverage for the period beyond the end of the month in which the death occurred. Unearned Premiums shall be paid in a lump sum payment no later than thirty (30) days after the proof of the Insured Person's death has been furnished to Us.

TERMINATION OF COVERAGE

You

Your coverage will terminate and no benefits will be payable under this Policy:

1. At the end of the month for which premium has been paid, except as provided in the Waiver of Premium provision;
2. On the date You reach age 65;
3. At the end of the month following the date of Our receipt of Your request of termination;
4. On the date of fraud or material misrepresentation by You;
5. On the date We elect to discontinue this plan or type of coverage;
6. On the date We elect to discontinue all coverage in Your state; or
7. On the date an Insured Person is no longer a permanent resident of the United States.

Premium will only be refunded for any full months paid beyond the termination date.

Reinstatement

If coverage under this Policy terminates due to non-payment of premium, We require an application for reinstatement. The reinstatement will not become effective unless We approved such application. We will advise You of the effective date of reinstatement by giving You written notice of the date, by issuing You an amended Policy or by issuing You a new Policy. In any case, the reinstated coverage provides benefits only for a Total Disability occurring after the effective date of reinstatement, subject to the Elimination Period.

BENEFITS

Unless otherwise stated herein, all Monthly Total Disability benefits are subject to:

1. The Elimination Period shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS;
2. The Monthly Indemnity Benefit shown in the POLICY SCHEDULE - SCHEDULE OF BENEFITS;
3. The Maximum Period Payable shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS;
4. The EXCLUSIONS AND LIMITATIONS; and
5. All other provisions of this Policy.

MONTHLY TOTAL DISABILITY BENEFIT

Monthly Total Disability benefits are payable under this Policy if You become Totally Disabled due to an Injury while You are insured under this Policy and are Actively at Work. Your Monthly Total Disability benefit will begin on the first day following the Elimination Period shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS and will continue through the end of the Maximum Period Payable shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS as long as You remain Totally Disabled. Total Disability must commence within [30] days of the Injury, which caused Your Total Disability.

The amount that We will pay for any full month of Total Disability will be the lesser of:

1. The Monthly Indemnity Benefit shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS; or
2. 60% of Your Prior Monthly Income.

We will pay 1/30 of the Monthly Indemnity Benefit otherwise payable for each day of a Period of Total Disability that is less than a full month.

RECURRENT DISABILITY

If, after the end of a Period of Total Disability for which Total Disability benefits have been paid, You become Totally Disabled again, the later Period of Total Disability will be deemed a Recurrent Disability, which is a continuation of the preceding Period of Total Disability, unless You have been Actively at Work for at least 6 months following the end of the preceding Period of Total Disability. If the later Period of Total Disability is deemed a Recurrent Disability, then it is not necessary for You to satisfy a new Elimination Period. However, Total Disability benefits paid for a Recurrent Disability are considered a continuation of the preceding Period of Total Disability and will be subject to the Maximum Period Payable that started with the preceding Period of Total Disability. If the Maximum Period Payable had ended with respect to the preceding Period of Total Disability, no benefits will be payable for a recurrence of that Total Disability.

CONCURRENT DISABILITY

If Total Disability is caused by more than one Injury, We will pay benefits as if the Total Disability was caused by only one Injury.

RIGHT OF INSPECTION

We may require information regarding pre-tax personal income, allowable business expenses, and other plans, including income tax returns, for periods before and after the start of a Period of Total Disability. Failure to provide such information may result in disqualification for benefit payment under this Policy.

COORDINATION WITH OTHER COMPENSATION

The Monthly Indemnity Benefit will be reduced by:

1. Disability benefits paid under any employee benefit plan or arrangement;
2. Income received from any employer paid sick pay plan, retirement plan or pension plan; and
3. Benefits to which You are entitled from Workers' Compensation or any other retirement program, including retirement benefits under the Federal Social Security program.

EXCLUSIONS AND LIMITATIONS

We will not provide any benefits for loss caused by, resulting from or in connection with:

1. Sickness, including but not limited to pregnancy and childbirth;
2. Injuries that do not first occur while this Policy is in force for the Insured Person;
3. Any act of war, declared or undeclared;
4. Active military duty in the service of any country;
5. Participation in a riot, civil commotion or insurrection;
6. Suicide, attempted suicide, or any intentionally self-inflicted injury, while sane or insane;
7. Mental or Nervous Disorders;
8. Having cosmetic surgery;
9. Operating any motorized passenger vehicle for wage, compensation or profit;
10. Drug abuse or addiction including alcoholism, or overdose of drugs, narcotics, or hallucinogens, directly or indirectly;
11. An overdose of drugs, being intoxicated or under the influence of intoxicants, hallucinogens, narcotics or other drugs, directly or indirectly;
12. Directly or indirectly engaging in an illegal occupation or illegal activity or Your being incarcerated;
13. Committing or trying to commit a felony;
14. Mountaineering using ropes and/or other equipment, parachuting, hang gliding, officiating or coaching, racing any type of vehicle in an organized or unorganized event, sky diving, scuba diving below 50 feet, motorized racing, para-sailing, experimental aviation, ultra-light flying, base jumping, bungee jumping, heli-skiing or heli-snowboarding; and

15. Travel in or descent from any vehicle or device for aerial navigation, except as a fare paying passenger in an aircraft operated by a commercial airline (other than a charter airline) certified by the U.S. Federal Aviation Administration (FAA), on a regularly scheduled passenger trip.

GENERAL PROVISIONS

Entire Contract

The Entire Contract consists of:

1. This Policy;
2. Any applications for the proposed insured individuals; and
3. Any endorsements, amendments or riders attached.

All statements made by You will, in the absence of fraud, be deemed representations and not warranties.

Only Our President, a Vice President or Secretary has the power on Our behalf to execute or amend the Policy. No other person will have the authority to bind Us in any manner. No agent may accept risks, alter or amend coverage or waive any provisions of this Policy. Any change in this Policy will be made by amendment and signed by Us. Changes made in the Policy that are mandated by state or Federal law will not require the consent of any Insured Person.

Notice of Claim

Written notice of claim must be given to Us within 60 days, or as soon as reasonably possible. Written notice of claim given by You or on Your behalf to Us with information sufficient to identify You will be considered notice to Us.

Claim Forms

When We receive the notice of claim, We will send You forms for filing proof of loss. If these forms are not furnished within 15 days, You will meet the proof of loss requirements by giving Us a written statement of the nature and extent of the loss within the time limit stated in the next provision.

Proof of Loss

Written proof of loss must be furnished to Us at Our administrative office in North Richland Hills, Texas or any location as designated and communicated by Us, within 90 days after the date of the loss for which claim is made. Failure to furnish written proof of loss within that time will neither invalidate nor reduce any claim if it is shown that it was not reasonably possible to furnish written proof of loss within that time; provided such proof is furnished as soon as reasonably possible and in no event, in the absence of legal incapacity, later than one year from the time proof is otherwise required.

Time of Payment of Claims

Indemnities payable under this Policy for any loss other than loss for which this Policy provides any periodic payment will be paid upon receipt of proper written proof of loss. Subject to proper written proof of loss, all accrued indemnities for loss for which this Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid upon receipt of proper written proof.

Claim Payments

We will pay all benefits due under this Policy promptly upon receipt of due proof of loss.

All indemnities will be payable to You. Any accrued indemnities unpaid at Your death may, at Our option, be paid to any beneficiary or to Your estate.

Physical Examination and Autopsy

We will, at Our own expense, have the right and opportunity to examine You when Your Total Disability is the basis of a claim when and as often as We may reasonably require during the pendency of a claim and to make an autopsy in case of death, unless prohibited by law.

Legal Action

No action at law or in equity will be brought to recover on this Policy prior to the expiration of 60 days after proof of loss has been filed as required by this Policy; nor will any action be brought after expiration of 3 years after the time written proof of loss is required to be furnished.

Age or Occupation Misstatement

If Your age or occupation has been misstated, Our records will be changed to show the correct age or occupation. The benefits provided will not be affected if You continue to be eligible for coverage at the correct age or occupation. However, premium adjustments, including collection of any premium due to Us because of past underpayments, will be made so that We receive the premiums due at the correct age or for the correct occupation payable on the premium due date following Our notification of an age or occupation correction.

Incontestability

After 2 years from Your Effective Date of Coverage, no misstatements, except fraudulent misstatements, made in the application will be used to void the coverage, or deny a claim unless the loss was incurred during the first 2 years following Your Effective Date of Coverage.

Change of Occupation

If You become Totally Disabled after changing Your occupation to one classified by Us as more hazardous than that stated in Your application or while doing for compensation anything pertaining to Your classified occupation, all benefits payable are those which the premium paid would have purchased for the more hazardous occupation. If You change Your occupation to one classified by Us as less hazardous than that stated in Your application, We will reduce the premium rate accordingly, upon receipt of proof of change of occupation, and will return the excess pro-rate unearned premium from the date of change of occupation or from the premium due date immediately preceding receipt of proof, whichever is more recent. In applying this provision, the classification of occupational risk and the premium rates shall be such as have been implemented by Us prior to the occurrence of the loss for which We are liable or prior to the date of proof of change in occupation with the state official having supervision of insurance in the state where You resided at the time this Policy was issued; but if such filing was not required, then the classification of occupational risk and the premium rates shall be those last made effective by Us in such state prior to the occurrence of the loss or prior to the date of proof of change in occupation.

Conformity

Any provision of this Policy which, on the Effective Date of Coverage, is in conflict with the statutes of the state in which You reside on such date, is hereby amended to conform to the minimum requirements of such statutes.

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Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
Approved-Closed 12/16/2009	Rates	CH-26114-IP (01/10) AR	New		CH-26114-IP (0110) AR 20091203 Rates.pdf

The Chesapeake Life Insurance Company

Administration Office: P.O. Box 982010, North Richland Hills, TX 76182-8010

Accident-Only Disability Income Insurance Policy

CH-26114-IP (01/10) AR

Formula
Round(Base x Inflation x Benefit Amount x Benefit Period x Elimination Period x Occupational Class ,2)

Multiply the Base Rate by 3 for quarterly rates, 6 for semi-annual, and 12 for annual premium rates.

Inflation
1.000000000

A billing fee of up to \$5 may be charged on direct bill modes. A one time application fee of up to \$30 may be applicable.

Base	Factor
Base	6.910

Benefit Options	Factor
Benefit Period 6 months	0.650000
Benefit Period 12 months	0.850000
Benefit Period 18 months	1.000000
Benefit Period 24 months	1.100000
Benefit Period 36 months	1.250000
Benefit Period 48 months	1.450000
Benefit Period 60 months	1.600000
Benefit Amount 500	0.900000
Benefit Amount 1000	1.900000
Benefit Amount 1500	2.900000
Benefit Amount 2000	3.950000
Benefit Amount 2500	5.000000
Occupational Class White collar	0.770000
Occupational Class Blue collar	1.925000
Elimination Period 14 Days Male	1.100000
Elimination Period 14 Days Female	0.800000
Elimination Period 30 Days Male	0.700000
Elimination Period 30 Days Female	0.600000

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Supporting Document Schedules

	Item Status:	Status Date:
<p>Satisfied - Item: Flesch Certification</p> <p>Comments: Please refer to attached.</p> <p>Attachments: ARGA 0104.pdf Cert Compl Rule-Reg19 -AR.pdf Cert Compliance AR-Readability.pdf</p>	Approved-Closed	12/16/2009

	Item Status:	Status Date:
<p>Bypassed - Item: Application</p> <p>Bypass Reason: Application will be submitted under separate cover.</p> <p>Comments:</p>	Approved-Closed	12/16/2009

	Item Status:	Status Date:
<p>Satisfied - Item: Outline of Coverage</p> <p>Comments: Please refer to attached.</p> <p>Attachment: CH-26114-IP _0110_ OC.pdf</p>	Approved-Closed	12/16/2009

	Item Status:	Status Date:
<p>Satisfied - Item: Cover letter</p> <p>Comments: Please refer to attached.</p> <p>Attachment: DRAFT LTR CH-26114-IP _0110_ [Indiv].pdf</p>	Approved-Closed	12/16/2009

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

Residents of this state who purchase life insurance, annuities or health and accident 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 the Guaranty Association is to assure that policy and contract owners 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 the member 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.

**The Arkansas Life and Health Insurance Guaranty Association
C/O The Liquidation Division
1023 West Capitol, Suite 2
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 the Act'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 they hold a life, 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 or contracts are NOT protected by the Guaranty 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 suture assessments, or by an insurance exchange.

The 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 a variable 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 any 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 nonaffiliated benefit plan 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 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 for net 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.]

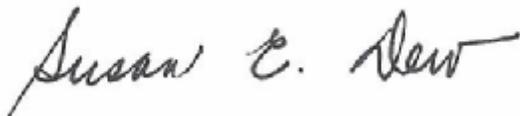
**Certificate of Compliance with
Arkansas Rule and Regulation 19**

Insurer: The Chesapeake Life Insurance Company

Form Number(s):

CH-26114-IP (01/10) AR

I hereby certify that the filing above meets all applicable Arkansas requirements including the requirements of Rule and Regulation 19.



Signature of Company Officer

Susan Dew

Name

Senior Vice President, Associate General Counsel and Chief Compliance Officer

Title

December 14, 2009

Date

Certificate of Compliance for Arkansas

This is to certify the attached form has achieved the Flesch Reading Ease Score given below and complies with the requirements of Arkansas Stat. Ann, 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language simplification Act.

Form Numbers and Form Names:

CH-26114-IP (01/10) AR – Accident Only Disability Income Insurance Policy

Flesch Reading Score:

50.1



Susan Dew, Senior Vice President, Associate General Counsel and Chief Compliance Officer

December 14, 2009

Date

THE CHESAPEAKE LIFE INSURANCE COMPANY

A Stock Company

(Hereinafter called: the Company, We, Our or Us)

Home Office: Oklahoma City, Oklahoma
Administrative Office: P.O. Box 982010
North Richland Hills, Texas 76182-8010
Customer Service: [1-800-733-1110]

ACCIDENT-ONLY DISABILITY INCOME INSURANCE POLICY OUTLINE OF COVERAGE FOR POLICY FORM CH-26114-IP (01/10) AR

1. **READ YOUR POLICY CAREFULLY!** This outline of coverage provides a very brief description of the important features of Your Policy. This is not the insurance contract and only the actual Policy provisions will control. The Policy itself sets forth, in detail, the rights and obligations of both You and Us. It is, therefore, important that You **READ YOUR POLICY CAREFULLY!**

2. **ACCIDENT-ONLY DISABILITY INCOME INSURANCE POLICY** - The Accident-Only Disability Income Insurance Policy provides a Monthly Total Disability benefit if You become Totally Disabled while You are insured under the Policy and are Actively at Work. **The Policy does NOT provide benefits for loss from Sickness.**

3. SCHEDULE OF BENEFITS -

MONTHLY TOTAL DISABILITY BENEFITS

Elimination Period	<input type="checkbox"/> 14 days <input type="checkbox"/> 30 days
Monthly Indemnity Benefit	<input type="checkbox"/> \$500 <input type="checkbox"/> \$1,000 <input type="checkbox"/> \$1,500 <input type="checkbox"/> \$2,000 <input type="checkbox"/> \$2,500
Maximum Period Payable	<input type="checkbox"/> 6 months <input type="checkbox"/> 12 months <input type="checkbox"/> 18 months <input type="checkbox"/> 24 months <input type="checkbox"/> 36 months <input type="checkbox"/> 48 months <input type="checkbox"/> 60 months

4. **BENEFITS.** Unless otherwise stated herein, all Monthly Total Disability benefits are subject to the Elimination Period shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, the Monthly Indemnity Benefit shown in the POLICY SCHEDULE - SCHEDULE OF BENEFITS, the Maximum Period Payable shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, the Exclusions and Limitations shown below, and all other provisions of the Policy.

- **MONTHLY TOTAL DISABILITY BENEFIT** - Monthly Total Disability benefits are payable under the Policy if You become Totally Disabled due to an Injury while You are insured under the Policy and are Actively at Work. Your Monthly Total Disability benefit will begin on the first day following the Elimination Period shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS and will continue through the end of the Maximum Period Payable shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS as long as You remain Totally Disabled. Total Disability must commence within [30] days of the Injury, which caused Your Total Disability. The amount that We will pay for any full month of Total Disability will be the lesser of: (1) the Monthly Indemnity Benefit shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS; or (2) 60% of Your Prior Monthly Income. We will pay 1/30 of the Monthly Indemnity Benefit otherwise payable for each day of a Period of Total Disability that is less than a full month.
- **RECURRENT DISABILITY** - If, after the end of a Period of Total Disability for which Total Disability benefits have been paid, You become Totally Disabled again, the later Period of Total Disability will be deemed a Recurrent Disability, which is a continuation of the preceding Period of Total Disability, unless You have been Actively at Work for at least 6 months following the end of the preceding Period of Total Disability. If the later Period of Total Disability is deemed a Recurrent Disability, then it is not necessary for You to satisfy a new Elimination Period. However, Total Disability benefits paid for a Recurrent Disability are considered a continuation of the preceding Period of Total Disability and will be subject to the Maximum Period Payable that started with the preceding Period of Total Disability. If the Maximum Period Payable had ended with respect to the preceding Period of Total Disability, no benefits will be payable for a recurrence of that Total Disability.
- **CONCURRENT DISABILITY** - If Total Disability is caused by more than one Injury, We will pay benefits as if the Total Disability was caused by only one Injury.

5. **EXCLUSIONS AND LIMITATIONS.** We will not provide any benefits for loss caused by, resulting from or in connection with:

1. Sickness, including but not limited to pregnancy and childbirth;
2. Injuries that do not first occur while the Policy is in force for the Insured Person;
3. Any act of war, declared or undeclared;
4. Active military duty in the service of any country;
5. Participation in a riot, civil commotion or insurrection;
6. Suicide, attempted suicide, or any intentionally self-inflicted injury, while sane or insane;
7. Mental or Nervous Disorders;
8. Having cosmetic surgery;
9. Operating any motorized passenger vehicle for wage, compensation or profit;
10. Drug abuse or addiction including alcoholism, or overdose of drugs, narcotics, or hallucinogens, directly or indirectly;
11. An overdose of drugs, being intoxicated or under the influence of intoxicants, hallucinogens, narcotics or other drugs, directly or indirectly;
12. Directly or indirectly engaging in an illegal occupation or illegal activity or Your being incarcerated;
13. Committing or trying to commit a felony;
14. Mountaineering using ropes and/or other equipment, parachuting, hang gliding, officiating or coaching, racing any type of vehicle in an organized or unorganized event, sky diving, scuba diving below 50 feet, motorized racing, para-sailing, experimental aviation, ultra-light flying, base jumping, bungee jumping, heli-skiing or heli-snowboarding; and
15. Travel in or descent from any vehicle or device for aerial navigation, except as a fare paying passenger in an aircraft operated by a commercial airline (other than a charter airline) certified by the U.S. Federal Aviation Administration (FAA), on a regularly scheduled passenger trip.

COORDINATION WITH OTHER COMPENSATION. The Monthly Indemnity Benefit will be reduced by: (1) disability benefits paid under any employee benefit plan or arrangement; (2) income received from any employer paid sick pay plan, retirement plan or pension plan; and (3) benefits to which You are entitled from Workers' Compensation or any other retirement program, including retirement benefits under the Federal Social Security program.

6. **RENEWAL CONDITIONS.** The Policy is guaranteed renewable to age 65, subject to the Company's right to discontinue or terminate the coverage as provided in the TERMINATION OF COVERAGE section of the Policy. The Company reserves the right to change the applicable table of premium rates on a Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]
7. **PREMIUMS.** We reserve the right to change the table of premiums, on a Class Basis, becoming due under the Policy at any time and from time to time; provided, We have given You written notice of at least 31 days prior to the effective date of the new rates. Such change will be on a Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]



**The Chesapeake
Life Insurance Company**
Home Office: Oklahoma City, OK

9151 Boulevard 26
North Richland Hills, TX 76180

December 14, 2009

Arkansas Insurance Department
Life and Health Division
1200 W 3rd Street
Little Rock, AR 72201-1904
Attn.: Life & Health Division, A&H Form Filing Section

RE: SERFF Tracking Number: MGCC-126419061
The Chesapeake Life Insurance Company
NAIC#: 264-61832 / FEIN#: 52-0676509

NEW FORMS

CH-26114-IP (01/10) AR
CH-26114-IP (01/10) OC

DESCRIPTION

Accident-Only Disability Income Insurance Policy
Outline of Coverage

Dear Examiner:

The above referenced forms are submitted for your review and approval. These forms are new and not intended to replace any forms previously approved by your Department.

Policy Form **CH-26114-IP (01/10) AR** provides a monthly total disability benefit, for a specific benefit period as shown in the Policy Schedule, for disabilities resulting from *accidents only*. All Monthly Total Disability Benefits are subject to the Elimination Period shown in the Policy Schedule, the Monthly Indemnity Benefit shown in the Policy Schedule, the Maximum Period Payable shown in the Policy Schedule, the Exclusions and Limitations, and all other provisions of the Policy.

Please note the bracketed items are intended as variable information, and the information enclosed in brackets is our standard for your state. At no time will this bracketed information be arranged in such a way to violate the laws of your state.

We intend to use application form CH-26109-APP (01/10) AR which will be submitted under separate cover to solicit this product.

To the best of our knowledge, information and belief, the forms submitted herewith are in compliance in all respects with the provisions of the insurance laws, rules and regulations of your state.

The required certifications are included along with the Actuarial Memorandum and rates for this submission.

If you have any questions or if anything further is needed to expedite the review of this filing, please call me collect at (817) 255-3590. Your assistance in this matter is greatly appreciated.

Respectfully submitted,

Kathleen Allen
Senior Compliance Analyst