

SERFF Tracking Number: TRST-126255330 State: Arkansas  
Filing Company: Trustmark Insurance Company State Tracking Number: 43129  
Company Tracking Number: 9.00434  
TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005C Individual - Other  
Product Name: COMBINED RATE FILING  
Project Name/Number: COMBINED RATE FILING/

## Filing at a Glance

Company: Trustmark Insurance Company  
Product Name: COMBINED RATE FILING  
TOI: H16I Individual Health - Major Medical

SERFF Tr Num: TRST-126255330 State: Arkansas  
SERFF Status: Closed-Approved-  
Closed State Tr Num: 43129

Sub-TOI: H16I.005C Individual - Other  
Filing Type: Rate

Co Tr Num: 9.00434 State Status: Approved-Closed  
Reviewer(s): Rosalind Minor  
Author: Paula Bures Disposition Date: 09/01/2009  
Date Submitted: 08/05/2009 Disposition Status: Approved-  
Closed

Implementation Date Requested: 12/01/2009  
State Filing Description:

Implementation Date:

## General Information

Project Name: COMBINED RATE FILING  
Project Number:  
Requested Filing Mode: Review & Approval  
Explanation for Combination/Other:  
Submission Type: New Submission  
Overall Rate Impact: 14%  
Filing Status Changed: 09/01/2009

Status of Filing in Domicile: Not Filed  
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: 09/01/2009  
Created By: Paula Bures  
Corresponding Filing Tracking Number:

Deemer Date:  
Submitted By: Marie McDaniel  
Filing Description:  
Rosalind Minor  
Life and Health Division  
Insurance Department  
1200 West Third Street  
Little Rock, AR 72201-1904

RE: FEIN# 36-0792925; NAIC# 61425

Trustmark Insurance Company

Rate Increase for Individual Health Forms: AH&L, AUL, BMA, TRUSTMARK, and PROVIDENT L&H

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Product Name: COMBINED RATE FILING  
Project Name/Number: COMBINED RATE FILING/  
Our File Number: 9.00434

Dear Ms Minor:

Enclosed please find, for your Department's review and approval, a rate filing pertaining to the above-captioned forms. We are seeking a 14% increase in rates, due to health care inflation and poor experience. An actuarial memorandum and rate sheets have been provided to provide further explanation of this increase.

As this is a closed block of business, this increase would only apply to inforce business.

Thank you for your earliest possible consideration of this submission. If you have any questions, please contact me at 1(800) 666-6977 extension 32406 or by email at paula.bures@trustmarkins.com.

Sincerely,

Paula Bures,  
Regulatory Advocacy Analyst I  
The Trustmark Companies

## Company and Contact

### Filing Contact Information

Paula Bures, paula.bures@trustmarkins.com  
400 Field Drive 800-666-6977 [Phone] 32406 [Ext]  
Lake Forest, IL 60045 847-615-3872 [FAX]

### Filing Company Information

Trustmark Insurance Company CoCode: 61425 State of Domicile: Illinois  
400 Field Drive Group Code: 276 Company Type:  
Lake Forest, IL 60045 Group Name: State ID Number:  
(800) 666-6977 ext. [Phone] FEIN Number: 36-0792925

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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: \$50,00 per rate filing. This is not retaliatory, since Illinois does not charge any fee for a rate

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filings.  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Trustmark Insurance Company	\$50.00	08/05/2009	29646398

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	09/01/2009	09/01/2009

### 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	08/14/2009	08/14/2009	Paula Bures	08/27/2009	08/27/2009

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Objection dated 8/14/09 - Offer of a 10% increase	Note To Reviewer	Paula Bures	08/17/2009	08/17/2009

*SERFF Tracking Number:* TRST-126255330      *State:* Arkansas  
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*Product Name:* COMBINED RATE FILING  
*Project Name/Number:* COMBINED RATE FILING/

## **Disposition**

Disposition Date: 09/01/2009

Implementation Date:

Status: Approved-Closed

Comment:

We have approved a 10.0 % level rate increase on this submission. 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 a change in age or an individual moving to another geographical area, must be submitted to our Department for approval.

Rate data does NOT apply to filing.

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 Product Name: COMBINED RATE FILING  
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Schedule	Schedule Item	Schedule Item Status	Public Access
<b>Supporting Document (revised)</b>	Health - Actuarial Justification	Approved-Closed	No
<b>Supporting Document</b>	Health - Actuarial Justification	Replaced	No
<b>Supporting Document</b>	Cover Letter	Approved-Closed	No
<b>Rate (revised)</b>	Rate Sheets	Approved-Closed	No
<b>Rate</b>	Rate Sheets	Replaced	No

SERFF Tracking Number: TRST-126255330 State: Arkansas  
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Product Name: COMBINED RATE FILING  
Project Name/Number: COMBINED RATE FILING/

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/14/2009

Submitted Date 08/14/2009

Respond By Date

Dear Paula Bures,

This will acknowledge receipt of the captioned filing.

Objection 1

- Health - Actuarial Justification (Supporting Document)

Comment:

Based on the fact that the Arkansas experience is not credible, the policyholders have received a 20% increase in 2007 and 2008 and the impact that another increase will have on the insureds, our Department will consider no more than a 10% rate increase in lieu of the 14% requested.

If you accept the 10% increase, please provide us with an amended actuarial memorandum along with the adjusted rates.

Thank you for your understanding and cooperation.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 08/27/2009

Submitted Date 08/27/2009

Dear Rosalind Minor,

### Comments:

In response to the August 14th objection letter:

SERFF Tracking Number: TRST-126255330 State: Arkansas  
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 Product Name: COMBINED RATE FILING  
 Project Name/Number: COMBINED RATE FILING/

**Response 1**

Comments: We would like to accept your offer of a 10% increase in rates. The revised actuarial memorandum and rate sheets have been attached for your review.

**Related Objection 1**

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

Based on the fact that the Arkansas experience is not credible, the policyholders have received a 20% increase in 2007 and 2008 and the impact that another increase will have on the insureds, our Department will consider no more than a 10% rate increase in lieu of the 14% requested.

If you accept the 10% increase, please provide us with an amended actuarial memorandum along with the adjusted rates.

Thank you for your understanding and cooperation.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Health - Actuarial Justification  
 Comment: Revised memorandum to reflect 10% increase.

No Form Schedule items changed.

**Rate/Rule Schedule Item Changes**

**Document Name: Affected Form Numbers: Rate Action: Rate Action Information: Attach Document:**

Rate Sheets	AH&L, AUL, BMA, TRUSTMARK, PROVIDENT L&A	New	Previous State Filing Number
			0

**Previous Version**

Rate Sheets	AH&L, AUL, BMA, TRUSTMARK, PROVIDENT L&A	New	Previous State Filing Number
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*SERFF Tracking Number:* TRST-126255330      *State:* Arkansas  
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0

Please contact me if you require any additional information.

Sincerely,  
Paula Bures

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 Filing Company: Trustmark Insurance Company State Tracking Number: 43129  
 Company Tracking Number: 9.00434  
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 Product Name: COMBINED RATE FILING  
 Project Name/Number: COMBINED RATE FILING/

**Note To Reviewer**

**Created By:**

Paula Bures on 08/17/2009 10:54 AM

**Last Edited By:**

Paula Bures

**Submitted On:**

08/17/2009 10:55 AM

**Subject:**

Objection dated 8/14/09 - Offer of a 10% increase

**Comments:**

Dear Rosalind Minor,

I wanted to let you know that I've given this information to our actuarial department. It may take a couple of weeks to prepare the response (including any revised memorandum and rate sheets), because the actuary that is assigned to this filing is out of the office this week.

Sincerely,

Paula Bures

**Rate/Rule Schedule**

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
Approved-Closed 09/01/2009	Rate Sheets	AH&L, AUL, BMA, TRUSTMARK, PROVIDENT L&A	New		Rates Sheets (Revised).pdf

Current Filing's  
Proposed Effective  
Date: 12/01/09

Nationwide Experience for All Forms Combined

Clim/Pol	Year	Policy Count	Earned Premium	Accident Year Paid Claims	Accident Year Reserves	Accident Year Incurred Claims	Serviced Loss Ratio
3,194	2003	7,369	35,413,937	23,538,648	0	23,538,648	66.5%
3,384	2004	4,989	29,115,619	16,882,788	0	16,882,788	58.0%
3,872	2005	3,180	23,054,917	12,312,478	0	12,312,478	53.4%
4,393	2006	2,189	17,603,573	9,616,553	0	9,616,553	54.6%
5,458	2007	1,579	14,155,885	8,595,472	22,494	8,617,966	60.9%
7,777	2008	1,142	11,574,109	8,836,939	43,996	8,880,935	76.7%
1,560	April-09	996	3,409,827	883,018	671,225	1,554,243	45.6%
<b>TOTAL</b>			134,327,867	80,665,896	737,716	81,403,611	60.6%

Projected Nationwide Experience

Year	Earned Premium		Incurred Claims	Loss Ratio	
	Without Increase	With Increase		Without Increase	With Increase
1-11/2009	8,564,127	8,564,127	5,906,884	68.97%	68.97%
12/2009	695,160	701,590	505,494	72.72%	72.05%
2010	7,407,430	7,817,494	5,965,050	80.53%	76.30%
2011	5,925,944	7,101,384	5,548,928	93.64%	78.14%
2012	4,740,755	6,605,991	5,161,835	108.88%	78.14%
2013	3,792,604	6,145,157	4,801,745	126.61%	78.14%
2009	9,259,287	9,265,717	6,412,377	69.25%	69.21%
2009 - 2014	31,126,019	36,935,743	27,889,935	89.60%	75.51%
2003 - 2014	162,044,059	167,853,783	107,739,303	66.49%	64.19%

Assumed Rate Increases	Other Assumptions
RI 1 - 2009	Persistence
RI 2	Trend
RI 3	Anti-Selection
RI 4	
RI 5	

10.0%  
16.3%  
16.3%  
16.3%  
16.3%

0.8  
0.14  
0.02

Current Filing's  
Proposed Effective  
Date: 12/01/09

Arkansas Experience for All Forms Combined

Clm/Pol	Year	Policy Count	Earned Premium	Accident Year Paid Claims	Accident Year Reserves	Accident Year Serviced Claims	Serviced Loss Ratio
2,175	2003	55	270,917	119,638	0	119,638	44.2%
2,242	2004	41	207,274	91,940	0	91,940	44.4%
2,062	2005	30	171,063	61,868	0	61,868	36.2%
810	2006	17	101,526	13,768	0	13,768	13.6%
41	2007	16	87,638	652	0	652	0.7%
128	2008	10	63,648	1,237	45	1,282	2.0%
5	April-09	9	15,416	20	21	41	0.3%
<b>TOTAL</b>			917,484	289,123	66	289,189	31.5%

Projected Arkansas Experience

Year	Earned Premium		Incurred Claims		Loss Ratio	
	Without Increase	With Increase	Without Increase	With Increase	Without Increase	With Increase
1-11/2009	44,262	44,262	16,714	16,714	37.76%	37.76%
12/2009	3,475	3,508	1,383	1,383	39.43%	39.43%
2010	35,802	37,784	15,782	15,782	44.08%	41.77%
2011	26,852	32,178	13,764	13,764	51.26%	42.77%
2012	20,139	28,062	12,003	12,003	59.60%	42.77%
2013	15,104	24,473	10,468	10,468	69.31%	42.77%
2009	47,736	47,769	18,097	18,097	37.91%	37.88%
2009 - 2013	145,633	170,267	70,114	70,114	48.14%	41.18%
2003 - 2013	1,047,701	1,072,335	359,262	359,262	34.29%	33.50%

-----W/O ALR-----

Assumed Rate Increases	RI 1 - 2009
	10.0%
	RI 2 16.3%
	RI 3 16.3%
	RI 4 16.3%
	RI 5 16.3%

Other Assumptions	
Persistence	0.75
Trend	0.14
Anti-Selection	0.02

## 2009 Multiplier Page for Arkansas Proposed Rates

Proposed Rate Increase	10%
------------------------	-----

The proposed rates for the forms below can be obtained by multiplying the current rates by:

**1.100**

### American Health and Life

1421, 1423, 7421, 7423

1422, 1429, 7422, 7424

1121, 7121

0422

5630

5640

### American United Life

HS14

MM80

### Business Men's Assurance

794

038

742

440

033

### Provident Life & Accident

1664-I

### Trustmark

Hospital Surgical

Medstar

Telemed III

Telemed IV

Telemed V/MSA

MI1

MMB

MM2

MN2

SMM

OHB

008

Rate Increase History

Effective Date	Increase Percent
12/1/2007	20%
12/1/2008	20%

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## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Health - Actuarial Justification <b>Comments:</b> Revised memorandum to reflect 10% increase. <b>Attachment:</b> Actuarial Memorandum (Revised).pdf	Approved-Closed	09/01/2009

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Cover Letter <b>Comments:</b> <b>Attachment:</b> Cover Letter.pdf	Approved-Closed	09/01/2009

ACTUARIAL MEMORANDUM  
ARKANSAS

July 2009

COMBINED FILING FORMS: AH&L, AUL, BMA, TRUSTMARK, PROVIDENT L&A

These Trustmark Insurance Company medical policy forms are direct & acquired. There are no medicare supplement forms in this filing.

1. We wish to implement a 10% increase in premium due to health care inflation and poor experience. Using the figures from the attached exhibit, the estimated future loss ratio is 89.6%. A 10% increase reduces this projection to 75.5%.
2. The revised rates will be determined by multiplying the current rates by 110.
3. The proposed rate increase will apply to inforce business only.
4. A rate increase history is attached.
5. Due to the lack of credible volume (9 policies remaining in Arkansas as of 4/30/09), a nationwide exhibit has been created using past policy forms from active policies in Arkansas, as of 12/31/2000, and is deemed fully credible. This Nationwide exhibit is accompanied by an Arkansas experience only exhibit, in which both exhibits show their respective past experience, since 1/01/2003.
6. The estimated average annual premium in Arkansas is approximately \$4,829. After the proposed rate increase, it will be approximately \$5,312.
7. The attached exhibit shows projected experience starting with 2009 for all policy forms mentioned above combined, with and without a 10% increase. Assumptions include:
  - a. Lapse rates will be 20.0%.
  - b. Rate increase will be implemented December 1, 2009.
  - c. A trend factor of 14% was used to project future loss ratios. Anti-selection is assumed to be 2%.
  - d. Future experience was projected using serviced year experience through April 30, 2009.
8. The minimum loss ratio presumed reasonable is 55%. The loss ratios illustrated on the attached exhibit demonstrate that benefits are reasonable in relation to premiums.

I certify to the best of my knowledge and judgement, that this rate filing is in compliance with all the applicable laws and regulations of this state and that the premiums charged are reasonable in relation to the benefits provided.



Karin G. Lowery, ASA, MAAA  
Assistant Vice President  
Individual Health Division

# *Trustmark*

*Insurance Companies*

**Law Department**

**Phone** 847.615.1500

**Fax** 847.615.3872

August 4, 2009

Rosalind Minor  
Life and Health Division  
Insurance Department  
1200 West Third Street  
Little Rock, AR 72201-1904

RE: FEIN# 36-0792925; NAIC# 61425  
Trustmark Insurance Company  
Rate Increase for Individual Health Forms: AH&L, AUL, BMA, TRUSTMARK, and PROVIDENT L&H  
Our File Number: 9.00434

Dear Ms Minor:

Enclosed please find, for your Department's review and approval, a rate filing pertaining to the above-captioned forms. We are seeking a 14% increase in rates, due to health care inflation and poor experience. An actuarial memorandum and rate sheets have been provided to provide further explanation of this increase.

As this is a closed block of business, this increase would only apply to inforce business.

Thank you for your earliest possible consideration of this submission. If you have any questions, please contact me at 1(800) 666-6977 extension 32406 or by email at [paula.bures@trustmarkins.com](mailto:paula.bures@trustmarkins.com).

Sincerely,



Paula Bures,  
Regulatory Advocacy Analyst I  
The Trustmark Companies

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## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

<b>Creation Date:</b>	<b>Schedule</b>	<b>Schedule Item Name</b>	<b>Replacement Creation Date</b>	<b>Attached Document(s)</b>
08/04/2009	Rate and Rule	Rate Sheets	08/27/2009	Rate Sheets.pdf (Superseded)

Current Filing's  
Proposed Effective  
Date: 12/01/09

**Nationwide Experience for All Forms Combined**

Cln/Pol	Year	Policy Count	Earned		Accident Year		Accident Year		Accident Year		Serviced	
			Premium	Without Premium	Paid Claims	Reserves	Incurred Claims	Loss Ratio	Loss Ratio	With Increase		
3,194	2003	7,369	35,413,937	23,538,648	0	23,538,648	66.5%					
3,384	2004	4,989	29,115,619	16,882,788	0	16,882,788	58.0%					
3,872	2005	3,180	23,054,917	12,312,478	0	12,312,478	53.4%					
4,393	2006	2,189	17,603,573	9,616,553	0	9,616,553	54.6%					
5,458	2007	1,579	14,155,885	8,595,472	22,494	8,617,966	60.9%					
7,777	2008	1,142	11,574,109	8,836,939	43,996	8,880,935	76.7%					
1,560	April-09	996	3,409,827	883,018	671,225	1,554,243	45.6%					
<b>TOTAL</b>		<b>134,327,867</b>	<b>80,665,896</b>	<b>737,716</b>	<b>81,403,611</b>	<b>60.6%</b>						

Projected Nationwide Experience

W/O ALR

Year	1-11/2009	12/2009	2010	2011	2012	2013	2009	2009 - 2014	2003 - 2014
Earned Premium	8,564,127	695,160	7,407,430	5,925,944	4,740,755	3,792,604	9,259,287	31,126,019	162,044,059
Without Premium	8,564,127	704,162	7,978,169	7,359,616	6,846,209	6,368,618	9,268,289	37,820,901	168,738,941
Incurred Claims	5,905,244	505,353	5,963,394	5,547,388	5,160,402	4,800,413	6,410,598	27,882,195	107,731,564
Loss Ratio Without Increase	68.95%	72.70%	80.51%	93.61%	108.85%	126.57%	69.23%	89.58%	66.48%
Loss Ratio With Increase	68.95%	71.77%	74.75%	75.38%	75.38%	75.38%	69.17%	73.72%	63.85%

Assumed Rate Increases	RI 1 - 2009	RI 2	RI 3	RI 4	RI 5
	14.0%	16.3%	16.3%	16.3%	16.3%

Other Assumptions	Persistence	Trend	Anti-Selection
	0.8	0.14	0.02

Current Filing's  
Proposed Effective  
Date: 12/01/09

**Arkansas Experience for All Forms Combined**

Cln/Pol	Year	Policy Count	Earned		Accident Year		Accident Year		Accident Year		Serviced Loss Ratio
			Premium	Without Increase	Paid Claims	Reserves	Serviced Claims	Loss Ratio			
2,175	2003	55	270,917		119,638	0		119,638		44.2%	
2,242	2004	41	207,274		91,940	0		91,940		44.4%	
2,062	2005	30	171,063		61,868	0		61,868		36.2%	
810	2006	17	101,526		13,768	0		13,768		13.6%	
41	2007	16	87,638		652	0		652		0.7%	
128	2008	10	63,648		1,237	45		1,282		2.0%	
5	April-09	9	15,416		20	21		41		0.3%	
<b>TOTAL</b>			<b>917,484</b>		<b>289,123</b>	<b>66</b>		<b>289,189</b>		<b>31.5%</b>	

Projected Arkansas Experience

Year	Earned Premium		Accident Year		Accident Year		Accident Year		Loss Ratio
	Without Increase	With Increase	Paid Claims	Reserves	Serviced Claims	Loss Ratio	With Increase		
1-11/2009	44,262	44,262	44,262	16,709	37,75%	37,75%	37,75%		
12/2009	3,475	3,521	3,521	1,383	39,79%	39,27%	39,27%		
2010	35,802	38,561	38,561	15,778	44,07%	40,92%	40,92%		
2011	26,852	33,348	33,348	13,760	51,24%	41,26%	41,26%		
2012	20,139	29,083	29,083	12,000	59,59%	41,26%	41,26%		
2013	15,104	25,363	25,363	10,465	69,29%	41,26%	41,26%		
2009	47,736	47,783	47,783	18,092	37,90%	37,86%	37,86%		
2009 - 2013	145,633	174,137	174,137	70,094	48,13%	40,25%	40,25%		
2003 - 2013	1,047,701	1,076,205	1,076,205	359,243	34,29%	33,38%	33,38%		

Assumed Rate	RI 1 - 2009	14.0%
Increases	RI 2	16.3%
	RI 3	16.3%
	RI 4	16.3%
	RI 5	16.3%

Other Assumptions	
Persistency	0.75
Trend	0.14
Anti-Selection	0.02

**2009 Multiplier Page for Arkansas Proposed Rates**

Proposed Rate Increase	14%
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The proposed rates for the forms below can be obtained by multiplying the current rates by: **1.140**

American Health and Life

1421, 1423, 7421, 7423  
1422, 1429, 7422, 7424  
1121, 7121  
0422  
5630  
5640

American United Life

HS14  
MM80

Business Men's Assurance

794  
038  
742  
440  
033

Provident Life & Accident

1664-I

Trustmark

Hospital Surgical  
Medstar  
Telemed III  
Telemed IV  
Telemed V/MSA  
MI1  
MMB  
MM2  
MN2  
SMM  
OHB  
008

Rate Increase History

Effective Date	Increase Percent
12/1/2007	20%
12/1/2008	20%