

SERFF Tracking Number: HUMA-126824175 State: Arkansas  
Filing Company: Kanawha Insurance Company State Tracking Number: 46870  
Company Tracking Number: AR-19-2010  
TOI: MS051 Individual Medicare Supplement - Sub-TOI: MS051.001 Plan A  
Standard Plans  
Product Name: Individual Medicare Supplement Plans  
Project Name/Number: 2010 Kanawha Rates/AR-19-2010

## Filing at a Glance

Company: Kanawha Insurance Company

Product Name: Individual Medicare Supplement SERFF Tr Num: HUMA-126824175 State: Arkansas  
Plans

TOI: MS051 Individual Medicare Supplement - SERFF Status: Closed-Approved- State Tr Num: 46870  
Standard Plans Closed

Sub-TOI: MS051.001 Plan A

Co Tr Num: AR-19-2010

State Status: Under Review

Filing Type: Rate

Reviewer(s): Stephanie Fowler

Authors: Michele Zabel, Paula

Disposition Date: 10/13/2010

Williamson, Bettina Ponds, Tammy

House, Tiffany Turner, Seth

Johnson

Date Submitted: 09/22/2010

Disposition Status: Approved-  
Closed

Implementation Date Requested: On Approval

Implementation Date: 10/13/2010

State Filing Description:

## General Information

Project Name: 2010 Kanawha Rates

Status of Filing in Domicile: Not Filed

Project Number: AR-19-2010

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact: 7.6%

Group Market Type:

Filing Status Changed: 10/13/2010

Explanation for Other Group Market Type:

State Status Changed: 09/27/2010

Deemer Date:

Created By: Bettina Ponds

Submitted By: Bettina Ponds

Corresponding Filing Tracking Number:

Filing Description:

RE: Kanawha Insurance Company

2010 Medicare Supplement Rate Filing

NAIC # 65110; FEIN #57-0380426

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Please find enclosed Kanawha Insurance Company's actuarial memorandum for a proposed rate increase of 7.6% for Individual Medicare Supplement Policy forms 90520 1/92 A, C, D, F, G. These policies are guaranteed renewable for life and were issued to Medicare recipients ages 65 and over.

The proposed effective date for this increase is January 1, 2011 or upon approval following appropriate notification to impacted policyholders. This increase is requested for a closed block of business.

The last rate filing was approved on September 25, 2009 for a 6.0% increase, HUMA-126273481.

In addition to SERFF, I can be reached at (502) 580-0964 or by email at bponds@humana.com.

## Company and Contact

### Filing Contact Information

Bettina Ponds, Medicare Supplement Product bponds@humana.com  
 Compliance Analyst  
 500 W. Main St. 502-580-0964 [Phone]  
 Louisville, KY 40202

### Filing Company Information

Kanawha Insurance Company	CoCode: 65110	State of Domicile: South Carolina
210 South White Street	Group Code: 119	Company Type:
Lancaster, SC 29721	Group Name:	State ID Number:
(800) 635-4252 ext. [Phone]	FEIN Number: 57-0380426	

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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	\$50 each for rate form
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Kanawha Insurance Company	\$50.00	09/22/2010	39766749

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<i>Company Tracking Number:</i>	<i>AR-19-2010</i>		
<i>TOI:</i>	<i>MS051 Individual Medicare Supplement - Standard Plans</i>	<i>Sub-TOI:</i>	<i>MS051.001 Plan A</i>
<i>Product Name:</i>	<i>Individual Medicare Supplement Plans</i>		
<i>Project Name/Number:</i>	<i>2010 Kanawha Rates/AR-19-2010</i>		

## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Approved- Closed	Stephanie Fowler	10/13/2010	10/13/2010

### Amendments

<b>Schedule</b>	<b>Schedule Item Name</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Supporting Document	Health - Actuarial Justification	Bettina Ponds	09/30/2010	09/30/2010

*SERFF Tracking Number:* HUMA-126824175      *State:* Arkansas  
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## **Disposition**

Disposition Date: 10/13/2010

Implementation Date: 10/13/2010

Status: Approved-Closed

Comment: The requested rate increase has been approved to be implemented on or after May 1, 2009. This approval is subject to the following:

- Increases will not be given more frequently than once in a twelve-month period;
- The insured shall be notified by the insurer of its intention to increase the rate for renewal not less than thirty (30) days prior to the effective date of the renewal.

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
<b>Supporting Document (revised)</b>	Health - Actuarial Justification	Approved	No
<b>Supporting Document</b>	Health - Actuarial Justification	Replaced	No
<b>Rate</b>	Proposed Base Rates	Approved	Yes

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**Amendment Letter**

Submitted Date: 09/30/2010

**Comments:**

Section VIII (titled "Average Annual Premium") in the actuarial memorandum recently submitted contains updated Average Annual Premiums. As such, we would like to submit an amended memo containing values we believe to be more accurate.

In our original calculation of the Average Annual Premium, we divided the nationwide total of earned premiums in year 2009 by the nationwide total policyholder count as of December 31, 2009. Upon further review, we realized that this method results in over-inflated Average Annual Premiums. This is because the nationwide total policyholder count as of December 31, 2009 only accounts for active and paying members as of the end of the year and not for those members who have paid premiums during the year but terminated their policies before the end of the year. In order to obtain the most accurate Average Annual Premium, we divided the nationwide total of earned premiums in December 2009 by the nationwide total policyholder count as of December 31, 2009, and annualized this amount by multiplying by 12. This results in an accurate snapshot of the Average Annual Premium in that the total earned premium during the month of December is divided exactly by the count of policyholders that paid that premium.

As a result of this revision, the Before Rate Increase Average Annual Premium is decreased from \$3,721 to \$3,068, and the After Rate Increase Average Annual Premium is decreased from \$4,003 to \$3,300.

**Changed Items:**

**Supporting Document Schedule Item Changes:**

**Satisfied -Name: Health - Actuarial Justification**

Comment: Revised the actuarial memo.

AR Memo - Standardized1.pdf

**Rate/Rule Schedule**

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
Approved	Proposed Base Rates	90520 1/92 A, C, Revised		Previous State Filing	HUMA- Proposed Base

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10/13/2010 D, F, G. Number: 1262734 Rates.pdf  
81  
Percent Rate Change 7.600  
Request:

**Exhibit B**  
**Kanawha Insurance Company**  
**Medicare Supplement Rates**

**State:** Arkansas  
**Form #s:** 90520 - Issue Age  
**Current Base Rates**  
**(Effective January 1, 2010)**

<b>Issue Age</b>	<b>Plan A</b>	<b>Plan D</b>	<b>Plan F</b>	<b>Plan G</b>
<65	n/a	n/a	n/a	n/a
65+	\$137.90	\$208.21	\$266.60	\$251.78

**State:** Arkansas  
**Form #s:** 90520 - Issue Age  
**Proposed Increase**

<b>Issue Age</b>	<b>Plan A</b>	<b>Plan D</b>	<b>Plan F</b>	<b>Plan G</b>
<65	n/a	n/a	n/a	n/a
65+	7.6%	7.6%	7.6%	7.6%

**State:** Arkansas  
**Form #s:** 90520 - Issue Age  
**Effec Date:** January 1, 2011  
**Proposed Base Rates**

<b>Issue Age</b>	<b>Plan A</b>	<b>Plan D</b>	<b>Plan F</b>	<b>Plan G</b>
<65	n/a	n/a	n/a	n/a
65+	\$148.38	\$224.03	\$286.86	\$270.92