

SERFF Tracking Number: UHLC-126750336 State: Arkansas
Filing Company: UnitedHealthcare Insurance Company State Tracking Number: 46713
Company Tracking Number: RERATE 2011 - PRE -STD
TOI: MS02G Group Medicare Supplement - Pre- Standardized Sub-TOI: MS02G.000 Medicare Supplement - Pre- Standardized
Product Name: GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS
Project Name/Number: RATE/RERATE 2011 - PRE -STD

Filing at a Glance

Company: UnitedHealthcare Insurance Company

Product Name: GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS SERFF Tr Num: UHLC-126750336 State: Arkansas

TOI: MS02G Group Medicare Supplement - Pre-Standardized SERFF Status: Closed-Approved- Closed State Tr Num: 46713

Sub-TOI: MS02G.000 Medicare Supplement - Pre-Standardized Co Tr Num: RERATE 2011 - PRE - STD State Status: Approved-Closed

Filing Type: Rate Reviewer(s): Stephanie Fowler

Authors: Wanda Augustus, Bobbie Walton Disposition Date: 09/09/2010

Date Submitted: 09/03/2010 Disposition Status: Approved-Closed

Implementation Date Requested: 01/01/2011

Implementation Date: 01/01/2011

State Filing Description:

General Information

Project Name: RATE

Project Number: RERATE 2011 - PRE -STD

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 09/09/2010

Deemer Date:

Submitted By: Bobbie Walton

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Group

Group Market Size: Large

Group Market Type: Association

Explanation for Other Group Market Type:

State Status Changed: 09/09/2010

Created By: Wanda Augustus

Corresponding Filing Tracking Number:

RERATE 2011 - PRE -STD

Filing Description:

RE: Rate Revision Filing

Rates for Pre-Standardized Medicare Supplement Plans

UnitedHealthcare Insurance Company

NAIC #0707-79413

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Company and Contact

Filing Contact Information

Susan Cipollo, Director Susan_J_Cipollo@uhc.com
 680 Blair Mill Rd. 215-902-8444 [Phone]
 Horsham, PA 19044 215-902-8813 [FAX]

Filing Company Information

UnitedHealthcare Insurance Company CoCode: 79413 State of Domicile: Connecticut
 185 Asylum Street Group Code: 707 Company Type: Life and Health
 Hartford, CT 06103 Group Name: State ID Number:
 (860) 702-5000 ext. [Phone] FEIN Number: 36-2739571

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
UnitedHealthcare Insurance Company	\$50.00	09/03/2010	39232353

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Stephanie Fowler	09/09/2010	09/09/2010

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Disposition

Disposition Date: 09/09/2010

Implementation Date: 01/01/2011

Status: Approved-Closed

Comment: The requested rate increase has been approved to be implemented on or after January 1, 2011. 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
Supporting Document	Health - Actuarial Justification	Approved	No
Supporting Document	COVER LETTER	Accepted for Informational Purposes	Yes
Rate	RATE SCHEDULE AND RATE ATTACHMENTS	Approved	Yes

SERFF Tracking Number: UHLC-126750336 **State:** Arkansas
Filing Company: UnitedHealthcare Insurance Company **State Tracking Number:** 46713
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TOI: MS02G Group Medicare Supplement - Pre-Standardized **Sub-TOI:** MS02G.000 Medicare Supplement - Pre-Standardized
Product Name: GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS
Project Name/Number: RATE/RERATE 2011 - PRE -STD

Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action: Action:*	Rate Action Information:	Attachments
Approved 09/09/2010	RATE SCHEDULE AND RATE ATTACHMENTS	G-36000-4	New		AR Rate Schedule (Pre).pdf AR Attachments (Pre).pdf

UNITEDHEALTHCARE INSURANCE COMPANY
AARP MEDICARE SUPPLEMENT PORTFOLIO

RATE SCHEDULE

FOR

ARKANSAS

GROUP POLICY NUMBER G-36000-4

<u>Plan</u>	<u>Proposed 2011 Monthly Rate</u>	<u>2010 Monthly Rate</u>	<u>Diff. (%)</u>
M1/J1/P1	\$115.50	\$112.50	2.7%
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$172.00	\$167.50	2.7%
M3/J3/P3 (with drugs)	\$264.25	\$257.50	2.6%
M3/J3/P3 (without drugs)	\$230.50	\$224.75	2.6%
M4 (with drugs)	\$285.50	\$278.25	2.6%
M4 (without drugs)	\$252.00	\$245.75	2.5%
M5/J5/P5	\$130.00	\$126.75	2.6%
M6/J6/P6/DC/DE/DF	\$192.75	\$187.75	2.7%
M7/P7 (with drugs)	\$268.50	\$261.75	2.6%
M7/P7 (without drugs)	\$235.25	\$229.25	2.6%
MA/PA	\$120.25	\$117.25	2.6%
AD/DP	\$4.00	\$4.00	0.0%

** Discounts available for Multi-Insured, Electronic Funds Transfer, and Annual Pay.*

UNITEDHEALTHCARE INSURANCE COMPANY

PRE-STANDARDIZED MEDICARE SUPPLEMENT RATE FILING

GROUP POLICY NUMBER G-36000-4

Arkansas

EFFECTIVE 1/1/2011

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September 2010

**Pre-Standardized Plans
Projection Of Arkansas Loss Ratios**

	<u>Total</u>
2009 Average Lives	2,439
2009 Average Rate	\$170.05
2009 Net Claim Rate	\$144.21
2009 Loss Ratio	84.8%
2010 Average Lives	2,070
2010 Average Rate	\$182.85
2010 Net Claim Rate	\$147.49
2010 Trend in Benefit Cost	2.3%
2010 Loss Ratio	80.7%
2011 Average Lives	1,784
2011 Average Rate	\$187.84
2011 Net Claim Rate	\$155.54
2011 Trend in Benefit Cost	5.5%
2011 Loss Ratio	82.8%

**Average rates are net of discounts.*

**PRE-STANDARDIZED PLANS
ARKANSAS BENEFIT COSTS**

	Per Member Per Month Costs*					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Proj 2010</u>	<u>Proj 2011</u>
Part B Coinsurance	\$72.04	\$72.94	\$74.19	\$76.33	\$76.04	\$78.15
Part B Excess Charges	\$0.08	\$0.30	\$0.05	\$0.01	\$0.01	\$0.01
Part A Deductible	\$29.78	\$29.11	\$32.87	\$34.10	\$34.84	\$36.29
Long Hospital Stay	\$0.73	\$4.39	\$1.21	\$0.95	\$1.69	\$1.76
SNF Day 21-100	\$21.85	\$24.71	\$25.57	\$33.22	\$34.49	\$38.73
SNF Day 101-365	\$2.40	\$2.31	\$0.40	\$0.79	\$1.69	\$1.93
Other	\$0.15	\$0.00	\$0.00	\$0.00	\$0.08	\$0.10
Prescription Drugs	\$32.14	\$24.29	\$22.87	\$22.23	\$21.62	\$21.18
Total PMPM Cost**	\$127.10	\$132.93	\$133.33	\$144.21	\$147.49	\$155.54
<i>Trend***</i>		4.6%	0.3%	8.2%	2.3%	5.5%

*The per member per month cost is equal to the incurred claims divided by the number of lives with that specific benefit.

"Other" includes foreign care and/or private duty nursing benefits.

** Beginning in 2006, some insureds enrolled in plans that offer prescription drug coverage will not have the drug benefit.

***2007 trend appears low due to members who had prescription drug coverage enrolling in Medicare Part D and dropping coverage for that benefit. The 2007 trend, excluding the drug benefit from the calculations, is 5.2%

Arkansas Average Annualized Premiums*

<u>Plan</u>	Proposed <u>2011</u>	<u>2010</u>
M1/J1/P1	\$1,353	\$1,323
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$2,023	\$1,969
M3/J3/P3	\$2,773	\$2,708
M4	\$2,973	\$2,925
M5/J5/P5	\$1,525	\$1,488
M6/J6/P6/DC/DE/DF	\$2,270	\$2,210
M7/P7	\$2,849	\$2,772
MA/PA	\$1,409	\$1,367
AD/DP	\$47	\$47

**Average premiums are net of discounts.*

Arkansas
Pre-Standardized Medicare Supplement Exhibit

Total

Calendar Year	Incurred Claims	Earned Premiums	Loss Ratio	Average Lives
1994	16,151,948	16,122,771	100.2%	22,386
1995	15,971,331	15,571,533	102.6%	20,434
1996	15,453,180	17,706,573	87.3%	17,685
1997	14,129,589	16,599,363	85.1%	15,078
1998	13,246,100	17,219,247	76.9%	12,497
1999	11,660,947	15,551,301	75.0%	10,742
2000	11,018,332	13,926,326	79.1%	9,420
2001	9,919,081	12,418,903	79.9%	8,243
2002	8,593,196	10,613,547	81.0%	7,045
2003	7,748,841	9,445,300	82.0%	6,176
2004	7,130,569	8,654,281	82.4%	5,332
2005	6,739,475	7,880,343	85.5%	4,643
2006	6,062,009	6,872,314	88.2%	3,975
2007	5,384,263	6,374,507	84.5%	3,375
2008	4,580,163	5,678,049	80.7%	2,863
2009	4,221,116	4,977,240	84.8%	2,439

**Pre-Standardized Plans in force on the SSAA-94 effective date are grouped together by type and treated as if they were issued on the SSAA-94 effective date.*

ARKANSAS AGGREGATE LOSS RATIO CALCULATION

	Premium	Premium	Incurred	Incurred Claims	Incurred
	<u>Premium</u>	<u>Accumulated</u>	<u>Claims</u>	<u>Accumulated</u>	<u>Loss Ratio</u>
	a	to 12/10	c	to 12/10	d/b
	a	b	c	d	d/b
PLAN M1					
1990	\$244,000	\$663,392	\$365,268	\$993,098	149.7%
1991	\$271,876	\$703,983	\$245,024	\$634,454	90.1%
1992	\$242,913	\$599,036	\$208,171	\$513,360	85.7%
1993	\$268,444	\$630,473	\$155,732	\$365,755	58.0%
1994	\$208,735	\$466,894	\$190,511	\$426,132	91.3%
1995	\$189,082	\$402,795	\$174,696	\$372,149	92.4%
1996	\$219,485	\$445,297	\$216,395	\$439,027	98.6%
1997	\$210,752	\$407,218	\$187,385	\$362,067	88.9%
1998	\$215,040	\$395,717	\$164,943	\$303,529	76.7%
1999	\$188,872	\$331,012	\$147,415	\$258,356	78.1%
2000	\$170,521	\$284,621	\$167,352	\$279,331	98.1%
2001	\$151,121	\$240,228	\$132,460	\$210,563	87.7%
2002	\$129,741	\$196,420	\$147,869	\$223,865	114.0%
2003	\$113,063	\$163,020	\$110,156	\$158,828	97.4%
2004	\$104,570	\$143,594	\$83,884	\$115,188	80.2%
2005	\$90,926	\$118,913	\$112,861	\$147,600	124.1%
2006	\$79,891	\$99,506	\$87,385	\$108,840	109.4%
2007	\$70,884	\$84,083	\$100,454	\$119,160	141.7%
2008	\$61,876	\$69,903	\$40,280	\$45,505	65.1%
2009	\$55,776	\$60,011	\$46,014	\$49,508	82.5%
2010	\$50,017	\$51,252	\$51,983	\$53,267	103.9%
Sub-Total	\$3,337,584	\$6,557,369	\$3,136,237	\$6,179,584	94.2%
2011	\$45,190	\$44,101	\$47,097	\$45,962	104.2%
2012	\$42,461	\$39,464	\$44,253	\$41,130	104.2%
2013	\$39,896	\$35,315	\$41,580	\$36,805	104.2%
2014	\$37,486	\$31,602	\$39,068	\$32,935	104.2%
2015	\$35,222	\$28,279	\$36,709	\$29,473	104.2%
2016	\$33,095	\$25,306	\$34,491	\$26,374	104.2%
2017	\$31,096	\$22,645	\$32,408	\$23,601	104.2%
2018	\$29,218	\$20,264	\$30,451	\$21,119	104.2%
2019	\$27,453	\$18,133	\$28,612	\$18,899	104.2%
2020	\$25,795	\$16,227	\$26,883	\$16,912	104.2%
Aggregate (1990-2020)	\$3,684,497	\$6,838,706	\$3,497,790	\$6,472,793	94.6%
Expected Future (2011-2020)	\$346,913	\$281,337	\$361,552	\$293,209	104.2%
PLAN M2					
	Premium	Premium	Incurred	Incurred Claims	Incurred
	<u>Premium</u>	<u>Accumulated</u>	<u>Claims</u>	<u>Accumulated</u>	<u>Loss Ratio</u>
	a	to 12/10	c	to 12/10	d/b
	a	b	c	d	d/b
1990	\$1,379,000	\$3,749,254	\$1,370,726	\$3,726,759	99.4%
1991	\$1,389,073	\$3,596,801	\$1,232,657	\$3,191,785	88.7%
1992	\$1,151,714	\$2,840,185	\$1,186,130	\$2,925,057	103.0%
1993	\$1,224,476	\$2,875,829	\$1,067,070	\$2,506,142	87.1%
1994	\$996,843	\$2,229,719	\$1,105,568	\$2,472,913	110.9%
1995	\$953,816	\$2,031,883	\$1,155,137	\$2,460,750	121.1%
1996	\$1,131,134	\$2,294,873	\$1,170,908	\$2,375,570	103.5%
1997	\$1,090,294	\$2,106,684	\$930,498	\$1,797,922	85.3%
1998	\$1,109,554	\$2,041,808	\$776,286	\$1,428,525	70.0%
1999	\$990,597	\$1,736,098	\$658,613	\$1,154,270	66.5%
2000	\$871,206	\$1,454,147	\$592,149	\$988,367	68.0%
2001	\$775,839	\$1,233,303	\$575,263	\$914,460	74.1%
2002	\$670,320	\$1,014,826	\$506,402	\$766,663	75.5%
2003	\$601,328	\$867,024	\$492,244	\$709,742	81.9%
2004	\$530,664	\$728,703	\$455,224	\$625,108	85.8%
2005	\$477,029	\$623,858	\$470,234	\$614,972	98.6%
2006	\$415,394	\$517,382	\$427,552	\$532,526	102.9%
2007	\$357,282	\$423,813	\$400,749	\$475,374	112.2%
2008	\$303,567	\$342,947	\$328,853	\$371,513	108.3%
2009	\$254,305	\$273,614	\$215,823	\$232,210	84.9%
2010	\$217,535	\$222,907	\$182,372	\$186,876	83.8%
Sub-Total	\$16,890,970	\$33,205,658	\$15,300,458	\$30,457,504	91.7%
2011	\$177,407	\$173,131	\$153,114	\$149,424	86.3%
2012	\$166,691	\$154,928	\$143,866	\$133,713	86.3%
2013	\$156,623	\$138,638	\$135,176	\$119,654	86.3%
2014	\$147,163	\$124,061	\$127,011	\$107,073	86.3%
2015	\$138,274	\$111,017	\$119,340	\$95,815	86.3%
2016	\$129,923	\$99,344	\$112,132	\$85,741	86.3%
2017	\$122,075	\$88,899	\$105,359	\$76,726	86.3%
2018	\$114,702	\$79,552	\$98,995	\$68,659	86.3%
2019	\$107,774	\$71,188	\$93,016	\$61,440	86.3%
2020	\$101,264	\$63,703	\$87,398	\$54,980	86.3%
Aggregate (1990-2020)	\$18,252,867	\$34,310,120	\$16,475,865	\$31,410,727	91.5%
Expected Future (2011-2020)	\$1,361,897	\$1,104,461	\$1,175,407	\$953,223	86.3%

Assumption: Interest rate is 5%.

ARKANSAS AGGREGATE LOSS RATIO CALCULATION

	Premium	Premium	Incurred	Incurred Claims	Incurred
	<u>Premium</u>	<u>Accumulated</u>	<u>Claims</u>	<u>Accumulated</u>	<u>Loss Ratio</u>
	a	to 12/10	c	to 12/10	d/b
	a	b	c	d	d/b
PLAN M3					
1990	\$2,630,000	\$7,150,499	\$2,545,840	\$6,921,683	96.8%
1991	\$2,816,210	\$7,292,163	\$2,453,991	\$6,354,250	87.1%
1992	\$2,858,980	\$7,050,390	\$2,527,113	\$6,231,989	88.4%
1993	\$2,871,818	\$6,744,809	\$2,523,241	\$5,926,134	87.9%
1994	\$2,322,936	\$5,195,899	\$2,287,578	\$5,116,811	98.5%
1995	\$2,239,022	\$4,769,716	\$2,382,494	\$5,075,350	106.4%
1996	\$2,409,442	\$4,888,339	\$2,140,377	\$4,342,453	88.8%
1997	\$2,242,018	\$4,332,062	\$1,958,901	\$3,785,018	87.4%
1998	\$2,298,203	\$4,229,165	\$1,812,714	\$3,335,766	78.9%
1999	\$2,043,566	\$3,581,506	\$1,475,187	\$2,585,377	72.2%
2000	\$1,820,705	\$3,038,977	\$1,336,651	\$2,231,031	73.4%
2001	\$1,558,010	\$2,476,672	\$1,264,797	\$2,010,571	81.2%
2002	\$1,320,579	\$1,999,279	\$1,075,915	\$1,628,873	81.5%
2003	\$1,139,882	\$1,643,537	\$880,612	\$1,269,709	77.3%
2004	\$996,691	\$1,368,646	\$800,285	\$1,098,943	80.3%
2005	\$855,574	\$1,118,919	\$813,058	\$1,063,317	95.0%
2006	\$654,157	\$814,767	\$560,824	\$698,519	85.7%
2007	\$580,597	\$688,711	\$486,112	\$576,633	83.7%
2008	\$508,139	\$574,058	\$367,449	\$415,117	72.3%
2009	\$436,907	\$470,081	\$309,212	\$332,691	70.8%
2010	\$408,019	\$418,095	\$279,808	\$286,718	68.6%
Sub-Total	\$35,011,454	\$69,846,290	\$30,282,160	\$61,286,953	87.7%
2011	\$367,644	\$358,784	\$257,306	\$251,105	70.0%
2012	\$345,438	\$321,060	\$241,764	\$224,703	70.0%
2013	\$324,574	\$287,303	\$227,162	\$201,077	70.0%
2014	\$304,970	\$257,095	\$213,441	\$179,935	70.0%
2015	\$286,550	\$230,064	\$200,549	\$161,016	70.0%
2016	\$269,242	\$205,874	\$188,436	\$144,087	70.0%
2017	\$252,980	\$184,228	\$177,055	\$128,937	70.0%
2018	\$237,700	\$164,858	\$166,361	\$115,380	70.0%
2019	\$223,343	\$147,524	\$156,312	\$103,249	70.0%
2020	\$209,853	\$132,013	\$146,871	\$92,393	70.0%
Aggregate (1990-2020)	\$37,833,747	\$72,135,092	\$32,257,419	\$62,888,833	87.2%
Expected Future (2011-2020)	\$2,822,293	\$2,288,803	\$1,975,258	\$1,601,881	70.0%
PLAN M4					
	Premium	Premium	Incurred	Incurred Claims	Incurred
	<u>Premium</u>	<u>Accumulated</u>	<u>Claims</u>	<u>Accumulated</u>	<u>Loss Ratio</u>
	a	to 12/10	c	to 12/10	d/b
	a	b	c	d	d/b
1990	\$42,000	\$114,190	\$37,800	\$102,771	90.0%
1991	\$34,500	\$89,333	\$30,129	\$78,015	87.3%
1992	\$26,096	\$64,354	\$30,605	\$75,473	117.3%
1993	\$25,000	\$58,715	\$18,714	\$43,952	74.9%
1994	\$21,340	\$47,733	\$22,015	\$49,243	103.2%
1995	\$26,257	\$55,934	\$17,358	\$36,978	66.1%
1996	\$33,895	\$68,768	\$26,880	\$54,536	79.3%
1997	\$29,468	\$56,939	\$23,780	\$45,948	80.7%
1998	\$27,791	\$51,141	\$18,338	\$33,745	66.0%
1999	\$30,325	\$53,147	\$22,029	\$38,608	72.6%
2000	\$30,842	\$51,479	\$27,222	\$45,437	88.3%
2001	\$25,106	\$39,909	\$15,473	\$24,597	61.6%
2002	\$25,681	\$38,880	\$12,121	\$18,350	47.2%
2003	\$27,878	\$40,195	\$15,494	\$22,339	55.6%
2004	\$27,498	\$37,760	\$25,209	\$34,617	91.7%
2005	\$23,985	\$31,368	\$30,540	\$39,941	127.3%
2006	\$16,969	\$21,135	\$19,080	\$23,764	112.4%
2007	\$16,625	\$19,721	\$11,037	\$13,093	66.4%
2008	\$7,305	\$8,253	\$11,222	\$12,678	153.6%
2009	\$2,721	\$2,928	\$525	\$565	19.3%
2010	\$2,885	\$2,956	\$1,854	\$1,900	64.3%
Sub-Total	\$504,167	\$954,838	\$417,426	\$796,550	83.4%
2011	\$2,613	\$2,550	\$1,825	\$1,781	69.9%
2012	\$2,455	\$2,281	\$1,715	\$1,594	69.9%
2013	\$2,306	\$2,042	\$1,612	\$1,427	69.9%
2014	\$2,167	\$1,827	\$1,514	\$1,277	69.9%
2015	\$2,036	\$1,635	\$1,423	\$1,142	69.9%
2016	\$1,913	\$1,463	\$1,337	\$1,022	69.9%
2017	\$1,798	\$1,309	\$1,256	\$915	69.9%
2018	\$1,689	\$1,171	\$1,180	\$819	69.9%
2019	\$1,587	\$1,048	\$1,109	\$732	69.9%
2020	\$1,491	\$938	\$1,042	\$655	69.9%
Aggregate (1990-2020)	\$524,222	\$971,102	\$431,440	\$807,914	83.2%
Expected Future (2011-2020)	\$20,055	\$16,264	\$14,013	\$11,364	69.9%

Assumption: Interest rate is 5%.

ARKANSAS AGGREGATE LOSS RATIO CALCULATION

	<u>Premium</u>	<u>Premium</u>	<u>Incurred</u>	<u>Incurred Claims</u>	<u>Incurred</u>
	<u>a</u>	<u>Accumulated</u>	<u>Claims</u>	<u>Accumulated</u>	<u>Loss Ratio</u>
		<u>to 12/10</u>	<u>c</u>	<u>to 12/10</u>	<u>d/b</u>
	<u>a</u>	<u>b</u>	<u>c</u>	<u>d</u>	<u>d/b</u>
PLAN M5					
1990	\$260,000	\$706,893	\$287,300	\$781,117	110.5%
1991	\$263,148	\$681,383	\$157,334	\$407,393	59.8%
1992	\$188,241	\$464,212	\$182,495	\$450,042	96.9%
1993	\$210,810	\$495,113	\$155,605	\$365,457	73.8%
1994	\$171,856	\$384,404	\$158,861	\$355,336	92.4%
1995	\$165,136	\$351,784	\$136,292	\$290,338	82.5%
1996	\$192,444	\$390,436	\$134,979	\$273,849	70.1%
1997	\$170,672	\$329,775	\$164,516	\$317,879	96.4%
1998	\$171,269	\$315,171	\$183,272	\$337,257	107.0%
1999	\$155,991	\$273,387	\$146,066	\$255,992	93.6%
2000	\$142,360	\$237,617	\$114,522	\$191,151	80.4%
2001	\$133,799	\$212,692	\$207,070	\$329,166	154.8%
2002	\$122,667	\$185,710	\$141,099	\$213,616	115.0%
2003	\$108,936	\$157,069	\$98,790	\$142,440	90.7%
2004	\$99,187	\$136,202	\$83,578	\$114,768	84.3%
2005	\$88,650	\$115,936	\$59,644	\$78,002	67.3%
2006	\$83,134	\$103,546	\$60,038	\$74,779	72.2%
2007	\$73,887	\$87,646	\$75,220	\$89,227	101.8%
2008	\$65,137	\$73,587	\$48,692	\$55,009	74.8%
2009	\$56,505	\$60,795	\$89,963	\$96,794	159.2%
2010	\$51,979	\$53,262	\$48,639	\$49,841	93.6%
Sub-Total	\$2,975,809	\$5,816,620	\$2,733,975	\$5,269,455	90.6%
2011	\$46,914	\$45,784	\$48,275	\$47,112	102.9%
2012	\$44,081	\$40,970	\$45,359	\$42,158	102.9%
2013	\$41,418	\$36,662	\$42,620	\$37,726	102.9%
2014	\$38,917	\$32,807	\$40,046	\$33,759	102.9%
2015	\$36,566	\$29,358	\$37,627	\$30,210	102.9%
2016	\$34,357	\$26,271	\$35,354	\$27,033	102.9%
2017	\$32,282	\$23,509	\$33,219	\$24,191	102.9%
2018	\$30,332	\$21,037	\$31,212	\$21,647	102.9%
2019	\$28,500	\$18,825	\$29,327	\$19,371	102.9%
2020	\$26,779	\$16,846	\$27,556	\$17,335	102.9%
Aggregate (1990-2020)	\$3,335,956	\$6,108,690	\$3,104,570	\$5,569,998	91.2%
Expected Future (2011-2020)	\$360,148	\$292,070	\$370,595	\$300,542	102.9%
PLAN M6					
	<u>Premium</u>	<u>Premium</u>	<u>Incurred</u>	<u>Incurred Claims</u>	<u>Incurred</u>
	<u>a</u>	<u>Accumulated</u>	<u>Claims</u>	<u>Accumulated</u>	<u>Loss Ratio</u>
		<u>to 12/10</u>	<u>c</u>	<u>to 12/10</u>	<u>d/b</u>
	<u>a</u>	<u>b</u>	<u>c</u>	<u>d</u>	<u>d/b</u>
1990	\$10,161,000	\$27,625,941	\$8,789,265	\$23,896,439	86.5%
1991	\$12,642,163	\$32,735,028	\$9,722,623	\$25,175,306	76.9%
1992	\$11,793,354	\$29,083,011	\$10,720,438	\$26,437,146	90.9%
1993	\$13,095,324	\$30,755,938	\$10,076,313	\$23,665,429	76.9%
1994	\$10,855,057	\$24,280,384	\$11,128,192	\$24,891,326	102.5%
1995	\$10,540,870	\$22,454,872	\$10,955,529	\$23,338,207	103.9%
1996	\$12,178,633	\$24,708,329	\$10,569,171	\$21,443,011	86.8%
1997	\$11,473,655	\$22,169,572	\$9,648,498	\$18,642,976	84.1%
1998	\$11,926,161	\$21,946,582	\$9,309,339	\$17,131,094	78.1%
1999	\$10,780,670	\$18,893,947	\$8,181,674	\$14,339,009	75.9%
2000	\$9,681,753	\$16,160,011	\$7,848,641	\$13,100,326	81.1%
2001	\$8,668,637	\$13,779,998	\$6,910,485	\$10,985,173	79.7%
2002	\$7,372,678	\$11,161,802	\$5,927,287	\$8,973,565	80.4%
2003	\$6,587,323	\$9,497,925	\$5,577,549	\$8,041,983	84.7%
2004	\$6,075,471	\$8,342,772	\$5,102,235	\$7,006,334	84.0%
2005	\$5,574,133	\$7,289,848	\$4,666,448	\$6,102,779	83.7%
2006	\$4,984,919	\$6,208,833	\$4,399,529	\$5,479,716	88.3%
2007	\$4,687,908	\$5,560,856	\$3,894,844	\$4,620,113	83.1%
2008	\$4,198,936	\$4,743,648	\$3,402,171	\$3,843,523	81.0%
2009	\$3,691,386	\$3,971,672	\$3,189,330	\$3,431,495	86.4%
2010	\$3,370,290	\$3,453,520	\$2,754,935	\$2,822,968	81.7%
Sub-Total	\$180,340,321	\$344,824,489	\$152,774,498	\$293,367,918	85.1%
2011	\$2,986,907	\$2,914,923	\$2,507,753	\$2,447,317	84.0%
2012	\$2,806,498	\$2,608,440	\$2,356,285	\$2,189,999	84.0%
2013	\$2,636,986	\$2,334,181	\$2,213,965	\$1,959,736	84.0%
2014	\$2,477,712	\$2,088,759	\$2,080,242	\$1,753,684	84.0%
2015	\$2,328,058	\$1,869,140	\$1,954,595	\$1,569,296	84.0%
2016	\$2,187,443	\$1,672,614	\$1,836,538	\$1,404,296	84.0%
2017	\$2,055,322	\$1,496,750	\$1,725,611	\$1,256,644	84.0%
2018	\$1,931,180	\$1,339,378	\$1,621,384	\$1,124,517	84.0%
2019	\$1,814,537	\$1,198,552	\$1,523,452	\$1,006,282	84.0%
2020	\$1,704,939	\$1,072,533	\$1,431,436	\$900,479	84.0%
Aggregate (1990-2020)	\$203,269,903	\$363,419,758	\$172,025,759	\$308,980,169	85.0%
Expected Future (2011-2020)	\$22,929,582	\$18,595,269	\$19,251,262	\$15,612,251	84.0%

Assumption: Interest rate is 5%.

ARKANSAS AGGREGATE LOSS RATIO CALCULATION

	Premium	Premium	Incurred	Incurred Claims	Incurred
	<u>Premium</u>	<u>Accumulated</u>	<u>Claims</u>	<u>Accumulated</u>	<u>Loss Ratio</u>
	a	to 12/10	c	to 12/10	d/b
	a	b	c	d	d/b
PLAN M7					
1990	\$902,000	\$2,452,377	\$723,404	\$1,966,806	80.2%
1991	\$1,112,048	\$2,879,485	\$874,143	\$2,263,464	78.6%
1992	\$1,215,680	\$2,997,929	\$918,914	\$2,266,089	75.6%
1993	\$1,256,976	\$2,952,159	\$909,125	\$2,135,189	72.3%
1994	\$1,048,003	\$2,344,153	\$940,965	\$2,104,733	89.8%
1995	\$1,018,938	\$2,170,610	\$832,720	\$1,773,916	81.7%
1996	\$1,107,244	\$2,246,406	\$906,189	\$1,838,499	81.8%
1997	\$994,215	\$1,921,038	\$845,463	\$1,633,617	85.0%
1998	\$1,065,910	\$1,961,493	\$733,914	\$1,350,552	68.9%
1999	\$989,278	\$1,733,784	\$775,956	\$1,359,922	78.4%
2000	\$878,013	\$1,465,510	\$706,571	\$1,179,352	80.5%
2001	\$805,340	\$1,280,199	\$649,280	\$1,032,120	80.6%
2002	\$706,872	\$1,070,162	\$587,491	\$889,426	83.1%
2003	\$623,478	\$898,961	\$409,998	\$591,156	65.8%
2004	\$586,378	\$805,208	\$416,278	\$571,629	71.0%
2005	\$549,425	\$718,538	\$393,314	\$514,375	71.6%
2006	\$439,383	\$547,262	\$360,868	\$449,470	82.1%
2007	\$400,975	\$475,641	\$301,314	\$357,423	75.1%
2008	\$359,513	\$406,151	\$237,115	\$267,875	66.0%
2009	\$319,948	\$344,242	\$240,148	\$258,383	75.1%
2010	\$292,881	\$300,114	\$197,622	\$202,503	67.5%
Sub-Total	\$16,672,499	\$31,971,424	\$12,960,792	\$25,006,498	78.2%
2011	\$262,567	\$256,239	\$180,087	\$175,747	68.6%
2012	\$246,708	\$229,297	\$169,210	\$157,268	68.6%
2013	\$231,807	\$205,188	\$158,989	\$140,733	68.6%
2014	\$217,805	\$183,614	\$149,386	\$125,936	68.6%
2015	\$204,650	\$164,308	\$140,364	\$112,694	68.6%
2016	\$192,289	\$147,033	\$131,886	\$100,845	68.6%
2017	\$180,675	\$131,573	\$123,920	\$90,242	68.6%
2018	\$169,762	\$117,739	\$116,435	\$80,754	68.6%
2019	\$159,508	\$105,360	\$109,402	\$72,263	68.6%
2020	\$149,874	\$94,282	\$102,794	\$64,665	68.6%
Aggregate (1990-2020)	\$18,688,144	\$33,606,058	\$14,343,265	\$26,127,646	77.7%
Expected Future (2011-2020)	\$2,015,645	\$1,634,634	\$1,382,473	\$1,121,148	68.6%

	Premium	Premium	Incurred	Incurred Claims	Incurred
	<u>Premium</u>	<u>Accumulated</u>	<u>Claims</u>	<u>Accumulated</u>	<u>Loss Ratio</u>
	a	to 12/10	c	to 12/10	d/b
	a	b	c	d	d/b
PLAN MA					
1990	\$284,000	\$772,145	\$226,916	\$616,944	79.9%
1991	\$480,893	\$1,245,202	\$336,371	\$870,984	69.9%
1992	\$464,558	\$1,145,624	\$339,306	\$836,746	73.0%
1993	\$507,932	\$1,192,939	\$389,774	\$915,431	76.7%
1994	\$396,439	\$886,747	\$278,605	\$623,178	70.3%
1995	\$375,623	\$800,177	\$280,213	\$596,928	74.6%
1996	\$380,820	\$772,617	\$265,804	\$539,269	69.8%
1997	\$343,060	\$662,867	\$345,709	\$667,984	100.8%
1998	\$367,876	\$676,968	\$227,735	\$419,080	61.9%
1999	\$339,949	\$595,787	\$232,020	\$406,633	68.3%
2000	\$302,781	\$505,378	\$212,054	\$353,944	70.0%
2001	\$276,712	\$439,872	\$153,693	\$244,316	55.5%
2002	\$244,333	\$369,905	\$189,132	\$286,335	77.4%
2003	\$225,452	\$325,068	\$162,407	\$234,167	72.0%
2004	\$218,371	\$299,865	\$163,216	\$224,127	74.7%
2005	\$207,414	\$271,257	\$191,575	\$250,542	92.4%
2006	\$187,491	\$233,525	\$144,873	\$180,443	77.3%
2007	\$177,098	\$210,075	\$114,531	\$135,858	64.7%
2008	\$165,984	\$187,516	\$144,380	\$163,110	87.0%
2009	\$153,093	\$164,717	\$129,613	\$139,454	84.7%
2010	\$143,813	\$147,364	\$144,528	\$148,097	100.5%
Sub-Total	\$6,243,692	\$11,905,615	\$4,672,456	\$8,853,570	74.4%
2011	\$127,990	\$124,906	\$132,337	\$129,148	103.4%
2012	\$120,260	\$111,773	\$124,344	\$115,569	103.4%
2013	\$112,996	\$100,021	\$116,834	\$103,418	103.4%
2014	\$106,171	\$89,504	\$109,777	\$92,544	103.4%
2015	\$99,758	\$80,094	\$103,146	\$82,814	103.4%
2016	\$93,733	\$71,672	\$96,916	\$74,106	103.4%
2017	\$88,072	\$64,136	\$91,063	\$66,315	103.4%
2018	\$82,752	\$57,393	\$85,562	\$59,342	103.4%
2019	\$77,754	\$51,359	\$80,395	\$53,103	103.4%
2020	\$73,057	\$45,959	\$75,539	\$47,519	103.4%
Aggregate (1990-2020)	\$7,226,236	\$12,702,431	\$5,688,369	\$9,677,448	76.2%
Expected Future (2011-2020)	\$982,544	\$796,816	\$1,015,914	\$823,878	103.4%

Assumption: Interest rate is 5%.

ARKANSAS AGGREGATE LOSS RATIO CALCULATION

	<u>Premium</u>	<u>Premium</u> <u>Accumulated</u> <u>to 12/10</u>	<u>Incurred</u> <u>Claims</u>	<u>Incurred Claims</u> <u>Accumulated</u> <u>to 12/10</u>	<u>Incurred</u> <u>Loss Ratio</u> <u>d/b</u>
	a	b	c	d	
TOTAL M-SERIES					
1990	\$15,902,000	\$43,234,693	\$14,346,519	\$39,005,618	90.2%
1991	\$19,009,911	\$49,223,378	\$15,052,271	\$38,975,650	79.2%
1992	\$17,941,536	\$44,244,741	\$16,113,172	\$39,735,902	89.8%
1993	\$19,460,780	\$45,705,975	\$15,295,574	\$35,923,489	78.6%
1994	\$16,021,209	\$35,835,933	\$16,112,295	\$36,039,672	100.6%
1995	\$15,508,744	\$33,037,773	\$15,934,439	\$33,944,616	102.7%
1996	\$17,653,097	\$35,815,065	\$15,430,703	\$31,306,214	87.4%
1997	\$16,554,135	\$31,986,154	\$14,104,749	\$27,253,412	85.2%
1998	\$17,181,804	\$31,618,045	\$13,226,540	\$24,339,547	77.0%
1999	\$15,519,248	\$27,198,667	\$11,638,962	\$20,398,168	75.0%
2000	\$13,898,182	\$23,197,738	\$11,005,162	\$18,368,939	79.2%
2001	\$12,394,563	\$19,702,873	\$9,908,521	\$15,750,966	79.9%
2002	\$10,592,870	\$16,036,984	\$8,587,316	\$13,000,693	81.1%
2003	\$9,427,340	\$13,592,799	\$7,747,251	\$11,170,365	82.2%
2004	\$8,638,830	\$11,862,750	\$7,129,909	\$9,790,715	82.5%
2005	\$7,867,137	\$10,288,638	\$6,737,675	\$8,811,528	85.6%
2006	\$6,861,338	\$8,545,956	\$6,060,149	\$7,548,056	88.3%
2007	\$6,365,255	\$7,550,546	\$5,384,263	\$6,386,881	84.6%
2008	\$5,670,456	\$6,406,064	\$4,580,163	\$5,174,330	80.8%
2009	\$4,970,641	\$5,348,061	\$4,220,629	\$4,541,100	84.9%
2010	\$4,537,418	\$4,649,470	\$3,661,742	\$3,752,169	80.7%
Sub-Total	\$261,976,496	\$505,082,303	\$222,278,002	\$431,218,032	85.4%
2011	\$4,017,233	\$3,920,418	\$3,327,795	\$3,247,596	82.8%
2012	\$3,774,592	\$3,508,214	\$3,126,796	\$2,906,134	82.8%
2013	\$3,546,606	\$3,139,350	\$2,937,938	\$2,600,575	82.8%
2014	\$3,332,391	\$2,809,270	\$2,760,486	\$2,327,143	82.8%
2015	\$3,131,115	\$2,513,895	\$2,593,753	\$2,082,461	82.8%
2016	\$2,941,996	\$2,249,577	\$2,437,090	\$1,863,505	82.8%
2017	\$2,764,299	\$2,013,050	\$2,289,890	\$1,667,570	82.8%
2018	\$2,597,335	\$1,801,392	\$2,151,581	\$1,492,237	82.8%
2019	\$2,440,456	\$1,611,989	\$2,021,625	\$1,335,339	82.8%
2020	\$2,293,053	\$1,442,500	\$1,899,519	\$1,194,938	82.8%
Aggregate (1990-2020)	\$292,815,572	\$530,091,958	\$247,824,476	\$451,935,530	85.3%
Expected Future (2011-2020)	\$30,839,077	\$25,009,654	\$25,546,474	\$20,717,498	82.8%

Assumption: Interest rate is 5%.

**Arkansas
Pre-Standardized Plans Rate History**

	<u>1/2006</u>	<u>1/2007</u>	<u>1/2008</u>	<u>1/2009</u>	<u>1/2010</u>	Proposed <u>1/2011</u>	<u>2007/2006</u>	<u>2008/2007</u>	<u>2009/2008</u>	<u>2010/2009</u>	Proposed <u>2011/2010</u>
M1/J1/P1	\$88.50	\$96.75	\$101.75	\$104.75	\$112.50	\$115.50	9.3%	5.2%	2.9%	7.4%	2.7%
M2/J2/P2/MC/MH/MM/MS/DA/DB	\$131.50	\$144.00	\$151.50	\$156.00	\$167.50	\$172.00	9.5%	5.2%	3.0%	7.4%	2.7%
M3/J3/P3 (with drugs)	\$211.50	\$227.25	\$232.75	\$239.75	\$257.50	\$264.25	7.4%	2.4%	3.0%	7.4%	2.6%
M3/J3/P3 (without drugs)	\$176.50	\$193.25	\$203.25	\$209.25	\$224.75	\$230.50	9.5%	5.2%	3.0%	7.4%	2.6%
M4 (with drugs)	\$228.00	\$245.25	\$251.50	\$259.00	\$278.25	\$285.50	7.6%	2.5%	3.0%	7.4%	2.6%
M4 (without drugs)	\$193.00	\$211.25	\$222.00	\$228.75	\$245.75	\$252.00	9.5%	5.1%	3.0%	7.4%	2.5%
M5/J5/P5	\$99.50	\$109.00	\$114.50	\$118.00	\$126.75	\$130.00	9.5%	5.0%	3.1%	7.4%	2.6%
M6/J6/P6/DC/DE/DF	\$147.50	\$161.50	\$169.75	\$174.75	\$187.75	\$192.75	9.5%	5.1%	2.9%	7.4%	2.7%
M7/P7 (with drugs)	\$215.25	\$231.25	\$236.75	\$243.75	\$261.75	\$268.50	7.4%	2.4%	3.0%	7.4%	2.6%
M7/P7 (without drugs)	\$180.25	\$197.25	\$207.25	\$213.50	\$229.25	\$235.25	9.4%	5.1%	3.0%	7.4%	2.6%
MA/PA	\$92.00	\$100.75	\$106.00	\$109.25	\$117.25	\$120.25	9.5%	5.2%	3.1%	7.3%	2.6%
AD/DP (Recuperation Care Rider)	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	0.0%	0.0%	0.0%	0.0%	0.0%

National Inforce Lives

	<u>2009</u>	<u>2010*</u>	<u>2011*</u>
M1/J1/P1	6,106	5,176	4,451
M2/J2/P2/MC/MH/MM/MS/DA/DB	16,391	13,553	11,375
M3/J3/P3	30,224	25,886	22,347
M4	320	264	232
M5/J5/P5	5,206	4,465	3,878
M6/J6/P6/DC/DE/DF	170,243	146,682	126,882
M7/P7	26,305	22,781	19,814
MA/PA	11,127	9,817	8,679

*Projected

Service	Benefit	AARP's Medicare Supplement (M1, P1, J1)	AARP's Medicare Supplement Plus (M2,P2,J2)
<p>HOSPITAL EXPENSES (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$285	Actual charges up to \$1140
	Days 61 through 90	to \$285/day	to \$285/day
	Days 91 and after when using a Lifetime Reserve Day	\$570/day	\$570/day
	Days 91 and after when LTR's are available but not used	\$570/day for up to 60 days	\$570/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p>SKILLED NURSING FACILITY STAYS (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$142.50/day	\$142.50/day
	Days 101 through 365	\$285/day	\$285/day
<p>MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$200 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$200 medical deductible**
<p>IN-HOSPITAL PRIVATE DUTY NURSING CARE</p>	In-Hospital Care by an RN or LPN	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.
<p>BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
<p>PRESCRIPTION DRUGS</p>	Purchased Out-of-Hospital and outside of a SNF	No benefit	No benefit
<p>FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges (2) after first \$50 up to \$25,000 per trip period	80% of reasonable charges (2) after first \$50 up to \$25,000 per trip period

* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

** Medical deductible- first \$200 (Plans M1 & M2) or first \$168 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

(2) Reasonable charge means the customary charge for a like service in the U.S. as determined by UnitedHealthcare Insurance Company.

Service	Benefit	AARP's Extended Medicare Supplement (M3,P3,J3)	AARP'S Comprehensive Medicare Supplement (M4)
<p>HOSPITAL EXPENSES (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$1140	Actual charges up to \$1140
	Days 61 through 90	to \$285/day	to \$285/day
	Days 91 and after when using a Lifetime Reserve Day	\$570/day	\$570/day
	Days 91 and after when LTR's are available but not used	\$570/day for up to 60 days	\$570/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p>SKILLED NURSING FACILITY STAYS (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$142.50/day	\$142.50/day
	Days 101 through 365	\$285/day	\$285/day
<p>MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$168 medical deductible**	100% of Medicare eligible expenses not paid in full by Medicare, up to the limiting charge set by Medicare, after a \$168 medical deductible**
<p>IN-HOSPITAL PRIVATE DUTY NURSING CARE</p>	In-Hospital Care by an RN or LPN	80% of usual and prevailing charges	80% of usual and prevailing charges
<p>BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
<p>PRESCRIPTION DRUGS</p>	Purchased Out-of-Hospital and outside of a SNF	50% of usual and prevailing charges after \$50 deductible; Max benefit of \$500/yr.	50% of usual and prevailing after \$50 deductible; Max benefit of \$500/yr.
<p>FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges (2) after first \$50 up to \$25,000 per trip period	80% of reasonable charges (2) after first \$50 up to \$25,000 per trip period

* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

** Medical deductible- first \$200 (Plans M1 & M2) or first \$168 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

(2) Reasonable charge means the customary charge for a like service in the U.S. as determined by UnitedHealthcare Insurance Company.

Service	Benefit	AARP's Medicare Supplement (M5,P5,J5)	AARP'S Medicare Supplement Plus (M6,P6,J6)
<p>HOSPITAL EXPENSES (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$285	Actual charges up to \$1140
	Days 61 through 90	to \$285/day	to \$285/day
	Days 91 and after when using a Lifetime Reserve Day	\$570/day	\$570/day
	Days 91 and after when LTR's are available but not used	\$570/day for up to 60 days	\$570/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p>SKILLED NURSING FACILITY STAYS (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$142.50/day	\$142.50/day
	Days 101 through 365	\$285/day	\$285/day
<p>MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	20% of Medicare eligible expenses not paid in full by Medicare after a \$168 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$168 medical deductible**
<p>IN-HOSPITAL PRIVATE DUTY NURSING CARE</p>	In-Hospital Care by an RN or LPN	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/benefit pd.
<p>BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	The reasonable cost under Parts A and B
<p>PRESCRIPTION DRUGS</p>	Purchased Out-of-Hospital and outside of a SNF	No benefit	No benefit
<p>FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges (2) after first \$50 up to \$25,000 per trip period	80% of reasonable charges (2) after first \$50 up to \$25,000 per trip period

* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

** Medical deductible- first \$200 (Plans M1 & M2) or first \$168 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

(2) Reasonable charge means the customary charge for a like service in the U.S. as determined by UnitedHealthcare Insurance Company.

Service	Benefit	AARP'S Comprehensive Medicare Supplement (M7,P7)	AARP's Medicare Supplement (MA, PA)
<p>HOSPITAL EXPENSES (for covered expenses each benefit period*) semi-private room and board, general nursing and miscellaneous hospital services and supplies. Includes lab tests, diagnostic x-rays, meals, special care units, drugs, medical supplies, operating and recovery room, anesthesia and rehabilitation services.</p>	Days 1 through 60	Actual charges up to \$1140	No benefit
	Days 61 through 90	to \$285/day	to \$285/day
	Days 91 and after when using a Lifetime Reserve Day	\$570/day	\$570/day
	Days 91 and after when LTR's are available but not used	\$570/day for up to 60 days	\$570/day for up to 60 days
	Days 91 and after when all 60 LTR's have been used	100% of Medicare eligible expenses (unlimited # of days)	100% of Medicare eligible expenses (unlimited # of days)
<p>SKILLED NURSING FACILITY STAYS (for covered services each benefit period*) in a facility approved by Medicare. Insured must have been in a hospital for at least 3 days and enter SNF within 30 days after hospital discharge- same condition.</p>	Days 1 through 20	No benefit	No benefit
	Days 21 through 100	\$142.50/day	\$142.50/day
	Days 101 through 365	\$285/day	\$285/day
<p>MEDICAL CARE (for covered expenses each calendar year) Physician services, medical services and supplies, physical and speech therapy, ambulance, etc.</p>	In-Hospital and Out of Hospital	Medicare eligible expenses not paid in full by Medicare. Up to the usual & prevailing charge set by Medicare after a \$168 medical deductible**	20% of Medicare eligible expenses not paid in full by Medicare after a \$168 medical deductible**
<p>IN-HOSPITAL PRIVATE DUTY NURSING CARE</p>	In-Hospital Care by an RN or LPN	80% of the usual and prevailing charges	RN-actual charges up to \$30 per 8hr shift. LPN-actual charges up to \$25 per 8hr shift. MAX.- 3 shifts/day; 60 shifts/hospital stay
<p>BLOOD - 1st 3 pints of blood or equivalent quantity of packed red blood cells.</p>		The reasonable cost under Parts A and B	100% of the cost not paid by Medicare
<p>PRESCRIPTION DRUGS</p>	Purchased Out-of-Hospital and outside of a SNF	50% of usual and prevailing charges after \$50 deductible; Max benefit of \$500/yr.	No benefit
<p>FOREIGN HOSPITAL & MEDICAL CARE Hospital, physician and medical services received in a foreign country which are of a type considered eligible when provided in the U.S.</p>	Days 1 through 60 of each trip period (1)	80% of reasonable charges (2) after first \$50 up to \$25,000 per trip period	80% of reasonable charges (2) after first \$50 up to \$25,000 per trip period

* A benefit period begins the first day of confinement in a hospital and ends when 60 consecutive days have passed without confinement.

** Medical deductible- first \$200 (Plans M1 & M2) or first \$168 (Plans M3 to MA) each calendar year of Medicare eligible expenses not paid by Medicare.

(1) A trip period begins on the day you leave the U.S. and ends on the day you return to the U.S.

(2) Reasonable charge means the customary charge for a like service in the U.S. as determined by UnitedHealthcare Insurance Company.

Service	Benefit	AD/DP
<i>Nursing Home Stays</i>	Days 1-20 per calendar year*	\$60/day
	Days 21 and after	No Benefit
<i>Home Health Care Visits</i>	Visits 1-40 per calendar year*	\$30/visit; 3 hr. minimum/visit
	Visits 41 and after	No Benefit

* Days and visits which are covered (wholly or partly) by Medicare are days and visits not eligible for benefits under this rider.

**2011 RATES FOR PLANS NOT ISSUED IN
ARKANSAS**

<u>Plan</u>	<u>Monthly Rate</u>
S1	\$115.50
S2	\$172.00
S3 (with drugs)	\$264.25
S3 (without drugs)	\$230.50
S4 (with drugs)	\$285.50
S4 (without drugs)	\$252.00
S6	\$192.75
S7 (with drugs)	\$268.50
S7 (without drugs)	\$235.25
SA	\$120.25
TA/XA/HA/YA	\$120.25
NA/QA	\$117.25
N6/Q6	\$186.75
N3/Q3 (with drugs)	\$77.50
N3/Q3 (without drugs)	\$43.75
N7/Q7 (with drugs)	\$81.75
N7/Q7 (without drugs)	\$48.50
M8/P8	\$127.25
M9/P9	\$190.50
D6/D7/D8/D9	\$13.75

2011 Rates for Pre-Baucus Coverages

AG	\$50.75
W (with drugs)	\$231.00
W (without drugs)	\$209.25
X	\$179.00
Y	\$100.00

Arkansas Medicare Supplement Pre-Standardized Plans Trend Development

The components of the composite trend are shown below.

Part A Deductible.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Medicare Part A Deductible	\$1,024	\$1,068	\$1,100	\$1,140
% Change in Part A Deductible	3.2%	4.3%	3.0%	3.6%
Utilization Trend	9.4%	-0.5%	-0.8%	0.5%
Composite Trend	12.9%	3.7%	2.2%	4.2%

Hospital Co-Payments. Hospital Co-payments are paid for days 61 and after for long hospital stays.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Medicare Daily Coinsurance Amount	\$256	\$267	\$275	\$285
% Change in Daily Coinsurance	3.2%	4.3%	3.0%	3.6%
Utilization/ Length of Stay Trend	-73.3%	-24.8%	72.5%	0.4%
Composite Trend	-72.4%	-21.5%	77.7%	4.0%

Skilled Nursing. Medicare Supplement plans which have a skilled nursing facility stay benefit pay the Medicare cost sharing amount for days 21-100. These plans also cover an additional 265 days.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Medicare Daily Coinsurance	\$128	\$134	\$138	\$143
% Change in Daily Coinsurance	3.2%	4.3%	3.0%	3.6%
Utilization/Length of Stay, days 21-365	-6.9%	25.6%	3.3%	8.4%
Composite Trend	-3.9%	30.9%	6.4%	12.4%

Part B Coinsurance.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Medicare Fee Update	0.9%	1.0%	0.8%	1.0%
Utilization Trend	0.8%	1.9%	-1.2%	1.8%
Composite Trend	1.7%	2.9%	-0.4%	2.8%

The net increase in the cost for Part B services in 2010 was 0.8%. For 2011, we assume a net increase of 1.0%.

Utilization trend considers changes in the number of services used as well as the intensity of services. Our assumed utilization trends for 2010 and 2011 are -1.2% and 1.8%, respectively.

Part B Excess. Projected claim costs for 2010 and 2011 are \$0.01 and \$0.01 respectively.

Prescription Drugs. Our assumed composite trends for plans M3, M4, and M7 are -2.7% for 2010, and -2.0% for 2011.

Foreign Care / Private Duty Nursing. In aggregate, these benefits represent less than 0.1% of the total Arkansas claim cost.

SERFF Tracking Number: UHLC-126750336 State: Arkansas
Filing Company: UnitedHealthcare Insurance Company State Tracking Number: 46713
Company Tracking Number: RERATE 2011 - PRE -STD
TOI: MS02G Group Medicare Supplement - Pre- Standardized Sub-TOI: MS02G.000 Medicare Supplement - Pre- Standardized
Product Name: GROUP MEDICARE SUPPLEMENT PRE-STANDARDIZED PLANS
Project Name/Number: RATE/RERATE 2011 - PRE -STD

Supporting Document Schedules

	Item Status:	Status
Satisfied - Item: COVER LETTER	Accepted for Informational Purposes	Date: 09/09/2010

Comments:

SEE ATTACHED COVER LETTER.

Attachment:

2011 Pre AR - Cover Letter.pdf

September 3, 2010

Jay Bradford
Commissioner
State of Arkansas
Department of Insurance
1200 West Third Street
Little Rock, Arkansas 72201-19044

RE: Rate Revision Filing
Rates for Pre-Standardized Medicare Supplement Plans
UnitedHealthcare Insurance Company
NAIC #0707-79413

Dear Commissioner:

The attached filing is made to obtain approval for rates effective January 1, 2011 for Pre-Standardized Medicare Supplement Plans, issued to members of AARP.

The proposed rates include an average rate increase of 2.6%. With these increases we project an anticipated loss ratio of 85.8%.

The enclosed actuarial memorandum provides supporting documentation. Certification regarding compliance with loss ratio standards for your state is also provided.

We would appreciate your acting expeditiously on this request so that we can provide AARP members with adequate notice of their 2011 rates.

If you need any further information regarding this matter, please contact me at (215) 902-8427, or via fax at (215) 902-8801. If you prefer to e-mail me, my address is David_M_Walker@uhc.com.

Sincerely,

A handwritten signature in cursive script that reads "David M. Walker".

David M. Walker, ASA, MAAA, FLMI
Director, Actuarial Services