

SERFF Tracking Number: AMLC-127352675 State: Arkansas  
Filing Company: United American Insurance Company State Tracking Number: 49462  
Company Tracking Number: 2011 AR UA LTC GEN 5 RATE FILING  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.003 Other  
Product Name: 2011 United American Individual Long Term Care Rate Filing  
Project Name/Number: 2011 AR UA LTC GEN 5 RATE FILING /2011 AR UA LTC GEN 5 RATE FILING

## Filing at a Glance

Company: United American Insurance Company

Product Name: 2011 United American SERFF Tr Num: AMLC-127352675 State: Arkansas

Individual Long Term Care Rate Filing

TOI: LTC03I Individual Long Term Care SERFF Status: Closed-Approved- State Tr Num: 49462  
Closed

Sub-TOI: LTC03I.003 Other

Co Tr Num: 2011 AR UA LTC GEN State Status: Approved-Closed  
5 RATE FILING

Filing Type: Rate

Reviewer(s): Stephanie Fowler

Authors: Tonya Pelley, Darla  
Grisolia

Disposition Date: 10/10/2011

Date Submitted: 08/03/2011

Disposition Status: Approved-  
Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: 2011 AR UA LTC GEN 5 RATE FILING

Status of Filing in Domicile: Pending

Project Number: 2011 AR UA LTC GEN 5 RATE FILING

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: A filing was  
submitted to Nebraska, our state of domicile, on  
June 10, 2011 and is currently pending.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: Resubmission

Previous Filing Number: 49097

Individual Market Type:

Overall Rate Impact: 20%

Filing Status Changed: 10/10/2011

State Status Changed: 10/10/2011

Deemer Date:

Created By: Darla Grisolia

Submitted By: Darla Grisolia

Corresponding Filing Tracking Number: 2011 AR UA LTC GEN 5 RATE  
FILING

Filing Description:

Attached is our resubmission of the 2011 Rate Filing for Individual Long Term Care Policy Forms LTCBOM and LTCIN.  
Please see the Resubmission Letter attached under the Supporting Documentation Tab.

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The enclosed Attachment to the Actuarial Memorandum indicates the amount of the requested rate revision. This is a closed block of business so the requested rate increase will apply only to renewals. Policies issued after the effective date of rate stabilization requirements will not be increased. An Actuarial Memorandum, premium rate schedule for policies in force as of September 30, 2010, and other supporting documentation are provided for your consideration. NAIC # 92916

Generation 5

LTCBOM +20.0%

LTCIN +20.0%

## Company and Contact

### Filing Contact Information

Darla Grisolia, Rate Compliance Specialist dgrisolia@torchmarkcorp.com  
 3700 S. Stonebridge Drive 469-525-4752 [Phone]  
 McKinney, TX 75070 972-569-3679 [FAX]

### Filing Company Information

United American Insurance Company	CoCode: 92916	State of Domicile: Nebraska
P.O. Box 8080	Group Code: 290	Company Type: Life and Health
McKinney, TX 75070-8080	Group Name: Liberty National	State ID Number:
(972) 529-5085 ext. [Phone]	FEIN Number: 73-1128555	

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## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
United American Insurance Company	\$0.00	08/03/2011	

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Stephanie Fowler	10/10/2011	10/10/2011

### 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	Stephanie Fowler	10/03/2011	10/03/2011	Tonya Pelley	10/10/2011	10/10/2011
Pending Industry Response	Stephanie Fowler	09/02/2011	09/02/2011	Tonya Pelley	09/29/2011	09/29/2011

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## Disposition

Disposition Date: 10/10/2011

Implementation Date:

Status: Approved-Closed

Comment: The negotiated rate increase of 15% has been approved. 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.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
United American Insurance Company	20.000%	20.000%	\$15,692	64	\$78,460	20.000%	20.000%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Health - Actuarial Justification	Approved-Closed	No
Supporting Document	2011 ARK LTC Generation 5 Resubmission Letter	Approved-Closed	No
Rate (revised)	2011 AR LTC Gen 5 Rate Pages	Approved-Closed	No
Rate	2011 AR LTC Gen 5 Rate Pages	Disapproved	No

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/03/2011
Submitted Date	10/03/2011
Respond By Date	11/03/2011

Dear Darla Grisolia,

Thank you for your most recent response. However, we stand by our previous offer of 6%. Failure to accept this offer will constitute a disapproval.

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,

Stephanie Fowler

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## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 10/10/2011  
 Submitted Date 10/10/2011

Dear Stephanie Fowler,

### Comments:

I am responding to your SERFF correspondence dated October 3, 2011.

### Response 1

Comments: Although we believe our originally requested rate increase is more appropriate, in the interest of expediency, we accept the rate increase of 6% offered in your correspondence. We have attached revised premium rate sheets under the Rate/Rule Schedule tab of this SERFF filing.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

### Rate/Rule Schedule Item Changes

Document Name: Affected Form Numbers:	Rate Action:	Rate Action Information: Attach Document:
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2011 AR LTC Gen LTCBOM,LTCIN 5 Rate Pages	Revised	<i>Previous State Filing Number</i>
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42037  
*Percent Rate Change Request*  
 6

#### **Previous Version**

2011 AR LTC Gen LTCBOM,LTCIN 5 Rate Pages	Revised	<i>Previous State Filing Number</i>
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42037  
*Percent Rate Change Request*  
 20

*SERFF Tracking Number:*      *AMLC-127352675*                      *State:*                      *Arkansas*  
*Filing Company:*              *United American Insurance Company*              *State Tracking Number:*      *49462*  
*Company Tracking Number:*      *2011 AR UA LTC GEN 5 RATE FILING*  
*TOI:*                      *LTC03I Individual Long Term Care*              *Sub-TOI:*                      *LTC03I.003 Other*  
*Product Name:*              *2011 United American Individual Long Term Care Rate Filing*  
*Project Name/Number:*      *2011 AR UA LTC GEN 5 RATE FILING /2011 AR UA LTC GEN 5 RATE FILING*

Thank you.

Sincerely,  
Darla Grisolia, Tonya Pelley

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Project Name/Number: 2011 AR UA LTC GEN 5 RATE FILING /2011 AR UA LTC GEN 5 RATE FILING

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/02/2011
Submitted Date	09/02/2011
Respond By Date	10/03/2011

Dear Darla Grisolia,

After further review of this request, we would be willing to approve a 6% rate increase on this block of business in lieu of disapproval.

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,

Stephanie Fowler

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 09/29/2011  
Submitted Date 09/29/2011

Dear Stephanie Fowler,

### Comments:

I am responding to your SERFF correspondence dated September 2, 2011.

### Response 1

Comments: We respectfully request Arkansas allow the rate increase of 20% on Generation 5. As seen in Appendix C of the Actuarial Memorandum, the loss ratio has increase significantly recently, with 2009 and 2010 being 79% and 80%, respectively. Further, the lifetime loss ratio is projected to be 90%, with the future loss ratio of 208%. The rate increase is justified by these high loss ratios and the increase is needed in order to financially stabilize the block of business. If only part of the rate increase approved, a larger rate increase will be needed in the future to stabilize the lifetime loss ratio for this block.

In regards to the credibility of the projections, overall, the lifetime loss ratio projections are credible. The lifetime claims are projected to be around \$120 million. Analysis was conducted to develop morbidity and persistency assumptions. As described in the Actuarial Memorandum, the morbidity assumptions are based on a combination of the Company's historical claim experience, the Milliman Long Term Care Guidelines and judgment. In the situations where the Company experience was not fully credible by itself, the Milliman Guidelines were used. Mortality assumptions were fit against an industry table of the 1994 GAM Mortality Table.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you for the further consideration.

Sincerely,  
Darla Grisolia, Tonya Pelley

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**Post Submission Update Request Processed On 10/10/2011**

**Status:** Allowed  
**Created By:** Tonya Pelley  
**Processed By:** Stephanie Fowler  
**Comments:**

**Company Rate Information:**

**Company Name:**United American Insurance Company

<b>Field Name</b>	<b>Requested Change</b>	<b>Prior Value</b>
Overall % Indicated Change	6.000%	20.000%
Overall % Rate Impact	6.000%	20.000%
Maximum %Change (where required)	6.000%	20.000%
Minimum %Change (where required)	0.000%	20.000%

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## Rate Information

Rate data applies to filing.

Filing Method: SERFF  
 Rate Change Type: Increase  
 Overall Percentage of Last Rate Revision: 20.000%  
 Effective Date of Last Rate Revision: 01/02/2010  
 Filing Method of Last Filing: SERFF

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
United American Insurance Company	6.000%	6.000%	\$15,692	64	\$78,460	6.000%	0.000%

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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 10/10/2011	2011 AR LTC Gen 5 Rate Pages	LTCBOM, LTCIN	Revised	Previous State Filing Number: Percent Rate Change Request:	42037 6.000	2011 AR Gen 5 Rate Pages - 6% Increase.pdf

**UNITED AMERICAN INSURANCE COMPANY**  
**McKinney, Texas**

**POLICY FORMS LTCBOM and LTCIN**  
**GENERATION 5**

**ARKANSAS**

**Current and Proposed Annual Premium Rates**

Policy Form	Policy Number	Current Annual Premium	Proposed Annual Premium
BOMSTD	006281744	\$ 2,020.00	\$ 2,141.00
BOMSTD	006291405	\$ 1,038.00	\$ 1,100.00
BOMSTD	006292094	\$ 667.00	\$ 707.00
BOMSTD	006291991	\$ 468.00	\$ 496.00
BOMSTD	006296039	\$ 370.00	\$ 392.00
BOMSTD	006297661	\$ 2,464.00	\$ 2,612.00
BOMSTD	573082306	\$ 1,512.00	\$ 1,603.00
BOMSTD	573083659	\$ 469.00	\$ 497.00
BOMSTD	573083734	\$ 2,616.00	\$ 2,773.00
BOMSTD	006327863	\$ 4,234.00	\$ 4,488.00
BOMSTD	573088870	\$ 733.00	\$ 777.00
BOMSTD	006337132	\$ 1,324.00	\$ 1,403.00
BOMSTD	573094773	\$ 2,770.00	\$ 2,936.00
BOMSTD	573094831	\$ 1,037.00	\$ 1,099.00
BOMSTD	573097160	\$ 878.00	\$ 931.00
BOMSTD	573100387	\$ 1,348.00	\$ 1,429.00
BOMSTD	573105907	\$ 1,090.00	\$ 1,155.00
BOMSTD	573107277	\$ 1,800.00	\$ 1,908.00
BOMSTD	573111155	\$ 1,431.00	\$ 1,517.00
BOMSTD	573110268	\$ 663.00	\$ 703.00
BOMSTD	573123007	\$ 1,944.00	\$ 2,061.00
BOMSTD	573133905	\$ 737.00	\$ 781.00
BOMSTD	573143656	\$ 1,107.00	\$ 1,173.00
BOMSTD	573165752	\$ 1,022.00	\$ 1,083.00
BOMSTD	006500408	\$ 7,182.00	\$ 7,613.00
BOMSTD	573208456	\$ 1,079.00	\$ 1,144.00
BOMSTD	573203631	\$ 599.00	\$ 635.00
BOMSTD	573220664	\$ 1,187.00	\$ 1,258.00
BOMSTD	573212677	\$ 3,053.00	\$ 3,236.00
BOMSTD	573249559	\$ 689.00	\$ 730.00
BOMSTD	573256903	\$ 3,058.00	\$ 3,241.00
BOMSTD	573253548	\$ 2,012.00	\$ 2,133.00
BOMSTD	573293839	\$ 1,535.00	\$ 1,627.00

**UNITED AMERICAN INSURANCE COMPANY**  
McKinney, Texas

**POLICY FORMS LTCBOM and LTCIN**  
**GENERATION 5**

**ARKANSAS**

**Current and Proposed Annual Premium Rates**

Policy Form	Policy Number	Current Annual Premium	Proposed Annual Premium
BOMSTD	573353863	\$ 758.20	\$ 758.20
BOMSTD	573438653	\$ 3,443.40	\$ 3,443.40
BOMSTD	573477415	\$ 1,451.00	\$ 1,451.00
BOMWIR	573095839	\$ 1,172.00	\$ 1,242.00
BOMWIR	573199363	\$ 2,240.00	\$ 2,374.00
BOMWIR	006583957	\$ 1,537.32	\$ 1,537.32
BOMWIR	573462572	\$ 2,614.05	\$ 2,614.05
INSTD	006293771	\$ 1,386.00	\$ 1,469.00
INSTD	573082389	\$ 1,057.00	\$ 1,120.00
INSTD	573085253	\$ 1,467.00	\$ 1,555.00
INSTD	573088642	\$ 797.00	\$ 845.00
INSTD	006330000	\$ 508.00	\$ 538.00
INSTD	573123264	\$ 1,192.00	\$ 1,264.00
INWIR	573080407	\$ 222.00	\$ 235.00

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## Supporting Document Schedules

		<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Health - Actuarial Justification	Approved-Closed	10/10/2011
<b>Comments:</b>			
<b>Attachment:</b>			
	Act Memo - Gen 5 - AR.pdf		

		<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	2011 ARK LTC Generation 5 Resubmission Letter	Approved-Closed	10/10/2011
<b>Comments:</b>			
<b>Attachment:</b>			
	2011 ARK LTC Gen 5 Resubmission Letter.pdf		

# *united american insurance company*

August 3, 2011

Honorable Jay Bradford  
Commissioner of Insurance  
Arkansas Insurance Department  
1200 West 3<sup>rd</sup> Street  
Little Rock, AR 72201-1904

Attn: Mr. Dan Honey

RE: 2011 Rate Filing  
Individual Long Term Care Policy Forms **LTCBOM and LTCIN**  
NAIC # 92916  
SERFF Filing # AMLC-127352675

Dear Mr. Honey,

This is a resubmission for the above referenced policy forms. We would like to address the comments stated in the disapproval received on SERFF Filing # AMLC-127285838/State Tracking # 49097 dated July 14, 2011.

We respect your comments stating that Arkansas is a relatively poor state and the Arkansas Department of Insurance wants to protect consumers. This is why United American will offer policyholders impacted by our requested rate change four increase mitigation options. Under these options the policyholder may elect to (a) lower the daily room benefit amount, (b) increase the elimination period, (c) decrease the benefit period, or (d) eliminate the inflation rider (if applicable). The policyholder is not obligated to exercise any of the above options.

Regrettably, increased cost of medical services and higher utilization on policies of this type make a rate adjustment necessary. We ask that you give consideration to this rate increase filing with the options United American will offer Arkansas policyholders.

If you have any questions, please feel free to contact me by phone at (469) 525-4752 by fax at (972) 569-3679, or by e-mail at [dgrisolia@torchmarkcorp.com](mailto:dgrisolia@torchmarkcorp.com).

Sincerely,



Darla Grisolia  
Rate Compliance Specialist

