

<i>SERFF Tracking Number:</i>	<i>MDIC-127637590</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Medico Insurance Company</i>	<i>State Tracking Number:</i>	<i>49832</i>
<i>Company Tracking Number:</i>	<i>MI-MSA20F(AR)</i>		
<i>TOI:</i>	<i>MS08I Individual Medicare Supplement - Standard Plans 2010</i>	<i>Sub-TOI:</i>	<i>MS08I.012 Multi-Plan 2010</i>
<i>Product Name:</i>	<i>A10A20rates092011</i>		
<i>Project Name/Number:</i>	<i>A10A20rates092011/A10A20rates092011</i>		

## Filing at a Glance

Company: Medico Insurance Company

Product Name: A10A20rates092011

TOI: MS08I Individual Medicare Supplement -  
Standard Plans 2010

Sub-TOI: MS08I.012 Multi-Plan 2010

Filing Type: Rate

SERFF Tr Num: MDIC-127637590 State: Arkansas

SERFF Status: Closed-Approved-  
Closed State Tr Num: 49832

Co Tr Num: MI-MSA20F(AR)

State Status: Approved-Closed

Reviewer(s): Stephanie Fowler

Author: Karl Hug

Disposition Date: 10/19/2011

Date Submitted: 09/20/2011

Disposition Status: Approved-  
Closed

Implementation Date Requested: 01/01/2012

Implementation Date: 01/01/2012

State Filing Description:

## General Information

Project Name: A10A20rates092011

Project Number: A10A20rates092011

Requested Filing Mode: Review & Approval

Status of Filing in Domicile: Not Filed

Date Approved in Domicile:

Domicile Status Comments: We did not market  
the Medicare STD series A10/A20 in our  
domicile state of Nebraska.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact: 9%

Filing Status Changed: 10/19/2011

State Status Changed: 10/19/2011

Deemer Date:

Created By: Karl Hug

Submitted By: Karl Hug

Corresponding Filing Tracking Number:

Filing Description:

RE: Annual Filing of Medicare Experience & Rates

Rate Schedules for Standardized Individual Medicare Supplement Policy Forms MI-MSA10A(AR), MI-MSA10D(AR), MI-MSA10F(AR), MI-MSA20A(AR), MI-MSA20D(AR), MI-MSA20F(AR), MI-MSA20G(AR), MI-MSA20N(AR).

This filing includes the experience of the company and the supporting actuarial memorandum. Current and proposed rate schedules are attached.

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 TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.012 Multi-Plan 2010  
 Standard Plans 2010  
 Product Name: A10A20rates092011  
 Project Name/Number: A10A20rates092011/A10A20rates092011

The submission includes a request for a 9% rate increase. Subject to your approval, the increase would be implemented after proper notification of the insureds.

Thank you for your review and approval of this filing. If you have any questions, please feel free to contact me.

## Company and Contact

### Filing Contact Information

Karl Hug, Compliance Analyst khug@gomedico.com  
 1515 S. 75th Street 800-695-5976 [Phone] 251 [Ext]  
 Omaha, NE 68124 402-391-4858 [FAX]

### Filing Company Information

Medico Insurance Company CoCode: 31119 State of Domicile: Nebraska  
 1515 S. 75th Street Group Code: Company Type: Life and Health  
 Omaha, NE 68124 Group Name: Medico State ID Number:  
 (800) 695-5976 ext. [Phone] FEIN Number: 47-0122200

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: one rate filing = \$50.00  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Medico Insurance Company	\$50.00	09/20/2011	51865233



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 Product Name: A10A20rates092011  
 Project Name/Number: A10A20rates092011/A10A20rates092011

## Disposition

Disposition Date: 10/19/2011

Implementation Date: 01/01/2012

Status: Approved-Closed

Comment: The negotiated rate increase of 4% has been approved to be implemented on or after January 1, 2012. 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):
Medico Insurance Company	9.000%	9.000%	\$76,680	537	\$851,996	9.000%	9.000%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Health - Actuarial Justification	Approved-Closed	No
Supporting Document	Response memo 10.05.2011	Approved-Closed	Yes
Rate (revised)	Rate Sheets for Med Supp STD Plans A, D, F, G and N	Approved-Closed	Yes
Rate	Rate Sheets for Med Supp STD Plans A, D, F, G and N	Disapproved	No

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Standard Plans 2010  
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Project Name/Number: A10A20rates092011/A10A20rates092011

## Objection Letter

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

Dear Karl Hug,

It is the primary mission of the Arkansas Insurance Department to protect consumers. Arkansas is a relatively poor state and most of the individuals who would be affected by your proposed rate increase live on a fixed income. Therefore, given the fact that this block of business is not credible, we will allow an increase of 4% 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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 Project Name/Number: A10A20rates092011/A10A20rates092011

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 10/18/2011  
 Submitted Date 10/18/2011

Dear Stephanie Fowler,

### Comments:

Good morning.

### Response 1

Comments: I have attached the revised rate sheets - we agree to accept your offer of a 4% rate increase on all forms in this 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:
Rate Sheets for Med Supp STD Plans A, D, F, G and N	MI-MSA10A(AR),MI-MSA10D(AR),MI-MSA10F(AR),MI-MSA20A(AR),MI-MSA20D(AR),MI-MSA20F(AR),MI-MSA20G(AR),MI-MSA20N(AR)	Revised	47166 Percent Rate Change Request	Previous State Filing Number 4

### Previous Version

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Filing Company: Medico Insurance Company State Tracking Number: 49832  
Company Tracking Number: MI-MSA20F(AR)  
TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.012 Multi-Plan 2010  
Standard Plans 2010  
Product Name: A10A20rates092011  
Project Name/Number: A10A20rates092011/A10A20rates092011

Rate Sheets for MI-MSA10A(AR),MI- Revised Previous State Filing Number  
Med Supp STD MSA10D(AR),MI-  
Plans A, D, F, G MSA10F(AR),MI-  
and N MSA20A(AR),MI-  
MSA20D(AR),MI-  
MSA20F(AR),MI-  
MSA20G(AR),MI-  
MSA20N(AR)

47166  
Percent Rate Change Request  
9

Thank you.

Sincerely,  
Karl Hug

SERFF Tracking Number: MDIC-127637590 State: Arkansas  
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Standard Plans 2010  
Product Name: A10A20rates092011  
Project Name/Number: A10A20rates092011/A10A20rates092011

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 10/05/2011  
Submitted Date 10/05/2011  
Respond By Date 11/07/2011

Dear Karl Hug,

Due to the significant increase requested, please attach the past, future and lifetime experience for Arkansas; with and without this increase.

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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Product Name: A10A20rates092011  
Project Name/Number: A10A20rates092011/A10A20rates092011

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 10/05/2011  
Submitted Date 10/05/2011

Dear Stephanie Fowler,

### Comments:

Good afternoon.

### Response 1

Comments: I have attached a response memo, with exhibits, that was prepared by our Chief Actuary.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Response memo 10.05.2011

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you for your continued review and approval of this filing.

Sincerely,

Karl Hug

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 Product Name: A10A20rates092011  
 Project Name/Number: A10A20rates092011/A10A20rates092011

**Rate Information**

Rate data applies to filing.

**Filing Method:** Serff  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 4.000%  
**Effective Date of Last Rate Revision:** 02/01/2011  
**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):
Medico Insurance Company	9.000%	9.000%	\$76,680	537	\$851,996	9.000%	9.000%

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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 10/19/2011	Rate Sheets for Med Supp STD Plans A, D, F, G and N	MI-MSA10A(AR), Revised MI-MSA10D(AR), MI-MSA10F(AR), MI-MSA20A(AR), MI-MSA20D(AR), MI-MSA20F(AR), MI-MSA20G(AR), MI-MSA20N(AR)		Previous State Filing Number: Percent Rate Change Request: 4.000	MS AR 2012 A10 A20 Rates as filed Rvsd 4%.pdf

# Rate Schedules

<b>Current Rates</b>	<b>Proposed Rates</b>												
Medico® Insurance Company Omaha, Nebraska MI-MSA10A Gross Premium Code: A10AH - Rate Group: A10 Standardized Medicare Supplement Plan A - Community Rated  RATE SCHEDULE - Arkansas For Forms Issued From 07/01/2009 Through 05/31/2010	Medico® Insurance Company Omaha, Nebraska MI-MSA10A Gross Premium Code: A10AH - Rate Group: A10 Standardized Medicare Supplement Plan A - Community Rated  RATE SCHEDULE - Arkansas For Forms Issued From 07/01/2009 Through 05/31/2010												
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AREA FACTORS by Zip Code (First three positions) 716, 720, 721, 722, 723 = 0.80 717, 718, 719, 724 = 0.71 725, 726, 727, 728, 729 = 0.71	AREA FACTORS by Zip Code (First three positions) 716, 720, 721, 722, 723 = 0.80 717, 718, 719, 724 = 0.71 725, 726, 727, 728, 729 = 0.71												
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Rates certify to a 74.4% anticipated loss ratio.  MIRSA10A(AR) 10/10	Rates certify to a 74.4% anticipated loss ratio.  MIRSA10A(AR) 10/10												

# Rate Schedules

<b>Current Rates</b>	<b>Proposed Rates</b>																		
Medico® Insurance Company Omaha, Nebraska MI-MSA10D Gross Premium Code: A10DH - Rate Group: A10 Standardized Medicare Supplement Plan D - Community Rated  RATE SCHEDULE - Arkansas For Forms Issued From 07/01/2009 Through 05/31/2010	Medico® Insurance Company Omaha, Nebraska MI-MSA10D Gross Premium Code: A10DH - Rate Group: A10 Standardized Medicare Supplement Plan D - Community Rated  RATE SCHEDULE - Arkansas For Forms Issued From 07/01/2009 Through 05/31/2010																		
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MIRSA10D(AR) 10/10	MIRSA10D(AR) 10/10																		

# Rate Schedules

Current Rates			Proposed Rates		
Medico® Insurance Company Omaha, Nebraska MI-MSA10F Gross Premium Code: A10FH - Rate Group: A10 Standardized Medicare Supplement Plan F - Community Rated			Medico® Insurance Company Omaha, Nebraska MI-MSA10F Gross Premium Code: A10FH - Rate Group: A10 Standardized Medicare Supplement Plan F - Community Rated		
RATE SCHEDULE - Arkansas For Forms Issued From 07/01/2009 Through 05/31/2010			RATE SCHEDULE - Arkansas For Forms Issued From 07/01/2009 Through 05/31/2010		
Issue Age	Plan F Standard Premium	Plan F Preferred Premium	Issue Age	Plan F Standard Premium	Plan F Preferred Premium
65 & OV	2,561.14	2,228.17	65 & OV	2,663.59	2,317.30
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MIRSA10F(AR) 10/10			MIRSA10F(AR) 10/10		

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Current Rates	Proposed Rates																		
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RATE SCHEDULE - Arkansas For Issues Beginning 06/01/2010	RATE SCHEDULE - Arkansas For Issues Beginning 06/01/2010																		
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	Plan D Standard Premium	Plan D Preferred Premium																	
Issue Age																			
65 & OV	2,380.43	2,070.93																	
	Plan D Standard Premium	Plan D Preferred Premium																	
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65 & OV	2,475.65	2,153.76																	
AREA FACTORS by Zip Code (First three positions) 716, 720, 721, 722, 723 = 0.80 717, 718, 719, 724 = 0.71 725, 726, 727, 728, 729 = 0.71	AREA FACTORS by Zip Code (First three positions) 716, 720, 721, 722, 723 = 0.80 717, 718, 719, 724 = 0.71 725, 726, 727, 728, 729 = 0.71																		
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Automatic Bank Withdrawal Annual = 1.00 Semi-Annual = 0.52 Quarterly = 3/12 Bi-Monthly = 2/12 Monthly = 1/12	Automatic Bank Withdrawal Annual = 1.00 Semi-Annual = 0.52 Quarterly = 3/12 Bi-Monthly = 2/12 Monthly = 1/12																		
Rates certify to a 74.4% anticipated loss ratio.	Rates certify to a 74.4% anticipated loss ratio.																		
MIRSA20D(AR) 10/10	MIRSA20D(AR) 10/10																		

# Rate Schedules

<b>Current Rates</b>			<b>Proposed Rates</b>		
Medico® Insurance Company Omaha, Nebraska MI-MSA20F Gross Premium Code: A10FH - Rate Group: A20 Standardized Medicare Supplement Plan F - Community Rated			Medico® Insurance Company Omaha, Nebraska MI-MSA20F Gross Premium Code: A10FH - Rate Group: A20 Standardized Medicare Supplement Plan F - Community Rated		
RATE SCHEDULE - Arkansas For Issues Beginning 06/01/2010			RATE SCHEDULE - Arkansas For Issues Beginning 06/01/2010		
Issue Age	Plan F Standard Premium	Plan F Preferred Premium	Issue Age	Plan F Standard Premium	Plan F Preferred Premium
65 & OV	2,561.14	2,228.17	65 & OV	2,663.59	2,317.30
AREA FACTORS by Zip Code (First three positions)			AREA FACTORS by Zip Code (First three positions)		
716, 720, 721, 722, 723 = 0.80			716, 720, 721, 722, 723 = 0.80		
717, 718, 719, 724 = 0.71			717, 718, 719, 724 = 0.71		
725, 726, 727, 728, 729 = 0.71			725, 726, 727, 728, 729 = 0.71		
MODAL FACTORS			MODAL FACTORS		
Direct-Billed Annual = 1.00 Semi-Annual = 0.52 Quarterly = 0.27 Bi-Monthly = 2/11 Monthly = 1/11			Direct-Billed Annual = 1.00 Semi-Annual = 0.52 Quarterly = 0.27 Bi-Monthly = 2/11 Monthly = 1/11		
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Rates certify to a 74.4% anticipated loss ratio.			Rates certify to a 74.4% anticipated loss ratio.		
MIRSA20F(AR) 10/10			MIRSA20F(AR) 10/10		

# Rate Schedules

Current Rates			Proposed Rates		
Medico® Insurance Company Omaha, Nebraska MI-MSA20G Gross Premium Code: A10GH - Rate Group: A20 Standardized Medicare Supplement Plan G - Community Rated			Medico® Insurance Company Omaha, Nebraska MI-MSA20G Gross Premium Code: A10GH - Rate Group: A20 Standardized Medicare Supplement Plan G - Community Rated		
RATE SCHEDULE - Arkansas For Issues Beginning 04/20/2011			RATE SCHEDULE - Arkansas For Issues Beginning 04/20/2011		
Issue Age	Plan G Standard Premium	Plan G Preferred Premium	Issue Age	Plan G Standard Premium	Plan G Preferred Premium
65 & OV	2,233.44	1,942.12	65 & OV	2,322.77	2,019.80
AREA FACTORS by Zip Code (First three positions) 716, 720, 721, 722, 723 = 0.80 717, 718, 719, 724 = 0.71 725, 726, 727, 728, 729 = 0.71			AREA FACTORS by Zip Code (First three positions) 716, 720, 721, 722, 723 = 0.80 717, 718, 719, 724 = 0.71 725, 726, 727, 728, 729 = 0.71		
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Automatic Bank Withdrawal Annual = 1.00 Semi-Annual = 0.52 Quarterly = 3/12 Bi-Monthly = 2/12 Monthly = 1/12			Automatic Bank Withdrawal Annual = 1.00 Semi-Annual = 0.52 Quarterly = 3/12 Bi-Monthly = 2/12 Monthly = 1/12		
Rates certify to a 77% anticipated loss ratio.			Rates certify to a 77% anticipated loss ratio.		
MIRSA20G(AR) 4/11			MIRSA20G(AR) 4/11		

# Rate Schedules

<b>Current Rates</b>			<b>Proposed Rates</b>		
Medico® Insurance Company Omaha, Nebraska MI-MSA20N Gross Premium Code: A10NH - Rate Group: A20 Standardized Medicare Supplement Plan N - Community Rated			Medico® Insurance Company Omaha, Nebraska MI-MSA20N Gross Premium Code: A10NH - Rate Group: A20 Standardized Medicare Supplement Plan N - Community Rated		
RATE SCHEDULE - Arkansas For Issues Beginning 04/20/2011			RATE SCHEDULE - Arkansas For Issues Beginning 04/20/2011		
Issue Age	Plan N Standard Premium	Plan N Preferred Premium	Issue Age	Plan N Standard Premium	Plan N Preferred Premium
65 & OV	1,918.20	1,668.00	65 & OV	1,994.92	1,734.72
AREA FACTORS by Zip Code (First three positions) 716, 720, 721, 722, 723 = 0.80 717, 718, 719, 724 = 0.71 725, 726, 727, 728, 729 = 0.71			AREA FACTORS by Zip Code (First three positions) 716, 720, 721, 722, 723 = 0.80 717, 718, 719, 724 = 0.71 725, 726, 727, 728, 729 = 0.71		
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Rates certify to a 73% anticipated loss ratio.			Rates certify to a 73% anticipated loss ratio.		
MIRSA20N(AR) 4/11			MIRSA20N(AR) 4/11		

Medico® Insurance Company  
Omaha, Nebraska

MSA10 / MSA11 / MSA20 / MSA21 Area Factors

State	Zip	Factor
AK	All	0.83
AL	All	0.81
AR	716, 720-723	0.80
	717-719, 724-729	0.71
AZ	850	0.81
	851-853, 855-857, 859-860, 863-865	0.69
CA	All	0.92
CO	800-802, 804, 806	0.82
	803, 805, 807-816	0.78
CT	060-069	0.91
DC	200-205, 569	0.92
DE	All	0.84
FL	All	1.04
GA	300-304, 310-315, 398-399	0.79
	305-309, 316-319	0.74
HI	All	0.57
IA	500-505, 508-514, 520-528	0.66
	506-507, 515-516	0.75
ID	832-838	0.69
IL	600-608	0.89
	609-620, 622-629	0.71
IN	460-462, 465-479	0.76
	463-464	0.88
KS	660, 664-674	0.74
	661-662, 675-679	0.83
KY	400-401, 403-404, 406-407, 409-414, 419-427	0.77
	402, 405, 408	0.81
	415-418	0.96
LA	All	1.00
MA	All	0.93
MD	All	0.95
ME	All	0.71
MI	480-485	0.99
	486-489	0.89
	490-499	0.83
MN	All	0.71
MO	630-631, 633, 640-641	0.88
	634, 648-658	0.72
	635-639, 644-647	0.81
MS	All	0.84
MT	All	0.65

State	Zip	Factor
NC	270-289	0.74
ND	All	0.67
NE	680-681, 685	0.75
	683-684, 686-693	0.68
NH	All	0.73
NJ	All	0.98
NM	870, 873, 875, 877-878, 880	0.66
	871, 874, 879, 881-884	0.74
NV	889, 893-895, 897-898	0.76
	890-891	0.95
NY	063	0.91
	All Other	0.98
OH	430-431, 433-435, 437-438, 446, 448-449, 453, 457-459	0.72
	432, 436, 439-445, 447, 450-452, 454-456	0.87
OK	730, 735-741, 743-744, 746, 748, 749	0.81
	731, 734, 745, 747	0.89
OR	970-975	0.69
	976-979	0.65
PA	150-154, 156	0.96
	155, 157-188, 195-196	0.78
	189-194	1.01
RI	All	0.85
SC	290-293, 296-299	0.75
	294-295	0.79
SD	570-577	0.67
TN	All	0.81
TX	750, 752, 753, 761, 770, 772, 775	0.96
	773, 774, 776, 777, 794	0.91
	751, 754, 757, 760, 762, 765, 779, 782-787, 793	0.86
	733, 755, 756, 758, 759, 763, 764, 766-769, 778, 780-781, 788- 792, 795-799, 885	0.80
UT	840-847	0.73
VA	201, 221, 224-232, 236, 238-241, 243-245	0.69
	220, 222-223, 233-235, 237, 242, 246	0.80
VT	All	0.69
WA	All	0.75
WI	531, 532, 534	0.82
	539-540, 542-543, 546	0.66
	530, 535, 537-538, 541, 544-545, 547-549	0.72
WV	247-268	0.73
WY	820-831, 834	0.69

<i>SERFF Tracking Number:</i>	<i>MDIC-127637590</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Medico Insurance Company</i>	<i>State Tracking Number:</i>	<i>49832</i>
<i>Company Tracking Number:</i>	<i>MI-MSA20F(AR)</i>		
<i>TOI:</i>	<i>MS08I Individual Medicare Supplement - Standard Plans 2010</i>	<i>Sub-TOI:</i>	<i>MS08I.012 Multi-Plan 2010</i>
<i>Product Name:</i>	<i>A10A20rates092011</i>		
<i>Project Name/Number:</i>	<i>A10A20rates092011/A10A20rates092011</i>		

## Supporting Document Schedules

		<b>Item Status:</b>	<b>Status</b>
<b>Satisfied - Item:</b>	Health - Actuarial Justification	Approved-Closed	<b>Date:</b> 10/19/2011
<b>Comments:</b>			
<b>Attachment:</b>			
	AR_A10A20_MIC ActlMemo.pdf		

		<b>Item Status:</b>	<b>Status</b>
<b>Satisfied - Item:</b>	Response memo 10.05.2011	Approved-Closed	<b>Date:</b> 10/19/2011
<b>Comments:</b>			
<b>Attachment:</b>			
	AR_Response_10052011.pdf		



**MEDICO® GROUP**  
*Medico® Insurance Company*

**To:** Karl Hug, Compliance Analyst  
**From:** Jill M. Burns, FSA, MAAA  
**Date:** October 5, 2011  
**CC:** Luanne Melies, Desiree Buckley  
**Subject:** Annual Filing of Medicare Experience and Rates for Standardized Medicare Supplement  
SERFF Tracking Number: MDIC-127637590

# Memo

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This memo is in response to the October 5, 2011, letter from Stephanie Fowler of Arkansas Department of Insurance regarding the above mentioned Medicare Supplement rate increases.

The past, future, and lifetime experience for Arkansas both with and without the requested rate increase is attached. Although Arkansas is not fully credible, it shows that with Arkansas experience, the requested increase is justified and meets minimum loss ratio requirements.

Sincerely,

Jill M. Burns, FSA, MAAA  
Chief Actuary



**Medico Insurance Company  
Arkansas Experience Exhibit  
Without Rate Increase**

Cal Year (a)	Earned Premium (b)	Paid Claims (c)	Claim Reserves as of 06/30/2011 (d)	Incurred Claims (e) = (c) + (d)	Incurred Loss Ratio (f) = (e) / (b)	Expected Incurred Claims (g)	Expected Loss Ratio (h)	A/E Claims Ratio (i)	Active Life Reserves (j)
2009	7,945	7,138	-	7,138	89.8%	5,196	65.4%	137.4%	-
2010	191,322	138,381	2,477	140,858	73.6%	126,449	66.1%	111.4%	-
2011 - 1st Half	363,905	203,084	116,715	319,799	87.9%	244,199	67.1%	131.0%	-
2011 - 2nd Half	338,374			252,758	74.7%	227,067	67.1%	111.3%	
2012	576,757			494,478	85.7%	401,028	69.5%	123.3%	
2013	504,221			446,324	88.5%	360,592	71.5%	123.8%	
2014	441,963			400,390	90.6%	324,001	73.3%	123.6%	
2015	385,852			357,175	92.6%	289,639	75.1%	123.3%	
2016	335,449			316,992	94.5%	257,524	76.8%	123.1%	
2017	290,332			279,984	96.4%	227,678	78.4%	123.0%	
2018	250,112			246,123	98.4%	200,053	80.0%	123.0%	
2019	214,413			215,269	100.4%	174,737	81.5%	123.2%	
2020	182,867			187,255	102.4%	151,762	83.0%	123.4%	
2021	155,113			161,914	104.4%	130,978	84.4%	123.6%	
2022	130,801			139,083	106.3%	112,235	85.8%	123.9%	
2023	109,599			118,609	108.2%	95,473	87.1%	124.2%	
2024	91,191			100,342	110.0%	80,582	88.4%	124.5%	
2025	75,283			84,135	111.8%	67,436	89.6%	124.8%	
2026	61,470			69,690	113.4%	55,797	90.8%	124.9%	
2027	49,663			57,045	114.9%	45,656	91.9%	124.9%	
2028	39,869			46,344	116.2%	37,108	93.1%	124.9%	
2029	31,743			37,304	117.5%	29,896	94.2%	124.8%	
2030	24,974			29,651	118.7%	23,787	95.2%	124.6%	
2031	19,320			23,165	119.9%	18,613	96.3%	124.5%	
2032	14,705			17,803	121.1%	14,327	97.4%	124.3%	
2033	11,093			13,562	122.3%	10,924	98.5%	124.1%	
2034	8,276			10,216	123.4%	8,226	99.4%	124.2%	
2035	6,069			7,565	124.7%	6,082	100.2%	124.4%	
Past	563,172			467,795	83.1%	375,844	66.7%	124.5%	
Future	4,349,507			4,113,176	94.6%	3,351,202	77.0%	122.7%	
Lifetime	4,912,679			4,580,971	93.2%	3,727,046	75.9%	122.9%	
Interest @ 0.04									
Past	575,059			477,163	83.0%	383,732	66.7%	124.3%	
Future	3,549,705			3,296,671	92.9%	2,691,314	75.8%	122.5%	
Lifetime	4,124,764			3,773,834	91.5%	3,075,046	74.6%	122.7%	

**Medico Insurance Company**  
**Arkansas Experience Exhibit**  
**With Rate Increase**

Cal Year (a)	Earned Premium (b)	Paid Claims (c)	Claim Reserves as of 06/30/2011 (d)	Incurred Claims (e) = (c) + (d)	Incurred Loss Ratio (f) = (e) / (b)	Expected Incurred Claims (g)	Expected Loss Ratio (h)	A/E Claims Ratio (i)	Active Life Reserves (j)
2009	7,945	7,138	-	7,138	89.8%	5,196	65.4%	137.4%	-
2010	191,322	138,381	2,477	140,858	73.6%	126,449	66.1%	111.4%	-
2011 - 1st Half	363,905	203,084	116,715	319,799	87.9%	244,199	67.1%	131.0%	-
2011 - 2nd Half	338,374			252,758	74.7%	227,067	67.1%	111.3%	
2012	624,167			494,478	79.2%	433,992	69.5%	113.9%	
2013	549,601			446,324	81.2%	393,046	71.5%	113.6%	
2014	481,739			400,390	83.1%	353,162	73.3%	113.4%	
2015	420,579			357,175	84.9%	315,707	75.1%	113.1%	
2016	365,639			316,992	86.7%	280,701	76.8%	112.9%	
2017	316,461			279,984	88.5%	248,169	78.4%	112.8%	
2018	272,622			246,123	90.3%	218,058	80.0%	112.9%	
2019	233,710			215,269	92.1%	190,463	81.5%	113.0%	
2020	199,325			187,255	93.9%	165,421	83.0%	113.2%	
2021	169,073			161,914	95.8%	142,766	84.4%	113.4%	
2022	142,574			139,083	97.6%	122,337	85.8%	113.7%	
2023	119,463			118,609	99.3%	104,065	87.1%	114.0%	
2024	99,398			100,342	100.9%	87,834	88.4%	114.2%	
2025	82,059			84,135	102.5%	73,505	89.6%	114.5%	
2026	67,002			69,690	104.0%	60,819	90.8%	114.6%	
2027	54,132			57,045	105.4%	49,765	91.9%	114.6%	
2028	43,457			46,344	106.6%	40,448	93.1%	114.6%	
2029	34,599			37,304	107.8%	32,586	94.2%	114.5%	
2030	27,222			29,651	108.9%	25,928	95.2%	114.4%	
2031	21,059			23,165	110.0%	20,288	96.3%	114.2%	
2032	16,028			17,803	111.1%	15,617	97.4%	114.0%	
2033	12,091			13,562	112.2%	11,907	98.5%	113.9%	
2034	9,020			10,216	113.3%	8,966	99.4%	113.9%	
2035	6,615			7,565	114.4%	6,629	100.2%	114.1%	
Past	563,172			467,795	83.1%	375,844	66.7%	124.5%	
Future	4,706,010			4,113,176	87.4%	3,629,246	77.1%	113.3%	
Lifetime	5,269,182			4,580,971	86.9%	4,005,090	76.0%	114.4%	
Interest @ 0.04									
Past	575,059			477,163	83.0%	383,732	66.7%	124.3%	
Future	3,834,697			3,296,671	86.0%	2,910,288	75.9%	113.3%	
Lifetime	4,409,756			3,773,834	85.6%	3,294,020	74.7%	114.6%	

SERFF Tracking Number: MDIC-127637590 State: Arkansas  
 Filing Company: Medico Insurance Company State Tracking Number: 49832  
 Company Tracking Number: MI-MSA20F(AR)  
 TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.012 Multi-Plan 2010  
 Standard Plans 2010  
 Product Name: A10A20rates092011  
 Project Name/Number: A10A20rates092011/A10A20rates092011

## 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.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/20/2011	Rate and Rule	Rate Sheets for Med Supp STD Plans A, D, F, G and N	10/18/2011	AR_A10A20_MIC Rates.pdf (Superseded)