

SERFF Tracking Number: USLH-127843383 State: Arkansas  
 Filing Company: United Security Life and Health Insurance State Tracking Number: 50344  
 Company  
 Company Tracking Number: ABC-2008-RANDC (2011)  
 TOI: H16G Group Health - Major Medical Sub-TOI: H16G.001C Any Size Group - Other  
 Product Name: New Major Medical - Reasonable and Customary Certificate Amendment  
 Project Name/Number: New Major Medical - Reasonable and Customary Certificate Amendment/

## Filing at a Glance

Company: United Security Life and Health Insurance Company

Product Name: New Major Medical - Reasonable and Customary Certificate Amendment  
 SERFF Tr Num: USLH-127843383 State: Arkansas

TOI: H16G Group Health - Major Medical SERFF Status: Closed-Approved-Closed State Tr Num: 50344

Sub-TOI: H16G.001C Any Size Group - Other Co Tr Num: ABC-2008-RANDC (2011) State Status: Approved-Closed

Filing Type: Form Reviewer(s): Rosalind Minor  
 Authors: Jaime Gettemans, Peg Lundy Disposition Date: 11/30/2011  
 Date Submitted: 11/28/2011 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval Implementation Date:  
 State Filing Description:

## General Information

Project Name: New Major Medical - Reasonable and Customary Certificate Amendment

Status of Filing in Domicile: Pending

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Small

Group Market Type: Discretionary

Overall Rate Impact:

Filing Status Changed: 11/30/2011

State Status Changed: 11/30/2011

Deemer Date:

Created By: Peg Lundy

Submitted By: Jaime Gettemans

Corresponding Filing Tracking Number:

PPACA: Not PPACA-Related

PPACA Notes: null

Filing Description:

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See attached cover letter

## Company and Contact

### Filing Contact Information

Peg Lundy, plundy@unitedsecuritylandh.com  
 6640 S. Cicero Avenue 708-475-6025 [Phone]  
 Bedford Park, IL 60638

### Filing Company Information

United Security Life and Health Insurance CoCode: 81108 State of Domicile: Illinois  
 Company  
 6640 S. Cicero Group Code: Company Type:  
 Bedford Park, IL 60638 Group Name: State ID Number:  
 (708) 475-6000 ext. [Phone] FEIN Number: 36-3692140

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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? No  
 Fee Explanation: Per Regulation 57, \$50 per form \* 2 forms = \$100.00  
 Per Company: No

| COMPANY                                              | AMOUNT   | DATE PROCESSED | TRANSACTION # |
|------------------------------------------------------|----------|----------------|---------------|
| United Security Life and Health Insurance<br>Company | \$100.00 | 11/28/2011     | 54070351      |

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## Correspondence Summary

### Dispositions

| Status          | Created By     | Created On | Date Submitted |
|-----------------|----------------|------------|----------------|
| Approved-Closed | Rosalind Minor | 11/30/2011 | 11/30/2011     |

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## **Disposition**

Disposition Date: 11/30/2011

Implementation Date:

Status: Approved-Closed

HHS Status: HHS Approved

State Review: Reviewed-No Actuary

Comment:

Rate data does NOT apply to filing.

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| <b>Schedule</b>            | <b>Schedule Item</b>             | <b>Schedule Item Status</b> | <b>Public Access</b> |
|----------------------------|----------------------------------|-----------------------------|----------------------|
| <b>Supporting Document</b> | Flesch Certification             | Approved-Closed             | Yes                  |
| <b>Supporting Document</b> | Application                      | Approved-Closed             | Yes                  |
| <b>Supporting Document</b> | PPACA Uniform Compliance Summary | Approved-Closed             | Yes                  |
| <b>Supporting Document</b> | Cover Letter                     | Approved-Closed             | Yes                  |
| <b>Form</b>                | Certificate Amendment            | Approved-Closed             | Yes                  |
| <b>Form</b>                | Certificate Amendment            | Approved-Closed             | Yes                  |

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## Form Schedule

### Lead Form Number:

| Schedule Item                 | Form Number                      | Form Type                                                              | Form Name             | Action  | Action Specific Data | Readability | Attachment                    |
|-------------------------------|----------------------------------|------------------------------------------------------------------------|-----------------------|---------|----------------------|-------------|-------------------------------|
| Approved-Closed<br>11/30/2011 | ABC-208APXAR-RANDC               | Certificate Amendmen<br>t, Insert<br>Page,<br>Endorseme<br>nt or Rider | Certificate Amendment | Initial |                      | 24.800      | ABC-2008APXAR-RANDC.pdf       |
| Approved-Closed<br>11/30/2011 | ABC-2008ADCAR.P<br>R.PRPAR-RANDC | Certificate Amendmen<br>t, Insert<br>Page,<br>Endorseme<br>nt or Rider | Certificate Amendment | Initial |                      | 27.900      | ABC-2008ADCAR.PRPAR-RANDC.pdf |

## Certificate Amendment

This Certificate Amendment modifies the Certificate to which it is attached and made part or by hereby adding and/or deleting the following language:

### Deletions from the Certificate:

I. The following is hereby deleted from the **DEFINITIONS** section of the Certificate:

**“Reasonable and Customary Charges”** means charges for services or supplies from Health Care Practitioner, facility or supplier at the prevailing health care charges for the geographical area in which the services were performed. This data is updated on a periodic basis.

II. The following is hereby deleted from the **MAJOR MEDICAL EXPENSE INSURANCE PROVISIONS** section of the Certificate:

**“Reasonable and Customary Charges”** are charges for services or supplies which are no higher than the 70<sup>th</sup> percentile of the prevailing health care charges data for the geographical area in which the services were performed. This data is updated on a semi-annual basis.

To determine the Reasonable and Customary Drug Charges We use the latest average wholesale price of the drug and increase it by 10%.

If Diagnostic Related Group (DRG) methodology is used to determine the Reasonable and Customary Charges, We will pay the amount that Medicare would reimburse the facility plus 100%.

### Addition to the Certificate:

I. The following is hereby added to the **DEFINITIONS** section of the Certificate:

**“Reasonable and Customary Charges”** means charges for services, supplies or drugs from a Health Care Practitioner, facility or supplier as listed under the **“Reasonable and Customary Charges”** provision under the **“Major Medical Expense Insurance Provisions”** section.

II. The following is hereby added to the **MAJOR MEDICAL EXPENSE INSURANCE PROVISIONS** section of the Certificate:

**“Reasonable and Customary Charges”** are charges for services, supplies or drugs which are no higher than 125% of the Medicare allowable amount for the geographical area in which the services were performed.

**“Reasonable and Customary Charges”** for dental services or supplies are charges which are no higher than the 75<sup>th</sup> percentile of the prevailing dental care charges data for the geographical area in which the services were performed. This data is updated on a periodic basis.

If Diagnostic Related Group (DRG) methodology is used to determine the Reasonable and Customary Charges, We will pay the amount that Medicare would reimburse the facility plus 100%.

United Security Life and Health Insurance Company



Secretary

## Certificate Amendment

This Certificate Amendment modifies the Certificate to which it is attached and made part or by hereby adding and/or deleting the following language:

### Deletions from the Certificate:

I. The following is hereby deleted from the **DEFINITIONS** section of the Certificate:

**“Reasonable and Customary Charges”** means charges for services or supplies from Health Care Practitioner, facility or supplier at the prevailing health care charges for the geographical area in which the services were performed. This data is updated on a periodic basis.

II. The following is hereby deleted from the **MAJOR MEDICAL EXPENSE INSURANCE PROVISIONS** section of the Certificate:

**“Reasonable and Customary Charges”** are charges for services or supplies which are no higher than the 70<sup>th</sup> percentile of the prevailing health care charges data for the geographical area in which the services were performed. This data is updated on a semi-annual basis.

To determine the Reasonable and Customary Drug Charges We use the latest average wholesale price of the drug and increase it by 10%.

If Diagnostic Related Group (DRG) methodology is used to determine the Reasonable and Customary Charges, We will pay the amount that Medicare would reimburse the facility plus 100%.

III. The following is hereby deleted from the **PAYMENT OF NETWORK PROVIDER BENEFITS** section of the Certificate:

#### **Reasonable and Customary Charges for Out-of-Network Providers**

Providers who have not established a Contracted Rate or Negotiated Rate with US or Our Network may charge more than We determine to be the Reasonable and Customary Charges for covered services and supplies. If You or Your Covered Dependents choose to obtain covered services or supplies from such a provider, Eligible Expenses will be limited to what We determine to be the Reasonable and Customary Charges. An Insured Person may be billed by the Out-of-Network Provider for the portion of the bill We do not cover, in addition to any other applicable fees including, but not limited to, any Coinsurance, Copayment and Deductible.

For goods and services provided by an Out-of-Network Provider, facility or supplier including, but not limited to, professional, Inpatient and Outpatient claims, The Reasonable and Customary Charge is determined as follows:

**Reasonable and Customary Charges** are charges for services or supplies which are no higher than the 75<sup>th</sup> percentile of the prevailing health care charges for the geographical area in which the services were performed. The data is updated on a semi-annual basis.

To determine the Reasonable and Customary Drug Charges We use the latest average wholesale price of the drug and increase it by 10%.

If Diagnostic Related Group (DRG) methodology is used to determine the Reasonable and Customary Charges, We will pay the amount that Medicare would reimburse the facility plus 100%.

**Additions to the Certificate:**

I. The following is hereby added to the **DEFINITIONS** section of the Certificate:

**“Reasonable and Customary Charges”** means charges for services, supplies or drugs from a Health Care Practitioner, facility or supplier as listed under the **“Reasonable and Customary Charges”** provision under the **“Major Medical Expense Insurance Provisions”** section.

II. The following is hereby added to the **MAJOR MEDICAL EXPENSE INSURANCE PROVISIONS** section of the Certificate:

**“Reasonable and Customary Charges”** are charges for services, supplies or drugs which are no higher than 125% of the Medicare allowable amount for the geographical area in which the services were performed.

**“Reasonable and Customary Charges”** for dental services or supplies are charges which are no higher than the 75<sup>th</sup> percentile of the prevailing dental care charges data for the geographical area in which the services were performed. This data is updated on a periodic basis.

If Diagnostic Related Group (DRG) methodology is used to determine the Reasonable and Customary Charges, We will pay the amount that Medicare would reimburse the facility plus 100%.

III. The following is hereby added to the **PAYMENT OF NETWORK PROVIDER BENEFITS** section of the Certificate:

**Reasonable and Customary Charges for Out-of-Network Providers**

Providers who have not established a Contracted Rate or Negotiated Rate with US or Our Network may charge more than We determine to be the Reasonable and Customary Charges for covered services, supplies or drugs. If You or Your Covered Dependents choose to obtain covered services, supplies or drugs from such a provider, Eligible Expenses will be limited to what We determine to be the Reasonable and Customary Charges. An Insured Person may be billed by the Out-of-Network Provider for the portion of the bill We do not cover, in addition to any other applicable fees including, but not limited to, any Coinsurance, Copayment and Deductible.

For goods and services provided by an Out-of-Network Provider, facility or supplier including, but not limited to, professional, Inpatient and Outpatient claims, The Reasonable and Customary Charge is determined as follows:

**Reasonable and Customary Charges** are charges for services, supplies or drugs which are no higher than the 75<sup>th</sup> percentile of the prevailing health care charges for the geographical area in which the services were performed. The data is updated on a semi-annual basis.

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United Security Life and Health Insurance Company



Secretary

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## Supporting Document Schedules

|                                                                                                                                                                                                                                                                                                                | <b>Item Status:</b> | <b>Status<br/>Date:</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------|
| <p><b>Satisfied - Item:</b> Flesch Certification</p> <p><b>Comments:</b><br/>Please find attached the Flesch Certification for each filed form.</p> <p><b>Attachments:</b><br/>11.22.11 - Flesch Certification (ABC-2008APXAR-RANDC).pdf<br/>11.22.11 - Flesch Certification (ABC-2008ADCAR.PRP-RANDC).pdf</p> | Approved-Closed     | 11/30/2011              |
| <p><b>Bypassed - Item:</b> Application</p> <p><b>Bypass Reason:</b> Does not apply.</p> <p><b>Comments:</b></p>                                                                                                                                                                                                | Approved-Closed     | 11/30/2011              |
| <p><b>Bypassed - Item:</b> PPACA Uniform Compliance Summary</p> <p><b>Bypass Reason:</b> Does not apply.</p> <p><b>Comments:</b></p>                                                                                                                                                                           | Approved-Closed     | 11/30/2011              |
| <p><b>Satisfied - Item:</b> Cover Letter</p> <p><b>Comments:</b><br/>Please find attached the Cover Letter that contains a detailed filing description for this filing.</p> <p><b>Attachment:</b><br/>11.21.11 - AR Cover Letter (ABC-2008ADCAR.PRP-AR-RANDC &amp; ABC-2008APXAR-RANDC).pdf</p>                | Approved-Closed     | 11/30/2011              |



# UNITED SECURITY

LIFE AND HEALTH INSURANCE COMPANY

6640 S. Cicero Avenue, Bedford Park, Illinois 60638  
(708) 475-6100 (800) 875-4422 Fax: (708) 475-6120

## FLESCH CERTIFICATION

This is to certify that the attached Certificate Amendment (ABC-2008APXAR-RANDC) received a Flesch Reading Ease Score of 24.8. This form does not comply with the requirements of A.C.A. 23-80-206, but is in compliance with the requirements of A.C.A. 23-80-207 since it is warranted by the nature of a particular policy form.

Robert G. Dial  
Vice President/Secretary

11/22/11  
Date



# UNITED SECURITY

LIFE AND HEALTH INSURANCE COMPANY

6640 S. Cicero Avenue, Bedford Park, Illinois 60638  
(708) 475-6100 (800) 875-4422 Fax: (708) 475-6120

## FLESCH CERTIFICATION

This is to certify that the attached Certificate Amendment (ABC-2008ADCAR.PRPAR-RANDC) received a Flesch Reading Ease Score of 27.9. This form does not comply with the requirements of A.C.A. 23-80-206, but is in compliance with the requirements of A.C.A. 23-80-207 since it is warranted by the nature of a particular policy form.

Robert G. Dial  
Vice President/Secretary

11/22/11  
Date

November 21, 2011

Arkansas Insurance Department  
1200 West Third Street  
Little Rock, AR 72201

RE: **UNITED SECURITY LIFE AND HEALTH INSURANCE COMPANY**  
**FEIN# 36-3692140 / NAIC# 81108**

**ABC-2008ADCAR.PRPAR-RANDC - Certificate Amendment**  
**ABC-2008APXAR-RANDC - Certificate Amendment**

**THERE IS NOT AN APPLICABLE CHECKLIST AVAILABLE FOR THIS TYPE OF FILING**

To Whom It May Concern:

I hope this correspondence finds you well. Please find enclosed the forms referenced above for your review and approval. These are new forms and do not replace any forms previously filed and approved by your Department.

Please note that two Certificate Amendments are being filed for review and approval. The first, **ABC-2008ADCAR.PRPAR-RANDC**, affects Group Certificates ABC-2008ADCAR and ABC-2008PRPAR. The second, **ABC-2008APXAR-RANDC**, only affects Group Certificate ABC-2008APXAR. The reason for the two Certificate Amendments is due to the fact that Group Certificate ABC-2008APXAR has different Reasonable and Customary language to remove via the enclosed amendment.

Both **ABC-2008ADCAR.PRPAR-RANDC** and **ABC-2008APXAR-RANDC** amend the Reasonable and Customary charges language regarding payments to Providers and Suppliers within the applicable Group Certificates. We are also adding Reasonable and Customary charges language for Dental services and supplies.

Once approved, these amendments will be effective on all new and existing business for Group Certificates, ABC-2008APXAR, ABC-2008ADCAR and ABC-2008PRPAR.

We look forward to your approval. If you should have any questions, feel free to contact me directly at (708) 552-2417 or via email at [jaimegettemans@priscorp.net](mailto:jaimegettemans@priscorp.net).

Sincerely,



Jaime Gettemans  
United Security Life and Health Insurance Company  
Compliance Department

*Quality Products from Caring Professionals*