

SERFF Tracking Number: AGLA-127084548 State: Arkansas  
 Filing Company: American General Life and Accident Insurance Company State Tracking Number: 48278  
 Company Tracking Number: LC 718 7-1-70, ETAL  
 TOI: H071 Individual Health - Specified Disease - Limited Benefit Sub-TOI: H071.002A Dread Disease - Cancer Only  
 Product Name: Premium Rate Increase for LC 718 7-1-70, etal  
 Project Name/Number: Premium Rate Increase for LC 718 7-/LC 718 7-1-70 et al

## Filing at a Glance

Company: American General Life and Accident Insurance Company  
 Product Name: Premium Rate Increase for LC 718 7-1-70, etal SERFF Tr Num: AGLA-127084548 State: Arkansas  
 TOI: H071 Individual Health - Specified Disease - Limited Benefit SERFF Status: Closed-Disapproved State Tr Num: 48278  
 Sub-TOI: H071.002A Dread Disease - Cancer Only Co Tr Num: LC 718 7-1-70, ETAL State Status: Disapproved-Closed  
 Filing Type: Rate Reviewer(s): Rosalind Minor  
 Author: Marilyn Ellis Disposition Date: 04/06/2011  
 Date Submitted: 03/18/2011 Disposition Status: Disapproved  
 Implementation Date Requested: On Approval Implementation Date:  
 State Filing Description:

## General Information

Project Name: Premium Rate Increase for LC 718 7- Project Number: LC 718 7-1-70 et al  
 Requested Filing Mode: Review & Approval Status of Filing in Domicile: Pending  
 Explanation for Combination/Other: Market Type: Individual Date Approved in Domicile:  
 Submission Type: New Submission Individual Market Type: Domicile Status Comments:  
 Overall Rate Impact: 56% Filing Status Changed: 04/06/2011  
 State Status Changed: 04/06/2011  
 Deemer Date: Created By: Marilyn Ellis  
 Submitted By: Marilyn Ellis Corresponding Filing Tracking Number: LC 718 7-1-70 et al  
 Filing Description:  
 100% Premium Rate Increase for Family Cancer Medical Expense Plans  
 Policy Form LC 718 7-1-70 and LC 718 Rev 6-1-76  
 50% Premium Rate Increase for Family Cancer Medical Expense Plans  
 Policy Form LC 718 12/78 and LC 718 7/81-S

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A revised schedule of premium rates and supporting actuarial memorandum for the above referenced policy forms is enclosed.

Form LC 718 7-1-70 was issued by Life and Casualty insurance Company of Tennessee starting in 1970. It was replaced by LC 718 Rev. 6-1-76, which was sold until 1980. Life and Casualty Insurance Company of Tennessee was merged with Gulf Life Insurance Company at year-end 1991. Gulf Life was merged with American General Life and Accident Insurance Company at year-end 1995. As explained in the enclosed actuarial memorandum, the experience was combined for both forms for this filing. There were 96 policies of form LC 718 7-1-70 and LC 718 Rev 6-1-76 in force as of 12/31/10. We are requesting a 100% rate increase on these forms.

Form LC 718 12/78 was issued by Life and Casualty Insurance Company of Tennessee beginning in 1979 and was subsequently replaced with the simplified language version, form LC 718 7/81-S. Life and Casualty Insurance Company of Tennessee has since merged with American General Life and Accident Insurance Company as described above. Therefore, experience was combined for both forms for this filing. There were 90 policies of forms LC 718 12/78 and LC 718 7/81-S in force as of 12/31/10. We are requesting a 50% rate increase on these forms.

Appendices A-F display the past and projected experience of the referenced forms. Past experience is from inception. Experience for Forms LC 718 7-1-70 and LC 718 Rev. 6-1-76 has been extremely poor, and therefore the rate increase request for these forms (100%) is higher than for forms LC 718 12/78 and LC 718 7/81-S (25%). Also, please note that as can be seen in the attached premium rate sheets, the current premiums for forms LC 718 7-1-70 and LC 718 Rev 6-1-76 are much lower than for forms LC 718 12/78 and LC 718 7/81-S.

## Company and Contact

### Filing Contact Information

Kathryn Mitchell, Kathryn.Mitchell@aglife.com  
American General Center 615-749-1139 [Phone]  
Nashville, TN 37250-0001

### Filing Company Information

American General Life and Accident Insurance Company CoCode: 66672 State of Domicile: Tennessee  
American General Center Group Code: Company Type: L&H  
Nashville, TN 37250-0001 Group Name: State ID Number:  
(615) 749-1139 ext. [Phone] FEIN Number: 62-0306330  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: 1 rate filing x \$50 = \$50.00  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American General Life and Accident Insurance Company	\$50.00	03/18/2011	45746114

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Disapproved	Rosalind Minor	04/06/2011	04/06/2011

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Rosalind Minor	03/21/2011	03/21/2011	Marilyn Ellis	04/04/2011	04/04/2011

Industry Response

SERFF Tracking Number: AGLA-127084548 State: Arkansas  
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## Disposition

Disposition Date: 04/06/2011

Implementation Date:

Status: Disapproved

Comment:

We have thoroughly reviewed your request for a rate increase on this block of business.

Based on the fact that there has been substantial rate increase over the past seven years and the impact that another increase would have on the insureds during this difficult economic time, we are disapproving your request at this time.

We appreciate your understanding and cooperation.

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):
American General Life and Accident Insurance Company	56.000%	56.000%	\$181,489	186	\$327,101	100.000%	50.000%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Health - Actuarial Justification	Disapproved	No
Supporting Document	Experience Exhibit - Appendices A-F	Disapproved	No
Supporting Document	Response Letter	Disapproved	Yes
Rate	100% Premium Rate Increase for Family Cancer Medical Expense Plans	Disapproved	Yes
Rate	50% Premium Rate Increase for Family Cancer Medical Expense Plans	Disapproved	Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 03/21/2011  
Submitted Date 03/21/2011

Respond By Date

Dear Kathryn Mitchell,

This will acknowledge receipt of the captioned filing.

Objection 1

- Experience Exhibit - Appendices A-F (Supporting Document)

Comment:

It is requested that you provide us with the Arkansas experiences on these forms.

We appreciate your cooperation.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 04/04/2011  
Submitted Date 04/04/2011

Dear Rosalind Minor,

### Comments:

Thank you for your review and comments.

### Response 1

Comments: Since the Actuary's reply contains tables from Excel spreadsheets, I'm having to attach a response letter as the spreadsheet does not show in the comments here. Please see the response letter attached under the Supporting Documentation Tab.

### Related Objection 1

Applies To:

- Experience Exhibit - Appendices A-F (Supporting Document)

Comment:

It is requested that you provide us with the Arkansas experiences on these forms.

We appreciate your cooperation.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Response Letter

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.



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## Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 15.000%  
**Effective Date of Last Rate Revision:** 10/08/2010  
**Filing Method of Last Filing:** SERFF

## Company Rate Information

Company Name:	Company Rate Change:	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):
American General Life and Accident Insurance Company	N/A	56.000%	56.000%	\$181,489	186	\$327,101	100.000%	50.000%

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## Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
Disapproved 04/06/2011	100% Premium Rate Increase for Family Cancer Medical Expense Plans	LC 718 7-1-70 and LC 718 Rev. 6-1-76	New		SmLC Rates AR Only 2010 Filing.pdf
Disapproved 04/06/2011	50% Premium Rate Increase for Family Cancer Medical Expense Plans	LC 718 12/78 and LC 718 7/81-S	New		LGLC Rates AR Only 2010 Filing.pdf

**FAMILY CANCER EXPENSE POLICY  
POLICY FORM 718 7-1-70, REV. 6-1-76**

**100% RATE INCREASE  
SCHEDULE OF ANNUAL PREMIUMS  
(No Policy Fee)**

<u>Age of Male or Single Parent</u>	<b>CURRENT</b>		<b>PROPOSED</b>	
	<u>Two Parents &amp; Children</u>	<u>One Parent &amp; Children</u>	<u>Two Parents &amp; Children</u>	<u>One Parent &amp; Children</u>
16-25	449.32	274.02	898.64	548.04
26-29	465.92	282.72	931.84	565.44
30	499.08	299.29	998.16	598.58
31	515.65	315.88	1,031.30	631.76
32	540.13	332.48	1,080.26	664.96
33	565.37	357.75	1,130.74	715.50
34	589.87	374.33	1,179.74	748.66
35	615.17	390.84	1,230.34	781.68
36	648.35	407.49	1,296.70	814.98
37	681.47	424.05	1,362.94	848.10
38	714.66	440.66	1,429.32	881.32
39	747.79	465.11	1,495.58	930.22
40	789.69	490.41	1,579.38	980.82
41	839.42	515.65	1,678.84	1,031.30
42	889.16	540.13	1,778.32	1,080.26
43	938.92	565.37	1,877.84	1,130.74
44	989.46	598.58	1,978.92	1,197.16
45	1,039.19	631.74	2,078.38	1,263.48
46	1,096.85	664.91	2,193.70	1,329.82
47	1,155.23	698.06	2,310.46	1,396.12
48	1,213.71	731.26	2,427.42	1,462.52
49	1,271.36	764.39	2,542.72	1,528.78
50	1,329.76	798.33	2,659.52	1,596.66
51	1,396.13	831.52	2,792.26	1,663.04
52	1,463.24	872.60	2,926.48	1,745.20
53	1,529.56	914.42	3,059.12	1,828.84
54	1,595.91	956.28	3,191.82	1,912.56
55	1,662.21	997.29	3,324.42	1,994.58

**AR- 2010**

**AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY**  
**American General Center, Nashville, TN 37250**

**RATE SCHEDULE**

**FORMS 718 12/78 & 718 7/81-S**  
**50% Rate Increase**

Issue Age of Husband or Single Parent	One Parent Plan		Two Parent Plan	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
16-25	\$ 1,979.51	\$ 2,969.27	\$ 2,757.19	\$ 4,135.79
26-30	2,206.91	3,310.37	3,268.81	4,903.22
31-35	2,482.08	3,723.12	3,998.41	5,997.62
36-40	2,941.02	4,411.53	5,016.68	7,525.02
41-45	3,592.04	5,388.06	6,205.30	9,307.95
46-50	4,505.11	6,757.67	7,769.39	11,654.09
51	5,248.30	7,872.45	8,922.98	13,384.47
52	5,566.98	8,350.47	9,333.87	14,000.81
53	5,842.52	8,763.78	9,753.36	14,630.04
54	6,161.33	9,242.00	10,255.92	15,383.88
55	6,489.08	9,733.62	10,714.95	16,072.43
56	6,808.23	10,212.35	11,178.00	16,767.00
57	7,175.03	10,762.55	11,641.08	17,461.62
58	7,542.37	11,313.56	12,187.29	18,280.94
59	7,913.73	11,870.60	12,698.48	19,047.72
60	8,236.99	12,355.49	13,249.15	19,873.73
61	8,643.30	12,964.95	13,843.47	20,765.21
62	9,106.83	13,660.25	14,394.12	21,591.18
63	9,521.78	14,282.67	14,953.50	22,430.25
64	9,984.88	14,977.32	15,591.36	23,387.04
65	10,482.95	15,724.43	16,238.33	24,357.50
66	10,990.03	16,485.05	16,972.40	25,458.60
67	11,501.27	17,251.91	17,667.08	26,500.62
68	12,051.93	18,077.90	18,396.67	27,595.01
69	12,558.62	18,837.93	19,135.29	28,702.94
70	13,109.34	19,664.01	19,912.99	29,869.49
71	13,708.16	20,562.24	20,699.80	31,049.70
72	14,258.46	21,387.69	21,569.23	32,353.85
73	14,857.25	22,285.88	22,447.71	33,671.57
74	15,499.63	23,249.45	23,365.22	35,047.83
75	16,146.18	24,219.27	24,287.26	36,430.89

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## Supporting Document Schedules

		<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b>	Response Letter	Disapproved	04/06/2011
<b>Comments:</b>			
<b>Attachment:</b>			
Minor Letter.pdf			



American General Life and Accident Insurance Company

April 4, 2011

Ms. Rosalind Minor  
State of Arkansas  
Department of Insurance  
1200 W. Third Street  
Little Rock, AR 72201-1904

RE: SERFF tracking number AGLA-127084548

Dear Ms. Minor:

This is in response to your objection to the filing referencing SERFF tracking number AGLA-127084548. The comments indicated a request for Arkansas experience on these forms.

**Forms LC 718 12/78 and LC 718 7/81-S**

Last 5 years of experience, Arkansas and Nationwide:

Year	Arkansas-Only				Nationwide			
	Policy Count	Collected Premium	Paid Claims	Cash Loss Ratio	Policy Count	Collected Premium	Paid Claims	Cash Loss Ratio
2006	267	453,869	827,319	182%	10,858	10,981,784	21,182,374	193%
2007	217	420,064	523,513	125%	9,393	10,933,126	22,128,699	202%
2008	166	387,315	323,283	83%	7,761	10,814,651	21,471,210	199%
2009	121	349,134	300,330	86%	5,713	9,557,046	19,184,271	201%
2010	90	294,250	159,895	54%	4,390	8,280,538	17,083,601	206%

Note that the cash loss ratio was 54% in Arkansas, however, there are only 90 policies in force and this experience is not credible. The credible nationwide experience does not indicate evidence of a declining loss ratio, therefore, the company is requesting rate increase based on the nationwide experience of the block.

Ms. Rosalind Minor  
State of Arkansas  
Department of Insurance  
April 4, 2011  
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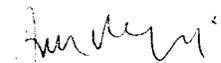
**Form LC 718 7-1-70 (Rev 6-1-76)**

Last 5 years of experience Arkansas and Nationwide:

Year	Arkansas-Only				Nationwide			
	Policy Count	Collected Premium	Paid Claims	Cash Loss Ratio	Policy Count	Collected Premium	Paid Claims	Cash Loss Ratio
2006	226	31,985	568,017	1776%	4,025	507,133	3,830,039	755%
2007	192	31,462	118,970	378%	3,527	524,090	5,438,381	1038%
2008	163	35,049	26,300	75%	2,993	559,835	4,141,867	740%
2009	131	35,873	202,022	563%	2,294	615,583	4,099,273	666%
2010	96	35,201	65,988	187%	1,667	647,730	3,802,562	587%

Note again that the cash losses in Arkansas are below nationwide, but the 96 policies inforce are not credible. The company is requesting rate increase based on the nationwide experience of the block.

Thank you,



Janine R. Manzi, ASA, MAAA  
Associate Director and Actuary  
American General Life and Accident Insurance Company  
615-749-1902