

SERFF Tracking Number: CMBD-127039851 State: Arkansas
Filing Company: Combined Insurance Company of America State Tracking Number: 48150
Company Tracking Number: 5116-R11
TOI: H111 Individual Health - Disability Income Sub-TOI: H111.002 Short Term - Unrelated to marketing
with employer or association groups
Product Name: Rate Sheet for Disability Income Policy
Project Name/Number: Rate Sheet for Disability Income Policy/Rate Sheet 5116-R11

Filing at a Glance

Company: Combined Insurance Company of America

Product Name: Rate Sheet for Disability Income SERFF Tr Num: CMBD-127039851 State: Arkansas
Policy

TOI: H111 Individual Health - Disability Income SERFF Status: Closed- Disapproved State Tr Num: 48150

Sub-TOI: H111.002 Short Term - Unrelated to marketing with employer or association groups Co Tr Num: 5116-R11 State Status: Disapproved-Closed

Filing Type: Rate

Author: Linda Armstrong

Date Submitted: 03/03/2011

Reviewer(s): Rosalind Minor

Disposition Date: 04/06/2011

Disposition Status: Disapproved

Implementation Date:

Implementation Date Requested: On Approval

State Filing Description:

General Information

Project Name: Rate Sheet for Disability Income Policy

Project Number: Rate Sheet 5116-R11

Requested Filing Mode:

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Deemer Date:

Submitted By: Linda Armstrong

Filing Description:

Please see cover letter.

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments: We filed in our Domicile state, Illinois on March 1, 2011.

Market Type: Individual

Individual Market Type:

Filing Status Changed: 04/06/2011

State Status Changed: 04/06/2011

Created By: Linda Armstrong

Corresponding Filing Tracking Number:

Company and Contact

Filing Contact Information

Linda Armstrong, Policy Analyst

1000 Milwaukee Avenue

Linda.Armstrong@combined.com

847-953-1525 [Phone]

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 Glenview, IL 60025 847-953-1557 [FAX]

Filing Company Information

Combined Insurance Company of America CoCode: 62146 State of Domicile: Illinois
 1000 Milwaukee Avenue Group Code: 626 Company Type:
 Glenview, IL 60025 Group Name: State ID Number:
 (847) 953-1531 ext. [Phone] FEIN Number: 36-2136262

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Combined Insurance Company of America	\$50.00	03/03/2011	45227363

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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	03/03/2011	03/03/2011	Linda Armstrong	04/05/2011	04/05/2011

Industry
Response

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Objection letter of 3/3/11	Note To Filer	Rosalind Minor	04/04/2011	04/04/2011

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Disposition

Disposition Date: 04/06/2011
 Implementation Date:
 Status: Disapproved
 Comment:

Based on the fact that Arkansas experience is not creditable and the fact that the incurred loss ratio as decreased over the last three years, we are disapproving your request for a rate increase.

Thank you for your understanding and cooperation in this matter.

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):
Combined Insurance Company of America	20.000%	20.000%	\$5,888	82	\$50,728	0.000%	0.000%

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Objection Letter

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

Respond By Date

Dear Linda Armstrong,

This will acknowledge receipt of the captioned filing.

Objection 1

- Health - Actuarial Justification (Supporting Document)

Comment:

As required under our Bulletin 4-79(e), please submit a description of the latest three calendar years experience on an earned premium to incurred claim basis for the policy.

Also, please provide us with the history of the rates.

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 04/05/2011
Submitted Date 04/05/2011

Dear Rosalind Minor,

Comments:

This will acknowledge receipt of your Objection in reference to our re-rate filing.

Response 1

Comments: As requested, please find attached the required information from our Actuary, Charles Herman, ASA, MAAA.

Related Objection 1

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

As required under our Bulletin 4-79(e), please submit a description of the latest three calendar years experience on an earned premium to incurred claim basis for the policy.

Also, please provide us with the history of the rates.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: 4-04-11 - Response to Objection 1

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you so much for your time regarding this submission. Please feel free to contact me if you have further questions or need additional information.

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Sincerely,
Linda Armstrong

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Note To Filer

Created By:

Rosalind Minor on 04/04/2011 09:41 AM

Last Edited By:

Rosalind Minor

Submitted On:

04/06/2011 01:02 PM

Subject:

Objection letter of 3/3/11

Comments:

As of this date, we have not received a response to our Objection Letter of 3/3/11. If you need additional time to submit the information, please let us know.

If a response is not received by 3/15/11, the filing will be disapproved.

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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: 10/01/1996
Filing Method of Last Filing: PAPER

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):
Combined Insurance Company of America	N/A	20.000%	20.000%	\$5,888	82	\$50,728	0.000%	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
Disapprove d 04/06/2011	5116-R11	19824-AR	New		Rate Sheet 5116-R11.pdf

COMBINED INSURANCE COMPANY OF AMERICA
 CHICAGO, ILLINOIS
 NAIC COMPANY CODE #62146

DISABILITY POLICY
FORM NUMBER 19824-AR
 Effective 7/1/2011 or 30 Days After Approval

ANNUAL PREMIUM RATES
 Per \$500 of Monthly Benefit Amount

Preferred - 21 day E.P.

Issue Age	Male	Female
18-24	\$ 192.00	\$ 308.40
25-29	\$ 204.00	\$ 332.40
30-34	\$ 226.80	\$ 369.60
35-39	\$ 260.40	\$ 409.20
40-44	\$ 300.00	\$ 432.00
45-49	\$ 362.40	\$ 469.20
50-54	\$ 451.20	\$ 512.40
55-59	\$ 559.20	\$ 544.80

Preferred - 90 day E.P.

Issue Age	Male	Female
18-24	\$ 86.40	\$ 138.00
25-29	\$ 97.20	\$ 146.40
30-34	\$ 109.20	\$ 157.20
35-39	\$ 123.60	\$ 183.60
40-44	\$ 157.20	\$ 212.40
45-49	\$ 211.20	\$ 256.80
50-54	\$ 288.00	\$ 304.80
55-59	\$ 384.00	\$ 351.60

Preferred - 30 day E.P.

Issue Age	Male	Female
18-24	\$ 154.80	\$ 247.20
25-29	\$ 158.40	\$ 261.60
30-34	\$ 178.80	\$ 290.40
35-39	\$ 208.80	\$ 326.40
40-44	\$ 246.00	\$ 346.80
45-49	\$ 300.00	\$ 381.60
50-54	\$ 373.20	\$ 428.40
55-59	\$ 470.40	\$ 460.80

Preferred - 180 day E.P.

Issue Age	Male	Female
18-24	\$ 73.20	\$ 118.80
25-29	\$ 79.20	\$ 130.80
30-34	\$ 93.60	\$ 145.20
35-39	\$ 112.80	\$ 164.40
40-44	\$ 139.20	\$ 183.60
45-49	\$ 183.60	\$ 217.20
50-54	\$ 254.40	\$ 265.20
55-59	\$ 340.80	\$ 303.60

MODAL FACTORS

Semi-Annual: 0.520
 Quarterly: 0.265
 APC Monthly: 0.090

COMBINED INSURANCE COMPANY OF AMERICA
CHICAGO, ILLINOIS
NAIC COMPANY CODE #62146

DISABILITY POLICY
FORM NUMBER 19824-AR
Effective 7/1/2011 or 30 Days After Approval

ANNUAL PREMIUM RATES
Per \$500 of Monthly Benefit Amount

Standard - 21 day E.P.

Issue Age	Male	Female
18-24	\$ 255.60	\$ 410.40
25-29	\$ 267.60	\$ 432.00
30-34	\$ 291.60	\$ 471.60
35-39	\$ 319.20	\$ 511.20
40-44	\$ 361.20	\$ 537.60
45-49	\$ 433.20	\$ 574.80
50-54	\$ 536.40	\$ 618.00
55-59	\$ 662.40	\$ 654.00

Standard - 90 day E.P.

Issue Age	Male	Female
18-24	\$ 139.20	\$ 214.80
25-29	\$ 145.20	\$ 226.80
30-34	\$ 157.20	\$ 244.80
35-39	\$ 178.80	\$ 277.20
40-44	\$ 214.80	\$ 303.60
45-49	\$ 282.00	\$ 352.80
50-54	\$ 387.60	\$ 416.40
55-59	\$ 522.00	\$ 477.60

Standard - 30 day E.P.

Issue Age	Male	Female
18-24	\$ 228.00	\$ 369.60
25-29	\$ 236.40	\$ 387.60
30-34	\$ 254.40	\$ 421.20
35-39	\$ 288.00	\$ 458.40
40-44	\$ 325.20	\$ 488.40
45-49	\$ 397.20	\$ 530.40
50-54	\$ 501.60	\$ 582.00
55-59	\$ 639.60	\$ 630.00

Standard - 180 day E.P.

Issue Age	Male	Female
18-24	\$ 116.40	\$ 180.00
25-29	\$ 121.20	\$ 186.00
30-34	\$ 133.20	\$ 204.00
35-39	\$ 151.20	\$ 225.60
40-44	\$ 184.80	\$ 259.20
45-49	\$ 248.40	\$ 302.40
50-54	\$ 338.40	\$ 358.80
55-59	\$ 463.20	\$ 415.20

MODAL FACTORS

Semi-Annual: 0.520
Quarterly: 0.265
APC Monthly: 0.090

COMBINED INSURANCE COMPANY OF AMERICA
 CHICAGO, ILLINOIS
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DISABILITY POLICY
FORM NUMBER 19824-AR
 Effective 7/1/2011 or 30 Days After Approval

ANNUAL PREMIUM RATES
 Per \$500 of Monthly Benefit Amount

Base - 21 day E.P.

Issue Age	Male	Female
18-24	\$ 306.00	\$ 495.60
25-29	\$ 320.40	\$ 517.20
30-34	\$ 346.80	\$ 572.40
35-39	\$ 380.40	\$ 610.80
40-44	\$ 420.00	\$ 634.80
45-49	\$ 506.40	\$ 675.60
50-54	\$ 631.20	\$ 723.60
55-59	\$ 781.20	\$ 760.80

Base - 90 day E.P.

Issue Age	Male	Female
18-24	\$ 153.60	\$ 243.60
25-29	\$ 159.60	\$ 243.60
30-34	\$ 165.60	\$ 261.60
35-39	\$ 189.60	\$ 296.40
40-44	\$ 225.60	\$ 322.80
45-49	\$ 292.80	\$ 373.20
50-54	\$ 396.00	\$ 427.20
55-59	\$ 530.40	\$ 492.00

Base - 30 day E.P.

Issue Age	Male	Female
18-24	\$ 240.00	\$ 398.40
25-29	\$ 254.40	\$ 414.00
30-34	\$ 276.00	\$ 453.60
35-39	\$ 307.20	\$ 493.20
40-44	\$ 350.40	\$ 519.60
45-49	\$ 433.20	\$ 574.80
50-54	\$ 544.80	\$ 638.40
55-59	\$ 688.80	\$ 680.40

Base - 180 day E.P.

Issue Age	Male	Female
18-24	\$ 127.20	\$ 196.80
25-29	\$ 129.60	\$ 202.80
30-34	\$ 141.60	\$ 220.80
35-39	\$ 159.60	\$ 242.40
40-44	\$ 193.20	\$ 276.00
45-49	\$ 256.80	\$ 316.80
50-54	\$ 346.80	\$ 373.20
55-59	\$ 469.20	\$ 426.00

MODAL FACTORS

Semi-Annual: 0.520
 Quarterly: 0.265
 APC Monthly: 0.090

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Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	3-03-11 AR Cover Letter	Disapproved	04/06/2011
Comments:			
Attachment:			
	3-3-11 - AR Cover Letter.pdf		

		Item Status:	Status Date:
Satisfied - Item:	4-04-11 - Response to Objection 1	Disapproved	04/06/2011
Comments:			
Attachment:			
	4-4-11 - Response.pdf		



March 3, 2011

Dan Honey
Arkansas Department of Insurance
1200 West 3rd Street
Little Rock, Arkansas 72201-1904

Re: **Combined Insurance Company of America**
SERFF Tracking Number: CMBD-127039856
FEIN Number 36-2136262
NAIC Number 626-62146
Form No. 5116-R11 - Rate Sheet for Disability Income Policy, 19824-GA
INDIVIDUAL A&H - Disability Income

Dear Mr. Honey:

Attached for your review are the following:

1. Actuarial Material
2. Rate Sheet 5116-R11
3. EFT Filing Fee of \$50.00

This is a new filing. Rate Sheet 5116-R11 is a new rate sheet which will replace Rate Sheet 5116 previously approved by your Department on October 1, 1996 in connection with our Disability Income Policy, Form No. 19824-AR. The new rates reflect a rate increase due to the experience on this form and as explained in the attached actuarial memorandum. The rate increase will apply to new sales as well as all policies in force.

Rate Sheet 5116-R11 contains the unit benefits available and the unit premiums charged for the policy. The form can be offered in fractional and multiple units.

Thank you for your review and hopefully approval. Please feel free to contact me via phone or email for any further questions.

Sincerely,

A handwritten signature in black ink that reads "Linda Armstrong".

Linda Armstrong
Senior Policy Analyst

Linda Armstrong – Senior Policy Analyst – Policy Filings/Government Relations
Toll Free to Product Filings: 888-449-3623 Fax: 847-953-1557 Direct: 847-953-1525 E-Mail: Linda_Armstrong@Combined.com

memorandum



From: Charles Herman, ASA, MAAA Combined Insurance Company

To: Rosalind Minor
Arkansas Department of Insurance

CC:

Date: Monday, April 4, 2011

Re: **Form 19824-AR Rate Increase Request (SERFF # CMBD-127039851)**
Objection Response

This memorandum provides all information requested in the objection letter to Combined's filing with SERFF # CMBD-127039851, a request to increase rates on Form 19824-AR.

A.) Information requested: a description of the latest three calendar years experience on an earned premium to incurred claim basis for the policy

Response:

**Form 19824 Incurral Years 2008 - 2010 Actual-to-Expected Nationwide Experience
-Claims Paid Through 10/8/2010**

	(A)	(B)	(C) = (B / A)	(D)	(E) = (B / D)
	Earned	Actual	Incurred	Expected	A/E
Year	Prem	Claim \$'s	Loss Ratio	Claim \$'s	Loss Ratio
		Incurred	Incurred	Incurred***	Loss Ratio
2008	13,235,600	9,322,992*	70.4%	5,980,232	155.9%
2009	12,134,581	7,948,349*	65.5%	5,680,662	139.9%
2010	10,516,811	6,771,043**	64.4%**	5,161,393	131.2%

* Includes completion calculated using development method

** Equal to Q1-Q3 2010 Incurred-to-Earned Loss Ratio. Actual total 2010 Claim \$'s Incurred assumed to be this % of total 2010 Earned Premium.

*** Based on originally approved durational incurred loss ratios



B.) Information requested: provide the history of the rates

Response:

There have been no rate revisions to Form 19824-AR since approval in October, 1996.