

SERFF Tracking Number: CMBD-127180982 State: Arkansas  
Filing Company: Combined Insurance Company of America State Tracking Number: 48885  
Company Tracking Number: CALCULATION OF BENCHMARK  
TOI: MS09 Medicare Supplement - Other 2010 Sub-TOI: MS09.000 Medicare Supplement Other 2010  
Product Name: Senior Medicare Supplement Report  
Project Name/Number: Medicare Supplement Report/2010 Calculation of Benchmark

## Filing at a Glance

Company: Combined Insurance Company of America

Product Name: Senior Medicare Supplement SERFF Tr Num: CMBD-127180982 State: Arkansas

Report

TOI: MS09 Medicare Supplement - Other 2010 SERFF Status: Closed-Accepted State Tr Num: 48885

For Informational Purposes

Sub-TOI: MS09.000 Medicare Supplement Other 2010 Co Tr Num: CALCULATION OF BENCHMARK State Status: Filed-Closed

Filing Type: Form

Author: Sue Thill

Date Submitted: 05/25/2011

Reviewer(s): Stephanie Fowler

Disposition Date: 05/27/2011

Disposition Status: Accepted For Informational Purposes

Implementation Date:

Implementation Date Requested:

State Filing Description:

## General Information

Project Name: Medicare Supplement Report

Project Number: 2010 Calculation of Benchmark

Requested Filing Mode: Informational

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Status of Filing in Domicile:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Individual Market Type:

Filing Status Changed: 05/27/2011

State Status Changed: 05/27/2011

Created By: Sue Thill

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Sue Thill

Filing Description:

COMBINED INSURANCE COMPANY OF AMERICA

2010 Medicare Supplement Insurance Refund Reporting Forms

As required under OBRA90, enclosed are the following Medicare Supplement Insurance Refund Reporting Forms for calendar year 2010:

- 1) Reporting Form for Calculation of Benchmark Ratio Since Inception for Individual Policies; and
- 2) Medicare Supplement Refund Calculation Form.

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One refund calculation form is enclosed for each individual standardized plan. In addition, one form is enclosed for all pre-standardized forms pooled together.

Since cumulative experience through 2010 (adjusted for credibility) exceeds the NAIC Benchmark Loss Ratio, refunds are not required in Arkansas.

## Company and Contact

### Filing Contact Information

Sue Thill, Senior Policy Analyst Sue.A.Thill@combined.com  
 1000 Milwaukee Avenue 847-953-1536 [Phone]  
 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

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## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Combined Insurance Company of America	\$0.00	05/25/2011	

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Accepted For Informational Purposes	Stephanie Fowler	05/27/2011	05/27/2011

*SERFF Tracking Number:* CMBD-127180982      *State:* Arkansas  
*Filing Company:* Combined Insurance Company of America      *State Tracking Number:* 48885  
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*Project Name/Number:* Medicare Supplement Report/2010 Calculation of Benchmark

## **Disposition**

Disposition Date: 05/27/2011

Implementation Date:

Status: Accepted For Informational Purposes

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: CMBD-127180982 State: Arkansas  
 Filing Company: Combined Insurance Company of America State Tracking Number: 48885  
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		No
Supporting Document	Application		No
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Outline of Coverage		No
Supporting Document	REPORT	Accepted for Informational Purposes	No

SERFF Tracking Number: CMBD-127180982 State: Arkansas  
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## Supporting Document Schedules

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Flesch Certification <b>Bypass Reason:</b> N/A <b>Comments:</b>		
<b>Bypassed - Item:</b> Application <b>Bypass Reason:</b> N/A <b>Comments:</b>		
<b>Bypassed - Item:</b> Health - Actuarial Justification <b>Bypass Reason:</b> N/A <b>Comments:</b>		
<b>Bypassed - Item:</b> Outline of Coverage <b>Bypass Reason:</b> N/A <b>Comments:</b>		
<b>Satisfied - Item:</b> REPORT <b>Comments:</b> <b>Attachment:</b> Arkansas 2010 Med Supp Refunds.pdf	Accepted for Informational Purposes	05/27/2011















**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR 2010**

TYPE (1)	<u>Individual</u>	SMSBP(2)	<u>Plan A</u>
For the State of	<u>ARKANSAS</u>	Company Name	<u>Combined Insurance Company</u>
NAIC Group Code	<u>317</u>		<u>of America</u>
Address	<u>1000 Milwaukee Ave, Glenview, IL 60025</u>	NAIC Company Code	<u>62146</u>
Title	<u>Staff Actuary</u>	Person Completing Exhibit	<u>John Rogers</u>
		Telephone Number	<u>(847) 953-8061</u>

line	(a) Earned Premium (3)	(b) Incurred Claims (4)
1. Current Year's Experience		
a. Total (all policy years)	5,053	2,949
b. Current year's issues (5)	0	0
c. Net (for reporting purposes = 1a - 1b)	5,053	2,949
2. Past Year's Experience (All Policy Years)	158,636	55,388
3. Total Experience (1c + 2)	<u>163,689</u>	<u>58,337</u>
4. Refunds Last Year (Excluding Interest)	<u>0</u>	
5. Previous Since Inception (Excluding Interest)	<u>0</u>	
6. Refunds Since Inception (Excluding Interest)	<u>0</u>	
7. Benchmark Ratio Since Inception (See Worksheet for Ratio 1)	<u>62.2%</u>	
8. Experienced Ratio Since Inception (Ratio 2) (Line 3, Col. b)/(Line 3, Col. a. - Line 6)	<u>35.6%</u>	
9. Life Years Exposed Since Inception If (Line 8 < Line 7) AND (Line 9 > 500), proceed, else stop.	<u>163</u>	
10. Tolerance Permitted (obtained from credibility table)	<u>Not Credible</u>	
11. Adjustment to Incurred Claims for Credibility Ratio 3 = Ratio 2 + Tolerance	<u>Not Credible</u>	If Line 11 > Line 7, a refund/credit is not required.
12. Adjusted Incurred Claims (Line 3, Col. a - Line 6)x Line 11	<u>\$0</u>	
13. Refund = (Line 3, Col. a - Line 6 - (Line 12/Line 7)	<u>\$0</u>	

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

Medicare Supplement Credibility Table	
Life Yrs. Exposed Since Inception	Tolerance
10,000+	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%
If less than 500, no credibility.	

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

  
\_\_\_\_\_  
Signature

John Rogers  
\_\_\_\_\_  
Name

Staff Actuary  
\_\_\_\_\_  
Title

5/20/2011  
\_\_\_\_\_  
Date

- (1) Individual, Group, Individual Medicare Select, or Group Medicare Select Only
- (2) "SMSBP" = Standardized Medicare Supplement Benefit Plan.
- (3) Includes Modal Loadings and Fees Charged.
- (4) Excludes Active Life Reserves.
- (5) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios".

**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR 2010**

TYPE (1)	<u>Individual</u>	SMSBP(2)	<u>Plan B</u>
For the State of	<u>ARKANSAS</u>	Company Name	<u>Combined Insurance Company</u>
NAIC Group Code	<u>317</u>		<u>of America</u>
Address	<u>1000 Milwaukee Ave, Glenview, IL 60025</u>	NAIC Company Code	<u>62146</u>
Title	<u>Staff Actuary</u>	Person Completing Exhibit	<u>John Rogers</u>
		Telephone Number	<u>(847) 953-8061</u>

line

	(a) Earned Premium (3)	(b) Incurred Claims (4)
1. Current Year's Experience		
a. Total (all policy years)	0	0
b. Current year's issues (5)	0	0
c. Net (for reporting purposes = 1a - 1b)	0	0
2. Past Year's Experience (All Policy Years)	3,639	317
3. Total Experience (1c + 2)	3,639	317
4. Refunds Last Year (Excluding Interest)	0	
5. Previous Since Inception (Excluding Interest)	0	
6. Refunds Since Inception (Excluding Interest)	0	
7. Benchmark Ratio Since Inception (See Worksheet for Ratio 1)	58.7%	
8. Experienced Ratio Since Inception (Ratio 2) (Line 3, Col. b)/(Line 3, Col. a. - Line 6)	8.7%	
9. Life Years Exposed Since Inception If (Line 8 < Line 7) AND (Line 9 > 500), proceed, else stop.	2	
10. Tolerance Permitted (obtained from credibility table)	Not Credible	
11. Adjustment to Incurred Claims for Credibility Ratio 3 = Ratio 2 + Tolerance	Not Credible	If Line 11 > Line 7, a refund/credit is not required.
12. Adjusted Incurred Claims (Line 3, Col. a - Line 6)x Line 11	\$0	
13. Refund = (Line 3, Col. a - Line 6 - (Line 12/Line 7)	\$0	

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

Medicare Supplement Credibility Table	
Life Yrs. Exposed Since Inception	Tolerance
10,000+	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%
If less than 500, no credibility.	

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

  
\_\_\_\_\_  
Signature

John Rogers  
\_\_\_\_\_  
Name

Staff Actuary  
\_\_\_\_\_  
Title

5/20/2011  
\_\_\_\_\_  
Date

- (1) Individual, Group, Individual Medicare Select, or Group Medicare Select Only
- (2) "SMSBP" = Standardized Medicare Supplement Benefit Plan.
- (3) Includes Modal Loadings and Fees Charged.
- (4) Excludes Active Life Reserves.
- (5) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios".

**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR 2010**

TYPE (1)	<u>Individual</u>	SMSBP(2)	<u>Plan C</u>
For the State of	<u>ARKANSAS</u>	Company Name	<u>Combined Insurance Company</u>
NAIC Group Code	<u>317</u>		<u>of America</u>
Address	<u>1000 Milwaukee Ave, Glenview, IL 60025</u>	NAIC Company Code	<u>62146</u>
Title	<u>Staff Actuary</u>	Person Completing Exhibit	<u>John Rogers</u>
		Telephone Number	<u>(847) 953-8061</u>

line	(a) Earned Premium (3)	(b) Incurred Claims (4)
1. Current Year's Experience		
a. Total (all policy years)	373,669	331,962
b. Current year's issues (5)	0	0
c. Net (for reporting purposes = 1a - 1b)	373,669	331,962
2. Past Year's Experience (All Policy Years)	8,891,404	5,630,853
3. Total Experience (1c + 2)	<u>9,265,073</u>	<u>5,962,815</u>
4. Refunds Last Year (Excluding Interest)	<u>0</u>	
5. Previous Since Inception (Excluding Interest)	<u>0</u>	
6. Refunds Since Inception (Excluding Interest)	<u>0</u>	
7. Benchmark Ratio Since Inception (See Worksheet for Ratio 1)	<u>63.5%</u>	
8. Experienced Ratio Since Inception (Ratio 2) (Line 3, Col. b)/(Line 3, Col. a. - Line 6)	<u>64.4%</u>	
9. Life Years Exposed Since Inception If (Line 8 < Line 7) AND (Line 9 > 500), proceed, else stop.	<u>5,806</u>	
10. Tolerance Permitted (obtained from credibility table)	<u>5.0%</u>	
11. Adjustment to Incurred Claims for Credibility Ratio 3 = Ratio 2 + Tolerance	<u>69.4%</u>	If Line 11 > Line 7, a refund/credit is not required.
12. Adjusted Incurred Claims (Line 3, Col. a - Line 6)x Line 11	<u>No Refund Required</u>	
13. Refund = (Line 3, Col. a - Line 6 - (Line 12/Line 7)	<u>\$0</u>	

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

Medicare Supplement Credibility Table	
Life Yrs. Exposed Since Inception	Tolerance
10,000+	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%
If less than 500, no credibility.	

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.



Signature \_\_\_\_\_

John Rogers  
Name \_\_\_\_\_

Staff Actuary  
Title \_\_\_\_\_

5/20/2011  
Date \_\_\_\_\_

- (1) Individual, Group, Individual Medicare Select, or Group Medicare Select Only
- (2) "SMSBP" = Standardized Medicare Supplement Benefit Plan.
- (3) Includes Modal Loadings and Fees Charged.
- (4) Excludes Active Life Reserves.
- (5) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios".

**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR 2010**

TYPE (1)	<u>Individual</u>	SMSBP(2)	<u>Plan D</u>
For the State of	<u>ARKANSAS</u>	Company Name	<u>Combined Insurance Company</u>
NAIC Group Code	<u>317</u>		<u>of America</u>
Address	<u>1000 Milwaukee Ave, Glenview, IL 60025</u>	NAIC Company Code	<u>62146</u>
Title	<u>Staff Actuary</u>	Person Completing Exhibit	<u>John Rogers</u>
		Telephone Number	<u>(847) 953-8061</u>

line	(a) Earned Premium (3)	(b) Incurred Claims (4)
1. Current Year's Experience		
a. Total (all policy years)	137,234	66,282
b. Current year's issues (5)	4	0
c. Net (for reporting purposes = 1a - 1b)	137,230	66,282
2. Past Year's Experience (All Policy Years)	622,709	290,123
3. Total Experience (1c + 2)	<u>759,939</u>	<u>356,405</u>
4. Refunds Last Year (Excluding Interest)	<u>0</u>	
5. Previous Since Inception (Excluding Interest)	<u>0</u>	
6. Refunds Since Inception (Excluding Interest)	<u>0</u>	
7. Benchmark Ratio Since Inception (See Worksheet for Ratio 1)	<u>55.1%</u>	
8. Experienced Ratio Since Inception (Ratio 2) (Line 3, Col. b)/(Line 3, Col. a. - Line 6)	<u>46.9%</u>	
9. Life Years Exposed Since Inception If (Line 8 < Line 7) AND (Line 9 > 500), proceed, else stop.	<u>487</u>	
10. Tolerance Permitted (obtained from credibility table)	<u>Not Credible</u>	
11. Adjustment to Incurred Claims for Credibility Ratio 3 = Ratio 2 + Tolerance	<u>Not Credible</u>	If Line 11 > Line 7, a refund/credit is not required.
12. Adjusted Incurred Claims (Line 3, Col. a - Line 6)x Line 11	<u>\$0</u>	
13. Refund = (Line 3, Col. a - Line 6 - (Line 12/Line 7)	<u>\$0</u>	

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

Medicare Supplement Credibility Table	
Life Yrs. Exposed Since Inception	Tolerance
10,000+	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%
If less than 500, no credibility.	

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.



Signature

John Rogers

Name

Staff Actuary

Title

5/20/2011

Date

- (1) Individual, Group, Individual Medicare Select, or Group Medicare Select Only
- (2) "SMSBP" = Standardized Medicare Supplement Benefit Plan.
- (3) Includes Modal Loadings and Fees Charged.
- (4) Excludes Active Life Reserves.
- (5) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios".

**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR 2010**

TYPE (1)	<u>Individual</u>	SMSBP(2)	<u>Plan F</u>
For the State of	<u>ARKANSAS</u>	Company Name	<u>Combined Insurance Company</u>
NAIC Group Code	<u>317</u>		<u>of America</u>
Address	<u>1000 Milwaukee Ave, Glenview, IL 60025</u>	NAIC Company Code	<u>62146</u>
Title	<u>Staff Actuary</u>	Person Completing Exhibit	<u>John Rogers</u>
		Telephone Number	<u>(847) 953-8061</u>

line	(a) Earned Premium (3)	(b) Incurred Claims (4)
1. Current Year's Experience		
a. Total (all policy years)	38,986	26,613
b. Current year's issues (5)	0	0
c. Net (for reporting purposes = 1a - 1b)	38,986	26,613
2. Past Year's Experience (All Policy Years)	1,148,744	781,038
3. Total Experience (1c + 2)	<u>1,187,730</u>	<u>807,651</u>
4. Refunds Last Year (Excluding Interest)	<u>0</u>	
5. Previous Since Inception (Excluding Interest)	<u>0</u>	
6. Refunds Since Inception (Excluding Interest)	<u>0</u>	
7. Benchmark Ratio Since Inception (See Worksheet for Ratio 1)	<u>63.6%</u>	
8. Experienced Ratio Since Inception (Ratio 2) (Line 3, Col. b)/(Line 3, Col. a. - Line 6)	<u>68.0%</u>	
9. Life Years Exposed Since Inception If (Line 8 < Line 7) AND (Line 9 > 500), proceed, else stop.	<u>606</u>	
10. Tolerance Permitted (obtained from credibility table)	<u>15.0%</u>	
11. Adjustment to Incurred Claims for Credibility Ratio 3 = Ratio 2 + Tolerance	<u>83.0%</u>	If Line 11 > Line 7, a refund/credit is not required.
12. Adjusted Incurred Claims (Line 3, Col. a - Line 6)x Line 11	<u>No Refund Required</u>	
13. Refund = (Line 3, Col. a - Line 6 - (Line 12/Line 7)	<u>\$0</u>	

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

Medicare Supplement Credibility Table	
Life Yrs. Exposed Since Inception	Tolerance
10,000+	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%
If less than 500, no credibility.	

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.



Signature

John Rogers

Name

Staff Actuary

Title

5/20/2011

Date

- (1) Individual, Group, Individual Medicare Select, or Group Medicare Select Only
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- (4) Excludes Active Life Reserves.
- (5) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios".

**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR 2010**

TYPE (1)	<u>Individual</u>	SMSBP(2)	<u>Plan N</u>
For the State of	<u>ARKANSAS</u>	Company Name	<u>Combined Insurance Company</u>
NAIC Group Code	<u>317</u>		<u>of America</u>
Address	<u>1000 Milwaukee Ave, Glenview, IL 60025</u>	NAIC Company Code	<u>62146</u>
Title	<u>Staff Actuary</u>	Person Completing Exhibit	<u>John Rogers</u>
		Telephone Number	<u>(847) 953-8061</u>

line	(a) Earned Premium (3)	(b) Incurred Claims (4)
1. Current Year's Experience		
a. Total (all policy years)	(4)	0
b. Current year's issues (5)	(4)	0
c. Net (for reporting purposes = 1a - 1b)	0	0
2. Past Year's Experience (All Policy Years)	0	0
3. Total Experience (1c + 2)	0	0
4. Refunds Last Year (Excluding Interest)	0	
5. Previous Since Inception (Excluding Interest)	0	
6. Refunds Since Inception (Excluding Interest)	0	
7. Benchmark Ratio Since Inception (See Worksheet for Ratio 1)	0.0%	
8. Experienced Ratio Since Inception (Ratio 2) (Line 3, Col. b)/(Line 3, Col. a. - Line 6)	0.0%	
9. Life Years Exposed Since Inception If (Line 8 < Line 7) AND (Line 9 > 500), proceed, else stop.	0	
10. Tolerance Permitted (obtained from credibility table)	<u>Not Credible</u>	
11. Adjustment to Incurred Claims for Credibility Ratio 3 = Ratio 2 + Tolerance	<u>Not Credible</u>	If Line 11 > Line 7, a refund/credit is not required.
12. Adjusted Incurred Claims (Line 3, Col. a - Line 6)x Line 11	\$0	
13. Refund = (Line 3, Col. a - Line 6 - (Line 12/Line 7)	\$0	

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

Medicare Supplement Credibility Table	
Life Yrs. Exposed Since Inception	Tolerance
10,000+	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%
If less than 500, no credibility.	

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.



Signature

John Rogers

Name

Staff Actuary

Title

5/20/2011

Date

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- (2) "SMSBP" = Standardized Medicare Supplement Benefit Plan.
- (3) Includes Modal Loadings and Fees Charged.
- (4) Excludes Active Life Reserves.
- (5) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios".

**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR 2010**

TYPE (1)	<u>Individual</u>	SMSBP(2)	<u>Pre-Standardized</u>
For the State of	<u>ARKANSAS</u>	Company Name	<u>Combined Insurance Company</u>
NAIC Group Code	<u>317</u>		<u>of America</u>
Address	<u>1000 Milwaukee Ave, Glenview, IL 60025</u>	NAIC Company Code	<u>62146</u>
Title	<u>Staff Actuary</u>	Person Completing Exhibit	<u>John Rogers</u>
		Telephone Number	<u>(847) 953-8061</u>

line	(a) Earned Premium (3)	(b) Incurred Claims (4)
1. Current Year's Experience		
a. Total (all policy years)	35,954	30,442
b. Current year's issues (5)	0	0
c. Net (for reporting purposes = 1a - 1b)	35,954	30,442
2. Past Year's Experience (All Policy Years)	1,280,909	791,637
3. Total Experience (1c + 2)	<u>1,316,863</u>	<u>822,079</u>
4. Refunds Last Year (Excluding Interest)	<u>0</u>	
5. Previous Since Inception (Excluding Interest)	<u>0</u>	
6. Refunds Since Inception (Excluding Interest)	<u>0</u>	
7. Benchmark Ratio Since Inception (See Worksheet for Ratio 1)	<u>64.9%</u>	
8. Experienced Ratio Since Inception (Ratio 2) (Line 3, Col. b)/(Line 3, Col. a. - Line 6)	<u>62.4%</u>	
9. Life Years Exposed Since Inception If (Line 8 < Line 7) AND (Line 9 > 500), proceed, else stop.	<u>686</u>	
10. Tolerance Permitted (obtained from credibility table)	<u>15.0%</u>	
11. Adjustment to Incurred Claims for Credibility Ratio 3 = Ratio 2 + Tolerance	<u>77.4%</u>	If Line 11 > Line 7, a refund/credit is not required.
12. Adjusted Incurred Claims (Line 3, Col. a - Line 6)x Line 11	<u>No Refund Required</u>	
13. Refund = (Line 3, Col. a - Line 6 - (Line 12/Line 7)	<u>\$0</u>	

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

Medicare Supplement Credibility Table	
Life Yrs. Exposed Since Inception	Tolerance
10,000+	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%
If less than 500, no credibility.	

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

  
\_\_\_\_\_  
Signature

John Rogers  
\_\_\_\_\_  
Name

Staff Actuary  
\_\_\_\_\_  
Title

5/20/2011  
\_\_\_\_\_  
Date

- (1) Individual, Group, Individual Medicare Select, or Group Medicare Select Only
- (2) "SMSBP" = Standardized Medicare Supplement Benefit Plan.
- (3) Includes Modal Loadings and Fees Charged.
- (4) Excludes Active Life Reserves.
- (5) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios".