

SERFF Tracking Number: OSLI-127188170 State: Arkansas
Filing Company: Old Surety Life Insurance Company State Tracking Number: 48903
Company Tracking Number:
TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
Product Name: Medicare Supp Refund Calculation Forms - 2010
Project Name/Number: /

Filing at a Glance

Company: Old Surety Life Insurance Company

Product Name: Medicare Supp Refund Calculation Forms - 2010 SERFF Tr Num: OSLI-127188170 State: Arkansas

TOI: MS06 Medicare Supplement - Other

SERFF Status: Closed-Accepted State Tr Num: 48903

For Informational Purposes

Sub-TOI: MS06.000 Medicare Supplement - Other

Co Tr Num: State Status: Filed-Closed

Filing Type: Form

Author: Dwight Herron

Reviewer(s): Stephanie Fowler

Date Submitted: 05/26/2011

Disposition Date: 05/27/2011

Disposition Status: Accepted For Informational Purposes

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 05/27/2011

State Status Changed: 05/27/2011

Deemer Date:

Created By: Dwight Herron

Submitted By: Dwight Herron

Corresponding Filing Tracking Number:

Filing Description:

Medicare Supp Refund Calculation Forms - 2010

Company and Contact

Filing Contact Information

Dwight Herron, Secretary & Vice President

dherron@oldsurety.com

P O Box 54407

800-272-5466 [Phone]

Oklahoma City, OK 73154

405-524-4011 [FAX]

SERFF Tracking Number: OSLI-127188170 State: Arkansas
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Company Tracking Number:
TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
Product Name: Medicare Supp Refund Calculation Forms - 2010
Project Name/Number: /

Filing Company Information

Old Surety Life Insurance Company CoCode: 67326 State of Domicile: Oklahoma
P O Box 54407 Group Code: Company Type: Life & Health
Oklahoma City, OK 73154 Group Name: State ID Number:
(800) 272-5466 ext. [Phone] FEIN Number: 73-0385800

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Old Surety Life Insurance Company	\$0.00	05/26/2011	

SERFF Tracking Number: OSLI-127188170 State: Arkansas
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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: OSLI-127188170 State: Arkansas
Filing Company: Old Surety Life Insurance Company State Tracking Number: 48903
Company Tracking Number:
TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
Product Name: Medicare Supp Refund Calculation Forms - 2010
Project Name/Number: /

Disposition

Disposition Date: 05/27/2011

Implementation Date:

Status: Accepted For Informational Purposes

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: OSLI-127188170 State: Arkansas
 Filing Company: Old Surety Life Insurance Company State Tracking Number: 48903
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 TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
 Product Name: Medicare Supp Refund Calculation Forms - 2010
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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
Form	Medicare Supp Refund Calculation Forms	Accepted for Informational Purposes	No
	- 2010		

SERFF Tracking Number: OSLI-127188170 State: Arkansas
 Filing Company: Old Surety Life Insurance Company State Tracking Number: 48903
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 TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
 Product Name: Medicare Supp Refund Calculation Forms - 2010
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Form Schedule

Lead Form Number:

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Accepted for Information al Purposes 05/27/2011	MSRCF 2010	Other	Medicare Supp Refund Calculation Forms - 2010	Initial			REFUND CALCULATIO N FORM - Arkansas Plan D.pdf Benchmark Ratio Worksheet - Arkansas Plan D.pdf REFUND CALCULATIO N FORM - Arkansas Plan A.pdf Benchmark Ratio Worksheet - Arkansas Plan A.pdf REFUND CALCULATIO N FORM - Arkansas Plan C.pdf Benchmark Ratio Worksheet - Arkansas Plan C.pdf REFUND

SERFF Tracking Number: OSLI-127188170 State: Arkansas
Filing Company: Old Surety Life Insurance Company State Tracking Number: 48903
Company Tracking Number:
TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
Product Name: Medicare Supp Refund Calculation Forms - 2010
Project Name/Number: /

CALCULATION FORM -
Arkansas
Plan J.pdf
Benchmark
Ratio
Worksheet -
Arkansas
Plan J.pdf
REFUND
CALCULATION FORM -
Arkansas
Plan F.pdf
Benchmark
Ratio
Worksheet -
Arkansas
Plan F.pdf
REFUND
CALCULATION FORM -
Arkansas
Plan C -
2010.pdf
Benchmark
Ratio
Worksheet -
Arkansas
Plan C -
2010.pdf

REFUND CALCULATION FORM

For Calendar Year 2010

TYPE Medicare Supplement SMSBP (w) Plan D – 1990 Stand.
 For the State of Arkansas Arkansas Company Number 67326
 Company Name Old Surety Life Insurance Company
 NAIC Group Code _____ NAIC Company Code 67326
 Address P O Box 54407 – Oklahoma City , OK 73154
 Person Completing This Exhibit Dwight D. Herron
 Title Secretary / Vice president Telephone Number 1-800-272-5466

Line		(a) Earned Premium (x)	(b) Incurred Claims (y)
1	Current Year's Experience:		
	a. Total (all policy years)	242,378	148,665
	b. Current year's issues (z)	0	0
	c. Net (for reporting purposes = 1a – 1b)	242,378	148,665
2	Past Year's Experience (all Policy Years)	2,103,403	1,371,114
3	Total Experience (Net Current Year + Past Years' Experience)	2,345,781	1,519,779
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)	.61	
8	Experience Ratio Since Inception Total Actual Incurred Claims (line 3, col b) ----- = Ratio 2 Total Earned Premium (line 3, col a) – Refunds Since Inception (line 6)		.65
9	Life Years Exposed Since Inception		470
	Is the Experience Ratio Less than the Benchmark Ratio, and are there more that 500 life years exposure? If yes, then proceed to calculation of refund.		NO
10	Tolerance Permitted (obtained from credibility table, on page 2)		
11	Adjustment to Incurred Claims for Credibility Ratio 2 + Tolerance = Ratio 3		
	Is Ratio 3 more than benchmark ratio (Ratio 1)? If yes, then refund or credit to premium is not required.		yes / no

	If Ratio 3 is less than the benchmark ratio, then proceed.	
12	Adjusted Incurred Claims = [Total earned Premiums (line 3, col a) - Refunds Since Inception (line 6) x Ratio 3 (line 11)]	
13	Refund = Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6) - <u>Adjusted Incurred Claims (line 12)</u> Benchmark Ratio (Ratio 1)	
	Is the amount on line 13 less than .005 times the annualized premium in force as of December 31 of the reporting year? If yes, 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. Description attached?	yes / no yes / no

Medicare Supplement Credibility Table

<u>Life Years Exposed Since Inception</u>	<u>Tolerance</u>
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.	

- (w) “SMSBP” = Standardized Medicare Supplement Benefit Plan
- (x) Includes model loadings and fees charged.
- (y) Excludes Active Life Reserves
- (z) This is to be used as “Issued Year Earned Premium” for Year 1 of next year’s “Worksheet for Calculation of Benchmark Ratios”

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



Signature
Dwight D. Herron

Name – Please Type
Secretary

Title
May 26, 2011

Date

REPORTING FORM FOR THE CALCULATION OF BENCHMARK RATIO SINCE INCEPTION FOR INDIVIDUAL POLICIES

For the State of ARKANSAS

ARKANSAS Company Number 67326

FOR CALENDAR YEAR 2010

TYPE

Medicare Supplement

Company Name

Old Surety Life Insurance Company

SMSBP (w) **PLAN D - 1990 Standardized**

Address

P O Box 54407 - Oklahoma City, OK 73154

Person Completing This Exhibit

Dwight D. Herron

Title

Secretary & Vice president

Telephone Number 1-800-272-5466

(a) Year	(b) Earned premium	(c) Factor	(d) (b)x(c)	(e) Cumulative Loss Ratio	(f) (d)x(e)	(g) Factor	(h) (b)x(g)	(i) Cumulative Loss Ratio	(j) (h)x(i)	(o) Policy Year Loss Ratio
1	-	2.770	-	0.442	-	0.00	-	0.000	-	
2	-	4.175	-	0.493	-	0.00	-	0.000	-	
3	1,881.06	4.175	7,853.43	0.493	3,871.74	1.194	2,245.99	0.659	1,480.10	
4	17,712.13	4.175	73,948.14	0.493	36,456.43	2.245	39,763.73	0.669	26,601.94	
5	17,690.02	4.175	73,855.83	0.493	36,410.93	3.170	56,077.36	0.678	38,020.45	
6	19,416.30	4.175	81,063.05	0.493	39,964.08	3.998	77,626.37	0.686	53,251.69	
7	28,291.45	4.175	118,116.80	0.493	58,231.58	4.754	134,497.55	0.695	93,475.80	
8	66,459.75	4.175	277,469.46	0.493	136,792.44	5.445	361,873.34	0.702	254,035.08	
9	73,486.50	4.175	306,806.14	0.493	151,255.43	6.075	446,430.49	0.708	316,072.79	
10	17,441.12	4.175	72,816.68	0.493	35,898.62	6.650	115,983.45	0.713	82,696.20	
11	-	4.175	-	0.493	-	7.176	-	0.717	-	
12	-	4.175	-	0.493	-	7.655	-	0.720	-	
13	-	4.175	-	0.493	-	8.093	-	0.723	-	
14	-	4.175	-	0.493	-	8.493	-	0.725	-	
15+	-	4.175	-	0.493	-	8.684	-	0.725	-	
Total:	242,378.33	(k):	1,011,929.53	(l):	498,881.26	(m):	1,234,498.28	(n):	865,634.05	

(a) Year 1 is the current calendar year minus 1; Year 2 is the current calendar year minus 2 (etc.).

Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989; etc.)

(b) For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

(c) These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet.

They are shown here for information purposes only.

(p) "SMSBP" = Standardized Medicare Supplement Benefit Plan

Benchmark Ratio Since Inception:

$$\frac{l + n}{k + m} = \frac{1,364,515.31}{2,246,427.80} = 0.61$$

REFUND CALCULATION FORM

For Calendar Year 2010

TYPE Medicare Supplement SMSBP (w) Plan A – 1990 Stand.
 For the State of Arkansas Arkansas Company Number 67326
 Company Name Old Surety Life Insurance Company
 NAIC Group Code _____ NAIC Company Code 67326
 Address P O Box 54407 – Oklahoma City , OK 73154
 Person Completing This Exhibit Dwight D. Herron
 Title Secretary / Vice president Telephone Number 1-800-272-5466

Line		(a) Earned Premium (x)	(b) Incurred Claims (y)
1	Current Year's Experience:		
	a. Total (all policy years)	27,324	19,838
	b. Current year's issues (z)	0	0
	c. Net (for reporting purposes = 1a – 1b)	27,324	19,838
2	Past Year's Experience (all Policy Years)	190,725	154,669
3	Total Experience (Net Current Year + Past Years' Experience)	218,049	174,507
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)	.61	
8	Experience Ratio Since Inception Total Actual Incurred Claims (line 3, col b) ----- = Ratio 2 Total Earned Premium (line 3, col a) – Refunds Since Inception (line 6)		.80
9	Life Years Exposed Since Inception		283
	Is the Experience Ratio Less than the Benchmark Ratio, and are there more that 500 life years exposure? If yes, then proceed to calculation of refund.		NO
10	Tolerance Permitted (obtained from credibility table, on page 2)		
11	Adjustment to Incurred Claims for Credibility Ratio 2 + Tolerance = Ratio 3		
	Is Ratio 3 more than benchmark ratio (Ratio 1)? If yes, then refund or credit to premium is not required.		yes / no

	If Ratio 3 is less than the benchmark ratio, then proceed.	
12	Adjusted Incurred Claims = [Total earned Premiums (line 3, col a) - Refunds Since Inception (line 6) x Ratio 3 (line 11)]	
13	Refund = Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6) - <u>Adjusted Incurred Claims (line 12)</u> Benchmark Ratio (Ratio 1)	
	Is the amount on line 13 less than .005 times the annualized premium in force as of December 31 of the reporting year? If yes, 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. Description attached?	yes / no yes / no

Medicare Supplement Credibility Table

<u>Life Years Exposed Since Inception</u>	<u>Tolerance</u>
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.	

- (w) “SMSBP” = Standardized Medicare Supplement Benefit Plan
- (x) Includes model loadings and fees charged.
- (y) Excludes Active Life Reserves
- (z) This is to be used as “Issued Year Earned Premium” for Year 1 of next year’s “Worksheet for Calculation of Benchmark Ratios”

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



Signature
Dwight D. Herron

Name – Please Type
Secretary

Title
May 26, 2011

Date

REPORTING FORM FOR THE CALCULATION OF BENCHMARK RATIO SINCE INCEPTION FOR INDIVIDUAL POLICIES

For the State of ARKANSAS

ARKANSAS Company Number 67326

FOR CALENDAR YEAR 2010

TYPE

Medicare Supplement

Company Name

Old Surety Life Insurance Company

SMSBP (w) **PLAN A - 1990 Standardized**

Address

P O Box 54407 - Oklahoma City, OK 73154

Person Completing This Exhibit

Dwight D. Herron

Title

Secretary & Vice president

Telephone Number 1-800-272-5466

(a) Year	(b) Earned premium	(c) Factor	(d) (b)x(c)	(e) Cumulative Loss Ratio	(f) (d)x(e)	(g) Factor	(h) (b)x(g)	(i) Cumulative Loss Ratio	(j) (h)x(i)	(o) Policy Year Loss Ratio
1	-	2.770	-	0.442	-	0.00	-	0.000	-	
2	1,749.10	4.175	7,302.49	0.493	3,600.13	0.00	-	0.000	-	
3	-	4.175	-	0.493	-	1.194	-	0.659	-	
4	-	4.175	-	0.493	-	2.245	-	0.669	-	
5	-	4.175	-	0.493	-	3.170	-	0.678	-	
6	5,864.62	4.175	24,484.79	0.493	12,071.00	3.998	23,446.75	0.686	16,084.47	
7	10,335.67	4.175	43,151.42	0.493	21,273.65	4.754	49,135.78	0.695	34,149.36	
8	-	4.175	-	0.493	-	5.445	-	0.702	-	
9	1,767.24	4.175	7,378.23	0.493	3,637.47	6.075	10,735.98	0.708	7,601.08	
10	7,606.89	4.175	31,758.77	0.493	15,657.07	6.650	50,585.82	0.713	36,067.69	
11	-	4.175	-	0.493	-	7.176	-	0.717	-	
12	-	4.175	-	0.493	-	7.655	-	0.720	-	
13	-	4.175	-	0.493	-	8.093	-	0.723	-	
14	-	4.175	-	0.493	-	8.493	-	0.725	-	
15+	-	4.175	-	0.493	-	8.684	-	0.725	-	
Total:	27,323.52	(k):	114,075.70	(l):	56,239.32	(m):	133,904.33	(n):	93,902.60	

(a) Year 1 is the current calendar year minus 1; Year 2 is the current calendar year minus 2 (etc.).

Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989; etc.)

(b) For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

(c) These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet.

They are shown here for information purposes only.

(p) "SMSBP" = Standardized Medicare Supplement Benefit Plan

Benchmark Ratio Since Inception:

$$\frac{l + n}{k + m} = \frac{150,141.92}{247,980.02} = 0.61$$

REFUND CALCULATION FORM

For Calendar Year 2010

TYPE Medicare Supplement SMSBP (w) Plan C – 1990 Stand.
 For the State of Arkansas Arkansas Company Number 67326
 Company Name Old Surety Life Insurance Company
 NAIC Group Code _____ NAIC Company Code 67326
 Address P O Box 54407 – Oklahoma City , OK 73154
 Person Completing This Exhibit Dwight D. Herron
 Title Secretary / Vice president Telephone Number 1-800-272-5466

Line		(a) Earned Premium (x)	(b) Incurred Claims (y)
1	Current Year's Experience:		
	a. Total (all policy years)	108,022	82,045
	b. Current year's issues (z)	0	0
	c. Net (for reporting purposes = 1a – 1b)	108,022	82,045
2	Past Year's Experience (all Policy Years)	4,106,674	2,976,358
3	Total Experience (Net Current Year + Past Years' Experience)	4,214,696	3,058,403
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)	.64	
8	Experience Ratio Since Inception Total Actual Incurred Claims (line 3, col b) ----- = Ratio 2 Total Earned Premium (line 3, col a) – Refunds Since Inception (line 6)		.73
9	Life Years Exposed Since Inception		3,586
	Is the Experience Ratio Less than the Benchmark Ratio, and are there more that 500 life years exposure? If yes, then proceed to calculation of refund.		NO
10	Tolerance Permitted (obtained from credibility table, on page 2)		
11	Adjustment to Incurred Claims for Credibility Ratio 2 + Tolerance = Ratio 3		
	Is Ratio 3 more than benchmark ratio (Ratio 1)? If yes, then refund or credit to premium is not required.		yes / no

	If Ratio 3 is less than the benchmark ratio, then proceed.	
12	Adjusted Incurred Claims = [Total earned Premiums (line 3, col a) - Refunds Since Inception (line 6) x Ratio 3 (line 11)]	
13	Refund = Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6) - <u>Adjusted Incurred Claims (line 12)</u> Benchmark Ratio (Ratio 1)	
	Is the amount on line 13 less than .005 times the annualized premium in force as of December 31 of the reporting year? If yes, 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. Description attached?	yes / no yes / no

Medicare Supplement Credibility Table

<u>Life Years Exposed Since Inception</u>	<u>Tolerance</u>
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.	

- (w) “SMSBP” = Standardized Medicare Supplement Benefit Plan
- (x) Includes model loadings and fees charged.
- (y) Excludes Active Life Reserves
- (z) This is to be used as “Issued Year Earned Premium” for Year 1 of next year’s “Worksheet for Calculation of Benchmark Ratios”

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



Signature
Dwight D. Herron

Name – Please Type
Secretary

Title

May 26, 2011

Date

REPORTING FORM FOR THE CALCULATION OF BENCHMARK RATIO SINCE INCEPTION FOR INDIVIDUAL POLICIES

For the State of ARKANSAS

ARKANSAS Company Number 67326

FOR CALENDAR YEAR 2010

TYPE

Medicare Supplement

Company Name

Old Surety Life Insurance Company

SMSBP (w) **PLAN C - 1990 Standardized**

Address

P O Box 54407 - Oklahoma City, OK 73154

Person Completing This Exhibit

Dwight D. Herron

Title

Secretary & Vice president

Telephone Number 1-800-272-5466

(a) Year	(b) Earned premium	(c) Factor	(d) (b)x(c)	(e) Cumulative Loss Ratio	(f) (d)x(e)	(g) Factor	(h) (b)x(g)	(i) Cumulative Loss Ratio	(j) (h)x(i)	(o) Policy Year Loss Ratio
1		2.770	-	0.442	-	0.00	-	0.000	-	
2		4.175	-	0.493	-	0.00	-	0.000	-	
3		4.175	-	0.493	-	1.194	-	0.659	-	
4		4.175	-	0.493	-	2.245	-	0.669	-	
5		4.175	-	0.493	-	3.170	-	0.678	-	
6		4.175	-	0.493	-	3.998	-	0.686	-	
7		4.175	-	0.493	-	4.754	-	0.695	-	
8		4.175	-	0.493	-	5.445	-	0.702	-	
9		4.175	-	0.493	-	6.075	-	0.708	-	
10	13,350.16	4.175	55,736.92	0.493	27,478.30	6.650	88,778.56	0.713	63,299.12	
11	40,857.00	4.175	170,577.98	0.493	84,094.94	7.176	293,189.83	0.717	210,217.11	
12	10,486.03	4.175	43,779.18	0.493	21,583.13	7.655	80,270.56	0.720	57,794.80	
13	24,223.41	4.175	101,132.74	0.493	49,858.44	8.093	196,040.06	0.723	141,736.96	
14	15,781.46	4.175	65,887.60	0.493	32,482.58	8.493	134,031.94	0.725	97,173.16	
15+	3,324.10	4.175	13,878.12	0.493	6,841.91	8.684	28,866.48	0.725	20,928.20	
Total:	108,022.16	(k):	450,992.52	(l):	222,339.31	(m):	821,177.44	(n):	591,149.35	

(a) Year 1 is the current calendar year minus 1; Year 2 is the current calendar year minus 2 (etc.).

Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989; etc.)

(b) For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

(c) These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet.

They are shown here for information purposes only.

(p) "SMSBP" = Standardized Medicare Supplement Benefit Plan

Benchmark Ratio Since Inception:

$$\frac{l + n}{k + m} = \frac{813,488.66}{1,272,169.95} = 0.64$$

REFUND CALCULATION FORM

For Calendar Year 2010

TYPE Medicare Supplement SMSBP (w) Plan J – 1990 Stand.
 For the State of Arkansas Arkansas Company Number 67326
 Company Name Old Surety Life Insurance Company
 NAIC Group Code _____ NAIC Company Code 67326
 Address P O Box 54407 – Oklahoma City , OK 73154
 Person Completing This Exhibit Dwight D. Herron
 Title Secretary / Vice president Telephone Number 1-800-272-5466

Line		(a) Earned Premium (x)	(b) Incurred Claims (y)
1	Current Year's Experience:		
	a. Total (all policy years)	149,724	97,365
	b. Current year's issues (z)	13,202	7,544
	c. Net (for reporting purposes = 1a – 1b)	136,522	89,821
2	Past Year's Experience (all Policy Years)	221,169	184,325
3	Total Experience (Net Current Year + Past Years' Experience)	357,691	274,146
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)	.52	
8	Experience Ratio Since Inception Total Actual Incurred Claims (line 3, col b) ----- = Ratio 2 Total Earned Premium (line 3, col a) – Refunds Since Inception (line 6)		.77
9	Life Years Exposed Since Inception		300
	Is the Experience Ratio Less than the Benchmark Ratio, and are there more that 500 life years exposure? If yes, then proceed to calculation of refund.		NO
10	Tolerance Permitted (obtained from credibility table, on page 2)		
11	Adjustment to Incurred Claims for Credibility Ratio 2 + Tolerance = Ratio 3		
	Is Ratio 3 more than benchmark ratio (Ratio 1)? If yes, then refund or credit to premium is not required.		yes / no

	If Ratio 3 is less than the benchmark ratio, then proceed.	
12	Adjusted Incurred Claims = [Total earned Premiums (line 3, col a) - Refunds Since Inception (line 6) x Ratio 3 (line 11)]	
13	Refund = Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6) - <u>Adjusted Incurred Claims (line 12)</u> Benchmark Ratio (Ratio 1)	
	Is the amount on line 13 less than .005 times the annualized premium in force as of December 31 of the reporting year? If yes, 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. Description attached?	yes / no yes / no

Medicare Supplement Credibility Table

<u>Life Years Exposed Since Inception</u>	<u>Tolerance</u>
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.	

- (w) “SMSBP” = Standardized Medicare Supplement Benefit Plan
- (x) Includes model loadings and fees charged.
- (y) Excludes Active Life Reserves
- (z) This is to be used as “Issued Year Earned Premium” for Year 1 of next year’s “Worksheet for Calculation of Benchmark Ratios”

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



Signature
Dwight D. Herron

Name – Please Type
Secretary

Title

May 26, 2011

Date

REPORTING FORM FOR THE CALCULATION OF BENCHMARK RATIO SINCE INCEPTION FOR INDIVIDUAL POLICIES

For the State of ARKANSAS

ARKANSAS Company Number 67326

FOR CALENDAR YEAR 2010

TYPE

Medicare Supplement

Company Name

Old Surety Life Insurance Company

SMSBP (w) **PLAN J - 1990 Standardized**

Address

P O Box 54407 - Oklahoma City, OK 73154

Person Completing This Exhibit

Dwight D. Herron

Title

Secretary & Vice president

Telephone Number 1-800-272-5466

(a) Year	(b) Earned premium	(c) Factor	(d) (b)x(c)	(e) Cumulative Loss Ratio	(f) (d)x(e)	(g) Factor	(h) (b)x(g)	(i) Cumulative Loss Ratio	(j) (h)x(i)	(o) Policy Year Loss Ratio
1	13,801.48	2.770	38,230.10	0.442	16,897.70	0.00	-	0.000	-	
2	54,562.38	4.175	227,797.94	0.493	112,304.38	0.00	-	0.000	-	
3	45,247.68	4.175	188,909.06	0.493	93,132.17	1.194	54,025.73	0.659	35,602.96	
4	22,910.64	4.175	95,651.92	0.493	47,156.40	2.245	51,434.39	0.669	34,409.60	
5	-	4.175	-	0.493	-	3.170	-	0.678	-	
6	-	4.175	-	0.493	-	3.998	-	0.686	-	
7	-	4.175	-	0.493	-	4.754	-	0.695	-	
8	-	4.175	-	0.493	-	5.445	-	0.702	-	
9	-	4.175	-	0.493	-	6.075	-	0.708	-	
10	-	4.175	-	0.493	-	6.650	-	0.713	-	
11	-	4.175	-	0.493	-	7.176	-	0.717	-	
12	-	4.175	-	0.493	-	7.655	-	0.720	-	
13	-	4.175	-	0.493	-	8.093	-	0.723	-	
14	-	4.175	-	0.493	-	8.493	-	0.725	-	
15+	-	4.175	-	0.493	-	8.684	-	0.725	-	
Total:	136,522.18	(k):	550,589.02	(l):	269,490.65	(m):	105,460.12	(n):	70,012.56	

(a) Year 1 is the current calendar year minus 1; Year 2 is the current calendar year minus 2 (etc.).

Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989; etc.)

(b) For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

(c) These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet.

They are shown here for information purposes only.

(p) "SMSBP" = Standardized Medicare Supplement Benefit Plan

Benchmark Ratio Since Inception:

$$\frac{l + n}{k + m} = \frac{339,503.21}{656,049.14} = 0.52$$

REFUND CALCULATION FORM

For Calendar Year 2010

TYPE Medicare Supplement SMSBP (w) Plan F – 1990 Stand.
 For the State of Arkansas Arkansas Company Number 67326
 Company Name Old Surety Life Insurance Company
 NAIC Group Code _____ NAIC Company Code 67326
 Address P O Box 54407 – Oklahoma City , OK 73154
 Person Completing This Exhibit Dwight D. Herron
 Title Secretary / Vice president Telephone Number 1-800-272-5466

Line		(a) Earned Premium (x)	(b) Incurred Claims (y)
1	Current Year's Experience:		
	a. Total (all policy years)	174,152	79,017
	b. Current year's issues (z)	0	0
	c. Net (for reporting purposes = 1a – 1b)	174,152	79,017
2	Past Year's Experience (all Policy Years)	5,087,205	3,279,918
3	Total Experience (Net Current Year + Past Years' Experience)	5,261,357	3,358,935
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)	.64	
8	Experience Ratio Since Inception Total Actual Incurred Claims (line 3, col b) ----- = Ratio 2 Total Earned Premium (line 3, col a) – Refunds Since Inception (line 6)		.64
9	Life Years Exposed Since Inception		3,662
	Is the Experience Ratio Less than the Benchmark Ratio, and are there more that 500 life years exposure? If yes, then proceed to calculation of refund.		NO
10	Tolerance Permitted (obtained from credibility table, on page 2)		
11	Adjustment to Incurred Claims for Credibility Ratio 2 + Tolerance = Ratio 3		
	Is Ratio 3 more than benchmark ratio (Ratio 1)? If yes, then refund or credit to premium is not required.		yes / no

	If Ratio 3 is less than the benchmark ratio, then proceed.	
12	Adjusted Incurred Claims = [Total earned Premiums (line 3, col a) - Refunds Since Inception (line 6) x Ratio 3 (line 11)]	
13	Refund = Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6) - <u>Adjusted Incurred Claims (line 12)</u> Benchmark Ratio (Ratio 1)	
	Is the amount on line 13 less than .005 times the annualized premium in force as of December 31 of the reporting year? If yes, 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. Description attached?	yes / no yes / no

Medicare Supplement Credibility Table

<u>Life Years Exposed Since Inception</u>	<u>Tolerance</u>
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.	

- (w) “SMSBP” = Standardized Medicare Supplement Benefit Plan
- (x) Includes model loadings and fees charged.
- (y) Excludes Active Life Reserves
- (z) This is to be used as “Issued Year Earned Premium” for Year 1 of next year’s “Worksheet for Calculation of Benchmark Ratios”

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



Signature
Dwight D. Herron

Name – Please Type
Secretary

Title

May 26, 2011

Date

REPORTING FORM FOR THE CALCULATION OF BENCHMARK RATIO SINCE INCEPTION FOR INDIVIDUAL POLICIES

For the State of ARKANSAS

ARKANSAS Company Number 67326

FOR CALENDAR YEAR 2010

TYPE

Medicare Supplement

Company Name

Old Surety Life Insurance Company

SMSBP (w) **PLAN F - 1990 Standardized**

Address

P O Box 54407 - Oklahoma City, OK 73154

Person Completing This Exhibit

Dwight D. Herron

Title

Secretary & Vice president

Telephone Number 1-800-272-5466

(a) Year	(b) Earned premium	(c) Factor	(d) (b)x(c)	(e) Cumulative Loss Ratio	(f) (d)x(e)	(g) Factor	(h) (b)x(g)	(i) Cumulative Loss Ratio	(j) (h)x(i)	(o) Policy Year Loss Ratio
1	4,219.62	2.770	11,688.35	0.442	5,166.25	0.00	-	0.000	-	
2	-	4.175	-	0.493	-	0.00	-	0.000	-	
3	-	4.175	-	0.493	-	1.194	-	0.659	-	
4	-	4.175	-	0.493	-	2.245	-	0.669	-	
5	-	4.175	-	0.493	-	3.170	-	0.678	-	
6	-	4.175	-	0.493	-	3.998	-	0.686	-	
7	-	4.175	-	0.493	-	4.754	-	0.695	-	
8	4,150.75	4.175	17,329.38	0.493	8,543.38	5.445	22,600.83	0.702	15,865.79	
9	8,736.32	4.175	36,474.14	0.493	17,981.75	6.075	53,073.14	0.708	37,575.79	
10	17,704.43	4.175	73,916.00	0.493	36,440.59	6.650	117,734.46	0.713	83,944.67	
11	14,733.09	4.175	61,510.65	0.493	30,324.75	7.176	105,724.65	0.717	75,804.58	
12	21,738.28	4.175	90,757.32	0.493	44,743.36	7.655	166,406.53	0.720	119,812.70	
13	49,889.85	4.175	208,290.12	0.493	102,687.03	8.093	403,758.56	0.723	291,917.44	
14	44,503.79	4.175	185,803.32	0.493	91,601.04	8.493	377,970.69	0.725	274,028.75	
15+	8,476.32	4.175	35,388.64	0.493	17,446.60	8.684	73,608.36	0.725	53,366.06	
Total:	174,152.45	(k):	721,157.91	(l):	354,934.75	(m):	1,320,877.23	(n):	952,315.77	

(a) Year 1 is the current calendar year minus 1; Year 2 is the current calendar year minus 2 (etc.).

Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989; etc.)

(b) For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

(c) These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet.

They are shown here for information purposes only.

(p) "SMSBP" = Standardized Medicare Supplement Benefit Plan

Benchmark Ratio Since Inception:

$$\frac{l + n}{k + m} = \frac{1,307,250.52}{2,042,035.14} = 0.64$$

REFUND CALCULATION FORM

For Calendar Year 2010

TYPE Medicare Supplement SMSBP (w) Plan C – 2010 Modernized
 For the State of Arkansas Arkansas Company Number 67326
 Company Name Old Surety Life Insurance Company
 NAIC Group Code _____ NAIC Company Code 67326
 Address P O Box 54407 – Oklahoma City , OK 73154
 Person Completing This Exhibit Dwight D. Herron
 Title Secretary / Vice president Telephone Number 1-800-272-5466

Line		(a) Earned Premium (x)	(b) Incurred Claims (y)
1	Current Year's Experience:		
	a. Total (all policy years)	1,404	1,067
	b. Current year's issues (z)	1,404	1,067
	c. Net (for reporting purposes = 1a – 1b)	0	0
2	Past Year's Experience (all Policy Years)	0	0
3	Total Experience (Net Current Year + Past Years' Experience)	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)	.00	
8	Experience Ratio Since Inception Total Actual Incurred Claims (line 3, col b) ----- = Ratio 2 Total Earned Premium (line 3, col a) – Refunds Since Inception (line 6)		.00
9	Life Years Exposed Since Inception		1
	Is the Experience Ratio Less than the Benchmark Ratio, and are there more that 500 life years exposure? If yes, then proceed to calculation of refund.		NO
10	Tolerance Permitted (obtained from credibility table, on page 2)		
11	Adjustment to Incurred Claims for Credibility Ratio 2 + Tolerance = Ratio 3		
	Is Ratio 3 more than benchmark ratio (Ratio 1)? If yes, then refund or credit to premium is not required.		yes / no

	If Ratio 3 is less than the benchmark ratio, then proceed.	
12	Adjusted Incurred Claims = [Total earned Premiums (line 3, col a) - Refunds Since Inception (line 6) x Ratio 3 (line 11)]	
13	Refund = Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6) - <u>Adjusted Incurred Claims (line 12)</u> Benchmark Ratio (Ratio 1)	
	Is the amount on line 13 less than .005 times the annualized premium in force as of December 31 of the reporting year? If yes, 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. Description attached?	yes / no yes / no

Medicare Supplement Credibility Table

<u>Life Years Exposed Since Inception</u>	<u>Tolerance</u>
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.	

- (w) “SMSBP” = Standardized Medicare Supplement Benefit Plan
- (x) Includes model loadings and fees charged.
- (y) Excludes Active Life Reserves
- (z) This is to be used as “Issued Year Earned Premium” for Year 1 of next year’s “Worksheet for Calculation of Benchmark Ratios”

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



Signature
Dwight D. Herron

Name – Please Type
Secretary

Title

May 26, 2011

Date

REPORTING FORM FOR THE CALCULATION OF BENCHMARK RATIO SINCE INCEPTION FOR INDIVIDUAL POLICIES

For the State of ARKANSAS

ARKANSAS Company Number 67326

FOR CALENDAR YEAR 2010

TYPE

Medicare Supplement

Company Name

Old Surety Life Insurance Company

SMSBP (w) **PLAN C - 2010 Modernized**

Address

P O Box 54407 - Oklahoma City, OK 73154

Person Completing This Exhibit

Dwight D. Herron

Title

Secretary & Vice president

Telephone Number 1-800-272-5466

(a) Year	(b) Earned premium	(c) Factor	(d) (b)x(c)	(e) Cumulative Loss Ratio	(f) (d)x(e)	(g) Factor	(h) (b)x(g)	(i) Cumulative Loss Ratio	(j) (h)x(i)	(o) Policy Year Loss Ratio
1	-	2.770	-	0.442	-	0.00	-	0.000	-	
2	-	4.175	-	0.493	-	0.00	-	0.000	-	
3	-	4.175	-	0.493	-	1.194	-	0.659	-	
4	-	4.175	-	0.493	-	2.245	-	0.669	-	
5	-	4.175	-	0.493	-	3.170	-	0.678	-	
6	-	4.175	-	0.493	-	3.998	-	0.686	-	
7	-	4.175	-	0.493	-	4.754	-	0.695	-	
8	-	4.175	-	0.493	-	5.445	-	0.702	-	
9	-	4.175	-	0.493	-	6.075	-	0.708	-	
10	-	4.175	-	0.493	-	6.650	-	0.713	-	
11	-	4.175	-	0.493	-	7.176	-	0.717	-	
12	-	4.175	-	0.493	-	7.655	-	0.720	-	
13	-	4.175	-	0.493	-	8.093	-	0.723	-	
14	-	4.175	-	0.493	-	8.493	-	0.725	-	
15+	-	4.175	-	0.493	-	8.684	-	0.725	-	
Total:	-	(k):	-	(l):	-	(m):	-	(n):	-	

(a) Year 1 is the current calendar year minus 1; Year 2 is the current calendar year minus 2 (etc.).

Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989; etc.)

(b) For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

(c) These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet.

They are shown here for information purposes only.

(p) "SMSBP" = Standardized Medicare Supplement Benefit Plan

Benchmark Ratio Since Inception:

$$\frac{l + n}{k + m} = \text{\#DIV/0!}$$

SERFF Tracking Number: OSLI-127188170 State: Arkansas
 Filing Company: Old Surety Life Insurance Company State Tracking Number: 48903
 Company Tracking Number:
 TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other
 Product Name: Medicare Supp Refund Calculation Forms - 2010
 Project Name/Number: /

Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Flesch Certification		
Bypass Reason: Not applicable to Medicare Supp Refund Calculation Forms submission		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Application		
Bypass Reason: Not applicable to Medicare Supp Refund Calculation Forms submission		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Health - Actuarial Justification		
Bypass Reason: Not applicable to Medicare Supp Refund Calculation Forms submission		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Outline of Coverage		
Bypass Reason: Not applicable to Medicare Supp Refund Calculation Forms submission		
Comments:		