

SERFF Tracking Number: AGLA-128304691 State: Arkansas
Filing Company: American General Life and Accident Insurance Company State Tracking Number:
Company
Company Tracking Number: LC 718 7-1-70, ET AL
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 et al
Project Name/Number: Premium rate Increase for LC 718 7-1-70 et al/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 et al SERFF Tr Num: AGLA-128304691 State: Arkansas
TOI: H071 Individual Health - Specified Disease - Limited Benefit SERFF Status: Closed-Disapproved State Tr Num:
Sub-TOI: H071.002A Dread Disease - Cancer Only Co Tr Num: LC 718 7-1-70, ET AL State Status: Disapproved-Closed
Filing Type: Rate Reviewer(s): Rosalind Minor
Author: Hyacinth Prince Disposition Date: 05/03/2012
Date Submitted: 04/30/2012 Disposition Status: Disapproved
Implementation Date Requested: On Approval Implementation Date:
State Filing Description:

General Information

Project Name: Premium rate Increase for LC 718 7-1-70 et al Status of Filing in Domicile: Pending
Project Number: LC 718 7-1-70 et al 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: 30% Filing Status Changed: 05/03/2012
State Status Changed: 05/03/2012
Deemer Date: Created By: Hyacinth Prince
Submitted By: Hyacinth Prince Corresponding Filing Tracking Number: LC718 7-1-70 ET AL
Filing Description:
70% Premium Rate Increase or Family Cancer Medical Expense Plans
Policy Form LC 718 7-1-70 and LC 718 Rev 6-1-76
25% 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 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 73 policies of the form LC 718 7-1-70 and LC 718 Rev 6-1-76 in force as of 12/31/11. We are requesting a 70% 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 74 policies of forms LC 718 12/78 and LC 718 7/81-S in force as of 12/31/11. We are requesting 25% rate increase on these forms.

Appendices A-F displayed 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 (70%) is higher than for forms LC 718 12/78 and LC 718 7/87-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 LC 718 12/78 and LC 718 7/87-S.

State Narrative:

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 CoCode: 66672 State of Domicile: Tennessee
Company
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	04/30/2012	58782152

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
	\$0.00	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Disapproved	Rosalind Minor	05/03/2012	05/03/2012

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Disposition

Disposition Date: 05/03/2012

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 increases over the life of these products and the impact that another increase would have on the insureds, we are disapproving your request.

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	30.000%	30.000%	\$87,812	147	\$295,669	70.000%	25.000%

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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
Rate	70% Premium Rate Increase for Family Cancer Medical Expense Plans	Disapproved	Yes
Rate	25% Premium Rate Increase for Family Cancer Medical Expense Plans	Disapproved	Yes

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Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 6.000%
Effective Date of Last Rate Revision: 12/02/2011
Filing Method of Last Filing: SERFF

Company Rate Information

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	30.000%	30.000%	\$87,812	147	\$295,669	70.000%	25.000%

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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 05/03/2012	70% 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 2012 Filing 70 Percent.pdf
Disapproved 05/03/2012	25% Premium Rate Increase for Family Cancer Medical Expense Plans	LC 718 12/78 and LC 718 7/81-S	New		LgLC Rates AR 2012 Filing 25 Percent.pdf

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

**70% Rate Increase
SCHEDULE OF ANNUAL PREMIUMS
(No Policy Fee)**

Age of Male or Single Parent	CURRENT		PROPOSED	
	Two Parents & Children	One Parent & Children	Two Parents & Children	One Parent & Children
16-25	476.28	290.46	809.68	493.78
26-29	493.88	299.68	839.60	509.46
30	529.02	317.25	899.33	539.33
31	546.59	334.83	929.20	569.21
32	572.54	352.43	973.32	599.13
33	599.29	379.22	1,018.79	644.67
34	625.26	396.79	1,062.94	674.54
35	652.08	414.29	1,108.54	704.29
36	687.25	431.94	1,168.33	734.30
37	722.36	449.49	1,228.01	764.13
38	757.54	467.10	1,287.82	794.07
39	792.66	493.02	1,347.52	838.13
40	837.07	519.83	1,423.02	883.71
41	889.79	546.59	1,512.64	929.20
42	942.51	572.54	1,602.27	973.32
43	995.26	599.29	1,691.94	1,018.79
44	1,048.83	634.49	1,783.01	1,078.63
45	1,101.54	669.64	1,872.62	1,138.39
46	1,162.66	704.80	1,976.52	1,198.16
47	1,224.54	739.94	2,081.72	1,257.90
48	1,286.53	775.14	2,187.10	1,317.74
49	1,347.64	810.25	2,290.99	1,377.43
50	1,409.55	846.23	2,396.24	1,438.59
51	1,479.90	881.41	2,515.83	1,498.40
52	1,551.03	924.96	2,636.75	1,572.43
53	1,621.33	969.29	2,756.26	1,647.79
54	1,691.66	1,013.66	2,875.82	1,723.22
55	1,761.94	1,057.13	2,995.30	1,797.12

AR- 2012

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

RATE SCHEDULE

FORMS 718 12/78 & 718 7/81-S
25% 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	\$ 2,969.27	\$ 2,098.28	\$ 2,622.85	\$ 2,922.62	\$ 3,653.28
26-30	3,310.37	2,339.32	2,924.15	3,464.94	4,331.18
31-35	3,723.12	2,631.00	3,288.75	4,238.31	5,297.89
36-40	4,411.53	3,117.48	3,896.85	5,317.68	6,647.10
41-45	5,388.06	3,807.56	4,759.45	6,577.62	8,222.03
46-50	6,757.67	4,775.42	5,969.28	8,235.55	10,294.44
51	7,872.45	5,563.20	6,954.00	9,458.36	11,822.95
52	8,350.47	5,901.00	7,376.25	9,893.90	12,367.38
53	8,763.78	6,193.07	7,741.34	10,338.56	12,923.20
54	9,242.00	6,531.01	8,163.76	10,599.99	13,249.99
55	9,733.62	6,878.42	8,598.03	10,599.99	13,249.99
56	10,212.35	7,216.72	9,020.90	10,599.99	13,249.99
57	10,762.55	7,605.53	9,506.91	10,599.99	13,249.99
58	11,313.56	7,994.91	9,993.64	10,599.99	13,249.99
59	11,870.60	8,388.55	10,485.69	10,599.99	13,249.99
60	12,355.49	8,731.21	10,914.01	10,599.99	13,249.99
61	12,964.95	9,161.90	11,452.38	10,599.99	13,249.99
62	13,660.25	9,653.24	12,066.55	10,599.99	13,249.99
63	14,282.67	10,093.09	12,616.36	10,599.99	13,249.99
64	14,977.32	10,583.97	13,229.96	10,599.99	13,249.99
65	15,724.43	10,599.99	13,249.99	10,599.99	13,249.99
66	16,485.05	10,599.99	13,249.99	10,599.99	13,249.99
67	17,251.91	10,599.99	13,249.99	10,599.99	13,249.99
68	18,077.90	10,599.99	13,249.99	10,599.99	13,249.99
69	18,837.93	10,599.99	13,249.99	10,599.99	13,249.99
70	19,664.01	10,599.99	13,249.99	10,599.99	13,249.99
71	20,562.24	10,599.99	13,249.99	10,599.99	13,249.99
72	21,387.69	10,599.99	13,249.99	10,599.99	13,249.99
73	22,285.88	10,599.99	13,249.99	10,599.99	13,249.99
74	23,249.45	10,599.99	13,249.99	10,599.99	13,249.99
75	24,219.27	10,599.99	13,249.99	10,599.99	13,249.99

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Health - Actuarial Justification	Disapproved	05/03/2012
Comments:		
Attachment: Can GR LC Actuarial Memorandum AR 2011.pdf		

	Item Status:	Status Date:
Satisfied - Item: Experience Exhibit - Appendices A-F	Disapproved	05/03/2012
Comments:		
Attachment: Cancer GR Experience Exhibit AR 2011.pdf		