

SERFF Tracking Number: ICCI-128278824 State: Arkansas  
Filing Company: Independence American Insurance Company State Tracking Number:  
Company Tracking Number: IAIC IPA 107 REVISED RATE FILING 2012-05-01  
TOI: H16G Group Health - Major Medical Sub-TOI: H16G.001A Any Size Group - PPO  
Product Name: IAIC IPA 107 Revised Rate Filing 2012-05-01  
Project Name/Number: IAIC IPA 107 Revised Rate Filing 2012-05-01/IAIC IPA 107 Revised Rate Filing 2012-05-01

## Filing at a Glance

Company: Independence American Insurance Company

Product Name: IAIC IPA 107 Revised Rate SERFF Tr Num: ICCI-128278824 State: Arkansas

Filing 2012-05-01

TOI: H16G Group Health - Major Medical

SERFF Status: Closed-Approved State Tr Num:

Sub-TOI: H16G.001A Any Size Group - PPO

Co Tr Num: IAIC IPA 107 REVISED State Status: Approved-Closed  
RATE FILING 2012-05-01

Filing Type: Rate

Reviewer(s): Donna Lambert

Author: Brenda Dawson

Disposition Date: 05/11/2012

Date Submitted: 04/19/2012

Disposition Status: Approved

Implementation Date Requested: On Approval

Implementation Date: 06/11/2012

State Filing Description:

## General Information

Project Name: IAIC IPA 107 Revised Rate Filing 2012-05-01

Status of Filing in Domicile: Not Filed

Project Number: IAIC IPA 107 Revised Rate Filing 2012-05-01

Date Approved in Domicile:

Requested Filing Mode: Informational

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type: Individual

Overall Rate Impact:

Filing Status Changed: 05/11/2012

State Status Changed: 05/11/2012

Deemer Date:

Created By: Brenda Dawson

Submitted By: Brenda Dawson

Corresponding Filing Tracking Number: MADS-

125643562, ICCI-128263281

PPACA: Not PPACA-Related

PPACA Notes: null

Healthcare.gov ID:

Filing Description:

This is a resubmission from SERFF Tracking # ICCI-128263281. Please apply the filing fee from that filing to this filing.

Enclosed is an informational filing for the attached Actuarial Memorandum and rates. This rate filing is for Group Medical Expense Policy form IAIC GP 107 previously stamped filed by your Department on 8/26/08 under SERFF Tracking # MADS-125643562.

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Insurance Compliance Consultants, Inc., is making this filing on behalf of Independence American Insurance Company, a Delaware domiciled company. A filing authorization letter is attached. All correspondence should be addressed to Insurance Compliance Consultants, Inc.

This is a filing to present additional Rx plan factors for the group association major medical insurance policy of Independence American Insurance Company. This policy form and rate filing is not employer business but rather a group association policy sold to individuals. This actuarial memorandum is not intended for any other purpose.

Effective 5/1/2012, new Rx plans will be introduced. The trend factor changes for medical and Rx from 5/1/2011 to 5/1/2012 effective dates are 3.602 to 3.881 and 1.783 to 1.913 respectively. The overall change in year over year trend from 5/1/2011 to 5/1/2012 is 7.7%. This is the figure being reported for SERFF and HHS. State Narrative:

## Company and Contact

### Filing Contact Information

Brenda Dawson, Authorized Representative      Brendadawson@inscompliance.com  
 3925 East State Street, Suite 200              815-316-6714 [Phone]  
 Rockford, IL 61108                                815-986-2355 [FAX]

### Filing Company Information

(This filing was made by a third party - insurancecomplianceconsultantsinc)

Independence American Insurance Company	CoCode: 26581	State of Domicile: Delaware
485 Madison Avenue	Group Code:	Company Type:
New York, NY 10022	Group Name:	State ID Number:
(212) 355-4141 ext. [Phone]	FEIN Number: 74-1746542	

## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Independence American Insurance Company	\$0.00	04/19/2012	

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Donna Lambert	05/11/2012	05/11/2012

SERFF Tracking Number: ICCL-128278824 State: Arkansas  
 Filing Company: Independence American Insurance Company State Tracking Number:  
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## Disposition

Disposition Date: 05/11/2012  
 Implementation Date: 06/11/2012  
 Status: Approved  
 HHS Status: HHS Approved  
 State Review: Reviewed by Actuary  
 Comment:

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):
Independence American Insurance Company	7.700%	7.700%	\$519	1	\$6,742	7.700%	7.700%
<b>Percent Change Approved:</b>							
	<b>Minimum:</b>	7.7%	<b>Maximum:</b>	7.7%	<b>Weighted Average:</b>		7.7%

SERFF Tracking Number: *ICCI-128278824* State: *Arkansas*  
 Filing Company: *Independence American Insurance Company* State Tracking Number:  
 Company Tracking Number: *IAIC IPA 107 REVISED RATE FILING 2012-05-01*  
 TOI: *H16G Group Health - Major Medical* Sub-TOI: *H16G.001A Any Size Group - PPO*  
 Product Name: *IAIC IPA 107 Revised Rate Filing 2012-05-01*  
 Project Name/Number: *IAIC IPA 107 Revised Rate Filing 2012-05-01/IAIC IPA 107 Revised Rate Filing 2012-05-01*

<b>Schedule</b>	<b>Schedule Item</b>	<b>Schedule Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Health - Actuarial Justification	Approved	No
<b>Supporting Document</b>	Rate Summary Worksheet	Approved	Yes
<b>Supporting Document</b>	Authorization Letter	Approved	Yes
<b>Rate</b>	Rate sheet	Approved	Yes

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## Rate Information

Rate data applies to filing.

**Filing Method:** review and approval  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 0.000%  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:**

## 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):
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Independence American Insurance Company	Increase	7.700%	7.700%	\$519	1	\$6,742	7.700%	7.700%
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Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		2				0		
Policy Holders:		1				0		

SERFF Tracking Number:	ICCI-128278824	State:	Arkansas
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Project Name/Number:	IAIC IPA 107 Revised Rate Filing 2012-05-01/IAIC IPA 107 Revised Rate Filing 2012-05-01		

## Rate Review Details

### COMPANY:

Company Name:	Independence American Insurance Company
HHS Issuer Id:	76696
Product Names:	Group Major Medical Expense, PPO, HDHP and Indemnity
Trend Factors:	0.62

### FORMS:

New Policy Forms:	IAIC GP 107
Affected Forms:	
Other Affected Forms:	

### REQUESTED RATE CHANGE

#### INFORMATION:

Change Period:	Annual
Member Months:	24
Benefit Change:	Increase
Percent Change Requested:	Min: 7.7 Max: 7.7 Avg: 7.7

#### PRIOR RATE:

Total Earned Premium:	6,742.00
Total Incurred Claims:	353.00
Annual \$:	Min: 281.00 Max: 281.00 Avg: 281.00

#### REQUESTED RATE:

Projected Earned Premium:	7,261.00
Projected Incurred Claims:	4,480.00
Annual \$:	Min: 303.00 Max: 303.00 Avg: 303.00

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## Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
Approved 05/11/2012	Rate sheet	IAIC GP 107	New		AR - IAIC_I - Rate Sheet - 2012-03-23.pdf

**Independence American Insurance Company**

**IPA Health Plans**

**Base Rates**

< \$10,000 Deductibles and all HDHP plans

**Medical Base Rates for New and Renewing**

**Base Drug Rates**

Age	Male	Female
18 & Under	99.85	109.94
19	102.18	113.15
20	103.96	116.44
21	104.92	119.81
22	105.42	123.20
23	105.77	126.57
24	106.20	129.89
25	107.35	133.14
26	109.39	136.25
27	111.96	139.18
28	114.30	141.92
29	115.97	144.50
30	116.96	146.92
31	117.67	149.28
32	118.32	151.72
33	119.26	154.19
34	120.78	156.76
35	122.82	159.28
36	125.08	161.74
37	127.63	164.26
38	130.55	167.06
39	133.87	170.19
40	137.79	173.52
41	142.49	177.02
42	148.16	181.22
43	155.25	186.82
44	164.26	194.45
45	175.49	204.34
46	188.70	216.06
47	203.26	228.60
48	218.89	240.53
49	235.02	250.98
50	252.86	260.04
51	272.25	267.92
52	291.71	275.21
53	310.24	282.49
54	326.71	290.08
55	342.26	298.15
56	357.92	306.69
57	374.36	315.44
58	392.03	324.04
59	409.79	332.58
60	427.05	341.46
61	444.02	351.10
62	461.62	361.60
63	480.73	372.74
64	500.95	384.39
65	260.25	199.70
66	269.40	206.71
67	277.59	213.00
68	284.76	218.50
69	291.01	223.30
70	296.56	227.56
71	301.67	231.48
72	306.56	235.23
73	311.39	238.93
74	316.13	242.57
75+	321.11	246.40

Age	Male	Female
18 & Under	58.28	98.74
19	59.04	99.97
20	60.41	100.88
21	62.27	102.97
22	64.04	105.65
23	66.15	108.73
24	68.09	112.92
25	70.05	117.14
26	72.72	120.46
27	76.44	125.05
28	80.28	129.44
29	83.17	132.11
30	87.51	134.97
31	91.60	137.47
32	94.67	140.65
33	97.33	143.59
34	99.65	146.41
35	101.80	149.26
36	103.98	152.35
37	106.39	155.84
38	110.39	161.54
39	114.98	164.56
40	120.23	168.13
41	123.63	172.16
42	127.60	176.63
43	132.19	181.56
44	137.45	188.94
45	143.36	195.00
46	149.85	201.60
47	156.91	210.83
48	164.56	218.54
49	172.75	231.21
50	185.14	244.34
51	197.63	257.56
52	210.54	270.59
53	223.72	283.39
54	236.56	290.75
55	246.60	303.27
56	255.95	310.42
57	265.41	317.76
58	270.62	319.81
59	274.98	325.35
60	280.02	331.60
61	285.06	335.34
62	295.93	339.48
63	307.08	343.91
64	318.33	348.35
65	164.62	179.73
66	169.59	184.88
67	173.86	189.35
68	177.36	193.07
69	180.17	196.08
70	182.44	198.52
71	184.33	200.57
72	186.00	202.38
73	187.53	204.01
74	189.05	205.65
75	190.56	207.28

Program Factor	
Coverage Category	Factor
Medical	0.982
Rx	0.982

Primary Factor		
Primary Type	Med	Rx
EE	1.05	1.05
ES	1.10	1.10
EC	1.00	1.00
EF	0.90	0.95

Primary Rate Calculation:  
(Base Rate)\*(Primary Factor)

Spouse Factor		
SP Type & Plan	Med	Rx
ES HDHP	1.10	1.00
EF HDHP	1.00	1.00
EF Non-HDHP	0.90	0.90
ES Non-HDHP	1.00	0.95

Spouse Rate Calculation:  
(Base Rate)\*(Spouse Factor)

Child(ren) Factor		
Plan Type	Med	Rx
Non-HDHP	0.90	0.95
HDHP	1.00	0.90

Child(ren) Rate Calculation:  
(sum of n child(ren) rates)\*((Child(ren) Factor)^(n-1))  
where n = min(9, # of Children)

**Children Rates\***

Children 0-24 Mos	132.50	132.50
Children Ages 2+	88.33	88.33

**Children Rates\***

0-24 Mos	48.48	48.48
Ages 2+	48.48	48.48

\* If Child is the Primary, their base rate should be the Child Rate

**Independence American Insurance Company**

**IPA Health Plans**

**Base Rates**

>= \$10,000 Deductibles (non-HDHP plans only)

**Medical Base Rates for New and Renewing**

**Base Drug Rates**

Age	Male	Female
18	89.05	103.70
19	91.13	106.73
20	92.71	109.83
21	93.57	113.01
22	94.02	116.21
23	94.33	119.39
24	94.71	122.52
25	95.74	124.96
26	97.56	127.24
27	99.85	129.33
28	101.94	131.63
29	103.42	134.02
30	104.31	136.27
31	104.94	138.46
32	105.52	140.72
33	106.36	143.01
34	107.71	145.39
35	109.53	147.73
36	111.55	150.01
37	113.82	152.35
38	116.43	154.95
39	119.47	158.03
40	125.67	162.69
41	132.75	167.57
42	140.94	173.18
43	150.51	180.52
44	162.23	189.97
45	176.52	201.81
46	193.24	215.69
47	211.85	230.64
48	231.68	244.29
49	252.56	256.58
50	275.69	267.58
51	296.83	277.48
52	318.04	286.87
53	338.25	296.82
54	356.20	307.23
55	373.16	318.28
56	390.23	329.97
57	408.15	342.03
58	427.42	353.03
59	446.78	362.60
60	465.60	372.28
61	484.10	382.79
62	503.29	394.24
63	524.13	406.39
64	546.17	419.09
65	283.74	217.72
66	293.71	225.37
67	302.65	232.23
68	310.46	238.22
69	317.27	243.45
70	323.33	248.10
71	328.90	252.37
72	334.23	256.46
73	339.49	260.50
74	344.66	264.47
75	350.10	268.64

Age	Male	Female
18 & Under	58.28	98.74
19	59.04	99.97
20	60.41	100.88
21	62.27	102.97
22	64.04	105.65
23	66.15	108.73
24	68.09	112.92
25	70.05	117.14
26	72.72	120.46
27	76.44	125.05
28	80.28	129.44
29	83.17	132.11
30	87.51	134.97
31	91.60	137.47
32	94.67	140.65
33	97.33	143.59
34	99.65	146.41
35	101.80	149.26
36	103.98	152.35
37	106.39	155.84
38	110.39	161.54
39	114.98	164.56
40	120.23	168.13
41	123.63	172.16
42	127.60	176.63
43	132.19	181.56
44	137.45	188.94
45	143.36	195.00
46	149.85	201.60
47	156.91	210.83
48	164.56	218.54
49	172.75	231.21
50	185.14	244.34
51	197.63	257.56
52	210.54	270.59
53	223.72	283.39
54	236.56	290.75
55	246.60	303.27
56	255.95	310.42
57	265.41	317.76
58	270.62	319.81
59	274.98	325.35
60	280.02	331.60
61	285.06	335.34
62	295.93	339.48
63	307.08	343.91
64	318.33	348.35
65	164.62	179.73
66	169.59	184.88
67	173.86	189.35
68	177.36	193.07
69	180.17	196.08
70	182.44	198.52
71	184.33	200.57
72	186.00	202.38
73	187.53	204.01
74	189.05	205.65
75	190.56	207.28

**Program Factor**

Coverage Category Factor	
Medical	0.982
Rx	0.982

**Primary Factor**

Primary Type	Med	Rx
EE	1.05	1.05
ES	1.10	1.10
EC	1.00	1.00
EF	0.90	0.95

Primary Rate Calculation:  
(Base Rate)\*(Primary Factor)

**Spouse Factor**

SP Type & Plan	Med	Rx
ES HDHP	1.10	1.00
EF HDHP	1.00	1.00
EF Non-HDHP	0.90	0.90
ES Non-HDHP	1.00	0.95

Spouse Rate Calculation:  
(Base Rate)\*(Spouse Factor)

**Child(ren) Factor**

Plan Type	Med	Rx
Non-HDHP	0.90	0.95
HDHP	1.00	0.90

Child(ren) Rate Calculation:  
(sum of n child(ren) rates)\*((Child(ren) Factor)^(n-1))  
where n = min(9, # of Children)

**Children Rates\***

Children 0-	121.57	121.57
Children A	81.05	81.05

**Children Rates\***

0-24 Mos	48.48	48.48
Ages 2+	48.48	48.48

\* If Child is the Primary, their base rate should be the Child Rate

**Independence American Insurance Company**  
**IPA Health Plans**  
**Plan Factors, Rx Factors\* - For Cases Written Prior to 2/1/2009**

\*Rx RX SAAOI Factors are calculated against Medical Base Rates

**Copay Plans**

Complete

Plan Highlights (see schedule of benefits for details):

Deductible: Multiple options listed below.  
 Out of Pocket: In Network \$2,000/Out of Network \$6,000, or \$4,000/\$12,000, or \$6,000/\$18,000, or \$8,000/\$24,000, or \$10,000/\$30,000  
 Coinsurance: In Network 80%/Out of Network 50%, or 70%/50%, or 60%/40%  
 Office Visit Copay: In Network \$35 or Ded & Coins/Out of Network Ded & Coins

In-Network OOP Plan Factors (Out-Network is 3x) Individual Deductible (Family is 2x)						
In Network	Out of Network	\$2000 OOP	\$4000 OOP	\$6000 OOP	\$8000 OOP	\$10000 OOP
\$1,500	\$1,500	0.795	0.737	0.704	0.679	0.663
\$2,500	\$2,500	0.604	0.562	0.539	0.521	0.510
\$3,500	\$3,500	0.522	0.489	0.469	0.455	0.446
\$5,000	\$5,000	0.462	0.435	0.417	0.405	0.396
\$7,500	\$7,500	0.381	0.360	0.347	0.336	0.330
\$10,000	\$10,000	0.330	0.312	0.301	0.293	0.287
\$12,500	\$12,500	0.288	0.274	0.265	0.258	0.252
\$15,000	\$15,000	0.255	0.243	0.235	0.229	0.225
\$20,000	\$20,000	0.232	0.221	0.214	0.208	0.205

Coinsurance Plan Factor					
Coin	In Network OOP				
	2,000	4,000	6,000	8,000	10,000
80/55	1.003	1.007	1.010	1.010	1.011
70/50	0.986	0.967	0.956	0.953	0.950
60/40	0.974	0.940	0.932	0.925	0.918

Remove OV Co-Pay Plan Factor	
In-Network Deductible	Factor
\$1,500	0.965
\$2,500	0.956
\$3,500	0.949
\$5,000	0.940
\$7,500	0.932
\$10,000	0.926
\$12,500	0.924
\$15,000	0.922
\$20,000	0.920

Optional Benefits	Factor
\$20,000 CY Max on all Outpatient Services	0.925
\$40,000 CY Max on all Outpatient Services	0.965
\$250 Copay per occurrence for Outpatient Surgery	0.990
\$500 Copay per admission for Inpatient services	0.985
\$100,000 CY Maximum Benefit	0.920
\$250,000 CY Maximum Benefit	0.955

Rx Options (Generic / Brand) - Medical Base	Factor
Separate \$5000 ded then generic \$15, form \$50, nonform \$75*	0.009

Practical Solutions (formerly Economical)

Plan Highlights (see schedule of benefits for details):

Deductible: Multiple options listed below.  
 Out of Pocket: In Network Med Serv & Supp \$3,000, Inpat Confin & Surg \$6,000/Out of Network 3x In Network, or \$5,000/\$10000/ Out-Net = 3x In-Net  
 Coinsurance: In Network 80%/Out of Network 50%, or 70%/50%, or 60%/40%  
 Office Visit Copay: In Network \$35 or Ded & Coins/Out of Network Ded & Coins

In-Network OOP Plan Factors (Out-Network is 3x) Individual Deductible (Family is 3x)			
In Network	Out of Network	\$3,000/\$6,000 OOP	\$5,000/\$10,000 OOP
\$1,500	\$1,500	0.543	0.512
\$2,500	\$2,500	0.478	0.452
\$3,500	\$3,500	0.416	0.395
\$5,000	\$5,000	0.365	0.346
\$7,500	\$7,500	0.301	0.287
\$10,000	\$10,000	0.262	0.250
\$12,500	\$12,500	0.229	0.218
\$15,000	\$15,000	0.202	0.193
\$20,000	\$20,000	0.184	0.176

Coinsurance Plan Factor		
Coin	In Network OOP	
	6,000	10,000
80/55	1.010	1.011
70/50	0.956	0.950
60/40	0.932	0.918

Remove OV Co-Pay Plan Factor	
In-Network Deductible	Factor
\$1,500	0.988
\$2,500	0.985
\$3,500	0.983
\$5,000	0.980
\$7,500	0.977
\$10,000	0.975
\$12,500	0.974
\$15,000	0.973
\$20,000	0.972

Optional Benefits	Factor
\$20,000 CY Max on all Outpatient Services	0.925
\$40,000 CY Max on all Outpatient Services	0.965
\$250 Copay per occurrence for Outpatient Surgery	0.990
\$500 Copay per admission for Inpatient services	0.985
\$100,000 CY Maximum Benefit	0.920
\$250,000 CY Maximum Benefit	0.955

Rx Options (Generic / Brand) - Medical Base	Factor
Separate \$5000 ded then generic \$15, form \$50, nonform \$75*	0.009

**Independence American Insurance Company**  
**IPA Health Plans**  
**Plan Factors, Rx Factors\* - For Cases Written Prior to 2/1/2009**

**High Deductible Plans**

Plan Highlights (see schedule of benefits for details):

- Deductible: Multiple options listed below.
- Out of Pocket: Varies by deductible, see schedule of benefits.
- Coinsurance: Two options listed below
- Office Visit Copay: Deductible and Coinsurance apply

**Qualified - Select**

**Individual**

Plan Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	100%/75% \$Ded/\$10,500	80%/55% \$5,500/\$11,000	100%/75% \$Ded/\$13,000	80%/55% \$5,800/\$15,000
In Network				
\$1,500	0.781	0.629	0.778	0.625
\$2,000	0.728	0.597	0.725	0.594
\$2,700	0.621	0.522	0.618	0.519
\$3,000	0.586	N/A	0.582	0.490
\$4,000	0.527	N/A	0.521	0.440
\$5,250	N/A	N/A	0.477	N/A
\$5,800	N/A	N/A	0.457	N/A

**Family**

Plan Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	100%/75% \$Ded/\$21,000	80%/55% \$11,000/\$22,000	100%/75% \$Ded/\$26,000	80%/55% \$11,600/\$30,000
In Network				
\$4,000	0.616	0.488	0.613	0.486
\$5,400	N/A	N/A	0.508	0.412
\$5,450	0.508	0.412	N/A	N/A
\$6,000	0.472	N/A	0.469	0.373
\$8,000	0.407	N/A	0.402	0.330
\$10,500	N/A	N/A	0.363	N/A
\$11,600	N/A	N/A	0.342	N/A

Optional Benefits	Factor
None available for this plan.	N/A

**Qualified - Value**

**Individual**

Plan Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	70%/50% \$5,500/\$11,000	70%/50% \$5,800/\$17,500	50%/50% \$5,800/\$20,000
In Network			
\$2,000	0.568	0.564	0.539
\$2,700	0.499	0.496	0.478
\$3,000	0.476	0.472	0.455
\$4,000	0.442	0.438	0.427
\$5,450	0.422	0.418	0.416

**Family**

Plan Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	70%/50% \$11,000/\$22,000	70%/50% \$11,600/\$35,000	50%/50% \$11,600/\$40,000
In Network			
\$4,000	0.452	0.449	0.429
\$5,400	N/A	0.383	0.371
\$5,450	0.384	N/A	N/A
\$6,000	0.362	0.359	0.346
\$8,000	0.327	0.324	0.317
\$10,500	0.305	N/A	N/A
\$10,900	N/A	0.299	0.298

Optional Benefits	Factor
\$20,000 CY Max on all Outpatient Services	0.965
\$40,000 CY Max on all Outpatient Services	1.000
\$100,000 CY Maximum Benefit	0.920
\$250,000 CY Maximum Benefit	0.955

**Individual**

Rx SAAOI Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	100%/75% \$Ded/\$10,500	80%/55% \$5,500/\$11,000	100%/75% \$Ded/\$13,000	80%/55% \$5,800/\$15,000
In Network				
\$1,500	0.108	0.079	0.103	0.075
\$2,000	0.093	0.071	0.089	0.068
\$2,700	0.072	0.056	0.069	0.054
\$3,000	0.066	N/A	0.063	0.051
\$4,000	0.053	N/A	0.050	0.046
\$5,250	N/A	N/A	0.046	N/A
\$5,800	N/A	N/A	0.044	N/A

**Family**

Rx SAAOI Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	100%/75% \$Ded/\$21,000	80%/55% \$11,000/\$22,000	100%/75% \$Ded/\$26,000	80%/55% \$11,600/\$30,000
In Network				
\$4,000	0.093	0.069	0.089	0.066
\$5,400	N/A	N/A	0.067	0.051
\$5,450	0.070	0.053	N/A	N/A
\$6,000	0.063	N/A	0.060	0.047
\$8,000	0.050	N/A	0.047	0.042
\$10,500	N/A	N/A	0.043	N/A
\$11,600	N/A	N/A	0.040	N/A

**Individual**

Rx SAAOI Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	70%/50% \$5,500/\$11,000	70%/50% \$5,800/\$17,500	50%/50% \$5,800/\$20,000
In Network			
\$2,000	0.063	0.063	0.060
\$2,700	0.050	0.050	0.048
\$3,000	0.046	0.046	0.044
\$4,000	0.039	0.039	0.038
\$5,450	0.036	0.036	0.036

**Family**

Rx SAAOI Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	70%/50% \$11,000/\$22,000	70%/50% \$11,600/\$35,000	50%/50% \$11,600/\$40,000
In Network			
\$4,000	0.059	0.059	0.056
\$5,400	N/A	0.046	0.044
\$5,450	0.046	N/A	N/A
\$6,000	0.043	0.043	0.041
\$8,000	0.036	0.036	0.035
\$10,500	0.033	N/A	N/A
\$10,900	N/A	0.033	0.033

**Independence American Insurance Company**  
**IPA Health Plans**  
**Plan Factors, Rx Factors\* - For Cases Written Prior to 2/1/2009**

**Simple Solutions (Daily Deductible) Plans**

Plan Highlights (see schedule of benefits for details):

Deductible: Multiple options listed below.

Out of Pocket: In Network/Out of Network \$4,000/\$8,000 or \$8,000/\$16,000 or \$12,000/\$24,000 or \$16,000/\$32,000

Coinsurance: In Network 100%/Out of Network 100%

Annual/Lifetime Maximum: \$100,000/\$500,000, \$250,000/\$1,000,000, or \$1,000,000/\$5,000,000

Office Visit Copay: In Network SAAOI or \$25 or \$50, then 100%/Out of Network SAAOI

<b>\$1,000,000/\$5,000,000 Maximum</b>				
<b>\$12,000/\$24,000 Out of Pocket</b>				
<b>Individual Deductible (Family is 2X)</b>				
<b>In Network Deductible</b>	<b>Out of Network Deductible</b>	<b>OV SAAOI Plan Factor</b>	<b>\$25 Copay Plan Factor</b>	<b>\$50 Copay Plan Factor</b>
\$250	\$500	0.713	0.807	0.740
\$500	\$1,000	0.554	0.655	0.590
\$750	\$1,500	0.464	0.569	0.508
\$1,000	\$2,000	0.428	0.547	0.482

<b>In-Network OOP Plan Factors (Out-Network is 2x)</b>					
<b>In Network Deductible</b>	<b>Out of Network Deductible</b>	<b>\$4,000 OOP</b>	<b>\$8,000 OOP</b>	<b>\$12,000 OOP</b>	<b>\$16,000 OOP</b>
\$250	\$500	1.060	1.020	1.000	0.990
\$500	\$1,000	1.099	1.031	1.000	0.985
\$750	\$1,500	N/A	N/A	1.000	0.980
\$1,000	\$2,000	N/A	N/A	1.000	0.975

<b>Optional Benefits</b>	<b>Factor</b>
\$1,000,000 CY Maximum Benefit	1.000
\$250,000 CY Maximum Benefit	0.940
\$100,000 CY Maximum Benefit	0.900

<b>Rx Options (Generic / Brand) - Medical Base</b>	<b>Factor</b>
Separate \$5000 ded then generic \$15, form \$50, nonform \$75*	0.009

**Other Factors**

**Smoking Load**

<b>Ages</b>	<b>Factor</b>
Under age 45	1.300
Ages 45+	1.450

<b>Preferred Discount Factor</b>	0.900
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<b>18-month rate guarantee</b>	1.075
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<b>HSA Discount*</b>	0.900
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\* Additional discount for account set up.

**PPO Network Factors**

Network adjustment factors ranging from 0.70 to 1.1 5 may be applied to reflect discounts achieved with various PPO networks.

**Expense Factors**

An expense factor adjustment ranging from .75 to 1.00 may be applied to reflect the expense levels applicable at the time.

**Wellness Benefit**

<b>Mandatory Rate for PPACA</b>			
<b>Base Rates</b>	<b>Primary</b>	<b>Spouse</b>	<b>Per Child**</b>
All Plans	\$3.58	\$3.58	\$2.98

\*\* Max 3 Children

**Independence American Insurance Company**  
**IPA Health Plans**  
**Plan Factors, Rx Factors - For Cases Written Between 2/1/2009 and 5/1/2012**

**Copay Plans**

Complete

Plan Highlights (see schedule of benefits for details):

Deductible: Multiple options listed below.  
 Out of Pocket: In Network \$2,000/Out of Network \$6,000, or \$4,000/\$12,000, or \$6,000/\$18,000, or \$8,000/\$24,000, or \$10,000/\$30,000  
 Coinsurance: In Network 80%/Out of Network 50%, or 70%/50%, or 60%/40%  
 Office Visit Copay: In Network \$35 or Ded & Coins/Out of Network Ded & Coins

In-Network OOP Plan Factors (Out-Network is 3x) Individual Deductible (Family is 2x)						
In Network	Out of Network	\$2000 OOP	\$4000 OOP	\$6000 OOP	\$8000 OOP	\$10000 OOP
\$1,500	\$1,500	0.795	0.737	0.704	0.679	0.663
\$2,500	\$2,500	0.604	0.562	0.539	0.521	0.510
\$3,500	\$3,500	0.522	0.489	0.469	0.455	0.446
\$5,000	\$5,000	0.462	0.435	0.417	0.405	0.396
\$7,500	\$7,500	0.381	0.360	0.347	0.336	0.330
\$10,000	\$10,000	0.330	0.312	0.301	0.293	0.287
\$12,500	\$12,500	0.288	0.274	0.265	0.258	0.252
\$15,000	\$15,000	0.255	0.243	0.235	0.229	0.225
\$20,000	\$20,000	0.232	0.221	0.214	0.208	0.205

Coinsurance Plan Factor					
Coin	In Network OOP				
	2,000	4,000	6,000	8,000	10,000
80/55	1.003	1.007	1.010	1.010	1.011
70/50	0.986	0.967	0.956	0.953	0.950
60/40	0.974	0.940	0.932	0.925	0.918

Copay Plan Factors			
In-Network Deductible	Unlimited OV per CY	Limit 2 OV per CY, then SAAOI	No OV Copay (SAAOI)
\$1,500	1.000	N/A	0.965
\$2,500	1.000	N/A	0.956
\$3,500	1.000	N/A	0.949
\$5,000	1.000	N/A	0.940
\$7,500	N/A	0.966	0.932
\$10,000	N/A	0.963	0.926
\$12,500	N/A	0.962	0.924
\$15,000	N/A	N/A	0.922
\$20,000	N/A	N/A	0.920

Optional Benefits	Factor
\$20,000 CY Max on all Outpatient Services	0.925
\$40,000 CY Max on all Outpatient Services	0.965
\$250 Copay per occurrence for Outpatient Surgery	0.990
\$500 Copay per admission for Inpatient services	0.985
\$100,000 CY Maximum Benefit	0.920
\$250,000 CY Maximum Benefit	0.955

Rx Options (Generic / Brand) - Rx Base	Factor
Separate \$5000 ded then generic \$15, form \$50, nonform \$75	0.012

Practical Solutions (formerly Economical)

Plan Highlights (see schedule of benefits for details):

Deductible: Multiple options listed below.  
 Out of Pocket: In Network Med Serv & Supp \$3,000, Inpat Confin & Surg \$6,000/Out of Network 3x In Network, or \$5,000/\$10000/ Out-Net = 3x In-Net  
 Coinsurance: In Network 80%/Out of Network 50%, or 70%/50%, or 60%/40%  
 Office Visit Copay: In Network \$35 or Ded & Coins/Out of Network Ded & Coins

In-Network OOP Plan Factors (Out-Network is 3x) Individual Deductible (Family is 3x)			
In Network	Out of Network	\$3,000/\$6,000 OOP	\$5,000/\$10,000 OOP
\$1,500	\$1,500	0.543	0.512
\$2,500	\$2,500	0.478	0.452
\$3,500	\$3,500	0.416	0.395
\$5,000	\$5,000	0.365	0.346
\$7,500	\$7,500	0.301	0.287
\$10,000	\$10,000	0.262	0.250
\$12,500	\$12,500	0.229	0.218
\$15,000	\$15,000	0.202	0.193
\$20,000	\$20,000	0.184	0.176

Coinsurance Plan Factor		
Coin	In Network OOP	
	6,000	10,000
80/55	1.010	1.011
70/50	0.956	0.950
60/40	0.932	0.918

Copay Plan Factors		
In-Network Deductible	Limit 2 OV per CY, then no coverage	No OV Copay (SAAOI)
\$1,500	1.000	0.988
\$2,500	1.000	0.985
\$3,500	1.000	0.983
\$5,000	1.000	0.980
\$7,500	1.000	0.977
\$10,000	1.000	0.975
\$12,500	1.000	0.974
\$15,000	N/A	0.973
\$20,000	N/A	0.972

Optional Benefits	Factor
\$20,000 CY Max on all Outpatient Services	0.925
\$40,000 CY Max on all Outpatient Services	0.965
\$250 Copay per occurrence for Outpatient Surgery	0.990
\$500 Copay per admission for Inpatient services	0.985
\$100,000 CY Maximum Benefit	0.920
\$250,000 CY Maximum Benefit	0.955

Rx Options (Generic / Brand) - Rx Base	Factor
Separate \$5000 ded then generic \$15, form \$50, nonform \$75	0.012

**Independence American Insurance Company**  
**IPA Health Plans**  
**Plan Factors, Rx Factors - For Cases Written Between 2/1/2009 and 5/1/2012**

**High Deductible Plans**

Plan Highlights (see schedule of benefits for details):

- Deductible: Multiple options listed below.
- Out of Pocket: Varies by deductible, see schedule of benefits.
- Coinsurance: Two options listed below
- Office Visit Copay: Deductible and Coinsurance apply

**Qualified - Select**

**Individual**

Plan Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	In Network	100%/75% \$Ded/\$10,500	80%/55% \$5,500/\$11,000	100%/75% \$Ded/\$13,000
\$1,500	0.781	0.629	0.778	0.625
\$2,000	0.728	0.597	0.725	0.594
\$2,700	0.621	0.522	0.618	0.519
\$3,000	0.586	N/A	0.582	0.490
\$4,000	0.527	N/A	0.521	0.445
\$5,250	N/A	N/A	0.477	N/A
\$5,800	N/A	N/A	0.457	N/A

**Family**

Plan Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	In Network	100%/75% \$Ded/\$21,000	80%/55% \$11,000/\$22,000	100%/75% \$Ded/\$26,000
\$4,000	0.616	0.488	0.613	0.486
\$5,400	N/A	N/A	0.508	0.412
\$5,450	0.508	0.412	N/A	N/A
\$6,000	0.472	N/A	0.469	0.373
\$8,000	0.407	N/A	0.402	0.330
\$10,500	N/A	N/A	0.363	N/A
\$11,600	N/A	N/A	0.342	N/A

Optional Benefits	Factor
None available for this plan.	N/A

**Qualified - Value**

**Individual**

Plan Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	In Network	70%/50% \$5,500/\$11,000	70%/50% \$5,800/\$17,500
\$2,000	0.568	0.564	0.539
\$2,700	0.499	0.496	0.478
\$3,000	0.476	0.472	0.455
\$4,000	0.442	0.438	0.427
\$5,450	0.422	0.418	0.416

**Family**

Plan Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	In Network	70%/50% \$11,000/\$22,000	70%/50% \$11,600/\$35,000
\$4,000	0.452	0.449	0.429
\$5,400	N/A	0.383	0.371
\$5,450	0.384	N/A	N/A
\$6,000	0.362	0.359	0.346
\$8,000	0.327	0.324	0.317
\$10,500	0.305	N/A	N/A
\$10,900	N/A	0.299	0.298

Optional Benefits	Factor
\$20,000 CY Max on all Outpatient Services	0.965
\$40,000 CY Max on all Outpatient Services	1.000
\$100,000 CY Maximum Benefit	0.920
\$250,000 CY Maximum Benefit	0.955

**Individual**

Rx SAAOI Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	In Network	100%/75% \$Ded/\$10,500	80%/55% \$5,500/\$11,000	100%/75% \$Ded/\$13,000
\$1,500	0.108	0.079	0.103	0.075
\$2,000	0.093	0.071	0.089	0.068
\$2,700	0.072	0.056	0.069	0.054
\$3,000	0.066	N/A	0.063	0.051
\$4,000	0.053	N/A	0.050	0.046
\$5,250	N/A	N/A	0.046	N/A
\$5,800	N/A	N/A	0.044	N/A

**Family**

Rx SAAOI Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	In Network	100%/75% \$Ded/\$21,000	80%/55% \$11,000/\$22,000 0	100%/75% \$Ded/\$26,000
\$4,000	0.093	0.069	0.089	0.066
\$5,400	N/A	N/A	0.067	0.051
\$5,450	0.070	0.053	N/A	N/A
\$6,000	0.063	N/A	0.060	0.047
\$8,000	0.050	N/A	0.047	0.042
\$10,500	N/A	N/A	0.043	N/A
\$11,600	N/A	N/A	0.040	N/A

**Individual**

Rx SAAOI Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	In Network	70%/50% \$5,500/\$11,000	70%/50% \$5,800/\$17,500
\$2,000	0.063	0.063	0.060
\$2,700	0.050	0.050	0.048
\$3,000	0.046	0.046	0.044
\$4,000	0.039	0.039	0.038
\$5,450	0.036	0.036	0.036

**Family**

Rx SAAOI Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	In Network	70%/50% \$11,000/\$22,000	70%/50% \$11,600/\$35,000 0
\$4,000	0.059	0.059	0.056
\$5,400	N/A	0.046	0.044
\$5,450	0.046	N/A	N/A
\$6,000	0.043	0.043	0.041
\$8,000	0.036	0.036	0.035
\$10,500	0.033	N/A	N/A
\$10,900	N/A	0.033	0.033

**Independence American Insurance Company**  
**IPA Health Plans**  
**Plan Factors, Rx Factors - For Cases Written Between 2/1/2009 and 5/1/2012**

**Simple Solutions (Daily Deductible) Plans**

Plan Highlights (see schedule of benefits for details):

Deductible: Multiple options listed below.

Out of Pocket: In Network/Out of Network \$4,000/\$8,000 or \$8,000/\$16,000 or \$12,000/\$24,000 or \$16,000/\$32,000

Coinsurance: In Network 100%/Out of Network 100%

Annual/Lifetime Maximum: \$100,000/\$500,000, \$250,000/\$1,000,000, or \$1,000,000/\$5,000,000

Office Visit Copay: In Network SAAOI or \$25 or \$50, then 100%/Out of Network SAAOI

<b>\$1,000,000/\$5,000,000 Maximum</b>				
<b>\$12,000/\$24,000 Out of Pocket</b>				
<b>Individual Deductible (Family is 2X)</b>				
<b>In Network Deductible</b>	<b>Out of Network Deductible</b>	<b>OV SAAOI Plan Factor</b>	<b>\$25 Copay Plan Factor</b>	<b>\$50 Copay Plan Factor</b>
\$250	\$500	0.713	0.807	0.740
\$500	\$1,000	0.554	0.655	0.590
\$750	\$1,500	0.464	0.569	0.508
\$1,000	\$2,000	0.428	0.547	0.482
\$1,500	\$3,000	0.372	N/A	0.439
\$2,000	\$4,000	0.343	N/A	0.412
\$3,000	\$6,000	0.312	N/A	0.383

<b>In-Network OOP Plan Factors (Out-Network is 2x)</b>					
<b>In Network Deductible</b>	<b>Out of Network Deductible</b>	<b>\$4,000 OOP</b>	<b>\$8,000 OOP</b>	<b>\$12,000 OOP</b>	<b>\$16,000 OOP</b>
\$250	\$500	1.060	1.020	1.000	0.990
\$500	\$1,000	1.099	1.031	1.000	0.985
\$750	\$1,500	N/A	N/A	1.000	0.980
\$1,000	\$2,000	N/A	N/A	1.000	0.975
\$1,500	\$3,000	N/A	N/A	1.000	0.965
\$2,000	\$4,000	N/A	N/A	1.000	0.955
\$3,000	\$6,000	N/A	N/A	1.000	0.945

<b>Optional Benefits</b>	<b>Factor</b>
\$1,000,000 CY Maximum Benefit	1.000
\$250,000 CY Maximum Benefit	0.940
\$100,000 CY Maximum Benefit	0.900

<b>Rx Options (Generic / Brand) - Rx Base</b>	<b>Factor</b>
Separate \$5000 ded then generic \$15, form \$50, nonform \$75	0.012

**Other Factors**

**Smoking Load**

<b>Ages</b>	<b>Factor</b>
Under age 45	1.300
Ages 45+	1.450

<b>Preferred Discount Factor</b>	0.900
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<b>18-month rate guarantee</b>	1.075
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<b>HSA Discount*</b>	0.900
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\* Additional discount for account set up.

**PPO Network Factors**

Network adjustment factors ranging from 0.70 to 1.15 may be applied to reflect discounts achieved with various PPO networks.

**Expense Factors**

An expense factor adjustment ranging from .75 to 1.00 may be applied to reflect the expense levels applicable at the time.

**Wellness Benefit**

<b>Mandatory Rate for PPACA</b>			
<b>Base Rates</b>	<b>Primary</b>	<b>Spouse</b>	<b>Per Child**</b>
All Plans	\$3.58	\$3.58	\$2.98

\*\* Max 3 Children

**Independence American Insurance Company**  
**IPA Health Plans**  
**Plan Factors, Rx Factors - For Cases Written On or After 5/1/2012**

**Copay Plans**

Complete

Plan Highlights (see schedule of benefits for details):

Deductible: Multiple options listed below.  
 Out of Pocket: In Network \$2,000/Out of Network \$6,000, or \$4,000/\$12,000, or \$6,000/\$18,000, or \$8,000/\$24,000, or \$10,000/\$30,000  
 Coinsurance: In Network 80%/Out of Network 50%, or 70%/50%, or 60%/40%  
 Office Visit Copay: In Network \$35 or Ded & Coins/Out of Network Ded & Coins

Mandatory Rx Option (Generic / Brand) - Rx Base	Factor
Separate \$5000 ded then generic \$15, form \$50, nonform \$75	0.012

In-Network OOP Plan Factors (Out-Network is 3x) Individual Deductible (Family is 2x)						
In Network	Out of Network	\$2000 OOP	\$4000 OOP	\$6000 OOP	\$8000 OOP	\$10000 OOP
\$1,500	\$1,500	0.795	0.737	0.704	0.679	0.663
\$2,500	\$2,500	0.604	0.562	0.539	0.521	0.510
\$3,500	\$3,500	0.522	0.489	0.469	0.455	0.446
\$5,000	\$5,000	0.462	0.435	0.417	0.405	0.396
\$7,500	\$7,500	0.381	0.360	0.347	0.336	0.330
\$10,000	\$10,000	0.330	0.312	0.301	0.293	0.287
\$12,500	\$12,500	0.288	0.274	0.265	0.258	0.252
\$15,000	\$15,000	0.255	0.243	0.235	0.229	0.225
\$20,000	\$20,000	0.232	0.221	0.214	0.208	0.205

Buy Up Rx Plan Factors (Medical Base) Generic \$20 Copay, all other SAAOI UNLESS otherwise specified						
In Network	Out of Network	\$2000 OOP	\$4000 OOP	\$6000 OOP	\$8000 OOP	\$10000 OOP
\$1,500	\$1,500	0.073	0.068	0.065	0.063	0.061
\$2,500	\$2,500	0.055	0.051	0.049	0.048	0.047
\$3,500	\$3,500	0.047	0.044	0.043	0.041	0.040
\$5,000	\$5,000	0.042	0.039	0.038	0.036	0.036
\$7,500	\$7,500	0.034	0.032	0.031	0.030	0.029
\$10,000	\$10,000	0.029	0.028	0.027	0.026	0.025
\$12,500	\$12,500	0.025	0.024	0.023	0.023	0.022
\$15,000	\$15,000	0.022	0.021	0.021	0.020	0.020
\$20,000	\$20,000	0.020	0.019	0.019	0.018	0.018

Coinsurance Plan Factor					
Coin	In Network OOP				
	2,000	4,000	6,000	8,000	10,000
80/55	1.003	1.007	1.010	1.010	1.011
70/50	0.986	0.967	0.956	0.953	0.950
60/40	0.974	0.940	0.932	0.925	0.918

Copay Plan Factors			
In-Network Deductible	Unlimited OV per CY	Limit 2 OV per CY, then SAAOI	No OV Copay (SAAOI)
\$1,500	1.000	N/A	0.965
\$2,500	1.000	N/A	0.956
\$3,500	1.000	N/A	0.949
\$5,000	1.000	N/A	0.940
\$7,500	N/A	0.966	0.932
\$10,000	N/A	0.963	0.926
\$12,500	N/A	0.962	0.924
\$15,000	N/A	N/A	0.922
\$20,000	N/A	N/A	0.920

Optional Benefits	Factor
\$20,000 CY Max on all Outpatient Services	0.925
\$40,000 CY Max on all Outpatient Services	0.965
\$250 Copay per occurrence for Outpatient Surgery	0.990
\$500 Copay per admission for Inpatient services	0.985
\$100,000 CY Maximum Benefit	0.920
\$250,000 CY Maximum Benefit	0.955

**Practical Solutions (formerly Economical)**

Plan Highlights (see schedule of benefits for details):

Deductible: Multiple options listed below.  
 Out of Pocket: In Network Med Serv & Supp \$3,000, Inpat Confin & Surg \$6,000/Out of Network 3x In Network, or \$5,000/\$10000/ Out-Net = 3x In-Net  
 Coinsurance: In Network 80%/Out of Network 50%, or 70%/50%, or 60%/40%  
 Office Visit Copay: In Network \$35 or Ded & Coins/Out of Network Ded & Coins

In-Network OOP Plan Factors (Out-Network is 3x) Individual Deductible (Family is 3x)			
In Network	Out of Network	\$3,000/\$6,000 OOP	\$5,000/\$10,000 OOP
\$1,500	\$1,500	0.543	0.512
\$2,500	\$2,500	0.478	0.452
\$3,500	\$3,500	0.416	0.395
\$5,000	\$5,000	0.365	0.346
\$7,500	\$7,500	0.301	0.287
\$10,000	\$10,000	0.262	0.250
\$12,500	\$12,500	0.229	0.218
\$15,000	\$15,000	0.202	0.193
\$20,000	\$20,000	0.184	0.176

Coinsurance Plan Factor		
Coin	In Network OOP	
	6,000	10,000
80/55	1.010	1.011
70/50	0.956	0.950
60/40	0.932	0.918

Copay Plan Factors		
In-Network Deductible	Limit 2 OV per CY, then no coverage	No OV Copay (SAAOI)
\$1,500	1.000	0.988
\$2,500	1.000	0.985
\$3,500	1.000	0.983
\$5,000	1.000	0.980
\$7,500	1.000	0.977
\$10,000	1.000	0.975
\$12,500	1.000	0.974
\$15,000	N/A	0.973
\$20,000	N/A	0.972

Optional Benefits	Factor
\$20,000 CY Max on all Outpatient Services	0.925
\$40,000 CY Max on all Outpatient Services	0.965
\$250 Copay per occurrence for Outpatient Surgery	0.990
\$500 Copay per admission for Inpatient services	0.985
\$100,000 CY Maximum Benefit	0.920
\$250,000 CY Maximum Benefit	0.955

Rx Options (Generic / Brand) - Rx Base	Factor
Separate \$5000 ded then generic \$15, form \$50, nonform \$75	0.012

**Independence American Insurance Company**  
**IPA Health Plans**  
**Plan Factors, Rx Factors - For Cases Written On or After 5/1/2012**

**High Deductible Plans**

Plan Highlights (see schedule of benefits for details):

- Deductible: Multiple options listed below.
- Out of Pocket: Varies by deductible, see schedule of benefits.
- Coinsurance: Two options listed below
- Office Visit Copay: Deductible and Coinsurance apply

**Qualified - Select**

**Individual**

Plan Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	100%/75%	80%/55%	100%/75%	80%/55%
In Network	\$Ded/\$10,500	\$5,500/\$11,000	\$Ded/\$13,000	\$5,800/\$15,000
\$1,500	0.781	0.629	0.778	0.625
\$2,000	0.728	0.597	0.725	0.594
\$2,700	0.621	0.522	0.618	0.519
\$3,000	0.586	N/A	0.582	0.490
\$4,000	0.527	N/A	0.521	0.445
\$5,250	N/A	N/A	0.477	N/A
\$5,800	N/A	N/A	0.457	N/A

**Individual**

Rx SAAOI Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	100%/75%	80%/55%	100%/75%	80%/55%
In Network	\$Ded/\$10,500	\$5,500/\$11,000	\$Ded/\$13,000	\$5,800/\$15,000
\$1,500	0.108	0.079	0.103	0.075
\$2,000	0.093	0.071	0.089	0.068
\$2,700	0.072	0.056	0.069	0.054
\$3,000	0.066	N/A	0.063	0.051
\$4,000	0.053	N/A	0.050	0.046
\$5,250	N/A	N/A	0.046	N/A
\$5,800	N/A	N/A	0.044	N/A

**Family**

Plan Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	100%/75%	80%/55%	100%/75%	80%/55%
In Network	\$Ded/\$21,000	\$11,000/\$22,000	\$Ded/\$26,000	\$11,600/\$30,000
\$4,000	0.616	0.488	0.613	0.486
\$5,400	N/A	N/A	0.508	0.412
\$5,450	0.508	0.412	N/A	N/A
\$6,000	0.472	N/A	0.469	0.373
\$8,000	0.407	N/A	0.402	0.330
\$10,500	N/A	N/A	0.363	N/A
\$11,600	N/A	N/A	0.342	N/A

**Family**

Rx SAAOI Factor				
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		Coinsurance & OOP (In Network/OON)	
	100%/75%	80%/55%	100%/75%	80%/55%
In Network	\$Ded/\$21,000	\$11,000/\$22,000	\$Ded/\$26,000	\$11,600/\$30,000
\$4,000	0.093	0.069	0.089	0.066
\$5,400	N/A	N/A	0.067	0.051
\$5,450	0.070	0.053	N/A	N/A
\$6,000	0.063	N/A	0.060	0.047
\$8,000	0.050	N/A	0.047	0.042
\$10,500	N/A	N/A	0.043	N/A
\$11,600	N/A	N/A	0.040	N/A

Optional Benefits	Factor
None available for this plan.	N/A

**Qualified - Value**

**Individual**

Plan Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	70%/50%	70%/50%	50%/50%
In Network	\$5,500/\$11,000	\$5,800/\$17,500	\$5,800/\$20,000
\$2,000	0.568	0.564	0.539
\$2,700	0.499	0.496	0.478
\$3,000	0.476	0.472	0.455
\$4,000	0.442	0.438	0.427
\$5,450	0.422	0.418	0.416

**Individual**

Rx SAAOI Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	70%/50%	70%/50%	50%/50%
In Network	\$5,500/\$11,000	\$5,800/\$17,500	\$5,800/\$20,000
\$2,000	0.063	0.063	0.060
\$2,700	0.050	0.050	0.048
\$3,000	0.046	0.046	0.044
\$4,000	0.039	0.039	0.038
\$5,450	0.036	0.036	0.036

**Family**

Plan Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	70%/50%	70%/50%	50%/50%
In Network	\$11,000/\$22,000	\$11,600/\$35,000	\$11,600/\$40,000
\$4,000	0.452	0.449	0.429
\$5,400	N/A	0.383	0.371
\$5,450	0.384	N/A	N/A
\$6,000	0.362	0.359	0.346
\$8,000	0.327	0.324	0.317
\$10,500	0.305	N/A	N/A
\$10,900	N/A	0.299	0.298

**Family**

Rx SAAOI Factor			
Deductible (OON 1x)	Coinsurance & OOP (In Network/OON)		
	70%/50%	70%/50%	50%/50%
In Network	\$11,000/\$22,000	\$11,600/\$35,000	\$11,600/\$40,000
\$4,000	0.059	0.059	0.056
\$5,400	N/A	0.046	0.044
\$5,450	0.046	N/A	N/A
\$6,000	0.043	0.043	0.041
\$8,000	0.036	0.036	0.035
\$10,500	0.033	N/A	N/A
\$10,900	N/A	0.033	0.033

Optional Benefits	Factor
\$20,000 CY Max on all Outpatient Services	0.965
\$40,000 CY Max on all Outpatient Services	1.000
\$100,000 CY Maximum Benefit	0.920
\$250,000 CY Maximum Benefit	0.955

**Independence American Insurance Company**  
**IPA Health Plans**  
**Plan Factors, Rx Factors - For Cases Written On or After 5/1/2012**

**Simple Solutions (Daily Deductible) Plans**

Plan Highlights (see schedule of benefits for details):

Deductible: Multiple options listed below.

Out of Pocket: In Network/Out of Network \$4,000/\$8,000 or \$8,000/\$16,000 or \$12,000/\$24,000 or \$16,000/\$32,000

Coinsurance: In Network 100%/Out of Network 100%

Annual/Lifetime Maximum: \$100,000/\$500,000, \$250,000/\$1,000,000, or \$1,000,000/\$5,000,000

Office Visit Copay: In Network SAAOI or \$25 or \$50, then 100%/Out of Network SAAOI

<b>\$1,000,000/\$5,000,000 Maximum</b>				
<b>\$12,000/\$24,000 Out of Pocket</b>				
<b>Individual Deductible (Family is 2X)</b>				
<b>In Network Deductible</b>	<b>Out of Network Deductible</b>	<b>OV SAAOI Plan Factor</b>	<b>\$25 Copay Plan Factor</b>	<b>\$50 Copay Plan Factor</b>
\$250	\$500	0.713	0.807	0.740
\$500	\$1,000	0.554	0.655	0.590
\$750	\$1,500	0.464	0.569	0.508
\$1,000	\$2,000	0.428	0.547	0.482
\$1,500	\$3,000	0.372	N/A	0.439
\$2,000	\$4,000	0.343	N/A	0.412
\$3,000	\$6,000	0.312	N/A	0.383

<b>In-Network OOP Plan Factors (Out-Network is 2x)</b>					
<b>In Network Deductible</b>	<b>Out of Network Deductible</b>	<b>\$4,000 OOP</b>	<b>\$8,000 OOP</b>	<b>\$12,000 OOP</b>	<b>\$16,000 OOP</b>
\$250	\$500	1.060	1.020	1.000	0.990
\$500	\$1,000	1.099	1.031	1.000	0.985
\$750	\$1,500	N/A	N/A	1.000	0.980
\$1,000	\$2,000	N/A	N/A	1.000	0.975
\$1,500	\$3,000	N/A	N/A	1.000	0.965
\$2,000	\$4,000	N/A	N/A	1.000	0.955
\$3,000	\$6,000	N/A	N/A	1.000	0.945

<b>Optional Benefits</b>	<b>Factor</b>
\$1,000,000 CY Maximum Benefit	1.000
\$250,000 CY Maximum Benefit	0.940
\$100,000 CY Maximum Benefit	0.900

<b>Rx Options (Generic / Brand) - Rx Base</b>	<b>Factor</b>
Separate \$5000 ded then generic \$15, form \$50, nonform \$75	0.012

**Other Factors**

**Smoking Load**

<b>Ages</b>	<b>Factor</b>
Under age 45	1.300
Ages 45+	1.450

<b>Preferred Discount Factor</b>	0.900
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<b>18-month rate guarantee</b>	1.075
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<b>HSA Discount*</b>	0.900
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\* Additional discount for account set up.

**PPO Network Factors**

Network adjustment factors ranging from 0.70 to 1.15 may be applied to reflect discounts achieved with various PPO networks.

**Expense Factors**

An expense factor adjustment ranging from .75 to 1.00 may be applied to reflect the expense levels applicable at the time.

**Wellness Benefit**

<b>Mandatory Rate for PPACA</b>			
<b>Base Rates</b>	<b>Primary</b>	<b>Spouse</b>	<b>Per Child**</b>
All Plans	\$3.58	\$3.58	\$2.98

\*\* Max 3 Children

**Independence American Insurance Company**  
**IPA Health Plans**  
**Trend Factors and Formula**

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	Annual	Monthly	Formula
<b>Durational Factor</b>	5.00%	0.41%	$(1.0041)^M$

Cases effective before 12/2011: M = Number of months since most recent renewal prior to 12/1/2011, or inception date if no renewal prior to 12/1/2011

Cases effective on or after 12/2011: M = Number of months since effective date

	Annual	Monthly	Formula
<b>Medical Trend</b>	9.90%	0.79%	$3.731*(1.099)^{(N/12)}$
<b>Rx Trend</b>	9.90%	0.79%	$1.839*(1.099)^{(N/12)}$

N=difference in months between effective date and December 2011

Eff/Ren date	N	Medical	Drug
12/1/2011	0	3.731	1.839
1/1/2012	1	3.760	1.854
2/1/2012	2	3.790	1.868
3/1/2012	3	3.820	1.883
4/1/2012	4	3.850	1.898
5/1/2012	5	3.881	1.913
6/1/2012	6	3.911	1.928
7/1/2012	7	3.942	1.943
8/1/2012	8	3.973	1.958
9/1/2012	9	4.005	1.974
10/1/2012	10	4.036	1.990
11/1/2012	11	4.068	2.005
12/1/2012	12	4.100	2.021
1/1/2013	13	4.133	2.037
2/1/2013	14	4.165	2.053
3/1/2013	15	4.198	2.069
4/1/2013	16	4.231	2.086
5/1/2013	17	4.265	2.102
6/1/2013	18	4.299	2.119
7/1/2013	19	4.332	2.135
8/1/2013	20	4.367	2.152
9/1/2013	21	4.401	2.169
10/1/2013	22	4.436	2.186
11/1/2013	23	4.471	2.204
12/1/2013	24	4.506	2.221

**Independence American Insurance Company**  
**IPA Health Plans**  
**State & Area Factors**

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State	Factor
AR	0.797

Zip	Medical	Drug
716	0.80	0.90
717	0.80	0.90
718	0.90	0.95
719	0.80	0.90
720	0.90	0.95
721	0.80	0.90
722	0.90	0.95
723	0.90	0.95
724	0.80	0.90
725	0.80	0.90
726	0.80	0.90
727	0.80	0.90
728	0.80	0.90
729	0.80	0.90

SERFF Tracking Number: ICCI-128278824 State: Arkansas  
 Filing Company: Independence American Insurance Company State Tracking Number:  
 Company Tracking Number: IAIC IPA 107 REVISED RATE FILING 2012-05-01  
 TOI: H16G Group Health - Major Medical Sub-TOI: H16G.001A Any Size Group - PPO  
 Product Name: IAIC IPA 107 Revised Rate Filing 2012-05-01  
 Project Name/Number: IAIC IPA 107 Revised Rate Filing 2012-05-01/IAIC IPA 107 Revised Rate Filing 2012-05-01

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Health - Actuarial Justification	Approved	05/11/2012
<b>Comments:</b>		
<b>Attachment:</b>		
AR - IAIC_I - Actuarial Memorandum - 2012-03-23.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Rate Summary Worksheet	Approved	05/11/2012
<b>Comments:</b>		
<b>Attachment:</b>		
AR - IAIC_I Rate Summary Worksheet - Final - 2012-04-19.xls		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Authorization Letter	Approved	05/11/2012
<b>Comments:</b>		
<b>Attachment:</b>		
ICC Authorization letter dated 2012.pdf		

**Actuarial Memorandum**  
**Independence American Insurance Company**  
**Delaware Insurance Company**  
**Administrative Office: 485 Madison Avenue, New York, NY 10022**  
**Policy Form: IAIC GP 107**

1. Scope and Purpose

This is a filing to present additional Rx plan factors for the group association major medical insurance policy of Independence American Insurance Company. This policy form and rate filing is not employer business but rather a group association policy sold to individuals. This actuarial memorandum is not intended for any other purpose.

2. Benefit Description

The benefits provided by this policy are major medical coverage. Benefit schedules are included with the original forms filed herein.

3. Applicability

The rates apply to new issues as well as renewals.

4. Renewal Rates

The certificate is renewable by paying the applicable premiums unless the Company refuses to renew all certificates of this form in the state of the certificateholder's residence and/or issue state.

5. Morbidity

Rates were established using claim cost distributions and pricing algorithms developed by Actuarial Management Corporation data.

6. Persistency

Our experience shows lapse rates for this type of product run from 3% - 6% per month.

7. Expenses

	First Year	Second and Subsequent Years
Commissions	35.0%	8.55%
General Expenses	11.25%	10.86%
<u>Premium Tax</u>	<u>2.50%</u>	<u>2.50%</u>
Total	48.75%	21.91%

In aggregate, expenses will be equal to or less than the values indicated above.

8. Target Underwriting Gain

This policy is priced with a 6.0% profit margin on gross premium.

**Actuarial Memorandum**  
**Independence American Insurance Company**  
**Delaware Insurance Company**  
**Administrative Office: 485 Madison Avenue, New York, NY 10022**  
**Policy Form: IAIC GP 107**

9. Marketing Method

Business is distributed through independent agents and general agents.

10. Underwriting

Business is subject to medical underwriting.

11. Termination

The policy may be terminated by either the Policyholder or the Company upon 30 days written notice.

12. Premium Classes

Age, gender, geography, benefit option, family structure, health status, duration, expense levels, and smoker status all factor in to determine the final premium. Substandard rate-ups and elimination riders may also apply, in accordance with state limitations.

13. Issue Age Range

These forms provide benefits for all ages, although benefits will be reduced after age 65 as Medicare goes into effect.

14. Area Factors

Area factors are categorized by 3-digit zip codes, and the relative factors used are standard Actuarial Management Corporation area factors.

15. Premium Modalization Rules

All premiums are earned on a monthly basis. No discounts are provided for modal premiums.

16. Trend Assumptions

An annualized premium trend factor of 9.9% for both medical and Rx is used to projected future rate levels and is included in the premium rate structure. Our expectation is the claim trend levels are somewhat higher than the premium trend level.

17. Future Anticipated Loss Ratio

The future anticipated loss ratio for this certificate is expected to be 61.7%. The loss ratio is computed as follows:

**Actuarial Memorandum**  
**Independence American Insurance Company**  
**Delaware Insurance Company**  
**Administrative Office: 485 Madison Avenue, New York, NY 10022**  
**Policy Form: IAIC GP 107**

$$\text{Loss Ratio} = \frac{\text{Expected Incurred Claims}}{\text{Expected Earned Premium}}$$

Incurred claims are total claims for covered expenses paid on behalf of a covered person while coverage is in force, summed for all covered persons. Earned premium is the premium for each covered person for the period coverage is in force, summed for all covered persons.

The final interim regulations provided by HHS require rebates to be paid under certain conditions if a federal rebate loss ratio is less than 80% for this block of business. This calculation involves several adjustments such as consideration for credibility based on the size of the block of business and deductible level of the block of business, as well as considerations for first year business. Based on the final interim regulations, the rebate calculation would involve several adjustments and is outlined below:

$$\text{Adj. Medical Loss Ratio} = \frac{\text{Incurred Claims} + \text{Cost of Activities Which Improve Health Care Quality}}{\text{Earned Premium} - \text{Premium Tax} - \text{Federal Income Tax}}$$

$$\text{Federal Rebate Loss Ratio} = \text{Adj. Medical Loss Ratio} + \text{Credibility Adjustment (Life Years Adjustment} \\ \text{X Average Plan Deductible Adjustment)}$$

At this time we estimate that the Adjusted Medical Loss Ratio above will roughly equal  $(61.7 + 1.5)/(100 - 2.5 - (6.0*35\%)) = 66.2\%$ . However, currently the block of business is less than 1000 lives and therefore is not credible and the federal rebate loss ratio calculation as shown above will not require rebates. Anticipated loss ratios will be equal to or higher than the values indicated above, depending on the expense levels.

Independence American Insurance Company intends to comply with the 80% federal rebate loss ratio using the above formulas. In the future, if minimum credibility standards are achieved, Independence American Insurance Company will pay rebates if the loss ratio is less than 80%. Independence American Insurance Company also recognizes that if rebates are required and as credibility is achieved, pricing would be altered in the future to recognize the economies of scale and to minimize future rebates.

**Actuarial Memorandum**  
**Independence American Insurance Company**  
**Delaware Insurance Company**  
**Administrative Office: 485 Madison Avenue, New York, NY 10022**  
**Policy Form: IAIC GP 107**

18. Experience

<b>Nationwide Experience – Paid through 1/2012</b>							
Calendar Year	2007	2008	2009	2010	2011	2012	Total
Member Months	2,414	34,849	88,282	104,018	81,644	5,462	316,668
Earned Premium	249,915	4,155,748	10,988,097	14,170,317	13,075,148	938,191	43,577,416
Premium PMPM	104	119	124	136	160	172	138
Incurred and Paid Claims	52,946	1,500,964	5,094,416	6,153,539	4,944,487	2,283	17,748,635
Claim Reserve	0	0	50	104,485	1,457,887	420,862	1,983,284
Incurred Claims	58,661	1,591,456	5,433,135	6,570,534	6,648,383	438,969	20,741,137
Loss Ratio	23.5%	38.3%	49.4%	46.4%	50.8%	46.8%	47.6%
Expected Incurred Claims	80,087	1,733,268	5,393,528	7,914,534	8,053,960	619,934	23,795,310
Expected Loss Ratio	32.0%	41.7%	49.1%	55.9%	61.6%	66.1%	54.6%
Actual to Expected	0.73	0.92	1.01	0.83	0.83	0.71	0.88

<b>Arkansas Experience – Paid through 1/2012</b>				
Calendar Year	2010	2011	2012	Total
Member Months	10	24	2	36
Earned Premium	2,620	6,670	596	9,887
Premium PMPM	262	278	298	275
Incurred and Paid Claims	0	0	0	0
Claim Reserve	1	81	247	329
Incurred Claims	22	101	253	376
Loss Ratio	0.8%	1.5%	42.5%	3.8%
Expected Incurred Claims	995	4,054	377	5,427
Expected Loss Ratio	38.0%	60.8%	63.3%	54.9%
Actual to Expected	0.02	0.02	0.67	0.06

19. Proposed Change

Effective 5/1/2012, new Rx plans will be introduced. The trend factor changes for medical and Rx from 5/1/2011 to 5/1/2012 effective dates are 3.602 to 3.881 and 1.783 to 1.913 respectively. The overall change in year over year trend from 5/1/2011 to 5/1/2012 is 7.7%. This is the figure being reported for SERFF and HHS.

**Actuarial Memorandum**  
**Independence American Insurance Company**  
**Delaware Insurance Company**  
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20. Expected Average Annual Premium

The average annual premium is heavily dependent on area, age, gender, family structure, and plan design. However, based on similar business from which this product was developed, we would expect to average approximately \$2,100 per member.

21. Proposed Effective Date

The proposed effective date is upon approval.

22. Actuarial Certification

I hereby certify that to the best of my knowledge and judgment, the enclosed filing is in compliance with the applicable laws of this state and the proposed premium rates, which are reasonable in relation to the benefits provided, are not excessive, inadequate, or unfairly discriminatory.



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Jon Dubauskas, F.S.A., M.A.A.A.  
President  
Actuarial Management Corporation  
April 16, 2012





**INDEPENDENCE AMERICAN INSURANCE COMPANY**  
**485 Madison Avenue**  
**New York, NY 10022**  
**(212) 355-4141**

January 1, 2012

Mr. Brian Camling  
President  
Insurance Compliance Consultants, Inc.  
3925 East State Street, Suite 200  
Rockford, IL 61108

**RE: Independence American Insurance Company**  
NAIC Company #: 26581  
NAIC Group #: 0450  
FEIN #: 74-1746542

**AUTHORIZATION STATEMENT**

The undersigned hereby certifies that *Insurance Compliance Consultants, Inc.*, has the authority to act on behalf of the above Company for the sole purpose of filing with the state insurance department those policy, amendment, endorsement, rider, certificate, reports, rates, surveys and/or application forms approved by the Companies for use in Company's transaction of business.

Authorized by:

A handwritten signature in black ink, appearing to read "David Kettig". The signature is fluid and cursive, with a long, sweeping tail.

David Kettig  
President