

SERFF Tracking Number: AGLA-128400904 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-128400904 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: 06/11/2012
Date Submitted: 05/24/2012 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: 12% Filing Status Changed: 06/11/2012
State Status Changed: 06/11/2012
Deemer Date: Created By: Hyacinth Prince
Submitted By: Hyacinth Prince Corresponding Filing Tracking Number:
Filing Description:
12% Premium Rate Increase for Family Cancer Medical Expense Plans
Policy Form LC 718 7-1-70 and LC 718 Rev 6-1-76

12% Premium Rate Increase for Family Cancer Medical Expense Plans
Policy Form LC 718 12/78 and LC 718 7/81-S

A revised schedule of premium rates and supporting actuarial memorandum for the above referenced policy forms is

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attached.

This is a resubmission of the filing with SERFF tracking number AGLA-128304691. The disapproval letter to AGLA-128304691 indicated that "Based on the fact that there has been substantial rate increase over the life of these products and the impact that another increase would have on the insureds, we are disapproving your request."

The company is asking the department to consider a smaller rate increase of 12% at this time on forms LC 718 7-1-70, LC 718 Rev 6-1-76, LC718 12/78 and LC 718 7/81-S. The value 12% is recognized by an independent party as an acceptable assumption for medical trend for medical expense coverage. It can be found in Rule 69O-149.003 (6)(d) of the Florida Administrative Code.

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.

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.

Appendices A-F displayed the past and projected experience of the referenced forms. Past experience is from inception. 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

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 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

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	05/24/2012	59396420

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Disapproved	Rosalind Minor	06/11/2012	06/11/2012

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Rosalind Minor	05/30/2012	05/30/2012	Hyacinth Prince	06/01/2012	06/01/2012
Industry Response						

SERFF Tracking Number: AGLA-128400904 State: Arkansas
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Disposition

Disposition Date: 06/11/2012

Implementation Date:

Status: Disapproved

Comment:

We have thoroughly reviewed your resubmission in which you lowered your request to a 12% rate increase.

As outlined in our previous disapproval, the disapproval was based on the number of rate increases in the past. At this time, because of the number of past rate increases, we will not consider a request at this time. The submission is being disapproved on this date.

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	12.000%	12.000%	\$35,480	147	\$295,669	12.000%	12.000%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Health - Actuarial Justification	Disapproved	No
Supporting Document	Health - Actuarial Justification	Replaced	No
Supporting Document	Experience Exhibit - Appendices A-F	Disapproved	No
Rate	12% Premium Rate Increase for Family Cancer Medical Expense Plans	Disapproved	Yes
Rate	12% Premium Rate Increase for Family Cancer Medical Expense Plans	Disapproved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 05/30/2012
Submitted Date 05/30/2012

Respond By Date

Dear Kathryn Mitchell,

This will acknowledge receipt of the captioned filing.

Objection 1

- Health - Actuarial Justification (Supporting Document)

Comment: Under item 2 of the actuarial memo, it is stated that the requested rate increase for forms LC 718 7-1-70 and LC 718 Rev . 6-1-76 is 70%. The rate increase requested for Forms LC 718 12/78 and LC 718 7/81-S is 25%.

The rate/rule tab indicates a 12% increase. Please explain the difference and what the actual percentage is of the rate request. I need either the actuarial memo or the Rate/Rule tab to be corrected to reflect the correct percentage of increase requested.

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

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Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/01/2012
Submitted Date 06/01/2012

Dear Rosalind Minor,

Comments:

Thank you for your review and comments for the referenced filing.

Response 1

Comments: The actual percentage of the rate increase requested is 12% for all forms LC 718 7-1-70, LC 718 Rev. 6-1-76, LC 718 12/78, and LC 718 7/81-S.

The correct actuarial memorandum is attached.

Related Objection 1

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

Under item 2 of the actuarial memo, it is stated that the requested rate increase for forms LC 718 7-1-70 and LC 718 Rev . 6-1-76 is 70%. The rate increase requested for Forms LC 718 12/78 and LC 718 7/81-S is 25%.

The rate/rule tab indicates a 12% increase. Please explain the difference and what the actual percentage is of the rate request. I need either the actuarial memo or the Rate/Rule tab to be corrected to reflect the correct percentage of increase requested.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Health - Actuarial Justification

Comment:

No Form Schedule items changed.

SERFF Tracking Number: *AGLA-128400904* State: *Arkansas*
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 Project Name/Number: *Premium Rate Increase for LC 718 7-1-70 et al/LC 718 7-1-70 etal*

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	12.000%	12.000%	\$35,480	147	\$295,669	12.000%	12.000%

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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 06/11/2012	12% 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 12 Percent.pdf
Disapproved 06/11/2012	12% 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 12 Percent.pdf

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

**12% Rate Increase
SCHEDULE OF ANNUAL PREMIUMS
(No Policy Fee)**

<u>Age of Male or Single Parent</u>	CURRENT		PROPOSED	
	<u>Two Parents & Children</u>	<u>One Parent & Children</u>	<u>Two Parents & Children</u>	<u>One Parent & Children</u>
16-25	476.28	290.46	533.43	325.32
26-29	493.88	299.68	553.15	335.64
30	529.02	317.25	592.50	355.32
31	546.59	334.83	612.18	375.01
32	572.54	352.43	641.24	394.72
33	599.29	379.22	671.20	424.73
34	625.26	396.79	700.29	444.40
35	652.08	414.29	730.33	464.00
36	687.25	431.94	769.72	483.77
37	722.36	449.49	809.04	503.43
38	757.54	467.10	848.44	523.15
39	792.66	493.02	887.78	552.18
40	837.07	519.83	937.52	582.21
41	889.79	546.59	996.56	612.18
42	942.51	572.54	1,055.61	641.24
43	995.26	599.29	1,114.69	671.20
44	1,048.83	634.49	1,174.69	710.63
45	1,101.54	669.64	1,233.72	750.00
46	1,162.66	704.80	1,302.18	789.38
47	1,224.54	739.94	1,371.48	828.73
48	1,286.53	775.14	1,440.91	868.16
49	1,347.64	810.25	1,509.36	907.48
50	1,409.55	846.23	1,578.70	947.78
51	1,479.90	881.41	1,657.49	987.18
52	1,551.03	924.96	1,737.15	1,035.96
53	1,621.33	969.29	1,815.89	1,085.60
54	1,691.66	1,013.66	1,894.66	1,135.30
55	1,761.94	1,057.13	1,973.37	1,183.99

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
12% 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	\$ 2,350.07	\$ 2,922.62	\$ 3,273.33
26-30	3,310.37	2,339.32	2,620.04	3,464.94	3,880.73
31-35	3,723.12	2,631.00	2,946.72	4,238.31	4,746.91
36-40	4,411.53	3,117.48	3,491.58	5,317.68	5,955.80
41-45	5,388.06	3,807.56	4,264.47	6,577.62	7,366.93
46-50	6,757.67	4,775.42	5,348.47	8,235.55	9,223.82
51	7,872.45	5,563.20	6,230.78	9,458.36	10,593.36
52	8,350.47	5,901.00	6,609.12	9,893.90	11,081.17
53	8,763.78	6,193.07	6,936.24	10,338.56	11,579.19
54	9,242.00	6,531.01	7,314.73	10,599.99	11,871.99
55	9,733.62	6,878.42	7,703.83	10,599.99	11,871.99
56	10,212.35	7,216.72	8,082.73	10,599.99	11,871.99
57	10,762.55	7,605.53	8,518.19	10,599.99	11,871.99
58	11,313.56	7,994.91	8,954.30	10,599.99	11,871.99
59	11,870.60	8,388.55	9,395.18	10,599.99	11,871.99
60	12,355.49	8,731.21	9,778.96	10,599.99	11,871.99
61	12,964.95	9,161.90	10,261.33	10,599.99	11,871.99
62	13,660.25	9,653.24	10,811.63	10,599.99	11,871.99
63	14,282.67	10,093.09	11,304.26	10,599.99	11,871.99
64	14,977.32	10,583.97	11,854.05	10,599.99	11,871.99
65	15,724.43	10,599.99	11,871.99	10,599.99	11,871.99
66	16,485.05	10,599.99	11,871.99	10,599.99	11,871.99
67	17,251.91	10,599.99	11,871.99	10,599.99	11,871.99
68	18,077.90	10,599.99	11,871.99	10,599.99	11,871.99
69	18,837.93	10,599.99	11,871.99	10,599.99	11,871.99
70	19,664.01	10,599.99	11,871.99	10,599.99	11,871.99
71	20,562.24	10,599.99	11,871.99	10,599.99	11,871.99
72	21,387.69	10,599.99	11,871.99	10,599.99	11,871.99
73	22,285.88	10,599.99	11,871.99	10,599.99	11,871.99
74	23,249.45	10,599.99	11,871.99	10,599.99	11,871.99
75	24,219.27	10,599.99	11,871.99	10,599.99	11,871.99

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Health - Actuarial Justification	Disapproved	06/11/2012
Comments:		
Attachment: Can GR LC Actuarial Memorandum AR 2011 Revised 12 Percent.pdf		

	Item Status:	Status Date:
Satisfied - Item: Experience Exhibit - Appendices A-F	Disapproved	06/11/2012
Comments:		
Attachment: Cancer GR Experience Exhibit AR 2011.pdf		

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Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/23/2012		Supporting Health - Actuarial Justification Document	06/01/2012	Can GR LC Actuarial Memorandum AR 2011.pdf (Superseded)