

SERFF Tracking Number: STLH-128393664 State: Arkansas
Filing Company: State Farm Mutual Automobile Insurance Company State Tracking Number:
Company Tracking Number: 2013 AR ER PRE STD
TOI: MS02I Individual Medicare Supplement - Pre-Standardized Sub-TOI: MS02I.000 Medicare Supplement - Pre-Standardized
Product Name: Pre Standardized Medicare Supplement
Project Name/Number: 2013 AR ER PRE Med Supp/

Filing at a Glance

Company: State Farm Mutual Automobile Insurance Company

Product Name: Pre Standardized Medicare Supplement SERFF Tr Num: STLH-128393664 State: Arkansas

TOI: MS02I Individual Medicare Supplement - Pre-Standardized SERFF Status: Closed-Approved- Closed State Tr Num:

Sub-TOI: MS02I.000 Medicare Supplement - Pre-Standardized Co Tr Num: 2013 AR ER PRE STD State Status: Approved-Closed

Filing Type: Rate

Reviewer(s): Stephanie Fowler

Authors: Barb Baxter, Tony Phipps, Disposition Date: 07/10/2012

Jason Elleman, Shirley Young

Date Submitted: 05/23/2012

Disposition Status: Approved-Closed

Implementation Date Requested: 01/01/2013

Implementation Date: 01/01/2013

State Filing Description:

General Information

Project Name: 2013 AR ER PRE Med Supp

Project Number:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact: 14.4%

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Individual Market Type:

Filing Status Changed: 07/10/2012

State Status Changed: 07/10/2012

Created By: Shirley Young

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Shirley Young

Filing Description:

On behalf of State Farm Mutual Automobile Insurance Company of Bloomington, Illinois, I submit the following annual rate filing and rate revisions for the above referenced Pre-Standardized Medicare Supplement policy forms.

We are filing new rate tables for Policy Forms 97033, 97043, 97046, 97049, and 97050 and Rider Form 99417. This filing represents an average rate increase of 14.4%. These rates will apply to renewals only since we no longer issue

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these forms. Contingent upon approval, these rates will become effective January 1, 2013, or as soon thereafter as possible. This filing complies with all applicable minimum loss ratio standards.

The following are included with this filing:

- an actuarial memorandum including an actuarial certification
- revised rate tables
- experience exhibits
- 10-year projections

EFT in the amount of \$50.00 has been submitted to pay filing fees.

Sincerely,

Jason Elleman
Actuarial Analyst I
Phone no: (309) 766-1779
Fax no.: (309) 766-1827
Email: jason.elleman.ufhp@statefarm.com
State Narrative:

Company and Contact

Filing Contact Information

Jason Elleman, Actuarial Analyst I Jason.Elleman.UFHP@statefarm.com
One State Farm Plaza 309-766-1779 [Phone]
Bloomington, IL 61704 309-766-1827 [FAX]

Filing Company Information

State Farm Mutual Automobile Insurance CoCode: 25178 State of Domicile: Illinois
Company
One State Farm Plaza Group Code: Company Type:
Life/Health Actuarial, B-1 Group Name: State ID Number:
Bloomington, IL 61710 FEIN Number: 37-0533100
(309) 766-5188 ext. [Phone]

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Filing Fees

Fee Required? *Yes*
Fee Amount: *\$50.00*
Retaliatory? *No*
Fee Explanation: *1x50.00*
Per Company: *No*

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Farm Mutual Automobile Insurance Company	\$50.00	05/23/2012	59362380

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Stephanie Fowler	07/10/2012	07/10/2012

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Stephanie Fowler	07/09/2012	07/09/2012	Jason Elleman	07/10/2012	07/10/2012

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Response to Disapproval	Note To Reviewer	Jason Elleman	07/05/2012	07/05/2012

SERFF Tracking Number: *STLH-128393664* State: *Arkansas*
 Filing Company: *State Farm Mutual Automobile Insurance Company* State Tracking Number:
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 TOI: *MS021 Individual Medicare Supplement - Pre-Standardized* Sub-TOI: *MS021.000 Medicare Supplement - Pre-Standardized*
 Product Name: *Pre Standardized Medicare Supplement*
 Project Name/Number: *2013 AR ER PRE Med Supp/*

Disposition

Disposition Date: 07/10/2012

Implementation Date: 01/01/2013

Status: Approved-Closed

Comment: The negotiated rate increase of 3% has been approved to be implemented on or after January 1, 2013. This approval is subject to the following:

- Increases will not be given more frequently than once in a twelve-month period;
- The insured shall be notified by the insurer of its intention to increase the rate for renewal not less than thirty (30) days prior to the effective date of the renewal.

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):
State Farm Mutual Automobile Insurance Company	14.400%	14.400%	\$46,025	106	\$319,617	14.400%	14.400%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Health - Actuarial Justification	Approved-Closed	No
Supporting Document	Cover Letter	Approved-Closed	Yes
Supporting Document	Experience Exhibit	Approved-Closed	No
Supporting Document	10 Year Projection	Approved-Closed	No
Rate (revised)	Pre Standardized Medicare Supplement	Approved-Closed	Yes
Rate	Pre Standardized Medicare Supplement	Disapproved	No

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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/09/2012
Submitted Date	07/09/2012
Respond By Date	08/08/2012

Dear Jason Elleman,

After further review of this request, we would be willing to approve a 3% rate increase on this block of business; this offer is made in lieu of disapproval.

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,
Stephanie Fowler

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Response Letter

Response Letter Status Submitted to State
 Response Letter Date 07/10/2012
 Submitted Date 07/10/2012

Dear Stephanie Fowler,

Comments:

Response 1

Comments: We have accepted your recommendation to file for a 3.0% increase. We have attached revised rates reflecting this change.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Document Name:	Affected Form Numbers:	Rate Action:	Rate Action Information:	Attach Document:
Pre Standardized Medicare Supplement	97033,97043,97049,97050	Revised	<i>Previous State Filing Number</i> <i>Percent Rate Change Request</i> 3	AR Revised Rates - Pre 2013 v2.pdf
Previous Version				
Pre Standardized Medicare Supplement	97033,97043,97049,97050	Revised	<i>Previous State Filing Number</i> <i>Percent Rate Change Request</i> 14.4	AR Revised Rates - Pre 2013.pdf

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Note To Reviewer

Created By:

Jason Elleman on 07/05/2012 03:18 PM

Last Edited By:

Stephanie Fowler

Submitted On:

07/10/2012 12:55 PM

Subject:

Response to Disapproval

Comments:

In your disapproval letter you refer to "consistant rate increases already taken on this block of business over the past 5 years". According to our records we have taken rate increases 3 out of the past 5 years.

Year-	Rate Change
2008-	0.0%
2009-	1.3%
2010-	6.8%
2011-	3.3%
2012-	0.0%

Arkansas is 24% credible and is credibility weighted with nationwide data. With credibility weighting our rate change need is indicated to be 14.4% which is what we proposed in the filing. If we only use Arkansas experience, our rate change need is indicated to be 25.5%.

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Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 01/01/2012
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):
State Farm Mutual Automobile Insurance Company	14.400%	14.400%	\$46,025	106	\$319,617	14.400%	14.400%

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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-Closed 07/10/2012	Pre Standardized Medicare Supplement	97033, 97043, 97049, 97050	Revised	Previous State Filing Number: Percent Rate Change Request: 3.000	AR Revised Rates - Pre 2013 v2.pdf

State Farm Mutual Automobile Insurance Company
 Bloomington, Illinois

Medicare Supplement Policy Forms 97033, 97043, 97046, 97049, and 97050
 Additional Benefit Rider Form 99417
 Annual Premiums
 Individual Male or Female

Proposed Rates (Proposed 01/01/13 Effective Date)

Community Rate	Policy Form 97033 Series ER_A36AR	Policy Form 97043 Series ER_B36AR	Policy Form 97043 Series without Prescription Drug Coverage	Policy Form 97046 Series ER_C36AR
All Ages	2,670.00	8,573.00	7,287.05	2,722.00
Community Rate	Policy Form 97049 Series ER_D36AR	Rider Form 99417 ER_F36AR		
All Ages	1,753.00	1,009.00		
Community Rate	Policy Form 97050 Series ER_E36AR			
All Ages	4,945.00			

Semiannual Mode: 51% of Annual
 Quarterly Mode: 26% of Annual

Arkansas

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Health - Actuarial Justification Comments: Attachment: 2013 AR ER Pre-Actuarial Memo.pdf	Approved-Closed	07/10/2012

	Item Status:	Status Date:
Satisfied - Item: Cover Letter Comments: Attachment: 2013 AR ER Pre cover letter.pdf	Approved-Closed	07/10/2012

	Item Status:	Status Date:
Satisfied - Item: Experience Exhibit Comments: Attachment: 2013 AR ER Pre-Experience.pdf	Approved-Closed	07/10/2012

	Item Status:	Status Date:
Satisfied - Item: 10 Year Projection Comments: Attachment: 2013 AR Pre Med Sup Projections.pdf	Approved-Closed	07/10/2012



State Farm
Corporate Headquarters
1 State Farm Plaza
Bloomington, IL 61710-0001

May 23, 2012

Arkansas Insurance Department
Attn: Life & Health
1200 West Third Street
Little Rock, Arkansas 72201-1904

Re: State Farm Mutual Automobile Insurance Company, NAIC# 176-25178
Annual Rate Filing and Rate Revision for Pre-Standardized Medicare Supplement Policy Forms
97033, 97043, 97046, 97049, and 97050 and Rider Form 99417

Dear Sir or Madam:

On behalf of State Farm Mutual Automobile Insurance Company of Bloomington, Illinois, I submit the following annual rate filing and rate revisions for the above referenced Pre-Standardized Medicare Supplement policy forms.

We are filing new rate tables for Policy Forms 97033, 97043, 97046, 97049, and 97050 and Rider Form 99417. This filing represents an average rate increase of 14.4%. These rates will apply to renewals only since we no longer issue these forms. Contingent upon approval, these rates will become effective January 1, 2013, or as soon thereafter as possible. This filing complies with all applicable minimum loss ratio standards.

The following are included with this filing:

- an actuarial memorandum including an actuarial certification
- revised rate tables
- experience exhibits
- 10-year projections

EFT in the amount of \$50.00 has been submitted to pay filing fees.

Sincerely,

A handwritten signature in black ink that reads "Jason Elleman". The signature is written in a cursive, flowing style.

Jason Elleman
Actuarial Analyst I
Phone no: (309) 766-1779
Fax no.: (309) 766-1827
Email: jason.elleman.ufhp@statefarm.com

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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)
05/22/2012	Rate and Rule	Pre Standardized Medicare Supplement	07/10/2012	AR Revised Rates - Pre 2013.pdf (Superceded)