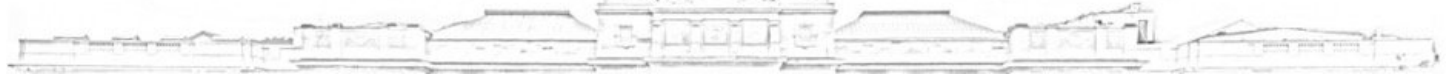




ADMINISTRATIVE
RULES OF
MONTANA



6.6.524 APPENDIX A - MEDICARE SUPPLEMENT REFUND CALCULATION FORM

(1) This is the appendix referred to in ARM 6.6.508(2) and (3) .

MEDICARE SUPPLEMENT REFUND CALCULATION FORM

FOR CALENDAR YEAR _____

TYPE ¹ _____ SMSBP ² _____

For the State of _____ Company Name _____

NAIC Group Code _____ NAIC Company Code _____

Address _____ Person Completing Exhibit _____

Title _____ Telephone Number _____

Line		(a) Earned Premium ³	(b) Incurred Claims ⁴
1.	Current Year's Experience		
	a. Total (all policy years)		
	b. Current year's issues ⁵		
	c. Net (for reporting		

	purposes - 1a-1b		
2.	Past Year's Experience (all policy years)		
3.	Total Experience (Net Current Year + Past Year)		
4.	Refunds Last year (Excluding Interest)		
5.	Previous Since Inception (Excluding Interest)		
6.	Refunds Since Inception (Excluding Interest)		
7.	Benchmark Ratio Since Inception (see worksheet for Ratio 1)		
8.	Experienced Ratio Since Inception (Ratio 2) Total Actual Incurred Claims (line 3, col. b) Total Earned Premium (line 3, col. a) - Refunds Since Inception (line 6)		
9.	Life Years Exposed Since Inception If the Experienced Ratio is less than the Benchmark Ratio, and there are more than 500 life years exposure, then proceed to calculation of refund		
10.	Tolerance Permitted (obtained from credibility table)		

Medicare Supplement Credibility Table

Life Years Exposed Since Inception Tolerance	
10,000+	0.0%
5,000-9,999	5.0%
2,500-4,999	7.5%

1,000-2,499	10.0%
500-999	15.0%
If less than 500, no credibility.	

- (1) Individual, Group, Individual Medicare Select, or Group Medicare Select Only.
- (2) "SMSBP" = Standardized Medicare Supplement Benefit Plan - Use "P" for prestandardized plans.
- (3) Includes Modal Loadings and Fees Charged
- (4) Excludes Active Life Reserves
- (5) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios"

11.	Adjustment to Incurred Claims for Credibility Ratio 3 = Ratio 2 + Tolerance
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If Ratio 3 is more than Benchmark Ratio (Ratio 1) , a refund or credit to premium is not required.

If Ratio 3 is less than the Benchmark Ratio, then proceed.

12.	Adjusted Incurred Claims [Total Earned Premium (line 3, col. a) - Refunds Since Inception (line 6)] x Ratio 3 (line 11)
13.	Refund = Total Earned Premiums (line 3, col. a) - Refunds Since Inception (line 6) -[Adjusted Incurred Claims (line 12) /Benchmark Ratio (Ratio 1)]

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise, the amount on line 13 is to be refunded or credited, and a description of the refund or credit against premiums to be used must be attached to this form.

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

Signature

Name - Please Type

Title - Please Type

Date

REPORTING FORM FOR THE CALCULATION OF BENCHMARK RATIO SINCE INCEPTION FOR GROUP POLICIES
FOR CALENDAR YEAR _____

-

TYPE ¹ _____ SMSBP ² _____
=====

For the State of _____ Company Name _____
=====

NAIC Group Code _____ NAIC Company Code _____
=====

Address _____ Person Completing Exhibit _____
=====

Title _____ Telephone Number _____
=====

-

(a) 1 3 -	(b) 4 -	(c) 1	(d)	(e)	(f)	(g) 1	(h)	(i)	(j)	(k) 5
- Ye ar	Ea r n e d P r e m i u m	- Fa c t o r	- (b) x(c) 1	Cum u l a t i v e L o s s R a t i o	- (d) x(e) 1	- Fa c t o r	- (b) x(g) 1	Cum u l a t i v e L o s s R a t i o	- (h) x(i) 1	Po l i c y Ye ar L o s s R a t i o

										<u>0</u>
<u>1</u>	-	<u>2.</u> <u>77</u> <u>0</u>	-	<u>0.507</u>	-	<u>0.</u> <u>00</u> <u>0</u>	-	<u>0.000</u>	-	<u>0.</u> <u>46</u>
<u>2</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>0.</u> <u>00</u> <u>0</u>	-	<u>0.000</u>	-	<u>0.</u> <u>63</u>
<u>3</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>1.</u> <u>19</u> <u>4</u>	-	<u>0.759</u>	-	<u>0.</u> <u>75</u>
<u>4</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>2.</u> <u>24</u> <u>5</u>	-	<u>0.771</u>	-	<u>0.</u> <u>77</u>
<u>5</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>3.</u> <u>17</u> <u>0</u>	-	<u>0.782</u>	-	<u>0.</u> <u>80</u>
<u>6</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>3.</u> <u>99</u> <u>8</u>	-	<u>0.792</u>	-	<u>0.</u> <u>82</u>
<u>7</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>4.</u> <u>75</u> <u>4</u>	-	<u>0.802</u>	-	<u>0.</u> <u>84</u>
<u>8</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>5.</u> <u>44</u> <u>5</u>	-	<u>0.811</u>	-	<u>0.</u> <u>87</u>
<u>9</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>6.</u> <u>07</u> <u>5</u>	-	<u>0.818</u>	-	<u>0.</u> <u>88</u>
<u>10</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>6.</u> <u>65</u> <u>0</u>	-	<u>0.824</u>	-	<u>0.</u> <u>88</u>
<u>11</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>7.</u> <u>17</u> <u>6</u>	-	<u>0.828</u>	-	<u>0.</u> <u>88</u>
<u>12</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>7.</u> <u>65</u> <u>5</u>	-	<u>0.831</u>	-	<u>0.</u> <u>88</u>
<u>13</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>8.</u> <u>09</u> <u>3</u>	-	<u>0.834</u>	-	<u>0.</u> <u>89</u>
<u>14</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>8.</u> <u>49</u> <u>3</u>	-	<u>0.837</u>	-	<u>0.</u> <u>89</u>
<u>15</u> <u>±</u> <u>6</u> <u>-</u>	-	<u>4.</u> <u>17</u> <u>5</u>	-	<u>0.567</u>	-	<u>8.</u> <u>68</u> <u>4</u>	-	<u>0.838</u>	-	<u>0.</u> <u>89</u>
<u>To</u> <u>ta</u> <u>l</u>	-	-	<u>(k)</u> <u>:</u>	-	<u>(l)</u> <u>:</u>	-	<u>(m)</u> <u>:</u>	-	<u>(n)</u> <u>:</u>	-

Benchmark Ratio Since Inception (1 + n)/(k + m): _____

¹ Individual, Group, Individual Medicare Select, or Group Medicare Select Only.

² "SMSBP" = Standardized Medicare Supplement Benefit Plan - Use "P" for pre-standardized plans

³ Year 1 is the current calendar year - 1. Year 2 is the current calendar year - 2 (etc). (Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989, etc.)

⁴ For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

⁵ These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown here for informational purposes only.

⁶ To include the earned premium for all years prior to as well as the 15th year prior to the current year.

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

FOR CALENDAR YEAR _____

TYPE ¹ _____ SMSBP ² _____

For the State of _____ Company Name _____

NAIC Group Code _____ NAIC Company Code _____

Address _____ Person Completing Exhibit _____

Title _____ Telephone Number _____

(a) 1 3 -	(b) 4 -	(c) 1	(d)	(e)	(f)	(g) 1	(h)	(i)	(j)	(k) 5
Year	Earned Premium	Factor	(b) x(c) 1	Cumulative Loss Ratio	(d) x(e) 1	Factor	(b) x(g) 1	Cumulative Loss Ratio	(h) x(i) 1	Poly cy Year Loss Ratio
1	-	2. 77 0	-	0.442	-	0. 00 0	-	0.000	-	0. 40
2	-	4. 17 5	-	0.493	-	0. 00 0	-	0.000	-	0. 55
3	-	4. 17 5	-	0.493	-	1. 19 4	-	0.659	-	0. 65
4	-	4. 17 5	-	0.493	-	2. 24 5	-	0.669	-	0. 67
5	-	4. 17 5	-	0.493	-	3. 17 0	-	0.678	-	0. 69
6	-	4. 17 5	-	0.493	-	3. 99 8	-	0.686	-	0. 71
7	-	4.	-	0.493	-	4.	-	0.695	-	0.

		$\frac{17}{5}$				$\frac{75}{4}$				$\frac{73}{5}$
<u>8</u>	-	$\frac{4.}{17}$ <u>5</u>	-	<u>0.493</u>	-	$\frac{5.}{44}$ <u>5</u>	-	<u>0.702</u>	-	$\frac{0.}{75}$
<u>9</u>	-	$\frac{4.}{17}$ <u>5</u>	-	<u>0.493</u>	-	$\frac{6.}{07}$ <u>5</u>	-	<u>0.708</u>	-	$\frac{0.}{76}$
<u>10</u>	-	$\frac{4.}{17}$ <u>5</u>	-	<u>0.493</u>	-	$\frac{6.}{65}$ <u>0</u>	-	<u>0.713</u>	-	$\frac{0.}{76}$
<u>11</u>	-	$\frac{4.}{17}$ <u>5</u>	-	<u>0.493</u>	-	$\frac{7.}{17}$ <u>6</u>	-	<u>0.717</u>	-	$\frac{0.}{76}$
<u>12</u>	-	$\frac{4.}{17}$ <u>5</u>	-	<u>0.493</u>	-	$\frac{7.}{65}$ <u>5</u>	-	<u>0.720</u>	-	$\frac{0.}{77}$
<u>13</u>	-	$\frac{4.}{17}$ <u>5</u>	-	<u>0.493</u>	-	$\frac{8.}{09}$ <u>3</u>	-	<u>0.723</u>	-	$\frac{0.}{77}$
<u>14</u>	-	$\frac{4.}{17}$ <u>5</u>	-	<u>0.493</u>	-	$\frac{8.}{49}$ <u>3</u>	-	<u>0.725</u>	-	$\frac{0.}{77}$
<u>15</u> <u>+ 6</u> <u>=</u>	-	$\frac{4.}{17}$ <u>5</u>	-	<u>0.493</u>	-	$\frac{8.}{68}$ <u>4</u>	-	<u>0.725</u>	-	$\frac{0.}{77}$
<u>To</u> <u>ta</u> <u>l</u>	-	-	$\frac{(k)}{5}$	-	$\frac{(l)}{5}$	-	$\frac{(m)}{5}$	-	$\frac{(n)}{5}$	-

Benchmark Ratio Since Inception $(1 + n)/(k + m)$: _____

¹ Individual, Group, Individual Medicare Select, or Group Medicare Select Only.

² "SMSBP" = Standardized Medicare Supplement Benefit Plan - Use "P" for pre-standardized plans

³ Year 1 is the current calendar year - 1. Year 2 is the current calendar year - 2 (etc). (Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989, etc.)

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⁶ To include the earned premium for all years prior to as well as the 15th year prior to the current year.

Authorizing statute(s): 33-22-904 and 33-22-905, MCA

Implementing statute(s): 33-15-303, 33-22-901, 33-22-902, 33-22-903, 33-22-904, 33-22-905, 33-22-906, 33-22-907, 33-22-908, 33-22-909, 33-22-910, 33-22-911, 33-22-921, 33-22-922, 33-22-923, and 33-22-924, MCA

History: NEW, 2005 MAR p. 1672, Eff. 9/9/05.