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CHRISTINA URIAS
Director of Insurance

CERTIFICATION OF QUALIFIED ACTUARY for RATE FILINGS

To accompany Actuarial memorandum required for rate filings under Arizona Administrative Code R20-6-607, R20-6-1009, R20-6-1014, R20-6-1015 or Section 14 of the NAIC Medicare Supplement Model Regulation which was incorporated by ADOI in R20-6-1101(A). Please refer to Rate Filing Instructions, Rev. 11/00 for additional instructions.

COMPANY NAME_____NAIC #_____

Name of policy form, rider, endorsement, and form numbers:_____
_____

Name of Qualified Actuary submitting memorandum (if different than company, include address and phone number):
_____

1. This rate revision will apply to:
   a. _____New business only
   b. _____In force business only
   c. _____Both

2. What is the proposed effective date for this revision?_____
   a. Is this a closed block of business?_____
   b. When was this form first issued?_____
   c. What is the minimum rate increase requested for this revision?_____%
   d. What is the maximum rate increase requested for this revision?_____%
   e. What is the average rate increase requested for this revision?_____%

3. When was the last rate submission for this form filed and approved in Arizona? _____

4. Rate filings must include both Arizona and national experience. Provide loss experience, including earned premiums, losses paid and losses incurred (Include in Actuarial Memorandum).

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   a. Arizona requires the most recent five (5) years contiguous experience data for each form number. If experience is combined for several forms, each form included must be identified. The data shall be for each calendar year of experience since the year the form was first issued, except the data for calendar years prior to the most recent five years may be combined.
   b. Current, cumulative and anticipated loss ratios should be included.

5. Complete rate history showing:
   a. Dates filed
   b. The percentage of each change

6. The number enrolled (including number of Arizona insureds) for each form and the combined enrollment for all forms in the filing must be included:
   a. Number of Arizona policies in force_____
   b. Number of Arizona individuals enrolled_____
   c. Number of nationwide policies in force_____

7. A schedule of current and requested rates must be submitted which shows the amount to be charged to policyholders.

8. The Renewability of this form is: _____Non-Cancelable _____Guaranteed Renewable
   _____Conditionally Renewable _____Optionally Renewable.

9. The anticipated loss ratio standard required by AAC R20-6-607, R20-6-1009, R20-6-1014, R20-6-1015 or Section 14 of the NAIC Medicare Supplement Model Regulation which was incorporated by ADOI in R20-6-1001(A) for this type of coverage and form ____%.

10. The anticipated loss ratio based on the rates proposed under this rate submission:
    a. The anticipated loss ratio for the entire future period for which the revised rates are computed is_____%.
    b. The anticipated loss ratio for the period from the original effective date of the form through the entire future period for which rates are computed is_____%.

11. The basis upon which the proposed rates were determined and the calculation of the anticipated loss ratio to include the following in the Actuarial Memorandum required under AAC R20-6-607 as a supplemental exhibit.)

    a. Scope and Purpose of the filing

    b. A description of the formulation of rates.
        i. Exhibit demonstrating how the rate revision/ rate changes were calculated.
        ii. If your company chooses to file a rate formula, a sample calculation showing how the proposed rate is arrived at for a typical enrollee should be demonstrated.

    c. A description and calculation of the anticipated loss ratio
        i. For the entire future period for which the revised rates are computed.
        ii. For the period from later of the original effective date of the form through the entire future period for which the revised rates are computed.

    d. Assumptions used are required for all rate filings relating to all forms.
        i. An explanation of the factors that affected the development of rates must also be included.
        ii. All rating load factor changes that apply to rates must be substantiated by an explanation of the purpose of its use and the effect they have on rates.
        iii. A trend worksheet exhibiting the development and calculation of the annual trend from the different factors, such as inflation, utilization, change in medical costs, etc., must be included with each filing.
        iv. Each of the factors that were involved in the annual trend computation must also be described and supported.
        v. If premiums are increased, any proportionate increase in any expense category, such as administrative, agent commissions, reserves, etc., must be justified. Any such justification must identify which expenses are fixed and which are variable

    e. An actuarial validation of the methodology used must be included with all rate renewals

    f. If no change of the rates is requested, justification of that conclusion is required.

12. I hereby certify that, to the best of my knowledge and belief, the rate filing submitted herein is in compliance with all applicable laws and regulations of Arizona, including AAC R20-6-607, R20-6-1009, R20-6-1014, R20-6-1015 and Section 14 of the NAIC Medicare Supplement Model Regulation which was incorporated by ADOI in R20-6-1101(A); that the anticipated loss ratio submitted herein is expected to develop over the period for which the rates are computed to provide coverage; that the benefits of the policy form affected by the rate filing are reasonable in relation to the premiums charged.

_____ _____

Date Signature of Qualified Actuary (rubber stamp, copy, or facsimile **NOT ACCEPTED)**