

Figure: 28 TAC §3.3307(f)(3)

TEXAS DEPARTMENT OF INSURANCE
MEDICARE SUPPLEMENT REFUND CALCULATION FORM
FOR CALENDAR YEAR _____

TYPE¹ _____ SMSBP² _____
For the State of _____
Company Name _____
NAIC Group Code _____ NAIC Company Code _____
Address _____
Person Completing This Exhibit _____
Title _____ Telephone _____

	(I) Earned Premium ³	(II) Incurred Claims ⁴
<u>Line</u>		
1. Current Year's Experience		
a. Total (all policy years)	_____	_____
b. Current year's issues ⁵	_____	_____
c. Net (for reporting purposes) (line 1a – line 1b)	_____	_____
2. Past Year's Experience (all policy years)	_____	_____
3. Total Experience (line 1c + line 2)	_____	_____
4. Refunds Last Year (excluding interest)	_____	_____
5. Refunds From All Previous Reporting Years (excluding interest)	_____	_____
6. Refunds Since Inception (excluding interest) (line 4 + line 5)	_____	_____
7. Benchmark Ratio Since Inception (Ratio 1 from worksheet)	_____	_____

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 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"

TEXAS DEPARTMENT OF INSURANCE
 MEDICARE SUPPLEMENT REFUND CALCULATION FORM
 FOR CALENDAR YEAR _____
 (Continued)

TYPE¹ _____ SMSBP² _____
 Company Name _____

8. Experienced Ratio Since Inception (Ratio 2)
 (line 3 col. II) / (line 3 col. I – line 6) _____

9. Life Years Exposed Since Inception _____

If (line 8 < line 7) AND (line 9 > 499), proceed; otherwise stop.

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.	

11. Adjustment to Incurred Claims for Credibility (Ratio 3)
 (line 8 + line 10) _____

If line 11 > line 7, a refund/credit is not required, otherwise proceed.

12. Adjusted Incurred Claims
 (line 3, col. 1 – line 6) x (line 11) _____

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

² "SMSBP" = Standardized Medicare Supplement Benefit Plan – Use "P" for pre-standardized plan.

TEXAS DEPARTMENT OF INSURANCE
MEDICARE SUPPLEMENT REFUND CALCULATION FORM
FOR CALENDAR YEAR _____
(Continued)

Type¹ _____ SMSBP² _____
Company Name _____

13. Refund _____
[line 3, col. 1 – line 6 – (line 12/line 7)]

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 and/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 believe.

Signature

Name – Please Print or Type

Title

Date

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

² "SMSBP" = Standardized Medicare Supplement Benefit Plan – Use "P" for pre-standardized plan.

TEXAS DEPARTMENT OF INSURANCE
 REPORTING FORM FOR THE CALCULATION OF BENCHMARK
 RATIO SINCE INCEPTION FOR INDIVIDUAL POLICIES
 FOR CALENDAR YEAR _____
 (Continued)

TYPE¹ _____ SMSBP² _____
 Company Name _____
 NAIC Group Code _____ NAIC Company Code _____
 Address _____
 Person Completing This Exhibit _____
 Title _____ Telephone _____

(a) ³	(b) ⁴	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(o) ⁵
Year	Earned Premium	(Factor)	(b)x(c)	Cumulative Loss Ratio	(d)x(e)	Factor	(b)x(g)	Cumulative Loss Ratio	(h)x(i)	Policy Year Loss Ratio
1		2.770		0.442		0.000		0.000		0.40
2		4.175		0.493		0.000		0.000		0.55
3		4.175		0.493		1.194		0.659		0.65
4		4.175		0.493		2.245		0.669		0.67
5		4.175		0.493		3.170		0.678		0.69
6		4.175		0.493		3.998		0.686		0.71
7		4.175		0.493		4.754		0.695		0.73
8		4.175		0.493		5.445		0.702		0.75
9		4.175		0.493		6.075		0.708		0.76
10		4.175		0.493		6.650		0.713		0.76
11		4.175		0.493		7.176		0.717		0.76
12		4.175		0.493		7.655		0.720		0.77
13		4.175		0.493		8.093		0.723		0.77
14		4.175		0.493		8.493		0.725		0.77
15		4.175		0.493		8.684		0.725		0.77
Total:		(k):		(l):		(m):		(n):		

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

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.

TEXAS DEPARTMENT OF INSURANCE
 REPORTING FORM FOR THE CALCULATION OF BENCHMARK
 RATIO SINCE INCEPTION FOR GROUP POLICIES
 FOR CALENDAR YEAR _____
 (Continued)

TYPE¹ _____ SMSBP² _____
 Company Name _____
 NAIC Group Code _____ NAIC Company Code _____
 Address _____
 Person Completing This Exhibit _____
 Title _____ Telephone _____

(a) ³	(b) ⁴	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(o) ⁵
Year	Earned Premium	(Factor)	(b)x(c)	Cumulative Loss Ratio	(d)x(e)	Factor	(b)x(g)	Cumulative Loss Ratio	(h)x(i)	Policy Year Loss Ratio
1		2.770		0.507		0.000		0.000		0.46
2		4.175		0.567		0.000		0.000		0.63
3		4.175		0.567		1.194		0.759		0.75
4		4.175		0.567		2.245		0.771		0.77
5		4.175		0.567		3.170		0.782		0.80
6		4.175		0.567		3.998		0.792		0.82
7		4.175		0.567		4.754		0.802		0.84
8		4.175		0.567		5.445		0.811		0.87
9		4.175		0.567		6.075		0.818		0.88
10		4.175		0.567		6.650		0.824		0.88
11		4.175		0.567		7.176		0.828		0.88
12		4.175		0.567		7.655		0.831		0.88
13		4.175		0.567		8.093		0.834		0.89
14		4.175		0.567		8.493		0.837		0.89
15		4.175		0.567		8.684		0.838		0.89
Total:		(k):		(l):		(m):		(n):		

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

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.