APPENDIX A

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_____

	(a) Earned Premium[3]	(b) Incurred Claims[4]
Line		
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 Years' 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		

8.   Experienced Ratio Since Inception

$$\frac{\text{Total Actual Incurred Claims (line 3, col. b)}}{\text{Total Earned Prem. (line 3, col. a) - Refunds Since Inception (line 6)}} = \text{Ratio 2/} \qquad \text{_____}$$

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.

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[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."

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_____

11. Adjustment to Incurred Claims for Credibility
     Ratio 3 = Ratio 2 + Tolerance   _____

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 Premiums (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 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 belief.

_____
        Signature

_____
     Name - Please Type

_____
     Title - Please Type

_____
            Date

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

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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)[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+[6]		4.175		0.493		8.684		0.725		0.77
Total:			(k):		(l):		(m):		(n):	

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

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[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 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)[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+[6]		4.175		0.567		8.684		0.838		0.89
Total:			(k):		(l):		(m):		(n):	

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

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[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.