OFFICE OF INSURANCE REGULATION
Life & Health Product Review

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 YEARS' EXPERIENCE (ALL POLICY YEARS)		
3.	TOTAL EXPERIENCE (NET CURRENT YEAR + PAST YEARS)		
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 PREM. (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)		
11.	ADJUSTMENT TO INCURRED CLAIMS FOR CREDIBILITY (RATIO 3 = RATIO 2 + TOLERANCE)		
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 (LINE12)/BENCHMARK RATIO (RATIO 1)]		

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.
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.

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 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"

I CERTIFY THAT THE ABOVE INFORMATION AND CALCULATIONS ARE TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SIGNATURE _____ TITLE - PLEASE TYPE _____

NAME - PLEASE TYPE _____ DATE _____