

**State:** District of Columbia **Filing Company:** AAA Life Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

### Filing at a Glance

Company: AAA Life Insurance Company  
 Product Name: New Benefit Levels for Member Loyalty Travel Accident Insurance  
 State: District of Columbia  
 TOI: H02G Group Health - Accident Only  
 Sub-TOI: H02G.000 Health - Accident Only  
 Filing Type: Rate  
 Date Submitted: 09/24/2013  
 SERFF Tr Num: AAAL-129207905  
 SERFF Status: Pending State Action  
 State Tr Num:  
 State Status:  
 Co Tr Num: NEW BENEFIT LEVELS FOR MEMBER LOYALTY TRAVEL ACCIDENT INSURANCE  
 Implementation: On Approval  
 Date Requested:  
 Author(s): Kathy Plesuchenko, Victoria Windham, Norm Von Seggern, Peter Rill  
 Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu  
 Disposition Date:  
 Disposition Status:  
 Implementation Date:  
 State Filing Description:

**State:** District of Columbia **Filing Company:** AAA Life Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

### General Information

Project Name: New Benefit Levels and Actuarial Memorandum/Premiums for  
 Project Number: MLTA - 2014 Benefit Level Enhancements  
 Requested Filing Mode: Review & Approval  
 Status of Filing in Domicile: Not Filed  
 Date Approved in Domicile:  
 Domicile Status Comments: This filing is exempt from prior review and approval in our domiciliary state of Michigan.  
 Explanation for Combination/Other:  
 Submission Type: New Submission  
 Group Market Type: Trust  
 Filing Status Changed: 10/16/2013  
 State Status Changed:  
 Created By: Norm Von Seggern  
 Corresponding Filing Tracking Number:  
 Market Type: Group  
 Group Market Size: Small and Large  
 Overall Rate Impact:  
 Deemer Date:  
 Submitted By: Norm Von Seggern  
 Filing Description:  
 Please refer to attached cover letter.

### Company and Contact

#### Filing Contact Information

Victoria Windham, Compliance Specialist VWindham@aaalife.com  
 17900 N. Laurel Park Drive 800-624-1662 [Phone] 2075 [Ext]  
 Livonia, MI 48152-3985 734-805-6282 [FAX]

#### Filing Company Information

AAA Life Insurance Company CoCode: 71854 State of Domicile: Michigan  
 17900 N. Laurel Park Drive Group Code:  
 Livonia, MI 48152-3985 Group Name: Company Type:  
 (800) 624-1662 ext. 2942[Phone] FEIN Number: 52-0891929 State ID Number:

### Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

SERFF Tracking #:

AAAL-129207905

State Tracking #:

Company Tracking #:

NEW BENEFIT LEVELS FOR MEMBER  
LOYALTY TR...

State: District of Columbia

Filing Company:

AAA Life Insurance Company

TOI/Sub-TOI: H02G Group Health - Accident Only/H02G.000 Health - Accident Only

Product Name: New Benefit Levels for Member Loyalty Travel Accident Insurance

Project Name/Number: New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

## Correspondence Summary

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Darniece Shirley	10/09/2013	10/09/2013

#### Response Letters

Responded By	Created On	Date Submitted
Norm Von Seggern	10/16/2013	10/16/2013

**State:** District of Columbia **Filing Company:** AAA Life Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/09/2013
Submitted Date	10/09/2013
Respond By Date	10/30/2013

Dear Victoria Windham,

### Introduction:

Thank you for your recent filing. Please see below for additional information requested to continue review of the rate filing.

### Objection 1

Comments: The Rate Review Data Detail section of the filing is missing. The State understands this is not required for this type of filing; however completing it would be preferred. Please correct, via post-submission update.

### Objection 2

Comments: Please provide the currently approved rate filing SERFF Tracking#. Was this the initial filing for this product?

### Objection 3

- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- Actuarial Memorandum and Premiums for New Benefit Levels, [AAA-MLTCERT-08(DC)] (Rate)

Comments: Referenced Forms SERFF Tracking Number AAAL-125559038 was rejected June 4, 2008. Please provide the currently approved forms SERFF Tracking number, as well as the companion forms filing for the recently filed rate filing.

### Objection 4

Comments: Please provide the average annual premium for this product.

### Objection 5

- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- Actuarial Memorandum and Premiums for New Benefit Levels, [AAA-MLTCERT-08(DC)] (Rate)

Comments: What modal payments are available to members?

### Objection 6

Comments: Please provide the current and expected distribution of this block of business.

### Objection 7

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)
- Actuarial Memorandum and Premiums for New Benefit Levels, [AAA-MLTCERT-08(DC)] (Rate)

Comments: Please confirm: This rate review is limited to DC resident policyholders or DC domiciled group certificate holders who are bona fide members of the American Automobile Association (AAA). All other rate requests will need to be reviewed by that respective state.

**State:** District of Columbia **Filing Company:** AAA Life Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

**Objection 8**

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)
- Actuarial Memorandum and Premiums for New Benefit Levels, [AAA-MLTCERT-08(DC)] (Rate)

Comments: Please note, this rate filing is subject to conformity with the corresponding forms filing. This department reserves the right to withdraw the filing if not.

**Conclusion:**

Sincerely,  
Darniece Shirley

<b>State:</b> District of Columbia	<b>Filing Company:</b> AAA Life Insurance Company
<b>TOI/Sub-TOI:</b> H02G Group Health - Accident Only/H02G.000 Health - Accident Only	
<b>Product Name:</b> New Benefit Levels for Member Loyalty Travel Accident Insurance	
<b>Project Name/Number:</b> New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements	

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/16/2013
Submitted Date	10/16/2013

Dear Darniece Shirley,

**Introduction:**

Thank you for your recent letter regarding the above captioned filing. I have answered your specific question pursuant to our recent telephone conversation.

**Response 1**

**Comments:**

The requested information was provided in the Post Submission Update.

**Related Objection 1**

Comments: The Rate Review Data Detail section of the filing is missing. The State understands this is not required for this type of filing; however completing it would be preferred. Please correct, via post-submission update.

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Approval - AAA-MLTCERT-08DC
<b>Comments:</b>	
<b>Attachment(s):</b>	DC MLTA-08 Forms approval AAAL-125819264.pdf
<b>Satisfied - Item:</b>	Info from Mr. Salzer FSA, MAAA - current distribution
<b>Comments:</b>	
<b>Attachment(s):</b>	Info from Mr. Salzer.pdf

State: District of Columbia Filing Company: AAA Life Insurance Company  
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 Product Name: New Benefit Levels for Member Loyalty Travel Accident Insurance  
 Project Name/Number: New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

**Supporting Document Schedule Item Changes**

<b>Satisfied - Item:</b>	Approval - AAA-MLTCERT-08DC
<b>Comments:</b>	
<b>Attachment(s):</b>	DC MLTA-08 Forms approval AAAL-125819264.pdf

<b>Satisfied - Item:</b>	Info from Mr. Salzer FSA, MAAA - current distribution
<b>Comments:</b>	
<b>Attachment(s):</b>	Info from Mr. Salzer.pdf

No Form Schedule items changed.

**Rate/Rule Schedule Item Changes**

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Actuarial Memorandum and Premiums for New Benefit Levels	AAA-MLTCERT-08(DC)	New		MLTA Act Memo 2014.pdf,	10/16/2013 By: Norm Von Seggern

*Previous Version*

1	Actuarial Memorandum and Premiums for New Benefit Levels	AAA-MLTCERT-08(DC)	New		MLTA Act Memo 2014.pdf,	09/24/2013 By: Norm Von Seggern
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**Response 2**

**Comments:**

This is the initial filing of the three new benefit levels to be used with previously approved certificate form AAA-MLTCERT-08DC.

**Related Objection 2**

Comments: Please provide the currently approved rate filing SERFF Tracking#. Was this the initial filing for this product?

**Changed Items:**

State: District of Columbia Filing Company: AAA Life Insurance Company  
TOI/Sub-TOI: H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
Product Name: New Benefit Levels for Member Loyalty Travel Accident Insurance  
Project Name/Number: New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 3**

**Comments:**

I have attached the correct "PDF" of certificate form AAA-MLTCERT-08.

**Related Objection 3**

Applies To:

- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- Actuarial Memorandum and Premiums for New Benefit Levels, [AAA-MLTCERT-08(DC)] (Rate)

Comments: Referenced Forms SERFF Tracking Number AAAL-125559038 was rejected June 4, 2008. Please provide the currently approved forms SERFF Tracking number, as well as the companion forms filing for the recently filed rate filing.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

**SERFF Tracking #:**

AAAL-129207905

**State Tracking #:****Company Tracking #:**NEW BENEFIT LEVELS FOR MEMBER  
LOYALTY TR...

**State:** District of Columbia **Filing Company:** AAA Life Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

**Rate/Rule Schedule Item Changes**

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Actuarial Memorandum and Premiums for New Benefit Levels	AAA-MLTCERT-08(DC)	New		MLTA Act Memo 2014.pdf,	10/16/2013 By: Norm Von Seggern
<i>Previous Version</i>						
1	<i>Actuarial Memorandum and Premiums for New Benefit Levels</i>	<i>AAA-MLTCERT-08(DC)</i>	<i>New</i>		<i>MLTA Act Memo 2014.pdf,</i>	<i>09/24/2013 By: Norm Von Seggern</i>

**Response 4****Comments:**

As we discussed, the average annual premium for the new benefit levels is dependent on the member's membership year, thus I am unable to provide an accurate annual premium amount.

**Related Objection 4**

Comments: Please provide the average annual premium for this product.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 5****Comments:**

The modal payments available are: a) monthly; b) monthly direct; c) quarterly; d) semi-annually; and e) annually.

**Related Objection 5**

Applies To:

**State:** District of Columbia **Filing Company:** AAA Life Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

- Actuarial Memorandum (Supporting Document)
  - Actuarial Justification (Supporting Document)
  - Actuarial Memorandum and Premiums for New Benefit Levels, [AAA-MLTCERT-08(DC)] (Rate)
- Comments: What modal payments are available to members?

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Actuarial Memorandum and Premiums for New Benefit Levels	AAA-MLTCERT-08(DC)	New		MLTA Act Memo 2014.pdf,	10/16/2013 By: Norm Von Seggern
<i>Previous Version</i>						
1	Actuarial Memorandum and Premiums for New Benefit Levels	AAA-MLTCERT-08(DC)	New		MLTA Act Memo 2014.pdf,	09/24/2013 By: Norm Von Seggern

**Response 6****Comments:**

Please refer to attached document provided by Mr. Don Salzer, FSA, MAAA.

**Related Objection 6**

Comments: Please provide the current and expected distribution of this block of business.

**Changed Items:**

No Supporting Documents changed.

SERFF Tracking #:

AAAL-129207905

State Tracking #:

Company Tracking #:

NEW BENEFIT LEVELS FOR MEMBER  
LOYALTY TR...

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**State:** District of Columbia **Filing Company:** AAA Life Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 7

#### Comments:

This rate review is limited to DC resident CertificateHolders.

### Related Objection 7

Applies To:

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)
- Actuarial Memorandum and Premiums for New Benefit Levels, [AAA-MLTCERT-08(DC)] (Rate)

Comments: Please confirm: This rate review is limited to DC resident policyholders or DC domiciled group certificate holders who are bona fide members of the American Automobile Association (AAA). All other rate requests will need to be reviewed by that respective state.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

State: District of Columbia

Filing Company:

AAA Life Insurance Company

TOI/Sub-TOI: H02G Group Health - Accident Only/H02G.000 Health - Accident Only

Product Name: New Benefit Levels for Member Loyalty Travel Accident Insurance

Project Name/Number: New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

**Rate/Rule Schedule Item Changes**

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Actuarial Memorandum and Premiums for New Benefit Levels	AAA-MLTCERT-08(DC)	New		MLTA Act Memo 2014.pdf,	10/16/2013 By: Norm Von Seggern
<i>Previous Version</i>						
1	<i>Actuarial Memorandum and Premiums for New Benefit Levels</i>	<i>AAA-MLTCERT-08(DC)</i>	<i>New</i>		<i>MLTA Act Memo 2014.pdf,</i>	<i>09/24/2013 By: Norm Von Seggern</i>

**Response 8****Comments:**

The only filing being made is the rates and actuarial memorandum for the three new benefit levels.

**Related Objection 8**

Applies To:

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- District of Columbia and Countrywide Loss Ratio Analysis (P&C) (Supporting Document)
- District of Columbia and Countrywide Experience for the Last 5 Years (P&C) (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)
- Unified Rate Review Template (Supporting Document)
- Actuarial Memorandum and Premiums for New Benefit Levels, [AAA-MLTCERT-08(DC)] (Rate)

Comments: Please note, this rate filing is subject to conformity with the corresponding forms filing. This department reserves the right to withdraw the filing if not.

**Changed Items:**

No Supporting Documents changed.

SERFF Tracking #:

AAAL-129207905

State Tracking #:

Company Tracking #:

NEW BENEFIT LEVELS FOR MEMBER  
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State: District of Columbia

Filing Company: AAA Life Insurance Company

TOI/Sub-TOI: H02G Group Health - Accident Only/H02G.000 Health - Accident Only

Product Name: New Benefit Levels for Member Loyalty Travel Accident Insurance

Project Name/Number: New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

No Form Schedule items changed.

**Rate/Rule Schedule Item Changes**

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Actuarial Memorandum and Premiums for New Benefit Levels	AAA-MLTCERT-08(DC)	New		MLTA Act Memo 2014.pdf,	10/16/2013 By: Norm Von Seggern

*Previous Version*

1	<i>Actuarial Memorandum and Premiums for New Benefit Levels</i>	<i>AAA-MLTCERT-08(DC)</i>	<i>New</i>		<i>MLTA Act Memo 2014.pdf,</i>	<i>09/24/2013 By: Norm Von Seggern</i>
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**Conclusion:**

*It was a pleasure talking with you about this filing.*

*I hope you have a great day.*

*Sincerely,*

*Norm Von Seggern*

**State:** District of Columbia **Filing Company:** AAA Life Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
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## Post Submission Update Request Submitted On 10/10/2013

**Status:** Submitted  
**Created By:** Norm Von Seggern

### Rate Information:

Field Name	Requested Change	Prior Value
Rate Data Applies	Yes	No
Filing Method	SERFF	
Rate Change Type	Neutral	
Overall Pct. of Last Revision	0.000%	
Filing Method of Last Filing	na	

### Company Rate Information:

Company Name:AAA Life Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	0.000%	
Overall % Rate Impact	0.000%	
Written Premium Change for this Program	\$0	
# of Policy Holders Affected for this Program	0	
Written Premium for this Program	\$0	
Maximum %Change (where required)	0.000%	
Minimum %Change (where required)	0.000%	

**SERFF Tracking #:**

AAAL-129207905

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AAA Life Insurance Company

**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Actuarial Memorandum and Premiums for New Benefit Levels	AAA-MLTCERT-08(DC)	New		MLTA Act Memo 2014.pdf,

**AAA Life Insurance Company**  
**ACTUARIAL MEMORANDUM**  
**Policy Form AAA-MLTCERT-08**

This document will cover the Actuarial aspects of this filing. This filing is to add additional benefits levels and premiums available to both new and existing certificate holders. The currently approved benefit levels and the premiums for them will remain unchanged. Benefit levels added are labeled Value, Superior and Supreme.

Benefits

The benefits are paid in the event of a covered travel accident as outlined in the certificate. The four main benefits are for death on the insured, an indemnity daily benefit for hospitalization, an indemnity daily benefit for prescribed recuperation after hospitalization and an indemnity emergency room benefit. In addition, a lifetime member benefit is attached which provides a paid up lifetime membership to the AAA club for a surviving spouse. Six levels of benefit are shown below. Benefits can also be purchased for individual or family. Benefits grade in over a five-year period based on the years of membership in AAA. A member of 5 years or longer would receive the full benefit at issue. Please note that the benefit level names may not be the official benefit name used for the actual certificate. The benefit Schedule is as follows:

Member Year	Value Death Benefit	Economy Death Benefit	Deluxe Death Benefit	Ultra Death Benefit	Superior Death Benefit	Supreme Death Benefit
1	\$12,500	\$25,000	\$50,000	\$75,000	\$100,000	\$125,000
2	\$15,625	\$31,250	\$62,500	\$93,750	\$125,000	\$156,250
3	\$18,750	\$37,500	\$75,000	\$112,500	\$150,000	\$187,500
4	\$21,875	\$43,750	\$87,500	\$131,250	\$175,000	\$218,750
5+	\$25,000	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000

Member Year	Value Daily Benefit	Economy Daily Benefit	Deluxe Daily Benefit	Ultra Daily Benefit	Superior Daily Benefit	Supreme Daily Benefit
1	\$75.00	\$150.00	\$300.00	\$450.00	\$600.00	\$750.00
2	\$93.75	\$187.50	\$375.00	\$562.50	\$750.00	\$937.50
3	\$112.50	\$225.00	\$450.00	\$675.00	\$900.00	\$1,125.00
4	\$131.25	\$262.50	\$525.00	\$787.50	\$1,050.00	\$1,312.50
5+	\$150.00	\$300.00	\$600.00	\$900.00	\$1,200.00	\$1,500.00

Family coverage pays 60% of the above schedule for the spouse and 20% for covered children.

The death benefits are doubled if the death occurs on a scheduled airline flight.

### Premiums

The premiums for this product vary based on issue age, benefit level and plan. The total annual premiums table follows. Premiums other than annual are based on the annual premium divided by the number of modal payments per year. There is a \$3 collection fee for direct bill monthly. This collection fee is to cover the extra costs associated with monthly direct billing along with the above average lapse rate incurred.

Age	Value		Economy		Deluxe	
	Individual	Family	Individual	Family	Individual	Family
18-69	\$36.00	\$48.00	\$66.00	\$90.00	\$126.00	\$168.00
70-79	\$42.00	\$66.00	\$78.00	\$114.00	\$150.00	\$204.00
80+	\$48.00	\$90.00	\$90.00	\$156.00	\$180.00	\$264.00

Age	Ultra		Superior		Supreme	
	Individual	Family	Individual	Family	Individual	Family
18-69	\$156.00	\$204.00	\$180.00	\$228.00	\$204.00	\$252.00
70-79	\$192.00	\$264.00	\$228.00	\$300.00	\$264.00	\$336.00
80+	\$240.00	\$348.00	\$288.00	\$396.00	\$336.00	\$444.00

### Claim Cost

The claim cost for this product was developed from a combination of national statistics as well as experience on a similar product.

Death Claims used the pattern of deaths by age and gender from the National Highway Traffic Safety Administration for 1998-2007. This pattern was then adjusted based on AAA Life's claim experience for our travel accident product for 2001-2007. Additional adjustments were then made to this data based on more recent years experience from the National Highway Traffic Safety Administration.

Hospitalization rates and length of stay information was developed by data from 1998-2005 from the National Hospital Discharge Survey conducted by the National Center for Health Statistics. This data was also used for the recuperation benefit since it is equal to that of the hospitalization.

The Emergency Room usage was developed based on data from the National Center for Injury Prevention and Control from 2001-2007.

All of these statistics were used to develop claim cost per certificate that varied by attained age, gender, benefit level and plan.

The lifetime loss ratio expected on this product is 51%.

Nonforfeiture

This policy will develop no nonforfeiture values.

Reserves

Reserves were based on the claim costs that were developed and calculated using a two-year full preliminary term method. Reserves for this contract will be at least as great as those required by regulation.

Actuarial Certification

I hereby certify that, to the best of my knowledge and judgment that this contract is in compliance with the applicable laws and regulations of your state and that premiums are reasonable in relation to the benefits provided. A demonstration of reasonableness is attached.



September 16, 2013

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Donald T. Salzer, FSA, MAAA  
Product Development Managing Actuary

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Date

**ACTUARIAL MEMORANDUM**  
**Policy Form AAA-MLTCERT-08**  
**Demonstration of Reasonableness**

This filing is only for an additional benefit level and premium structure flattening as mentioned in the memorandum.

To demonstrate reasonableness, a model was run of the expected sales for a given year. From this, the present value of each of the components of the premium was calculated such that a level percent of premium was developed. The present value as a percentage of premium are as follows:

	Percent of Premium
Benefits plus Reserve	51.0%
Acquisition Cost	27.4%
Maintenance Cost and Taxes	7.9%
Commission	7.1%
Risk Charge	6.6%

While the benefits ratio or loss ratio appears to be a modest percent of the premium, this is reasonable when you consider both the type of benefit to be paid and the cost to market this product. The following reasons are why this is true.

1. This is a travel accident only form and will be prone to large payouts, up to \$500,000 on death, with large fluctuations in occurrence. The potential payouts on the health side are even larger.
2. This product is marketed mainly through direct mail on an individual basis. The cost to market in this manner is very expensive and as shown above, the acquisition cost accounts for 27.4% of the premium.

When you compare the potential of a \$500,000 payout on death, even more with the family plan, to an expected average annual premium of \$240, the relationship is very reasonable.

SERFF Tracking #:

AAAL-129207905

State Tracking #:

Company Tracking #:

NEW BENEFIT LEVELS FOR MEMBER  
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**State:** District of Columbia  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

**Filing Company:** AAA Life Insurance Company

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	Cover letter - DC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	Not Applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	MLTA Act Memo 2014.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	Please refer to the Actuarial Memorandum noted under the "Actuarial Memorandum" tab.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	Not Applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
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**SERFF Tracking #:**

AAAL-129207905

**State Tracking #:****Company Tracking #:**NEW BENEFIT LEVELS FOR MEMBER  
LOYALTY TR...

**State:** District of Columbia **Filing Company:** AAA Life Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

<b>Bypass Reason:</b>	Not Applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	Not Applicable to product being filed.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	Not Applicable to product being filed.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Approval - AAA-MLTCERT-08DC
<b>Comments:</b>	
<b>Attachment(s):</b>	DC MLTA-08 Forms approval AAAL-125819264.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Info from Mr. Salzer FSA, MAAA - current distribution
<b>Comments:</b>	
<b>Attachment(s):</b>	Info from Mr. Salzer.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



17900 N. Laurel Park Dr.  
Livonia, MI 48152  
(800) 624-1662

September 24, 2013

RE: **AAA Life Insurance Company**  
**NAIC No.:** 71854 **FEIN:** 52-0891929  
**Actuarial Memorandum and Premiums for New Benefit Levels**

Dear Reviewer:

Please find attached for your Department's review and subsequent approval copies of the above captioned Actuarial and Premiums.

We are adding three (3) new benefit levels that will be used with our previously approved Certificate, as shown below. The Actuarial Memorandum provides detailed information on the pricing associated with the three (3) new benefit levels.

State	Certificate Form Number	SERFF #	Approval Date
<b>DC</b>	AAA-MLTCERT-08(DC)	AAAL-125559038	11/6/2008

This filing is exempt from prior review and approval in our domiciliary state of Michigan. This filing does not contain any unusual or potentially controversial items apart from normal Company or industry standards. To the best of our knowledge and belief, this submission complies with all the relevant statutes and regulations of your State. It includes nothing that has been previously objected to or disapproved by your Department.

Thank you for your time and consideration in regard to this filing. Should you have any questions, or require any additional information to complete your review, please contact me directly.

Sincerely,

Norman Von Seggern, FLMI, HIA  
Compliance Specialist II

**AAA Life Insurance Company**  
**ACTUARIAL MEMORANDUM**  
**Policy Form AAA-MLTCERT-08**

This document will cover the Actuarial aspects of this filing. This filing is to add additional benefits levels and premiums available to both new and existing certificate holders. The currently approved benefit levels and the premiums for them will remain unchanged. Benefit levels added are labeled Value, Superior and Supreme.

Benefits

The benefits are paid in the event of a covered travel accident as outlined in the certificate. The four main benefits are for death on the insured, an indemnity daily benefit for hospitalization, an indemnity daily benefit for prescribed recuperation after hospitalization and an indemnity emergency room benefit. In addition, a lifetime member benefit is attached which provides a paid up lifetime membership to the AAA club for a surviving spouse. Six levels of benefit are shown below. Benefits can also be purchased for individual or family. Benefits grade in over a five-year period based on the years of membership in AAA. A member of 5 years or longer would receive the full benefit at issue. Please note that the benefit level names may not be the official benefit name used for the actual certificate. The benefit Schedule is as follows:

Member Year	Value Death Benefit	Economy Death Benefit	Deluxe Death Benefit	Ultra Death Benefit	Superior Death Benefit	Supreme Death Benefit
1	\$12,500	\$25,000	\$50,000	\$75,000	\$100,000	\$125,000
2	\$15,625	\$31,250	\$62,500	\$93,750	\$125,000	\$156,250
3	\$18,750	\$37,500	\$75,000	\$112,500	\$150,000	\$187,500
4	\$21,875	\$43,750	\$87,500	\$131,250	\$175,000	\$218,750
5+	\$25,000	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000

Member Year	Value Daily Benefit	Economy Daily Benefit	Deluxe Daily Benefit	Ultra Daily Benefit	Superior Daily Benefit	Supreme Daily Benefit
1	\$75.00	\$150.00	\$300.00	\$450.00	\$600.00	\$750.00
2	\$93.75	\$187.50	\$375.00	\$562.50	\$750.00	\$937.50
3	\$112.50	\$225.00	\$450.00	\$675.00	\$900.00	\$1,125.00
4	\$131.25	\$262.50	\$525.00	\$787.50	\$1,050.00	\$1,312.50
5+	\$150.00	\$300.00	\$600.00	\$900.00	\$1,200.00	\$1,500.00

Family coverage pays 60% of the above schedule for the spouse and 20% for covered children.

The death benefits are doubled if the death occurs on a scheduled airline flight.

### Premiums

The premiums for this product vary based on issue age, benefit level and plan. The total annual premiums table follows. Premiums other than annual are based on the annual premium divided by the number of modal payments per year. There is a \$3 collection fee for direct bill monthly. This collection fee is to cover the extra costs associated with monthly direct billing along with the above average lapse rate incurred.

Age	Value		Economy		Deluxe	
	Individual	Family	Individual	Family	Individual	Family
18-69	\$36.00	\$48.00	\$66.00	\$90.00	\$126.00	\$168.00
70-79	\$42.00	\$66.00	\$78.00	\$114.00	\$150.00	\$204.00
80+	\$48.00	\$90.00	\$90.00	\$156.00	\$180.00	\$264.00

Age	Ultra		Superior		Supreme	
	Individual	Family	Individual	Family	Individual	Family
18-69	\$156.00	\$204.00	\$180.00	\$228.00	\$204.00	\$252.00
70-79	\$192.00	\$264.00	\$228.00	\$300.00	\$264.00	\$336.00
80+	\$240.00	\$348.00	\$288.00	\$396.00	\$336.00	\$444.00

### Claim Cost

The claim cost for this product was developed from a combination of national statistics as well as experience on a similar product.

Death Claims used the pattern of deaths by age and gender from the National Highway Traffic Safety Administration for 1998-2007. This pattern was then adjusted based on AAA Life's claim experience for our travel accident product for 2001-2007. Additional adjustments were then made to this data based on more recent years experience from the National Highway Traffic Safety Administration.

Hospitalization rates and length of stay information was developed by data from 1998-2005 from the National Hospital Discharge Survey conducted by the National Center for Health Statistics. This data was also used for the recuperation benefit since it is equal to that of the hospitalization.

The Emergency Room usage was developed based on data from the National Center for Injury Prevention and Control from 2001-2007.

All of these statistics were used to develop claim cost per certificate that varied by attained age, gender, benefit level and plan.

The lifetime loss ratio expected on this product is 51%.

Nonforfeiture

This policy will develop no nonforfeiture values.

Reserves

Reserves were based on the claim costs that were developed and calculated using a two-year full preliminary term method. Reserves for this contract will be at least as great as those required by regulation.

Actuarial Certification

I hereby certify that, to the best of my knowledge and judgment that this contract is in compliance with the applicable laws and regulations of your state and that premiums are reasonable in relation to the benefits provided. A demonstration of reasonableness is attached.



September 16, 2013

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Donald T. Salzer, FSA, MAAA  
Product Development Managing Actuary

---

Date

**ACTUARIAL MEMORANDUM**  
**Policy Form AAA-MLTCERT-08**  
**Demonstration of Reasonableness**

This filing is only for an additional benefit level and premium structure flattening as mentioned in the memorandum.

To demonstrate reasonableness, a model was run of the expected sales for a given year. From this, the present value of each of the components of the premium was calculated such that a level percent of premium was developed. The present value as a percentage of premium are as follows:

	Percent of Premium
Benefits plus Reserve	51.0%
Acquisition Cost	27.4%
Maintenance Cost and Taxes	7.9%
Commission	7.1%
Risk Charge	6.6%

While the benefits ratio or loss ratio appears to be a modest percent of the premium, this is reasonable when you consider both the type of benefit to be paid and the cost to market this product. The following reasons are why this is true.

1. This is a travel accident only form and will be prone to large payouts, up to \$500,000 on death, with large fluctuations in occurrence. The potential payouts on the health side are even larger.
2. This product is marketed mainly through direct mail on an individual basis. The cost to market in this manner is very expensive and as shown above, the acquisition cost accounts for 27.4% of the premium.

When you compare the potential of a \$500,000 payout on death, even more with the family plan, to an expected average annual premium of \$240, the relationship is very reasonable.

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
Filing Company: AAA Life Insurance Company State Tracking Number:  
Company Tracking Number: AAA-MLTCERT-08  
TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
Dismemberment Dismemberment  
Product Name: MLTA-08  
Project Name/Number: /

## Filing at a Glance

Company: AAA Life Insurance Company

Product Name: MLTA-08

SERFF Tr Num: AAAL-125819264 State: District of Columbia

TOI: H03G Group Health - Accidental Death &  
Dismemberment

SERFF Status: Closed

State Tr Num:

Sub-TOI: H03G.000 Health - Accidental Death  
& Dismemberment

Co Tr Num: AAA-MLTCERT-08

State Status:

Filing Type: Form

Co Status:

Reviewer(s): Colin Johnson

Author: Barbara Hassell

Disposition Date: 09/23/2008

Date Submitted: 09/16/2008

Disposition Status: APPROVED

Implementation Date Requested: On Approval

Implementation Date: 09/23/2008

## General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: We are exempt from filing in our domiciliary state of Michigan.

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Large

Overall Rate Impact:

Group Market Type: Association, Trust

Filing Status Changed: 09/23/2008

Company Status Changed:

State Status Changed:

Deemer Date:

Created By: Barbara Hassell

Submitted By: Barbara Hassell

Corresponding Filing Tracking Number: AAAL-125819235

Filing Description:

Please refer to our Cover Letter for a complete filing description.

## Company and Contact

### Filing Contact Information

Barbara Hassell, Product Compliance Analyst bhassell@aaalife.com

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
Filing Company: AAA Life Insurance Company State Tracking Number:  
Company Tracking Number: AAA-MLTCERT-08  
TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
Dismemberment Dismemberment  
Product Name: MLTA-08  
Project Name/Number: /

17900 N. Laurel Park Drive (800) 624-1662 [Phone]  
Livonia, MI 48152-3985 (734) 805-6282[FAX]

**Filing Company Information**

AAA Life Insurance Company CoCode: 71854 State of Domicile: Michigan  
17900 N. Laurel Park Drive Group Code: -99 Company Type:  
Livonia, MI 48152-3985 Group Name: State ID Number:  
(800) 624-1662 ext. 2942[Phone] FEIN Number: 52-0891929  
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SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
Filing Company: AAA Life Insurance Company State Tracking Number:  
Company Tracking Number: AAA-MLTCERT-08  
TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
Dismemberment Dismemberment  
Product Name: MLTA-08  
Project Name/Number: /

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
AAA Life Insurance Company	\$0.00		

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
 Filing Company: AAA Life Insurance Company State Tracking Number:  
 Company Tracking Number: AAA-MLTCERT-08  
 TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
 Dismemberment Dismemberment  
 Product Name: MLTA-08  
 Project Name/Number: /

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Colin Johnson	09/23/2008	09/23/2008

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Colin Johnson	09/22/2008	09/22/2008	Barbara Hassell	09/22/2008	09/22/2008
Pending Industry Response	Colin Johnson	09/19/2008	09/19/2008	Barbara Hassell	09/22/2008	09/22/2008

*SERFF Tracking Number:* AAAL-125819264      *State:* District of Columbia  
*Filing Company:* AAA Life Insurance Company      *State Tracking Number:*  
*Company Tracking Number:* AAA-MLTCERT-08  
*TOI:* H03G Group Health - Accidental Death &      *Sub-TOI:* H03G.000 Health - Accidental Death &  
Dismemberment      Dismemberment  
*Product Name:* MLTA-08  
*Project Name/Number:* /

## **Disposition**

Disposition Date: 09/23/2008

Implementation Date: 09/23/2008

Status: APPROVED

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
 Filing Company: AAA Life Insurance Company State Tracking Number:  
 Company Tracking Number: AAA-MLTCERT-08  
 TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
 Dismemberment Dismemberment  
 Product Name: MLTA-08  
 Project Name/Number: /

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Cover Letter	APPROVED	No
<b>Supporting Document</b>	Readability Certification	APPROVED	No
<b>Form (revised)</b>	Member Loyalty Travel Accident Certificate of Insurance	APPROVED	Yes
<b>Form</b>	Member Loyalty Travel Accident Certificate of Insurance	Withdrawn	No

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
Filing Company: AAA Life Insurance Company State Tracking Number:  
Company Tracking Number: AAA-MLTCERT-08  
TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
Dismemberment Dismemberment  
Product Name: MLTA-08  
Project Name/Number: /

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 09/22/2008  
Submitted Date 09/22/2008  
Respond By Date 09/29/2008

Dear Barbara Hassell,

Again, if this is an accident only policy, review our bulletin number 01-IB-007-02/08 dated February 8, 2002, "Limited Benefit Alert" and insert, "Limited Benefit, Please Read Carefully" on the face page on policies, riders, amendments, and endorsements.

However, if this policy benefit coverage is more than 12 months then you must include our health mandates.

Should you have any questions, I can be contacted at 202-442-7796.

Sincerely,  
Colin Johnson

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 09/22/2008  
Submitted Date 09/22/2008

Dear Colin Johnson,

### Comments:

#### Response 1

Comments: Attached please find our revised certificate, AAA-MLTCERT-08DC, which has been modified by the addition of the phrase "LIMITED BENEFIT - PLEASE READ YOUR CERTIFICATE CAREFULLY" in 14 point type, to the certificate face page.

### Changed Items:

No Supporting Documents changed.

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
 Filing Company: AAA Life Insurance Company State Tracking Number:  
 Company Tracking Number: AAA-MLTCERT-08  
 TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
 Dismemberment Dismemberment  
 Product Name: MLTA-08  
 Project Name/Number: /

**Form Schedule Item Changes**

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Member Loyalty Travel Accident Certificate of Insurance	AAA-MLTCERT-08DC		Certificate	Initial		42	AAA-MLTCERT-08DC.pdf
<b>Previous Version</b>							
Member Loyalty Travel Accident Certificate of Insurance	AAA-MLTCERT-08		Certificate	Initial		42	AAA-MLTCERT-08.pdf

No Rate/Rule Schedule items changed.

Sincerely,  
Barbara Hassell

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
Filing Company: AAA Life Insurance Company State Tracking Number:  
Company Tracking Number: AAA-MLTCERT-08  
TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
Dismemberment Dismemberment  
Product Name: MLTA-08  
Project Name/Number: /

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 09/19/2008  
Submitted Date 09/19/2008  
Respond By Date 10/03/2008

Dear Barbara Hassell,

Please note that if the Travel Accident Insurance is renewable then you must include all of the District of Columbia Health Insurance Mandates which include Sections 31-2801, 31-2901,31-2931,31-3001,31-3101, 31-3105, 31-3801,31-2951, 31-1601 if you reference the Aids Test, 22-3225.09 if you have an attached application, and 44-301.01 if you reference the grievance and appeals procedures.

Should you have any questions, I can be reached at 202-442-7796.

Sincerely,  
Colin Johnson

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 09/22/2008  
Submitted Date 09/22/2008

Dear Colin Johnson,

### Comments:

### Response 1

Comments: I respectfully request your reconsideration of the objection dated 9/19/2008. In several of the statutes you cited (31-2901, 39-2951, 31-3001 & 39-3101) there is a definition of health insurance that states, in part: " The term 'health benefit plan' does not mean accident only....; hospital confinement indemnity coverage..." This filing is an Accident only filing.

As our cover letter states, this filing is intended to combine two previously approved filings. The original certificate filing was approved in the District of Columbia on 2/13/2004. This product does not differ from that filing; we have merely enhanced the benefits and incorporated an endorsement that was filed subsequent to the original approval.

*SERFF Tracking Number:* AAAL-125819264      *State:* District of Columbia  
*Filing Company:* AAA Life Insurance Company      *State Tracking Number:*  
*Company Tracking Number:* AAA-MLTCERT-08  
*TOI:* H03G Group Health - Accidental Death &      *Sub-TOI:* H03G.000 Health - Accidental Death &  
Dismemberment      Dismemberment  
*Product Name:* MLTA-08  
*Project Name/Number:* /

Thank you for your consideration.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Barbara Hassell

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
 Filing Company: AAA Life Insurance Company State Tracking Number:  
 Company Tracking Number: AAA-MLTCERT-08  
 TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
 Dismemberment Dismemberment  
 Product Name: MLTA-08  
 Project Name/Number: /

## Form Schedule

Lead Form Number: AAA-MLTCERT-08

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
APPROVE D	AAA- MLTCERT- 08DC	Certificate	Member Loyalty Travel Accident Certificate of Insurance	Initial		42	AAA- MLTCERT- 08DC.pdf



Livonia, MI

17900 N. Laurel Park Drive  
Livonia, MI 48152-3985  
(877) 434-1141

**Member Loyalty Travel Accident Insurance  
Certificate of Insurance**  
Group Policy: AAA-MLT-02  
BANK NEWPORT as Trustee for the  
AAA Group Member Loyalty Travel Insurance Trust

**Schedule of Benefits**

Insured:	John Doe	Membership Number:	XXXXXXXXXXXX
Certificate Number:	XXXXXXXXXXXX	Effective Date:	XX/XX/XXXX
Coverage Type:	[Individual/Family]	Issue Age:	XX
Premium:	\$XXX.XX	Mode:	[Annual/Semi-Annual]

**Certificate Year**

1  
2  
3  
4  
5 and above

**Face Amount**

\$ xx,xxx  
\$ xx,xxx  
\$ xx,xxx  
\$ xx,xxx  
\$xxx,xxx

**Hospital Indemnity,  
Recuperation &  
Emergency Room  
Benefit Amount**

\$xxx  
\$xxx  
\$xxx  
\$xxx  
\$xxx

**LIMITED BENEFIT – PLEASE READ YOUR CERTIFICATE CAREFULLY**

**THIRTY-ONE DAY RIGHT TO EXAMINE CERTIFICATE:** You have the right to examine the Certificate for a period of 31 days after receipt. If You are not satisfied with the coverage provided under this Certificate, You may return it to Us or to Your agent. We will then void it as though it were never issued as of the Effective Date and refund the premium that has been paid.

**IMPORTANT CANCELLATION INFORMATION – Please Read the Provision Entitled:  
“General Provision – Individual Termination” of your Certificate  
Offered Exclusively for Members of the  
American Automobile Association**

**THIS IS NOT A MEDICARE SUPPLEMENT CERTIFICATE  
If you are eligible for Medicare, review the Medicare Supplement Buyer’s Guide available from  
the Company.**

**CERTIFICATE OF INSURANCE**  
**THIS CERTIFICATE SUMMARIZES YOUR PARTICIPATION IN AN ACCIDENTAL INJURY**  
**AND DEATH GROUP POLICY AND IS NOT AUTOMOBILE LIABILITY INSURANCE COVERAGE**  
**AAA LIFE INSURANCE COMPANY**  
**LIVONIA, MI**  
(A Stock Company)  
(Herein called the Company)

The Group Master Policy ("the Policy") is issued to:

**BANK NEWPORT, as Trustee for the AAA Group Travel Insurance Trust, Newport, RI**

WE CERTIFY that the person named in the Schedule is insured under the Policy. We promise to pay benefits as described herein.

The insurance evidenced by this Certificate is provided under and is subject to all provisions of the Policy, which provisions are set forth in this Certificate.

**PART A** **DEFINITIONS**

When used in this Certificate, these terms will have the meaning stated below, unless otherwise defined where they are used.

**Eligible Member (Member):** A person age 18 and over, whose name appears in good standing in the active files of the American Automobile Association on the date this Certificate is issued.

**Face Amount:** The amount shown on the Schedule. The initial Face Amount is determined at the time of issue by the number of consecutive years, according to Club records, that the Insured has been a Member of the American Automobile Association.

**Basic Membership:** The lowest membership available from the Member's American Automobile Association local Club.

**Family Member:**

- (a) A person eligible for coverage, if "Family Coverage" is shown on the Schedule. Eligible Family Members include Your spouse, unless legally separated, and Your unmarried children (including stepchildren, legally adopted children and foster children) from birth up to 19 years of age who are dependent on You for the main part of their support and maintenance. An unmarried dependent child over age 19 who is a full-time student at an accredited college or university, will continue to be an eligible Family Member up to age 23 or the date he is no longer a full-time student, whichever occurs first.
- (b) Family coverage is provided only if You have submitted an enrollment form for such coverage and paid the required additional premium. Family coverage, when applied for after You become insured under this Certificate, becomes effective on the date of Your enrollment form. While Family Coverage is in force, each new Family Member that You acquire on or after the effective date of that coverage will automatically become insured on the date the Family Member becomes eligible.

**Group Policy:** Group Member Loyalty Travel Accident Insurance Policy bearing the number AAA-MLT-02 and issued to the Policyholder by Us.

**Hospital:** A place (a) licensed or recognized as a general Hospital by the appropriate authority of the state in which it is located, (b) operated for the care and treatment of resident inpatients with a registered graduate nurse (R.N.) always on duty and with laboratory and x-ray facilities, (c) recognized by the Joint Commission on the Accreditation of Hospitals, or (d) certified as a Hospital by Medicare. In no event shall the term "Hospital" mean any institution or part of a Hospital or institution that is licensed or used principally for the treatment or care of drug addicts or alcoholics or as a clinic, continued or extended care facility, skilled nursing facility, convalescent home, rehabilitation facility, psychiatric facility, rest home, nursing home, home for the aged, or any facility with an average length of stay of more than thirty (30) days.

**Injuries:** Means accidental bodily injuries received while the Insured is covered under the Policy which result in a covered loss, independent of sickness and all other causes, as follows:

1. **SCHEDULED AIRLINE:** While, as a passenger and not as a pilot or crew member, You or Your covered Family Member is riding in, boarding or exiting from an aircraft operated on a regularly scheduled flight by: (a) a scheduled airline of United States registry holding the proper license and certification issued by the United States Government, (b) a scheduled airline of foreign registry holding a Certificate, license or similar authorization for scheduled air transportation by the governmental authorities having jurisdiction for civil aviation in the country of registry or (c) a transport type aircraft operated by the Military Airlift Command of the United States, the Department of National Defense (Canada), the Department of Transport (Canada) or the Royal Air Force Air Support Command of Great Britain.
2. **COMMON CARRIER:** While You or Your covered Family Member are riding in, boarding or exiting from any public land or water conveyance provided by a common carrier primarily for passenger service. You or Your covered Family Member must be only a passenger, and not an operator or crew member of the common carrier.
3. **AUTOMOBILE AND PEDESTRIAN:** (a) While, driving, riding in, boarding or exiting from any private passenger automobile or (b) by being struck while a pedestrian, by any motor vehicle ordinarily operated on the public streets and highways.

**Insured, You, Yours:** Means a Member at the time of issue, who is covered under this Certificate.

**Physician:** An individual, other than You or a member of Your immediate family, who is licensed to practice medicine and/or treat illness in the state in which treatment is received.

**Policyholder:** The Group Policyholder shown on the face page of this Certificate.

**Private Passenger Automobile:** A motor vehicle intended for personal use and licensed by a state as a private vehicle. Included in the category of Private Passenger Automobile are:

1. self-propelled motor homes;
2. vans; and
3. sport utility vehicles; and
4. trucks with a rated towing capacity of no more than 17,000 pounds.

Private Passenger Automobile does not include:

1. automobiles licensed to carry passengers for hire;
2. automobiles primarily used or licensed for commercial purposes;
3. motorcycles, mopeds, motor scooters, all-terrain vehicles, snowmobiles or jet skis.

**Schedule of Benefits (“Schedule”):** Is shown on the first page of this Certificate.

**We, Ours, Us and the Company:** Means AAA Life Insurance Company.

## **PART B BENEFITS FOR LOSS OF LIFE**

We will pay benefits for loss of life due to injuries resulting from a covered accident. Benefits will be paid to you or Your eligible Family Member. Loss of Life must occur within ninety (90) days from the date of the accident. Benefits will be paid as follows:

	<b>Type</b>	<b>Benefit</b>
<b>Insured:</b>	Scheduled Airlines: Common Carrier, Automobile & Pedestrian:	Twice the Face Amount* Face Amount*
<b>Spouse:</b>	Scheduled Airlines Common Carrier, Automobile & Pedestrian:	Sixty percent (60%) of the amount payable to the Insured.
<b>Dependent:</b>	Scheduled Airlines Common Carrier, Automobile & Pedestrian:	Twenty percent (20%) of the amount payable to the Insured for each Dependent.

\*Face Amount is shown on the Schedule.

## **PART C**

### **LIFETIME MEMBERSHIP BENEFIT**

Upon approval of benefits due to loss of life of either You or Your covered Spouse, We will pay the cost for a lifetime basic American Automobile Association Membership to the surviving spouse. No other indemnity will be provided in lieu of the membership as stated.

If, at the time of benefit, the surviving spouse is an active member of the American Automobile Association, they must provide their membership number to Us. If, at the time of benefit, the surviving spouse is not currently a member of the American Automobile Association, they must complete an application for membership from their local American Automobile Association Club and forward to Us.

The application or current membership number must be received within 180 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate the claim for benefit if it was not reasonably possible to give proof within such time. Such proof must be furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than 2 years from the time proof is otherwise required.

## **PART D**

### **HOSPITAL INDEMNITY BENEFITS**

When You or Your Family Member are confined in a Hospital as a resident inpatient due to Injuries, We will pay:

1. **For You:**  
The Amount shown on the Schedule of Benefits.
2. **For Your Spouse:**  
60% of the amount payable to You for each day of confinement
3. **For Each Dependent Child:**  
20% of the amount payable to You for each day of confinement.

The Face Amount is shown on the Schedule of Benefits. This benefit is payable from the first day of Hospital confinement and will be paid for a maximum of 365 days for any one accident. Confinement must begin within 90 days after the accident. There must be less 90 days between confinements as a result of the same accident.

## **PART E**

### **RECUPERATION BENEFITS**

If Injuries from an accident required Hospitalization for You or Your covered Family Member in accordance with Part A, Sections 1, 2 or 3, after which recuperation at home or in any treatment facility is medically prescribed, We will pay:

1. **For You:**  
The Amount shown on the Schedule of Benefits.
2. **For Your Spouse:**  
60% of the amount payable to You.
3. **For each Dependent Child:**  
20% of the amount payable to You.

The benefit will be paid for as many days as the Hospitalization was required, not to exceed 365 days for any one accident. The recuperation must begin within 7 days of a covered Hospitalization and be prescribed by a Physician.

## **PART F**

### **EMERGENCY ROOM BENEFITS**

When, due to Injuries, the Insured or covered Family Member requires treatment in a lawfully operated Hospital emergency room within 24 hours of the time of a covered accident, We will pay:

1. **For You:**  
The Amount shown on the Schedule of Benefits.
2. **For the Spouse:**  
60% of the amount payable to You.
3. **For each Dependent Child:**  
20% of the amount payable to You.

This benefit is payable once per 365 days for You or Your covered Family Member.

## **PART G**

## **EXPOSURE AND DISAPPEARANCE**

If, while insured under the Certificate, You or Your covered Family Member were riding in a covered conveyance, and are unavoidably exposed to the elements because of an accident that causes the disappearance, sinking or damaging of that conveyance, and if such exposure results in a loss suffered for which benefits are otherwise payable, the loss will be covered under this Certificate.

If, while insured under the Certificate, You or Your covered Family Member disappears because of an accident resulting in the disappearance or sinking of a covered common carrier in which he was riding, and if Your body or Your Family Member's body has not been found within 52 weeks after the date of such accident, it will be presumed, barring any evidence to the contrary, that loss of life was suffered as a result of Injuries covered by the Policy.

## **PART H**

## **EXCEPTIONS AND LIMITATIONS**

This Certificate does not cover:

- a) suicide or attempted suicide while sane or insane;
- b) injuries received while participating in any maneuvers or training exercises of the Armed Forces,
- c) injuries received while under the influence of alcohol (a blood alcohol level as defined by state law is conclusive evidence of intoxication for purposes of this Certificate);
- d) injuries received while under the influence of any narcotic or drug unless administered on the advice of a physician.
- e) injuries received while participating in the commission of a crime.
- f) injuries caused by, contributed to by, or resulting directly or indirectly in whole or part from sickness, disease or bodily or mental infirmity.
- g) injuries sustained prior to the effective date of the Certificate.

The Policy is a single group travel accident insurance contract issued to the Policyholder and offered to Members of the American Automobile Association on an optional basis. If more than one Certificate is issued to one person (whether in one or more states), Our liability under the Policy shall be limited only to the amount payable on the Certificate bearing the highest Face Amount. We will refund any premiums paid to Us for excessive coverage to You, Your designated beneficiary or Your estate.

## **PART I**

## **GENERAL PROVISIONS**

1. **Individual Termination:** Your insurance will terminate on whichever of the following dates occurs first:
  - a) the date that any premium is due and unpaid,
  - b) the first renewal date after the date we receive written request from You to cancel the coverage.
  - c) the first renewal date of this Certificate following the date the Policy is terminated or canceled.
2. **Family Insurance Terminations:** The insurance of any Family Member will terminate on whichever of the following dates occurs first:
  - a) the first renewal date following the date the Family Member ceases to be eligible in accordance with 1(a) above,
  - b) the date Your coverage hereunder terminates, or
  - c) the date any premium for the Family insurance is due and unpaid.
  - d) the date Your unmarried child(ren) reaches nineteen (19) years of age. In event that an unmarried dependent child is over age 19 and is a full-time student at an accredited college or university, such child will continue to be an eligible Family Member up to age twenty-three (23) or the date he is no longer a full-time student, whichever date occurs first.

Coverage on an unmarried dependent child will not terminate as indicated in 2d) if the child is and continues to be both:

1. incapable of self-sustaining employment by reason of mental retardation or physical handicap, and
2. chiefly dependent upon You for support and maintenance.

We require the You furnish Proof of such incapacity and dependency to Us within thirty-one days prior to the First Renewal Date, and not more frequently than annually following the Renewal Date.

The Term "Renewal Date" means the renewal date of Your Certificate.

3. **Reinstatement:** If Your insurance or that of Your Family Member is terminated for any reason, You may reinstate the coverage within 14 days from the end of the Grace Period by submitting the appropriate premium. Coverage will be reinstated back to the date of termination.
4. **Re-enrollment:** After the 14 -day reinstatement period, You may re-enroll by completing a new enrollment form and submitting the appropriate premium. Insurance subsequently effected on You or Your Family Member through re-enrollment applies only to loss resulting from covered injuries sustained after the date of re-enrollment.
5. **Term of Coverage:** The initial term of this Certificate begins on the Certificate Date at 12:01 a.m. Standard Time of the place where You reside, and ends at 12:01 a.m., the same Standard Time, on the first renewal date. Each time this Certificate is renewed, the renewal term begins at the same time the preceding term ends and ends at 12:01 a.m., the same Standard Time, on the date the next renewal premium becomes due.
6. **Premiums:** Premiums may be adjusted at any time. We will provide You with at least 45 days written notice of any change in premiums in accordance with the terms of the Policy.

The adjusted premium rate charge for this coverage will be based on:

- Your age and coverage type; and
- The anticipated appropriate future actuarial factors.

Any change in the premium rates will apply to all Insureds of the same insuring age, type of insurance amount, and year of issue.

7. **Misstatement of Age:** If Your age has been misstated, the correct age at the date of application will be used to determine:
  1. The effective date or termination date of insurance;
  2. The amount of insurance; and
  3. Any other rights or benefits under the Certificate.

If Your age has not been correctly stated, We will adjust the Face Amount of life insurance. This adjustment will be based on the amount which the premiums would have purchased at the correct age.

8. **Consideration; Renewals; Grace Period:** This Certificate is issued in consideration of the advance payment of the premium required for the initial term. This Certificate may be renewed from term to term by the payment of the Premium prior to the expiration of the preceding term; subject, however, to the provisions of Individual Terminations described in the General Provisions; and provided the Policyholder has opted to maintain the Policy in force. A grace period of 31 days will be granted for the payment of each premium falling due after the first premium. During the grace period, Your insurance will remain in force.
9. **Notice of Claim:** Written notice of claim must be given to Us within 20 days after a covered loss occurs, or as soon thereafter as reasonably possible. The notice should be sent to the Company's Home Office or to any authorized agent of the Company. Notice should include sufficient information to identify the name of the Covered Person and the Certificate Number.
10. **Claim Forms:** Upon receipt of a notice of claim, We will furnish to the claimant forms for filing proof of loss. If such forms are not furnished within 15 days after We receive notice, the claimant shall be deemed to have complied with the requirements of the Policy as to proof of loss upon submitting, within the time fixed in the Policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.
11. **Proof of Loss:** Written proof of loss must be furnished to Us at Our Home Office within 90 days after the date of such loss. If it was not reasonably possible to give Us Written Proof of Loss within ninety (90) days the Company will not reduce or deny a claim for this reason, if it is shown that the Written Proof of Loss was submitted as soon as reasonably possible. However, in no event, except in the absence of legal capacity, will benefits be paid if Written Proof of Loss is not submitted within one (1) year from the date the Loss occurs.

- 12. Time of Payment of Claims:** Claims for benefits provided by the Policy will be paid within two (2) months upon receipt of written proof of loss.
- 13. Payment of Claims:** Indemnity for the Insured's loss of life will be payable in accordance with the beneficiary designation and the provisions respecting such payment which are prescribed herein and effective at the time of payment. If no such designation is then effective, indemnity for loss of life of the Insured shall be payable as follows: (a) to the spouse of the Insured, otherwise (b) equally to the then living lawful children of the Insured, including stepchildren and adopted children, if any, otherwise (c) equally to the Insured's parents or parent then living, otherwise (d) to the estate of the Insured. Any other accrued indemnities unpaid at the Insured's death may, at the option of Us, be paid either to the Insured's beneficiary or to his estate. All other indemnities will be payable to the Insured.
- 14. Beneficiary:** We will pay loss of life benefits to the person or entity named by the Insured to receive benefits, on forms and in a manner approved by us. The named beneficiary will be kept on file at the Company and may be changed as indicated below.
- 15. Change of Beneficiary; Assignment:** Unless the Insured makes an irrevocable designation of beneficiary, the right to change of beneficiary is reserved to the Insured and the consent of the beneficiary or beneficiaries shall not be requisite to assignment of the Insured's insurance under the Policy nor to any change in beneficiary or beneficiaries.
- 16. Physical Examinations and Autopsy:** The Company at Our expense shall have the right and opportunity to examine the person of anyone covered under the Policy when and as often as it may reasonably require during the dependency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law.
- 17. Legal Actions:** No action of law or in equity shall be brought to recover on the Policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of the Policy. No such action shall be brought after the expiration of 3 years after the time written proof of loss is required to be furnished.
- 18. Conformity with State Statutes:** Any provision of the Policy which, on its effective date, is in conflict with the statutes of the state in which the Policyholder is located on such date is hereby amended to conform to the minimum requirements of such statutes.
- 19. Schedule:** The Schedule and the information thereon is a part of this Certificate to the same extent as if it preceded the execution clause.

This Certificate is signed for the Company at its Home Office in Livonia, Michigan and it shall replace any other Certificate previously issued to the Insured under the Policy.



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Harold W. Huffstetler, Jr., President



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Robert J. Dotson, Vice President & General Counsel

*SERFF Tracking Number:* AAAL-125819264      *State:* District of Columbia  
*Filing Company:* AAA Life Insurance Company      *State Tracking Number:*  
*Company Tracking Number:* AAA-MLTCERT-08  
*TOI:* H03G Group Health - Accidental Death &      *Sub-TOI:* H03G.000 Health - Accidental Death &  
Dismemberment      Dismemberment  
*Product Name:* MLTA-08  
*Project Name/Number:* /

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
Filing Company: AAA Life Insurance Company State Tracking Number:  
Company Tracking Number: AAA-MLTCERT-08  
TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
Dismemberment Dismemberment  
Product Name: MLTA-08  
Project Name/Number: /

## Supporting Document Schedules

**Satisfied -Name:** Cover Letter **Review Status:** APPROVED 09/23/2008  
**Comments:**  
**Attachment:**  
DC Cover Letter for Cert.pdf

**Satisfied -Name:** Readability Certification **Review Status:** APPROVED 09/23/2008  
**Comments:**  
**Attachment:**  
READABILITY CERTIFICATION.pdf



Barbara G. Hassell  
Compliance Specialist II

17900 N. Laurel Park Drive  
Livonia, Michigan 48152-3985  
Phone: 734-779-2942  
Fax: 734-805-6282  
bhassell@aaalife.com

September 16, 2008

District of Columbia Department of Insurance

Re: AAA Life Insurance Company  
NAIC # 71854 FEIN# 52-0891929  
Certificate form: AAA-MLTCERT-08

Dear Reviewer:

Attached is the above referenced form, which is being submitted for your review and approval. This form is intended to combine forms AAA-MLTCERT-02(DC), approved in your state on 02/13/2004, and AAAMLTCERTEND, approved on 04/12/2007 (SERFF# AAAL-125819235).

We have also increased the benefit levels offered. This increase in benefit levels has not resulted in an increase in premium for this product. (A separate filing under SERFF # AAAL-125757482 for the Actuarial Memo is also being submitted today.)

This form has achieved a readability score of 42.2 on the Flesch reading ease test.

These forms are exempt from filing in Michigan, our state of domicile.

To the best of our knowledge and belief, this submission complies with all the relevant statutes and regulations of the District of Columbia. It includes nothing that has been previously objected to or disapproved by your Department.

Thank you for your time and consideration in regard to this filing. Should you have any questions, or require any additional information to complete your review, please contact me directly.

Sincerely,

A handwritten signature in cursive script that reads 'Barbara G. Hassell'.

Barbara G. Hassell  
Compliance Specialist II



INSURANCE MARKETPLACE  
STANDARDS ASSOCIATION

## READABILITY CERTIFICATION

**COMPANY NAME:** AAA Life Insurance Company

I hereby certify that the form listed below has (have) the following score as calculated by the Flesch Reading Ease Test.

<u>Form Number</u>	<u>Score</u>
AAA-MLTCERT-08	42.2



\_\_\_\_\_  
Company Officer: Robert J Dotson

Title: Secretary and General Counsel

\_\_\_\_\_  
March 25, 2008

Date

SERFF Tracking Number: AAAL-125819264 State: District of Columbia  
 Filing Company: AAA Life Insurance Company State Tracking Number:  
 Company Tracking Number: AAA-MLTCERT-08  
 TOI: H03G Group Health - Accidental Death & Sub-TOI: H03G.000 Health - Accidental Death &  
 Dismemberment Dismemberment  
 Product Name: MLTA-08  
 Project Name/Number: /

## Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Member Loyalty Travel Accident Certificate of Insurance	09/16/2008	AAA-MLTCERT-08.pdf



Livonia, MI

17900 N. Laurel Park Drive  
Livonia, MI 48152-3985  
(877) 434-1141

## Member Loyalty Travel Accident Insurance Certificate of Insurance

Group Policy: AAA-MLT-02  
BANK NEWPORT as Trustee for the  
AAA Group Member Loyalty Travel Insurance Trust

### Schedule of Benefits

Insured:	John Doe	Membership Number:	XXXXXXXXXXXX
Certificate Number:	XXXXXXXXXXXX	Effective Date:	XX/XX/XXXX
Coverage Type:	[Individual/Family]	Issue Age:	XX
Premium:	\$XXX.XX	Mode:	[Annual/Semi-Annual]

<u>Certificate Year</u>	<u>Face Amount</u>	<u>Hospital Indemnity, Recuperation &amp; Emergency Room Benefit Amount</u>
1	\$ xx,xxx	\$xxx
2	\$ xx,xxx	\$xxx
3	\$ xx,xxx	\$xxx
4	\$ xx,xxx	\$xxx
5 and above	\$xxx,xxx	\$xxx

### READ YOUR CERTIFICATE CAREFULLY

**THIRTY-ONE DAY RIGHT TO EXAMINE CERTIFICATE:** You have the right to examine the Certificate for a period of 31 days after receipt. If You are not satisfied with the coverage provided under this Certificate, You may return it to Us or to Your agent. We will then void it as though it were never issued as of the Effective Date and refund the premium that has been paid.

**IMPORTANT CANCELLATION INFORMATION – Please Read the Provision Entitled:  
“General Provision – Individual Termination” of your Certificate  
Offered Exclusively for Members of the  
American Automobile Association**

**THIS IS NOT A MEDICARE SUPPLEMENT CERTIFICATE  
If you are eligible for Medicare, review the Medicare Supplement Buyer’s Guide available from  
the Company.**

**CERTIFICATE OF INSURANCE**  
**THIS CERTIFICATE SUMMARIZES YOUR PARTICIPATION IN AN ACCIDENTAL INJURY**  
**AND DEATH GROUP POLICY AND IS NOT AUTOMOBILE LIABILITY INSURANCE COVERAGE**  
**AAA LIFE INSURANCE COMPANY**  
**LIVONIA, MI**  
(A Stock Company)  
(Herein called the Company)

The Group Master Policy ("the Policy") is issued to:

**BANK NEWPORT, as Trustee for the AAA Group Travel Insurance Trust, Newport, RI**

WE CERTIFY that the person named in the Schedule is insured under the Policy. We promise to pay benefits as described herein.

The insurance evidenced by this Certificate is provided under and is subject to all provisions of the Policy, which provisions are set forth in this Certificate.

**PART A** **DEFINITIONS**

When used in this Certificate, these terms will have the meaning stated below, unless otherwise defined where they are used.

**Eligible Member (Member):** A person age 18 and over, whose name appears in good standing in the active files of the American Automobile Association on the date this Certificate is issued.

**Face Amount:** The amount shown on the Schedule. The initial Face Amount is determined at the time of issue by the number of consecutive years, according to Club records, that the Insured has been a Member of the American Automobile Association.

**Basic Membership:** The lowest membership available from the Member's American Automobile Association local Club.

**Family Member:**

- (a) A person eligible for coverage, if "Family Coverage" is shown on the Schedule. Eligible Family Members include Your spouse, unless legally separated, and Your unmarried children (including stepchildren, legally adopted children and foster children) from birth up to 19 years of age who are dependent on You for the main part of their support and maintenance. An unmarried dependent child over age 19 who is a full-time student at an accredited college or university, will continue to be an eligible Family Member up to age 23 or the date he is no longer a full-time student, whichever occurs first.
- (b) Family coverage is provided only if You have submitted an enrollment form for such coverage and paid the required additional premium. Family coverage, when applied for after You become insured under this Certificate, becomes effective on the date of Your enrollment form. While Family Coverage is in force, each new Family Member that You acquire on or after the effective date of that coverage will automatically become insured on the date the Family Member becomes eligible.

**Group Policy:** Group Member Loyalty Travel Accident Insurance Policy bearing the number AAA-MLT-02 and issued to the Policyholder by Us.

**Hospital:** A place (a) licensed or recognized as a general Hospital by the appropriate authority of the state in which it is located, (b) operated for the care and treatment of resident inpatients with a registered graduate nurse (R.N.) always on duty and with laboratory and x-ray facilities, (c) recognized by the Joint Commission on the Accreditation of Hospitals, or (d) certified as a Hospital by Medicare. In no event shall the term "Hospital" mean any institution or part of a Hospital or institution that is licensed or used principally for the treatment or care of drug addicts or alcoholics or as a clinic, continued or extended care facility, skilled nursing facility, convalescent home, rehabilitation facility, psychiatric facility, rest home, nursing home, home for the aged, or any facility with an average length of stay of more than thirty (30) days.

**Injuries:** Means accidental bodily injuries received while the Insured is covered under the Policy which result in a covered loss, independent of sickness and all other causes, as follows:

1. **SCHEDULED AIRLINE:** While, as a passenger and not as a pilot or crew member, You or Your covered Family Member is riding in, boarding or exiting from an aircraft operated on a regularly scheduled flight by: (a) a scheduled airline of United States registry holding the proper license and certification issued by the United States Government, (b) a scheduled airline of foreign registry holding a Certificate, license or similar authorization for scheduled air transportation by the governmental authorities having jurisdiction for civil aviation in the country of registry or (c) a transport type aircraft operated by the Military Airlift Command of the United States, the Department of National Defense (Canada), the Department of Transport (Canada) or the Royal Air Force Air Support Command of Great Britain.
2. **COMMON CARRIER:** While You or Your covered Family Member are riding in, boarding or exiting from any public land or water conveyance provided by a common carrier primarily for passenger service. You or Your covered Family Member must be only a passenger, and not an operator or crew member of the common carrier.
3. **AUTOMOBILE AND PEDESTRIAN:** (a) While, driving, riding in, boarding or exiting from any private passenger automobile or (b) by being struck while a pedestrian, by any motor vehicle ordinarily operated on the public streets and highways.

**Insured, You, Yours:** Means a Member at the time of issue, who is covered under this Certificate.

**Physician:** An individual, other than You or a member of Your immediate family, who is licensed to practice medicine and/or treat illness in the state in which treatment is received.

**Policyholder:** The Group Policyholder shown on the face page of this Certificate.

**Private Passenger Automobile:** A motor vehicle intended for personal use and licensed by a state as a private vehicle. Included in the category of Private Passenger Automobile are:

1. self-propelled motor homes;
2. vans; and
3. sport utility vehicles; and
4. trucks with a rated towing capacity of no more than 17,000 pounds.

Private Passenger Automobile does not include:

1. automobiles licensed to carry passengers for hire;
2. automobiles primarily used or licensed for commercial purposes;
3. motorcycles, mopeds, motor scooters, all-terrain vehicles, snowmobiles or jet skis.

**Schedule of Benefits (“Schedule”):** Is shown on the first page of this Certificate.

**We, Ours, Us and the Company:** Means AAA Life Insurance Company.

## **PART B BENEFITS FOR LOSS OF LIFE**

We will pay benefits for loss of life due to injuries resulting from a covered accident. Benefits will be paid to you or Your eligible Family Member. Loss of Life must occur within ninety (90) days from the date of the accident. Benefits will be paid as follows:

	<b>Type</b>	<b>Benefit</b>
<b>Insured:</b>	Scheduled Airlines:	Twice the Face Amount*
	Common Carrier, Automobile & Pedestrian:	Face Amount*
<b>Spouse:</b>	Scheduled Airlines	Sixty percent (60%) of the amount payable to the Insured.
	Common Carrier, Automobile & Pedestrian:	
<b>Dependent:</b>	Scheduled Airlines	Twenty percent (20%) of the amount payable to the Insured for each Dependent.
	Common Carrier, Automobile & Pedestrian:	

\*Face Amount is shown on the Schedule.

## **PART C**

### **LIFETIME MEMBERSHIP BENEFIT**

Upon approval of benefits due to loss of life of either You or Your covered Spouse, We will pay the cost for a lifetime basic American Automobile Association Membership to the surviving spouse. No other indemnity will be provided in lieu of the membership as stated.

If, at the time of benefit, the surviving spouse is an active member of the American Automobile Association, they must provide their membership number to Us. If, at the time of benefit, the surviving spouse is not currently a member of the American Automobile Association, they must complete an application for membership from their local American Automobile Association Club and forward to Us.

The application or current membership number must be received within 180 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate the claim for benefit if it was not reasonably possible to give proof within such time. Such proof must be furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than 2 years from the time proof is otherwise required.

## **PART D**

### **HOSPITAL INDEMNITY BENEFITS**

When You or Your Family Member are confined in a Hospital as a resident inpatient due to Injuries, We will pay:

1. **For You:**  
The Amount shown on the Schedule of Benefits.
2. **For Your Spouse:**  
60% of the amount payable to You for each day of confinement
3. **For Each Dependent Child:**  
20% of the amount payable to You for each day of confinement.

The Face Amount is shown on the Schedule of Benefits. This benefit is payable from the first day of Hospital confinement and will be paid for a maximum of 365 days for any one accident. Confinement must begin within 90 days after the accident. There must be less 90 days between confinements as a result of the same accident.

## **PART E**

### **RECUPERATION BENEFITS**

If Injuries from an accident required Hospitalization for You or Your covered Family Member in accordance with Part A, Sections 1, 2 or 3, after which recuperation at home or in any treatment facility is medically prescribed, We will pay:

1. **For You:**  
The Amount shown on the Schedule of Benefits.
2. **For Your Spouse:**  
60% of the amount payable to You.
3. **For each Dependent Child:**  
20% of the amount payable to You.

The benefit will be paid for as many days as the Hospitalization was required, not to exceed 365 days for any one accident. The recuperation must begin within 7 days of a covered Hospitalization and be prescribed by a Physician.

## **PART F**

### **EMERGENCY ROOM BENEFITS**

When, due to Injuries, the Insured or covered Family Member requires treatment in a lawfully operated Hospital emergency room within 24 hours of the time of a covered accident, We will pay:

1. **For You:**  
The Amount shown on the Schedule of Benefits.
2. **For the Spouse:**  
60% of the amount payable to You.
3. **For each Dependent Child:**  
20% of the amount payable to You.

This benefit is payable once per 365 days for You or Your covered Family Member.

## **PART G**

## **EXPOSURE AND DISAPPEARANCE**

If, while insured under the Certificate, You or Your covered Family Member were riding in a covered conveyance, and are unavoidably exposed to the elements because of an accident that causes the disappearance, sinking or damaging of that conveyance, and if such exposure results in a loss suffered for which benefits are otherwise payable, the loss will be covered under this Certificate.

If, while insured under the Certificate, You or Your covered Family Member disappears because of an accident resulting in the disappearance or sinking of a covered common carrier in which he was riding, and if Your body or Your Family Member's body has not been found within 52 weeks after the date of such accident, it will be presumed, barring any evidence to the contrary, that loss of life was suffered as a result of Injuries covered by the Policy.

## **PART H**

## **EXCEPTIONS AND LIMITATIONS**

This Certificate does not cover:

- a) suicide or attempted suicide while sane or insane;
- b) injuries received while participating in any maneuvers or training exercises of the Armed Forces,
- c) injuries received while under the influence of alcohol (a blood alcohol level as defined by state law is conclusive evidence of intoxication for purposes of this Certificate);
- d) injuries received while under the influence of any narcotic or drug unless administered on the advice of a physician.
- e) injuries received while participating in the commission of a crime.
- f) injuries caused by, contributed to by, or resulting directly or indirectly in whole or part from sickness, disease or bodily or mental infirmity.
- g) injuries sustained prior to the effective date of the Certificate.

The Policy is a single group travel accident insurance contract issued to the Policyholder and offered to Members of the American Automobile Association on an optional basis. If more than one Certificate is issued to one person (whether in one or more states), Our liability under the Policy shall be limited only to the amount payable on the Certificate bearing the highest Face Amount. We will refund any premiums paid to Us for excessive coverage to You, Your designated beneficiary or Your estate.

## **PART I**

## **GENERAL PROVISIONS**

1. **Individual Termination:** Your insurance will terminate on whichever of the following dates occurs first:
  - a) the date that any premium is due and unpaid,
  - b) the first renewal date after the date we receive written request from You to cancel the coverage.
  - c) the first renewal date of this Certificate following the date the Policy is terminated or canceled.
2. **Family Insurance Terminations:** The insurance of any Family Member will terminate on whichever of the following dates occurs first:
  - a) the first renewal date following the date the Family Member ceases to be eligible in accordance with 1(a) above,
  - b) the date Your coverage hereunder terminates, or
  - c) the date any premium for the Family insurance is due and unpaid.
  - d) the date Your unmarried child(ren) reaches nineteen (19) years of age. In event that an unmarried dependent child is over age 19 and is a full-time student at an accredited college or university, such child will continue to be an eligible Family Member up to age twenty-three (23) or the date he is no longer a full-time student, whichever date occurs first.

Coverage on an unmarried dependent child will not terminate as indicated in 2d) if the child is and continues to be both:

1. incapable of self-sustaining employment by reason of mental retardation or physical handicap, and
2. chiefly dependent upon You for support and maintenance.

We require the You furnish Proof of such incapacity and dependency to Us within thirty-one days prior to the First Renewal Date, and not more frequently than annually following the Renewal Date.

The Term "Renewal Date" means the renewal date of Your Certificate.

3. **Reinstatement:** If Your insurance or that of Your Family Member is terminated for any reason, You may reinstate the coverage within 14 days from the end of the Grace Period by submitting the appropriate premium. Coverage will be reinstated back to the date of termination.
4. **Re-enrollment:** After the 14 -day reinstatement period, You may re-enroll by completing a new enrollment form and submitting the appropriate premium. Insurance subsequently effected on You or Your Family Member through re-enrollment applies only to loss resulting from covered injuries sustained after the date of re-enrollment.
5. **Term of Coverage:** The initial term of this Certificate begins on the Certificate Date at 12:01 a.m. Standard Time of the place where You reside, and ends at 12:01 a.m., the same Standard Time, on the first renewal date. Each time this Certificate is renewed, the renewal term begins at the same time the preceding term ends and ends at 12:01 a.m., the same Standard Time, on the date the next renewal premium becomes due.
6. **Premiums:** Premiums may be adjusted at any time. We will provide You with at least 45 days written notice of any change in premiums in accordance with the terms of the Policy.

The adjusted premium rate charge for this coverage will be based on:

- Your age and coverage type; and
- The anticipated appropriate future actuarial factors.

Any change in the premium rates will apply to all Insureds of the same insuring age, type of insurance amount, and year of issue.

7. **Misstatement of Age:** If Your age has been misstated, the correct age at the date of application will be used to determine:
  1. The effective date or termination date of insurance;
  2. The amount of insurance; and
  3. Any other rights or benefits under the Certificate.

If Your age has not been correctly stated, We will adjust the Face Amount of life insurance. This adjustment will be based on the amount which the premiums would have purchased at the correct age.

8. **Consideration; Renewals; Grace Period:** This Certificate is issued in consideration of the advance payment of the premium required for the initial term. This Certificate may be renewed from term to term by the payment of the Premium prior to the expiration of the preceding term; subject, however, to the provisions of Individual Terminations described in the General Provisions; and provided the Policyholder has opted to maintain the Policy in force. A grace period of 31 days will be granted for the payment of each premium falling due after the first premium. During the grace period, Your insurance will remain in force.
9. **Notice of Claim:** Written notice of claim must be given to Us within 20 days after a covered loss occurs, or as soon thereafter as reasonably possible. The notice should be sent to the Company's Home Office or to any authorized agent of the Company. Notice should include sufficient information to identify the name of the Covered Person and the Certificate Number.
10. **Claim Forms:** Upon receipt of a notice of claim, We will furnish to the claimant forms for filing proof of loss. If such forms are not furnished within 15 days after We receive notice, the claimant shall be deemed to have complied with the requirements of the Policy as to proof of loss upon submitting, within the time fixed in the Policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.
11. **Proof of Loss:** Written proof of loss must be furnished to Us at Our Home Office within 90 days after the date of such loss. If it was not reasonably possible to give Us Written Proof of Loss within ninety (90) days the Company will not reduce or deny a claim for this reason, if it is shown that the Written Proof of Loss was submitted as soon as reasonably possible. However, in no event, except in the absence of legal capacity, will benefits be paid if Written Proof of Loss is not submitted within one (1) year from the date the Loss occurs.

- 12. Time of Payment of Claims:** Claims for benefits provided by the Policy will be paid within two (2) months upon receipt of written proof of loss.
- 13. Payment of Claims:** Indemnity for the Insured's loss of life will be payable in accordance with the beneficiary designation and the provisions respecting such payment which are prescribed herein and effective at the time of payment. If no such designation is then effective, indemnity for loss of life of the Insured shall be payable as follows: (a) to the spouse of the Insured, otherwise (b) equally to the then living lawful children of the Insured, including stepchildren and adopted children, if any, otherwise (c) equally to the Insured's parents or parent then living, otherwise (d) to the estate of the Insured. Any other accrued indemnities unpaid at the Insured's death may, at the option of Us, be paid either to the Insured's beneficiary or to his estate. All other indemnities will be payable to the Insured.
- 14. Beneficiary:** We will pay loss of life benefits to the person or entity named by the Insured to receive benefits, on forms and in a manner approved by us. The named beneficiary will be kept on file at the Company and may be changed as indicated below.
- 15. Change of Beneficiary; Assignment:** Unless the Insured makes an irrevocable designation of beneficiary, the right to change of beneficiary is reserved to the Insured and the consent of the beneficiary or beneficiaries shall not be requisite to assignment of the Insured's insurance under the Policy nor to any change in beneficiary or beneficiaries.
- 16. Physical Examinations and Autopsy:** The Company at Our expense shall have the right and opportunity to examine the person of anyone covered under the Policy when and as often as it may reasonably require during the dependency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law.
- 17. Legal Actions:** No action of law or in equity shall be brought to recover on the Policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of the Policy. No such action shall be brought after the expiration of 3 years after the time written proof of loss is required to be furnished.
- 18. Conformity with State Statutes:** Any provision of the Policy which, on its effective date, is in conflict with the statutes of the state in which the Policyholder is located on such date is hereby amended to conform to the minimum requirements of such statutes.
- 19. Schedule:** The Schedule and the information thereon is a part of this Certificate to the same extent as if it preceded the execution clause.

This Certificate is signed for the Company at its Home Office in Livonia, Michigan and it shall replace any other Certificate previously issued to the Insured under the Policy.



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Harold W. Huffstetler, Jr., President



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Robert J. Dotson, Vice President & General Counsel

Current average premium on new issues is \$200. We expect this to increase \$240 once the new benefit levels are fully implemented. The current distribution is as follows:

Plan Type	
Family	55.9%
Individual	44.1%
Benefit Level	
Economy	4.0%
Deluxe	17.2%
Ultra	78.8%
Age	
< 70	42.9%
70-79	38.7%
80+	18.4%

Once the new benefit structure is fully implemented we are expecting that we will roughly see a 3 way split into the top 3 benefit levels.

Don Salzer, FSA, MAAA

**SERFF Tracking #:**

AAAL-129207905

**State Tracking #:****Company Tracking #:**NEW BENEFIT LEVELS FOR MEMBER  
LOYALTY TR...

**State:** District of Columbia  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** New Benefit Levels for Member Loyalty Travel Accident Insurance  
**Project Name/Number:** New Benefit Levels and Actuarial Memorandum/Premiums for/MLTA - 2014 Benefit Level Enhancements

**Filing Company:** AAA Life Insurance Company

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/24/2013		Rate	Actuarial Memorandum and Premiums for New Benefit Levels	10/10/2013	MLTA Act Memo 2014.pdf