

SERFF Tracking Number: AAMC-127674051 State: District of Columbia  
 Filing Company: Pioneer Security Life Insurance Company State Tracking Number:  
 Company Tracking Number:  
 TOI: H03I Individual Health - Accidental Death & Sub-TOI: H03I.000 Health - Accidental Death &  
 Dismemberment Dismemberment  
 Product Name: Accidental Death and Dismemberment - PS02-9428 Actuarial Memorandum  
 Project Name/Number: /

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Efren Tanhehco	02/28/2012	02/28/2012

### 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	Efren Tanhehco	02/13/2012	02/13/2012	Carolyn Fleischhauer	02/16/2012	02/16/2012

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Rate Filing	Note To Reviewer	Carolyn Fleischhauer	02/16/2012	02/16/2012
Confusion about your filing	Note To Filer	Efren Tanhehco	02/13/2012	02/13/2012

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## Disposition

Disposition Date: 02/28/2012

Implementation Date: 02/28/2012

Status: APPROVED

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
<b>Supporting Document (revised)</b>	Actuarial Justification		Yes
<b>Supporting Document</b>	Actuarial Justification		Yes
<b>Supporting Document</b>	Cover Letter		Yes
<b>Supporting Document</b>	NAIC Transmittal		Yes
<b>Supporting Document</b>	Supporting Documentation		Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 02/13/2012  
Submitted Date 02/13/2012  
Respond By Date 02/29/2012  
Dear Clara Keel,

### Objection 1

- Actuarial Justification (Supporting Document)

Comment: The Actuarial Memo submitted is considered too general. Please supply the morbidity assumptions basis and the source. Also, please supply the detailed breakdown of the total retention expense components/ and how it ties in to the presumed 60% ALR (anticipated loss ratio). Lastly, please supply the calculation of how the \$0.50 (premium rate) per thousand of benefit amount was derived.

Sincerely,  
Efren Tanhehco

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 02/16/2012  
Submitted Date 02/16/2012

Dear Efren Tanhehco,

### Comments:

This information is submitted in response to objection letter dated 02/13/2012.

### Response 1

Comments: The attached revised actuarial memorandum and the filing support are provided to address the actuarial concerns noted in objection letter.

#### Related Objection 1

Applies To:

- Actuarial Justification (Supporting Document)

Comment:

The Actuarial Memo submitted is considered too general. Please supply the morbidity assumptions basis and the source. Also, please supply the detailed breakdown of the total retention expense components/ and how it ties in to the presumed 60% ALR (anticipated loss ratio). Lastly, please supply the calculation of how the \$0.50 (premium rate) per thousand of benefit amount was derived.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Actuarial Justification

Comment:

Satisfied -Name: Supporting Documentation

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please contact me at 1-800-736-7311, extension 3220, if you have questions.

*SERFF Tracking Number:* AAMC-127674051      *State:* District of Columbia  
*Filing Company:* Pioneer Security Life Insurance Company      *State Tracking Number:*  
*Company Tracking Number:*  
*TOI:* H03I Individual Health - Accidental Death &      *Sub-TOI:* H03I.000 Health - Accidental Death &  
Dismemberment      Dismemberment  
*Product Name:* Accidental Death and Dismemberment - PS02-9428 Actuarial Memorandum  
*Project Name/Number:* /

Sincerely,  
Traci Baty

SERFF Tracking Number: AAMC-127674051 State: District of Columbia  
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Dismemberment Dismemberment  
Product Name: Accidental Death and Dismemberment - PS02-9428 Actuarial Memorandum  
Project Name/Number: /

**Note To Reviewer**

**Created By:**

Carolyn Fleischhauer on 02/16/2012 04:34 PM

**Last Edited By:**

Carolyn Fleischhauer

**Submitted On:**

02/16/2012 04:50 PM

**Subject:**

Rate Filing

**Comments:**

The General Information instructions for SERFF - System for Electronic Rate and Form Filings indicates "Actuarial Memorandums are not to be included in Form filings." This filing is a "rate filing" containing the Actuarial Memorandum for Accidental Death and Dismemberment Policy. The Accidental Death and Dismemberment Policy forms were approved under SERFF "form filing" AAMC-127668723.

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Product Name: Accidental Death and Dismemberment - PS02-9428 Actuarial Memorandum  
Project Name/Number: /

**Note To Filer**

**Created By:**

Efren Tanhehco on 02/13/2012 02:54 PM

**Last Edited By:**

Efren Tanhehco

**Submitted On:**

02/13/2012 02:55 PM

**Subject:**

Confusion about your filing

**Comments:**

Shouldn't this filing be classified under FORM FILING rather than under Rate Filing? --- ie, based on what your Cover Letter is indicating.....

If so, please refile as I would be rejecting this filing such that you can re-file under FORM FILING.

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## Supporting Document Schedules

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Actuarial Justification <b>Comments:</b> <b>Attachment:</b> DC PS02-DC-9428 (Revised) Actuarial Memorandum.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Cover Letter <b>Comments:</b> Cover Letter attached. <b>Attachment:</b> DC PS02-9428 Cover Letter.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> NAIC Transmittal <b>Comments:</b> <b>Attachment:</b> DC PS02-9428 NAIC Transmittal.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Supporting Documentation <b>Comments:</b> <b>Attachment:</b> DC PS02-DC-9428 Supporting Documentation.pdf		

PIONEER SECURITY LIFE INSURANCE COMPANY

Actuarial Memorandum

Form No. PS02-DC-9428

Accidental Death and Dismemberment Policy

- 1) Scope and Purpose: This memorandum will document the actuarial justification for the new filing of gross premium rate for the above form.
- 2) Description of Benefits: This individual policy provides \$1,000 per unit for accidental death or accidental loss of multiple bodily members but \$500 for accidental loss of one bodily member up to a maximum of 5 units. The benefit period is one year.
- 3) Renewability: Non-renewable.
- 4) Applicability: New issues only.
- 5) Morbidity: Company experience. Given that the Company has no morbidity claims filed on its AD&D policies nationwide, actuarial judgment was used to combine the underlying morbidity and mortality used in pricing this form. This and non-District of Columbia forms used as the basis for experience have no waiting or elimination period and all have a one year benefit period.
- 6) Mortality: Company experience.
- 7) Persistency: None assumed.
- 8) Expenses: There are no quantifiable expenses associated with this policy. The policy will not be sold by itself, but in conjunction with life insurance and will be treated by the Company administratively as a supplemental benefit to the life coverage. The Company recognizes no additional cost, either underwriting or administration, for supplemental coverages and no commissions are payable on this policy.
- 9) Marketing Method: This policy is marketed by licensed brokerage agents primarily in the insured's home in connection with Final Expense sales at ages 50-85. The policy is not limited to Final Expense sales and is available with all products the Company offers including Term Life and Universal Life plans at ages 18-85. The policy is also not limited to home sales, though home sales are the target market. Worksite sales are allowed with no limitations on worksite type or the insured's occupation. This policy will be issued through the home office.
- 10) Underwriting: There is no underwriting.

- 11) Premium Classes: Premiums on an annual basis, one class. There are no other premium modes or classes.
- 12) Issue Age Range: Ages 18-85, no variation of premium by issue age.
- 13) Age Factors: Not used.
- 14) Average Annual Premium: Annual Premium rate is \$.50 per \$1,000 unit, it is assumed 5 units issued.
- 15) Premium Modalization Rules: Annual premiums only.
- 16) Claim Liability and Reserves: None. Due to the nature of the benefits, claims paid as incurred.
- 17) Active Life Reserves: An unearned premium reserve will be held. There is no interest assumption as no discounting or accumulation is performed.
- 18) Trend Assumptions: None assumed.
- 19) Minimum Loss Ratio: 60%
- 20) Anticipated Loss Ratio: 60%
- 21) Distribution: Premiums do not vary by age, distribution not applicable.
- 22) Contingency and Risk Margins: Total annual premium under this form in all states is not assumed to exceed \$5000, risks attributable to this form are assumed to be immaterial to the Company as a going concern.
- 23) Experience: See attached for experience on similar forms.
- 24) Lifetime Loss Ratio: 60%
- 25) History of Rate Adjustments: The Company does not market forms with similar benefits where the rates are adjustable. The benefit period is one year so rate adjustment on this form will not apply.
- 26) Number of Policyholders: Rate adjustments will not apply, so number is not applicable.
- 27) Proposed Effective Date: New Filing.
- 28) Actuarial Certification: To the best of my knowledge and judgment: (I) The entire rate filing is in compliance with the applicable laws of the District of

Columbia and with the rules of the Office; (II) Complies with all applicable Actuarial Standards of Practice; and (III) The benefits provided are reasonable in relation to the proposed premiums. The premium schedule is not excessive, inadequate, nor unfairly discriminatory. I am a member of the American Academy of Actuaries and meet its qualification standards for this opinion and certification.



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William R. Nettles, III, FSA, MAAA  
Vice President and Chief Actuary

February 15, 2012

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Date

# Pioneer Security Life Insurance Company

P.O. Box 2550 • Waco, Texas 76702-2550 • 254-297-2778

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September 30, 2011

NAIC No. 67946  
FEIN 75-1083342

Mr. Andre Davis  
Life and Annuities Examiner  
The District of Columbia Insurance  
and Securities Regulation  
Products Analysis Division  
810 First Street, N.E., Suite 701  
Washington, D.C. 20002

Re: Form No. PS02-9428 – Accidental Death and Dismemberment Policy  
Form No. PS9433-DC – Life Insurance Application

Dear Mr. Davis:

The above referenced forms are being submitted for your consideration and approval. These forms are new and will not replace any forms previously approved by your Department.

Form No. PS02-9428 is an individual Accidental Death and Dismemberment Policy. The flesch readability score is 59.

Form No. PS9433-DC is an application to be used when applying for an individual Accidental Death and Dismemberment Policy.

The issue ages for this product are 18-85. The actuarial memorandum for this product is attached.

This product will be marketed on an individual basis through licensed agents in the general market.

If I may be of assistance in your review, please contact me at 1-800-736-7311, extension 3216, or [ckeel@aatx.com](mailto:ckeel@aatx.com).

Sincerely,



Clara Keel, FLMI  
Product Filing Manager & Assistant Secretary

CJK:tab

Enc.



## Life, Accident & Health, Annuity, Credit Transmittal Document

<b>1.</b>	<b>Prepared for the State of</b>	<b>DISTRICT OF COLUMBIA</b>
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<b>2.</b>	<b>Department Use Only</b>
	<b>State Tracking ID</b>

3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
	Pioneer Security Life Insurance Company P.O. Box 2550 Waco, Texas 76702-2550	Texas	Life	1327	67946	75-1083342	

4.	Contact Name & Address	Telephone #	Fax #	E-mail Address
	Clara Keel, FLMI P.O. Box 2550 Waco, Texas 76702-2550	(800) 736-7311, ext. 3216		ckeel@aatx.com

<b>5.</b>	<b>Requested Filing Mode</b>	<input checked="" type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____
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<b>6.</b>	<b>Company Tracking Number</b>	<b>PS02-9428</b>
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<b>7.</b>	<input checked="" type="checkbox"/> <b>New Submission</b> <input type="checkbox"/> <b>Resubmission</b>	Previous file # _____
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<b>8.</b>	<b>Market</b>	<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Franchise Group: <input type="checkbox"/> Small <input type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____
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<b>9.</b>	<b>Type of Insurance</b>	<b>H03I Individual Health – Accidental Death and Dismemberment</b>
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<b>10.</b>	<b>Product Coding Matrix Filing Code</b>	<b>H031.000</b>
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<b>11.</b>	<b>Submitted Documents</b>	<p><input type="checkbox"/> <b>FORMS</b></p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Policy</td> <td><input type="checkbox"/> Outline of Coverage</td> <td><input type="checkbox"/> Certificate</td> </tr> <tr> <td><input type="checkbox"/> Application/Enrollment</td> <td><input type="checkbox"/> Rider/Endorsement</td> <td><input type="checkbox"/> Advertising</td> </tr> <tr> <td><input type="checkbox"/> Schedule of Benefits</td> <td><input type="checkbox"/> Other</td> <td></td> </tr> </table> <p><b>Rates</b></p> <input type="checkbox"/> New Rate <input type="checkbox"/> Revised Rate	<input type="checkbox"/> Policy	<input type="checkbox"/> Outline of Coverage	<input type="checkbox"/> Certificate	<input type="checkbox"/> Application/Enrollment	<input type="checkbox"/> Rider/Endorsement	<input type="checkbox"/> Advertising	<input type="checkbox"/> Schedule of Benefits	<input type="checkbox"/> Other		
<input type="checkbox"/> Policy	<input type="checkbox"/> Outline of Coverage	<input type="checkbox"/> Certificate										
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<input type="checkbox"/> Schedule of Benefits	<input type="checkbox"/> Other											
		<input type="checkbox"/> <b>FILING OTHER THAN FORM OR RATE:</b> Please explain: _____										
		<p><b><u>SUPPORTING DOCUMENTATION</u></b></p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Articles of Incorporation</td> <td><input type="checkbox"/> Third Party Authorization</td> </tr> <tr> <td><input type="checkbox"/> Association Bylaws</td> <td><input type="checkbox"/> Trust Agreements</td> </tr> <tr> <td><input type="checkbox"/> Statement of Variability</td> <td><input type="checkbox"/> Certifications</td> </tr> <tr> <td><input checked="" type="checkbox"/> Actuarial Memorandum</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table>	<input type="checkbox"/> Articles of Incorporation	<input type="checkbox"/> Third Party Authorization	<input type="checkbox"/> Association Bylaws	<input type="checkbox"/> Trust Agreements	<input type="checkbox"/> Statement of Variability	<input type="checkbox"/> Certifications	<input checked="" type="checkbox"/> Actuarial Memorandum		<input type="checkbox"/> Other _____	
<input type="checkbox"/> Articles of Incorporation	<input type="checkbox"/> Third Party Authorization											
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<input type="checkbox"/> Statement of Variability	<input type="checkbox"/> Certifications											
<input checked="" type="checkbox"/> Actuarial Memorandum												
<input type="checkbox"/> Other _____												

12.	<b>Filing Submission Date</b>	<b>September 30, 2011</b>	
13	<b>Filing Fee (If required)</b>	Amount <u>    N/A    </u>	Check Date <u>                    </u>
		Retaliatory <input type="checkbox"/> Yes <input type="checkbox"/> No	Check Number <u>                    </u>
14.	<b>Date of Domiciliary Approval</b>	<b>Pending</b>	
15.	<b>Filing Description:</b>		
<p><b>Actuarial Memorandum for Form No. PS02-9428.</b></p>			

16.	<b>Certification (If required)</b>		
<p><b>I HEREBY CERTIFY</b> that I have reviewed the applicable filing requirements for this filing, and the filing complies with all applicable statutory and regulatory provisions for the state of <u>DISTRICT OF COLUMBIA</u>.</p>			
Print Name <u>    Clara Keel, FLMI    </u>		Title <u>    Product Filing Manager and Assistant Secretary    </u>	
Signature <u>    Clara Keel    </u>		Date: <u>    September 30, 2011    </u>	

<b>17.</b>	<b>Form Filing Attachment</b>	
This filing transmittal is part of company tracking number		PS02-9428
This filing corresponds to rate filing company tracking number		

	Document Name	Form Number		Replaced Form Number
	Description			Previous State Filing Number
01	Actuarial Memorandum for Form No. PS02-9428	PS02-9428	<input checked="" type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	None
02			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

LH FFA-1

18.		Rate Filing Attachment		
This filing transmittal is part of company tracking number		N/A		
This filing corresponds to form filing company tracking number				
Overall percentage rate indication (when applicable)				
Overall percentage rate impact for this filing		%		
	Document Name	Affected Form Numbers		Previous State Filing Number
	Description			
01			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> New <input type="checkbox"/> Revised Request +____% -____% <input type="checkbox"/> Other _____	

LH RFA-1

**Benefit and Premium Comparison on Similar Plans - All US Sales**

**Non-Renewable Accidental Death & Dismemberment**

<b>Issue Year</b>	<b>Earned Premium</b>	<b>Paid Claims</b>	<b>Change in Claim Res</b>	<b>Incurred Claims</b>	<b>Incurred Loss Ratio</b>	<b>Expected Loss Ratio</b>	<b>Expected Inc Claims</b>	<b>A/E Exp Claims</b>	<b>Policies Issued</b>	<b>Number of Death Claims</b>	<b>Number of Dismemberment Claims</b>
2005	3,136	-	-	-	0%	60%	1,881.60	0%	636	0	0
2006	2,740	-	-	-	0%	60%	1,644.00	0%	548	0	0
2007	3,282	-	-	-	0%	60%	1,969.20	0%	658	0	0
2008	4,685	5,000	-	5,000	107%	60%	2,811.00	178%	1093	1	0
2009	2,247	-	-	-	0%	60%	1,348.20	0%	917	0	0
2010	1,830	-	-	-	0%	60%	1,098.00	0%	1,223	0	0
2011	2,205	-	-	-	0%	60%	1,323.00	0%	2,671	0	0
<b>Grand Total</b>	<b>20,125</b>	<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>25%</b>		<b>12,075</b>	<b>41%</b>	<b>7,746</b>	<b>1</b>	<b>0</b>

The Company does not have any AD&D forms approved in the District of Columbia, experience is from the version of Form PS02-DC-9428 issued in all non-DC states.

This form and all policies reported above in the experience table have no waiting or elimination period. The benefit period is one year and the forms are non-renewable, the average duration for this block is and will always be 1 year.

2011 data is for a partial year through 11/30/2011

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## 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	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/30/2011		Supporting Actuarial Justification Document	02/16/2012	STD PS02-9428 Actuarial Memorandum.pdf (Superseded)

PIONEER SECURITY LIFE INSURANCE COMPANY

Actuarial Memorandum

Form No. PS02-9428

Accidental Death and Dismemberment Policy

This memorandum will document the actuarial justification for the gross premium rate for the above form. The annual premium rate is \$.50 per \$1,000. There are no other premium modes.

This individual policy provides \$1,000 per unit for accidental death or accidental loss of multiple bodily members but \$500 for accidental loss of one bodily member up to a maximum of 5 units. This policy is marketed by licensed agents and covers all ages. There is no underwriting.

The minimum anticipated loss ratio presumed reasonable is 60%.

The balance of this memorandum states the actuarial assumptions:

I. Accident Incidence/Morbidity Assumption

Based on anticipated Company experience, claims costs are assumed to be \$.30 per \$1,000 per year.

II. Expense Assumptions

0% of premium, no marginal expenses are associated with this coverage

To the best of my knowledge and judgment, this rate filing is in compliance with the applicable laws and regulations of this state. Benefits are reasonable in relation to the premium. I am a member of the American Academy of Actuaries and meet its qualification standards for this opinion and certification.



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William R. Nettles, III, FSA, MAAA  
Vice President and Chief Actuary

September 27, 2011

Date