

State: District of Columbia **Filing Company:** Reserve National Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.002 Short Term
Product Name: Group Short Term Disability
Project Name/Number: DC Group STD/ResNatGSTD201302

Filing at a Glance

Company: Reserve National Insurance Company
Product Name: Group Short Term Disability
State: District of Columbia
TOI: H11G Group Health - Disability Income
Sub-TOI: H11G.002 Short Term
Filing Type: Rate
Date Submitted: 11/01/2013
SERFF Tr Num: DSBL-129253193
SERFF Status: Pending State Action
State Tr Num:
State Status:
Co Tr Num: RESNATGSTD2011302-DC
Implementation: 11/22/2013
Date Requested:
Author(s): John Sahlman, Cynthia Sahlman
Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu
Disposition Date:
Disposition Status:
Implementation Date:
State Filing Description:

State: District of Columbia **Filing Company:** Reserve National Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.002 Short Term
Product Name: Group Short Term Disability
Project Name/Number: DC Group STD/ResNatGSTD201302

General Information

Project Name: DC Group STD Status of Filing in Domicile: Authorized
Project Number: ResNatGSTD201302 Date Approved in Domicile: 02/26/2013
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Group Market Type: Employer Overall Rate Impact:
Filing Status Changed: 11/27/2013
State Status Changed: Deemer Date:
Created By: Cynthia Sahlman Submitted By: Cynthia Sahlman
Corresponding Filing Tracking Number: DSBL-129253190

Filing Description:

RE: RESERVE NATIONAL INSURANCE COMPANY
NAIC: 215-68462 FEIN: 73-0661453
NEW GROUP HEALTH DISABILITY FILING

Actuarial Memorandum

Rate Manual

Letter of Authorization

Variability Statement

Clarification Letter

Cover Letter

Dear Sir/Madam:

Transmitted via SERFF are copies of the above-referenced forms for your review and approval. The Rate Manual and Actuarial Memorandum are submitted for approval. The Rate Filing is in connection to SERFF Form Filing DSBL-129253190, lead form number KB-ESDI-POL-1301-DC.

This policy provides weekly short term disability income benefits for disability due to accident or sickness. Two coverage options are available: Non-Occupation Accident and Sickness, which pays for losses due to off-the-job accident or sickness only, or 24 Hour Accident and Sickness which pays a 50% benefit for losses due to on-the-job accident or sickness. All bracketed material in the policy as well as other variables including issue ages, benefit amounts, coverage options, benefit periods, and elimination periods, are explained in the Variability Statement included as part of this submission. The prospective policyholder can select from the various benefit options to put together a Group Short Term Disability Insurance Policy that fits the needs of their employees or members. To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your state. If you have any questions which can be resolved over the telephone, please feel free to contact me at (860) 761-1875.

Sincerely,

Cindy Sahlman

Product Filing

Disability Insurance Specialists, LLC

Telephone: (860) 761-1875

E-Mail: csahlman@dispec.com

Company and Contact

State: District of Columbia **Filing Company:** Reserve National Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.002 Short Term
Product Name: Group Short Term Disability
Project Name/Number: DC Group STD/ResNatGSTD201302

Filing Contact Information

Cindy Sahlman, Filing Analyst csahlman@dispec.com
 Disability Insurance Specialists, 860-761-1875 [Phone]
 LLC 860-769-6986 [FAX]
 1280 Blue Hills Ave. Suite 102
 Bloomfield, CT 06002

Filing Company Information

(This filing was made by a third party - disabilityinsurancespecialistsllc)

Reserve National Insurance Company	CoCode: 68462	State of Domicile: Oklahoma
601 East Britton Road	Group Code: 215	Company Type: Life and Health
Oklahoma City, OK 73114-7710	Group Name:	State ID Number:
(800) 654-9106 ext. [Phone]	FEIN Number: 73-0661453	

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

SERFF Tracking #:

DSBL-129253193

State Tracking #:**Company Tracking #:**

RESNATGSTD2011302-DC

State:

District of Columbia

Filing Company:

Reserve National Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.002 Short Term

Product Name:

Group Short Term Disability

Project Name/Number:

DC Group STD/ResNatGSTD201302

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Darniece Shirley	11/21/2013	11/21/2013

Response Letters

Responded By	Created On	Date Submitted
Cynthia Sahlman	11/26/2013	11/27/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Re: 11/21/13 Objection 4/ "Conformity with Law"	Note To Reviewer	Cynthia Sahlman	11/27/2013	11/27/2013

State: District of Columbia **Filing Company:** Reserve National Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.002 Short Term
Product Name: Group Short Term Disability
Project Name/Number: DC Group STD/ResNatGSTD201302

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	11/21/2013
Submitted Date	11/21/2013
Respond By Date	12/12/2013

Dear Cindy Sahlman,

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 incomplete. The State understands this is a new filing and not required, however completing would be preferred. Please correct, via post-submission update.

Objection 2

- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please provide a detailed, line-by-line, make-up of expenses as a percentage of premiums. Each expense item should be accounted for separately and total 100%. Expenses such as profit, expected loss ratio, commission, e.g. should be included. Expenses such as taxes, administrative, et al should not be grouped together.

Objection 3

- 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)
- RNIC VSTD ESDI Rate Manual, [KB-ESDI-POL-1301-DC, KB-ESDI-CER-1301-DC] (Rate)

Comments: Please confirm: This rate review is limited to DC resident policyholders or DC domiciled group certificate holders. All other rate requests will need to be reviewed by that respective state.

Objection 4

- 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)
- RNIC VSTD ESDI Rate Manual, [KB-ESDI-POL-1301-DC, KB-ESDI-CER-1301-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.

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Conclusion:

Sincerely,
Darniece Shirley

State: District of Columbia **Filing Company:** Reserve National Insurance Company
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Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/26/2013
Submitted Date	11/27/2013

Dear Darniece Shirley,

Introduction:

Thank you for your timely response.

Response 1

Comments:

The Unified Rate Review Template has not been completed for this product. Our understanding is that this template applies to qualified health plans under the Affordable Care Act, and is not appropriate for the disability income plan included in this filing.

Related Objection 1

Comments: The Rate Review Data Detail section of the filing is incomplete. The State understands this is a new filing and not required, however completing would be preferred. Please correct, via post-submission update.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Attached is the Premium Breakdown Exhibit you requested.

Related Objection 2

Applies To:

- Actuarial Memorandum (Supporting Document)
- Actuarial Justification (Supporting Document)
- Actuarial Memorandum and Certifications (Supporting Document)

Comments: Please provide a detailed, line-by-line, make-up of expenses as a percentage of premiums. Each expense item should be accounted for separately and total 100%. Expenses such as profit, expected loss ratio, commission, e.g. should be included. Expenses such as taxes, administrative, et al should not be grouped together.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

We have revised the Cover letter to include the wording above regarding the rate review being limited to D.C. domiciled group certificate holders.

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Related Objection 3

Applies To:

- RNIC VSTD ESDI Rate Manual, [KB-ESDI-POL-1301-DC, KB-ESDI-CER-1301-DC] (Rate)
- 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)

Comments: Please confirm: This rate review is limited to DC resident policyholders or DC domiciled group certificate holders. All other rate requests will need to be reviewed by that respective state.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

We have revised the certificate attached to the corresponding forms filing, DSBL-129253190, to read:

Conformity with Law. Any provision in this Policy that is in conflict with the requirements of any state or federal law that apply to this Policy are automatically changed to satisfy the minimum requirements of such laws.

Related Objection 4

Applies To:

- RNIC VSTD ESDI Rate Manual, [KB-ESDI-POL-1301-DC, KB-ESDI-CER-1301-DC] (Rate)
- 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)

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.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

State: District of Columbia **Filing Company:** Reserve National Insurance Company
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Thank you for your attention to this filing.

Sincerely,
Cynthia Sahlman

State: District of Columbia **Filing Company:** Reserve National Insurance Company
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Note To Reviewer

Created By:

Cynthia Sahlman on 11/27/2013 12:55 PM

Last Edited By:

Cynthia Sahlman

Submitted On:

11/27/2013 12:55 PM

Subject:

Re: 11/21/13 Objection 4/ "Conformity with Law"

Comments:

I've attached the the Certificate red-line showing the revision to include "Conformity with Law". The red-line appears on pg. 9



RESERVE NATIONAL

RESERVE NATIONAL INSURANCE COMPANY

A Kemper Life & Health Company
[601 East Britton Road, Oklahoma City, OK 73114]
[1-800-654-9106 www.reservenational.com]

(Referred to in the Policy as the Company, We, Us, Our)

This Certificate explains the insurance benefits issued to the Policyholder named in the Schedule of Benefits. We agree to pay the benefits to each Insured in accordance with the terms of the Policy and any attached Rider(s).

The Policy under which this Certificate is issued may be amended or cancelled at any time as stated in its provisions. Only an officer of Reserve National Insurance Company may approve a change and it must be done in writing. Such action may be taken without the consent of or notice to any person who claims rights or benefits under the Policy.

THIS CERTIFICATE IS NOT MEDICARE SUPPLEMENT COVERAGE. IF YOU ARE ELIGIBLE FOR MEDICARE, REVIEW THE GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE, WHICH IS AVAILABLE FROM THE COMPANY.

This Certificate replaces any previous certificate(s) issued to the Insured under the Policy.

PRE-EXISTING CONDITIONS EXCLUSIONS – READ CAREFULLY

Coverage under this Certificate may be excluded for pre-existing conditions – see Page 7.

IMPORTANT CANCELLATION INFORMATION

Please read the provision entitled Termination of Insurance – see Page 10.

READ YOUR CERTIFICATE CAREFULLY.

IT PROVIDES BENEFITS ONLY IF YOU ARE DISABLED, AS DEFINED HEREIN.

Short Term Disability Insurance
Non-Participating

Signed for Reserve National Insurance Company.


Secretary


President

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SCHEDULE OF BENEFITS

Policyholder:

Insured:

Policy Number:

Certificate Number:

Policy Effective Date:

Certificate Effective Date:

Elimination Period :

Accident: [0] Days

Sickness: [7] Days

Benefit Amount: [\$100] Weekly

Benefit Period: [13] Weeks

Coverage Type: [Non-Occupation Accident and
Sickness];
[24-Hour Accident and Sickness]

Rate Class: [Industry Class] [Age Band]

Certificate Premium: [\$XX.XX] [Monthly]

Pre-Existing Conditions: [Exclusion Applies]
[Time in Previous Plan Credited to Satisfy Pre-
Existing Condition Exclusion Time Period]

DEFINITIONS

Accident means an unforeseen event, which occurs on or after the effective date of coverage for the Insured and while this Certificate is in force, that is the direct cause of an Accidental Injury to the Insured.

Accidental Injury means bodily injury to the Insured that is directly caused by an Accident and is the direct cause of Disability within 90 days of the Accident, which is independent of Sickness, disease or bodily infirmity and not excluded under the Policy.

Actively-at-Work means You are doing all of the regular duties required by Your employment on a normal scheduled work day and in the usual place of business or a place to which the Policyholder has sent You. You are considered to be Actively-at-Work on a day that is not a scheduled work day if You would be able to perform all the duties of Your employment on that day if it were a scheduled work day.

Certificate means the individual certificate of insurance issued to an employee describing the coverage and rights provided under the Policy.

Complication of Pregnancy means a Sickness which is caused or contributed to by a pregnancy. It must be diagnosed as distinct from pregnancy. Complications of Pregnancy does not include condition such as, but not limited to, false labor, occasional spotting, physician prescribed rest during pregnancy, morning sickness, or similar conditions associated with the management of a difficult pregnancy that do not constitute a classifiably distinct Sickness.

Continued Coverage means coverage continued at an Insured's request upon termination of the Policy. In that event the Insured's Certificate takes the place of the Policy.

Disabled or Disability means You are Totally or Partially Disabled.

Earned Income means Your gross earnings from Your personal activity in any occupation or profession. Earned Income includes Your share of the net earnings of any business in which You have an ownership and to which You devote personal activity. Net earnings are equal to gross income minus allowable federal income tax deductions for business expenses. Earned Income does not include investment income, rents, royalties, and other forms of passive income.

Elimination Period is the number of continuous days You must be Totally Disabled before benefits are payable.

Immediate Family Member means a person who is related to the Insured in any of the following ways: spouse (includes domestic partner or similar relationship recognized by law), child (including a legally adopted child, stepchild, son-in-law and daughter-in-law), parents (including stepparent, mother-in-law and father-in-law), and brother or sister (including stepbrother, stepsister, brother-in-law or sister-in-law).

Income from Other Sources means income You receive due to Your Disability from other first-party or third-party insurance benefits or settlements, or from governmental programs including but not limited to state cash sickness programs and workers compensation.

Insured, You, or Your refers to the individual named as the Insured on the Schedule of Benefits.

Maximum Benefit Period is the maximum length of time that benefits are payable for any period of Disability.

Non-occupation or Non-occupational Accidental Injury or Sickness means an Accidental Injury or Sickness that is not an On-the-Job Accidental Injury or Sickness.

On-the-Job Accidental Injury or Sickness means an Accidental Injury that occurs while You are performing Your Occupation, or a Sickness that is caused by performing Your Occupation. [Benefits payable for On-the Job Accidental Injury or Sickness are [50]% of those payable in the event of a non-occupational Disability.]

Partial Disability or Partially Disabled means You are unable to perform all of the material and substantial duties of Your Occupation due to the same covered Accidental Injury or Sickness that caused Your Total Disability, but you are able to perform some of the duties on a full-time or part-time basis and You suffer an income loss of more than 20%.

Physician means a licensed medical provider, other than the Insured, an Immediate Family Member or anyone living at the Insured's residence, who acts within the scope of his or her license and provides treatment for Your Disability.

Pre-Existing Condition means an Accidental Injury or Sickness for which medical advice, diagnosis or treatment was recommended by a Physician or received from a Physician within the [one-year] period before the effective date of coverage of the Insured.

Recurrent Disability means a period of Disability beginning within [30] days of Your return to Your regular work that is due to the same or related cause of the previous Disability. In this event You do not need to satisfy a new Elimination Period and benefits are limited to the maximum amount payable including the period of benefits paid under the prior Disability. For Disabilities occurring following [30] days after Your return to regular work, a new Elimination Period will apply and Your Maximum Benefit Period will be the period shown in the Certificate Schedule.

Sickness means the Insured's illness or disease that first occurs while this Certificate is in force.

Total Disability or Totally Disabled means You are unable to perform the material and substantial duties of Your Occupation due to a covered Accidental Injury or Sickness and You are not working in any other occupation.

Your Occupation means the occupation You were performing at the time Your Total Disability begins. Your Occupation will be based on how that Occupation is performed in the general economy and not the specific employment situation You are in when Total Disability begins.

We, Us or Our means Reserve National Insurance Company.

BENEFITS

Total Disability Benefit

We will pay Disability benefits if You become Totally Disabled under the terms of the Policy. Total Disability must:

1. Be solely due to a covered Accidental Injury or Sickness [not related to Your Occupation or employment], and
2. Begin while Your coverage is in force.

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You must also be under the regular care of a Physician. Regular care means medical treatment delivered with frequency appropriate to treat Your condition by a Physician qualified to provide treatment for your condition.

Benefits will be paid for each period of Total Disability that continues beyond the Elimination Period. No benefits are payable beyond the Maximum Benefit Period shown in the Policy Schedule. The benefit amount paid for Total Disability [from non-occupational causes] is shown in the Certificate Schedule. [Benefits for On-the-Job Accident and Sickness will be paid at [50]% of the benefit amount shown in the Certificate Schedule.]

Total Disability begins on the day You receive treatment for the Accidental Injury or Sickness causing Your Total Disability coinciding with or following complete cessation of work.

Disability benefits will be paid for only one Disability when more than one Disability exists at the same time or when Disability results from more than one cause.

Partial Disability Benefit

We will pay Partial Disability benefits if You are Partially Disabled following a period of Total Disability due to a covered Accidental Injury or Sickness. Payment of the Partial Disability benefit is subject to the following conditions:

1. You are Totally Disabled for the Elimination Period and Total Disability benefits are payable, and
2. Partial Disability is the result of the same Accidental Injury or Sickness [, and not related to Your Occupation or employment,] that caused Total Disability.

Partial Disability benefits are payable beginning the first day following the date Total Disability ends. The benefit payable will be [50%] of the Total Disability benefit shown in the Certificate Schedule. The Partial Disability benefit is payable for a maximum of [6] months, however the combined period of Total Disability and Partial Disability benefits may not exceed the Maximum Benefit Period stated in the Certificate Schedule.

Partial Disability benefits will be reduced by the amount that Your Earned Income from partial work activity plus Income from Other Sources plus Partial Disability benefits payable under this Policy before reduction, exceeds Your Earned Income at the time Your Total Disability began, however We will not reduce the weekly benefit payable for Partial Disability to be less than [\$25].

Waiver of Premium Benefit

If You are Totally Disabled for a continuous period of [30] days We will continue insurance coverage without payment of premium. Premium will be waived for any premium due from the date Total Disability begins until the date Total Disability ends. Waiver of Premium will continue to the earliest of:

1. The end of Your period of Total Disability,
2. The end of the Maximum Benefit Period,
3. The date the Policy terminates or the date Your Coverage under the Policy terminates, or
4. The date Your employment with the Policyholder ends.

General Benefit Provisions

Benefits payable for a period of Disability of less than one week will be based on one-seventh (1/7) of the weekly amount due for each day of Disability.

EXCLUSIONS AND LIMITATIONS

Exclusions. We will not pay benefits for Disability caused by or contributed to by:

1. War or act of war (declared or undeclared),
2. Suicide, attempted suicide, or any intentionally self-inflicted injury, while sane or insane,
3. Committing or attempting to commit a felony,
4. Service in the armed forces or auxiliary unit of any country,
5. Participation in an illegal occupation or activity,
6. Incarceration in a penal institution or government detention facility,
7. Travel in, or descent from, an aircraft other than as a fare-paying passenger on a regularly scheduled commercial airline flight,
8. Having cosmetic surgery or other elective procedures not medically necessary, or having dental treatment except as a result of accidental injury,
9. Participating in any sport or sporting activity for wage, compensation, or profit, or racing any type of vehicle in an organized event,
10. Pregnancy that results in a normal delivery during the first 10 months following the Policy Effective Date. A delivery due to a premature birth and which occurs within 10 month following the Policy Effective Date will be covered if the pregnancy would otherwise have resulted in a viable birth with a scheduled delivery date after 10 months following the Policy Effective Date, or
11. Being outside the territorial limits of the United States. If You become Totally Disabled while You are outside the United States, the Elimination Period will not begin until You return to the United States provided You are still Totally Disabled on that date and have received treatment in the United States.
12. [Disabilities resulting from On-the-Job Accident or Sickness.]

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Limitations.

Normal Pregnancy. No benefits will be paid for any period of Total Disability from a normal pregnancy, elective abortion, or childbirth if this Certificate has been in effect for less than 10 months. After this Certificate has been in effect for 10 months, benefits will be paid as a Total Disability resulting from any other Sickness. We will not apply this limitation to periods of Disability resulting from a Complication of Pregnancy.

Pre-Existing Condition Limitation. We will not pay any benefits for any Disability occurring within one year following the Insured's Effective Date of coverage due to a Pre-Existing Condition. This limitation will be reduced by the amount of time You were covered under a previous policy providing similar disability benefits issued to the Policyholder and discontinued immediately prior to the Effective Date of the Policy.

PREMIUM PROVISIONS

Premiums. We provide insurance coverage in return for premium payment. The first premium is due on the Certificate Effective Date shown in the Schedule of Benefits. Each premium after that is due on the first day following the period for which the preceding premium was paid. The premium should be paid to Us by the Insured or the Policyholder on or before the due date.

Our Right to Change Premium Rates. We have the right to change Our premium rates based on the experience of the Rate Class to which You belong. We will give the Policyholder at least [31] days prior written notice of any change.

Grace Period. After the first premium is paid, each subsequent premium can be paid in the Grace Period. Any Grace Period will last 31 days after the premium due date. During this time, this Certificate will remain in full force. If a past due premium is not paid by the end of the Grace Period, this Certificate will lapse. The lapse date will be the last day of the period for which premiums were paid.

Refund of Unearned Premium. If coverage under this Certificate for the Insured terminates for any reason, We will promptly refund any unearned premium with respect to such Insured.

Continued Coverage. For Continued Coverage premiums are due annually at the beginning of the year for which coverage is provided. Your initial premium for Continued Coverage will be based on Your Rate Class at the time coverage was initially issued to You and the premium table in effect as of the date coverage is continued. Subsequent premium changes will be based on the experience of all Insureds electing to Continued Coverage. Premiums for Continued Coverage must be paid directly to Us at the time of coverage continuation and for each coverage year thereafter. Any unearned premium for Continued Coverage at the time Your Continued Coverage terminates will be refunded to You or Your estate.

GENERAL PROVISIONS

Notice of Claim. The Insured must give Us written notice of claim. It must be given within 20 days after a covered loss occurs or starts, or as soon as reasonably possible. The notice must be given by the Insured or the Insured's representative. Such notice should include the Insured's name, Policy number and Certificate number. Notice should be mailed to Us at [601 East Britton Road, Oklahoma City, Oklahoma 73114-7710] or to any authorized agent.

Claim Forms. When We receive notice of claim, We will give or provide the Insured forms for filing proof of loss. If We do not give or provide them within 15 days, the Insured can meet the proof of loss requirement by giving Us a written statement of what happened. This statement should include the type and extent of the loss incurred. We must receive this statement within the time given for filing proof of loss.

Proof of Loss. Proof of Loss is due within 90 days after the date benefits become payable or as soon thereafter as reasonably possible. We may reduce or deny benefits because Proof of Loss is given more than 12 months after the 90 day period ends unless You can show that Proof of Loss was provided as soon as reasonably possible. Proof of Loss must be provided at Your expense and include the following:

1. A claim form completed and signed by You,
2. A claim form completed and signed by Your employer to verify coverage eligibility at the time of Your Disability,
3. A claim form completed and signed by Your Physician,
4. Written authorization for Us to obtain records and information to determine Your eligibility for benefits, and
5. Other documents that we may reasonably require to evaluate Your claim and which we request in writing.

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We will require You to submit additional Proof of Loss at Your expense at reasonable intervals during the continuance of the period for which You are claiming Disability benefits.

Time of Payment of Claims. Subject to satisfactory Proof of Loss, We will pay all accrued benefits under this Policy at the expiration of each period of [30] days during the continuance of the period for which We are liable. We will pay any balance remaining at the termination of that period immediately upon receipt of due Proof of Loss. Claims for which no additional information is required will either be paid or denied no later than 45 calendar days after receipt of proof of loss. If there is a delay in payment of the claim, We will notify You in writing of the cause for delay in payment of the claim within 30 days after receipt of Proof of Loss. Upon receipt of any additional information required by Us, We will either pay or deny the claim or a portion of the claim within 45 calendar days.

Payment of Claims. All benefits You are due will be paid to You. Accrued benefits that are not paid at Your death will be paid to Your beneficiary or estate. We can pay up to \$1,000 to a relative deemed by the Company to be entitled to it instead of Your estate in the event You have died or lack legal capacity. Such payment made in good faith fully discharges the Company to the extent of the payment.

Reimbursement of Overpayments. Benefits payable under this Policy may be affected by Income from Other Sources. Any amount overpaid to You due to the timing of receipt by the Company of documentation of Income from Other Sources, or the award of Income from Other Sources granted retroactively must be

reimbursed to the Company. You will be responsible for reimbursing the Company only to the extent of the overpayment involved and reimbursement is due upon request by the Company.

Unpaid Premium. Any unpaid premium due for an Insured's coverage under the Policy may be recovered by Us by offsetting against amounts otherwise payable under the Policy.

Change of Beneficiary. Unless the Insured makes an irrevocable designation of beneficiary, the right to change a beneficiary is reserved to the Insured and the consent of the beneficiary or beneficiaries will not be requisite to assignment of the Policy or to change of beneficiary or beneficiaries or to any changes in the Policy. A change of beneficiary will not have a bearing on any payment We made before We receive the change.

Physical Examination and Autopsy. We, at Our expense, may have the Insured examined when and as often as We may reasonably require while a claim is pending or active and to make an autopsy in case of death where it is not forbidden by law.

Legal Actions. No legal action may be brought to recover on the Policy within 60 days after written proof of loss has been given as required by the Policy. No such action may be brought after the expiration of 3 years after the time written proof of loss is required to be given.

Periods of Time. All periods of time shown in this Certificate begin and end at 12:01 a.m., Standard Time, at Your address.

Non-Participating. The Policy is a non-participating policy and does not share in the Company's surplus.

Workers' Compensation. The Policy is not a Workers' Compensation policy. It does not satisfy any requirement for coverage by Workers' Compensation insurance.

Conformity with Law. Any provision in this Policy that is in conflict with the requirements of any state or federal law that apply to this Policy are automatically changed to satisfy the minimum requirements of such laws.

Deleted: State Statutes

Deleted: Any provision of this Certificate which, on the Certificate Effective Date, is in conflict with the statutes of the state in which the Insured resides on such date, is hereby amended to conform to the minimum requirements of such state.

TERMINATION OF COVERAGE

Termination. Your coverage will terminate on the earliest of the following dates:

1. The date You cease to be Actively-at-Work on a permanent basis or cease to be a member of an Eligible Class, as shown in the Policy Schedule provisions, for reasons other than Disability;
2. The end of the month on or following the date the Eligible Class to which You are a member is no longer an Eligible Class for coverage under the Policy;
3. The end of the month on or following the date We receive the Your written request for termination of coverage;
4. The last date for which premiums were paid if premiums due have not been paid by the end of the Grace Period;
5. The date You retire;
6. The date You attain age 70;
7. The date of Your death; or
8. The date the Policy is cancelled or terminated, except as outlined below in Your Right to Continue Insurance Coverage.

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Termination of the Policy will not affect the payment of benefits for a Total Disability which begins before the Policy is terminated.

Your Right to Continue Insurance Coverage. If the Company elects not to renew the Policy You have the right to continue Your coverage under the following terms:

1. Your coverage must be in force as of the Policy termination date,
2. You must have been insured under the Policy for at least 12 months,
3. You must be Actively-at-Work,
4. You must elect to Continue Coverage within [31] days following the Policy termination date,
5. You are not enrolled or eligible for coverage in any other plan of insurance providing similar benefits as of the date You apply for Continued Coverage,
6. You complete a Continue Coverage form satisfactory to Us, and
7. You pay required premiums directly to Us when due.

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Continued Coverage is effective on the day following the Policy termination date, provided You have met all the conditions necessary for Continued Coverage, and is guaranteed renewable up to the Policy anniversary prior to Your seventieth (70th) birthday provided premiums are paid when due. Premiums for Continued Coverage are due annually at the beginning of the coverage year.

Your initial premium rate for Continued Coverage is subject to change based on the experience of all Insured's who have elected Continued Coverage. We will not change premium rates more than once per year and no premium change will take effect unless We have provided written notice at least [45] days prior to the date such premium change takes effect.

Terms for Continued Coverage. Under Continued Coverage, benefits payable for Disability are limited to 60% of Your Earned Income at the time of Disability.

You are responsible to inform Us if at any time,

- You retire,
- You are not at work for 12 consecutive months, or
- Your Earned Income has decreased and You need to reduce Your coverage to reflect Your current level of Earned Income.

If You are unemployed at the time You suffer a covered Accidental Injury or Sickness, Total Disability means You are unable to perform, without substantial hands-on human assistance, two or more Activities of Daily Living. Activities of Daily Living are defined as follows:

Continence: the ability to maintain control of bowel and bladder function; or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or ostomy appliance).

Dressing: putting on a taking off all items of clothing and any necessary braces, fasteners, or prosthetics.

Eating: feeding oneself by getting food into the body from a receptacle (such as a plate or cup) or by a feeding tube.

Toileting: getting to a from the toilet, getting on and off the toilet, and performing associated personal hygiene.

Transferring: moving into or out of a bed, chair, or wheelchair.

Termination of Continued Coverage. Continued Coverage will end on the earliest of:

1. The last premium due date for which You failed to pay premium before the end of the Grace Period,
2. The date You retire or otherwise have not worked for 12 consecutive month,
3. The date You die, or the date You have requested Us in writing to terminate Your coverage.

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State: District of Columbia **Filing Company:** Reserve National Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.002 Short Term
Product Name: Group Short Term Disability
Project Name/Number: DC Group STD/ResNatGSTD201302

Post Submission Update Request Submitted On 11/27/2013

Status: Submitted
Created By: Cynthia Sahlman

General Information:

Field Name	Requested Change	Prior Value
Implementation Date Requested	12/20/2013	11/22/2013

SERFF Tracking #:

DSBL-129253193

State Tracking #:

Company Tracking #:

RESNATGSTD2011302-DC

State: District of Columbia

Filing Company:

Reserve National Insurance Company

TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.002 Short Term

Product Name: Group Short Term Disability

Project Name/Number: DC Group STD/ResNatGSTD201302

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: %

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Reserve National Insurance Company	0.000%	0.000%				%	%

SERFF Tracking #:

DSBL-129253193

State Tracking #:**Company Tracking #:**

RESNATGSTD2011302-DC

State:

District of Columbia

Filing Company:

Reserve National Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.002 Short Term

Product Name:

Group Short Term Disability

Project Name/Number:

DC Group STD/ResNatGSTD201302

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		RNIC VSTD ESDI Rate Manual	KB-ESDI-POL-1301-DC, KB-ESDI-CER-1301-DC	New		RNIC VSTD ESDI RateManual.pdf,

Reserve National Insurance Company
 Group Short Term Disability Insurance Policy, Form # KB-ESDI-POL-1301
 Rate Manual
 Coverage Option: Non-Occupation Accident and Sickness

Annual Premium per \$100 Weekly Benefit

Benefit Period	Elim Period		Issue Ages	Industry Class				
	Acc	Sick		Class 1	Class 2	Class 3	Class 4	Class 5
13	0	7	18-49	132.18	146.56	158.73	180.19	199.24
13	0	7	50-59	149.55	165.92	176.29	195.99	236.20
13	0	7	60-64	179.25	198.81	215.92	231.05	289.14
13	7	7	18-49	124.27	137.78	147.70	167.35	182.36
13	7	7	50-59	135.65	150.52	159.96	178.44	211.93
13	7	7	60-64	156.27	173.36	192.95	207.76	258.49
13	0	14	18-49	101.06	112.06	124.38	153.41	171.53
13	0	14	50-59	120.28	133.47	144.17	171.36	208.21
13	0	14	60-64	154.78	171.69	179.40	202.90	256.68
13	14	14	18-49	84.96	94.22	104.94	129.74	140.24
13	14	14	50-59	98.63	109.46	120.30	144.76	171.94
13	14	14	60-64	124.59	138.23	147.89	170.36	213.08
26	0	7	18-49	175.51	194.55	210.90	239.61	265.57
26	0	7	50-59	204.59	226.86	241.88	269.18	324.72
26	0	7	60-64	249.39	276.43	301.88	324.15	405.89
26	7	7	18-49	165.28	183.21	196.59	222.98	243.66
26	7	7	50-59	187.26	207.69	221.40	247.16	294.07
26	7	7	60-64	221.20	245.25	273.73	295.43	367.90
26	0	14	18-49	135.04	149.74	166.29	205.23	229.82
26	0	14	50-59	165.09	183.12	198.29	236.03	286.87
26	0	14	60-64	215.71	239.17	250.92	284.96	360.53
26	14	14	18-49	114.09	126.51	141.02	174.50	189.15
26	14	14	50-59	137.66	152.73	168.03	202.24	240.55
26	14	14	60-64	178.23	197.67	211.70	244.24	305.55
26	30	30	18-49	67.60	74.99	90.88	124.00	137.29
26	30	30	50-59	96.11	106.67	127.64	170.85	208.45
26	30	30	60-64	138.83	154.00	178.89	227.32	285.71
52	0	14	18-49	168.30	186.58	207.36	256.08	287.53
52	0	14	50-59	217.19	240.82	261.25	310.91	377.95
52	0	14	60-64	292.89	324.52	341.39	388.44	490.86
52	7	14	18-49	155.96	172.92	190.10	236.08	261.13
52	7	14	50-59	196.30	217.68	236.51	284.41	340.88
52	7	14	60-64	258.93	286.98	307.46	353.88	445.05
52	14	14	18-49	143.02	158.58	177.00	219.25	238.71
52	14	14	50-59	183.99	204.05	224.68	270.15	321.92
52	14	14	60-64	247.66	274.50	294.13	339.32	424.43
52	30	30	18-49	86.45	95.89	116.46	159.13	177.02
52	30	30	50-59	130.51	144.81	173.46	231.99	283.54
52	30	30	60-64	194.97	216.19	251.33	319.19	401.15
52	60	60	18-49	76.14	84.50	102.85	140.78	157.12
52	60	60	50-59	118.69	131.69	157.93	211.29	258.61
52	60	60	60-64	179.88	199.44	232.12	295.00	371.12

Reserve National Insurance Company
 Group Short Term Disability Insurance Policy, Form # KB-ESDI-POL-1301
 Rate Manual
 Coverage Option: 24 Hour Accident and Sickness

Annual Premium per \$100 Weekly Benefit

Benefit Period	Elim Period		Issue Ages	Industry Class				
	Acc	Sick		Class 1	Class 2	Class 3	Class 4	Class 5
13	0	7	18-49	141.06	156.37	171.34	196.76	221.14
13	0	7	50-59	159.98	177.45	189.39	211.98	258.20
13	0	7	60-64	192.84	213.83	231.86	248.77	313.70
13	7	7	18-49	130.56	144.72	156.72	179.76	198.82
13	7	7	50-59	141.56	157.03	167.75	188.72	226.12
13	7	7	60-64	162.38	180.12	201.47	217.97	273.27
13	0	14	18-49	110.00	121.97	137.11	170.10	193.60
13	0	14	50-59	130.79	145.12	157.37	187.43	230.34
13	0	14	60-64	168.45	186.82	195.48	220.75	281.44
13	14	14	18-49	88.62	98.26	111.32	138.72	152.19
13	14	14	50-59	102.06	113.25	125.72	152.19	182.38
13	14	14	60-64	128.41	142.47	153.74	177.68	223.81
26	0	7	18-49	187.08	207.35	227.38	261.23	294.19
26	0	7	50-59	217.92	241.59	258.68	289.78	353.12
26	0	7	60-64	266.43	295.22	321.97	346.69	437.20
26	7	7	18-49	173.53	192.34	208.45	239.25	265.29
26	7	7	50-59	194.98	216.20	231.61	260.70	312.76
26	7	7	60-64	229.16	254.02	284.82	308.84	387.28
26	0	14	18-49	146.76	162.70	182.97	227.06	258.69
26	0	14	50-59	178.56	198.02	215.29	256.79	315.54
26	0	14	60-64	232.90	258.14	271.29	307.73	392.20
26	14	14	18-49	118.94	131.89	149.51	186.42	205.02
26	14	14	50-59	142.19	157.77	175.23	212.13	254.47
26	14	14	60-64	183.29	203.23	219.44	253.96	319.85
26	30	30	18-49	70.52	78.22	96.23	133.32	149.26
26	30	30	50-59	99.18	110.06	132.73	178.89	219.47
26	30	30	60-64	142.34	157.89	184.42	235.60	297.16
52	0	14	18-49	182.52	202.30	227.63	282.56	322.61
52	0	14	50-59	233.69	259.01	282.12	336.41	413.16
52	0	14	60-64	313.84	347.58	366.32	416.34	529.68
52	7	14	18-49	166.19	184.22	204.80	256.20	287.90
52	7	14	50-59	206.03	228.44	249.45	301.50	364.49
52	7	14	60-64	269.02	298.08	321.61	370.94	469.71
52	14	14	18-49	149.03	165.21	187.50	233.99	258.38
52	14	14	50-59	189.74	210.41	233.78	282.67	339.53
52	14	14	60-64	254.09	281.62	304.01	351.76	442.63
52	30	30	18-49	90.12	99.96	123.20	170.87	192.15
52	30	30	50-59	134.47	149.18	180.04	242.39	297.76
52	30	30	60-64	199.54	221.23	258.52	329.93	415.98
52	60	60	18-49	79.39	88.07	108.76	151.11	170.43
52	60	60	50-59	122.19	135.57	163.75	220.51	271.22
52	60	60	60-64	183.92	203.89	238.47	304.53	384.27

State: District of Columbia

Filing Company:

Reserve National Insurance Company

TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.002 Short Term

Product Name: Group Short Term Disability

Project Name/Number: DC Group STD/ResNatGSTD201302

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	Cover Letter.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	Reserve National; Letter of Authorization; DIS.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	RNIC VSTD ESDI Act Memo.PDF
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	See last page for Certification and Signature
Attachment(s):	RNIC VSTD ESDI Act Memo.PDF
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

DSBL-129253193

State Tracking #:

Company Tracking #:

RESNATGSTD2011302-DC

State:

District of Columbia

Filing Company:

Reserve National Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.002 Short Term

Product Name:

Group Short Term Disability

Project Name/Number:

DC Group STD/ResNatGSTD201302

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

RE: RESERVE NATIONAL INSURANCE COMPANY
NAIC: 215-68462 FEIN: 73-0661453
Proposed Effective Date: November 22, 2013

NEW GROUP HEALTH DISABILITY FILING

KB-ESDI-PHAPP-1301-DC – Application for Group Short Term Disability Insurance (Single Employer)

KB-ESDI-IPAPP-1301-DC - Application for Group Short Term Disability Insurance (Insured)

KB-ESDI-CER-1301-DC - Certificate

KB-ESDI-POL-1301-DC - Master Policy

KB-CCSDI-1301-DC - Continuation of Coverage

Variability Statement

Actuarial Memorandum

Rate Manual

Letter of Authorization

Clarification Letter regarding Association and Trust Group Policyholders

Dear Sir/Madam:

Transmitted via SERFF are copies of the above-referenced forms for your review and approval. These forms are submitted for approval. These are new forms and are not intended to replace any forms previously approved by the Department. The forms include the flexibility to be issued to a traditional employer, a multiple employer trust or an association of employers. Therefore, we have included a clarification letter regarding issue of these forms to an association or a trust.

This policy provides weekly short term disability income benefits for disability due to accident or sickness. Two coverage options are available: Non-Occupation Accident and Sickness, which pays for losses due to off-the-job accident or sickness only, or 24 Hour Accident and Sickness which pays a 50% benefit for losses due to on-the-job accident or sickness. All bracketed material in the policy as well as other variables including issue ages, benefit amounts, coverage options, benefit periods, and elimination periods, are explained in the Variability Statement included as part of this submission. The prospective policyholder can select from the various benefit options to put together a Group Short Term Disability Insurance Policy that fits the needs of their employees or members.

Form KB-ESDI-POL-1301 is the Policy Pages. Form KB-ESDI-PHAPP-1301 is the Policyholder Application. Form KB-ESDI-CER-1301 is the Certificate and Form KB-ESDI-IPAPP-1301 is the Insured Person Application. Form KB-CCSDI-1301 is the form that will be used by an insured person to elect continuation of coverage.

The application will be used for all three types of underwriting: (1) Guaranteed Issue for those who are purchasing an agreed upon amount of insurance – no medical questions will be answered; (2) Conditional Guaranteed Issue will answer the first three questions; and (3) Simplified Issue – all questions must be answered. Any policies issued are based on the information provided on the application. We do not request health examinations or a consumer credit report. The type of underwriting used for any Policy will depend on the case size and group risk characteristics. The application form may be used for internet solicitation and the application process for the above product. If the application is to be used on the internet, no substantial changes will be made to the format and no changes will be made to the actual application language. For the actual applicant's signature, a PIN or other electronic signature will be required to be captured.

Please note that minor modifications in paper size and stock, ink, border, Company logo, signatures and column formatting to accommodate system needs may result; however no change in the variable areas will be made which will be in conflict with the laws, rules and regulations of this state. In addition, no change in variability will be made which in any way expands the scope of the wording being changed. All forms are produced by laser print.

To the best of our knowledge, this filing is complete and intended to comply with the insurance laws of your state.

Sincerely,



Kyle Conrad

Sr. Vice President and Corporate Counsel
Reserve National Insurance Company



Reserve National Insurance Company
601 East Britton Road
Oklahoma City, OK 73114-7710
reservenational.com

January 21, 2013

RE: Filing Authorization
Disability Insurance Specialists, LLC

To Whom It May Concern:

I hereby authorize Disability Insurance Specialists, LLC and any authorized representative of Disability Insurance Specialists, LLC to submit state filings of insurance applications/forms/rates/products on behalf of Reserve National Insurance Company.

This authorization includes the power to provide necessary assurances and certifications related to such applications/forms/rates/products, except as prohibited by law.

This authorization is to be effective until revoked in writing by an authorized representative of Reserve National Insurance Company.

Sincerely,

A handwritten signature in black ink that reads "Kyle D. Conrad".

Kyle D. Conrad
Senior Vice President
and Associate Corporate Counsel

KDC:bdd

ACTUARIAL MEMORANDUM

Policy Forms

Group Short Term Disability Insurance Policy	KB-ESDI-POL-1301
Group Short Term Disability Insurance Certificate	KB-ESDI-CER-1301

Scope and Purpose

The purpose of this memorandum is to certify that the premiums for the policy forms shown above satisfy the requirements of your state. This memorandum should not be used for any other purpose.

Benefit Description

This policy provides weekly short term disability income benefits for total disability due to accident or sickness. Normal pregnancy benefits are covered as a sickness after a 10 month waiting period. Two coverage options are available:

1. Non-Occupation Accident and Sickness: No benefit is paid for on-the-job accident or sickness
2. 24 Hour Accident and Sickness: Benefits for on-the-job accident or sickness are payable at 50% of the selected benefit amount.

Total disability benefits are paid following an elimination period, subject to a maximum benefit period. The policy provides an additional partial disability benefit, payable after a period of total disability at 50% of the total disability benefit, for a period limited to 6 months. The combined total and partial benefits cannot exceed the maximum benefit period. A premium waiver benefit, retroactive after 30 days, is also included.

Renewability

The policy is Optionally Renewable. Coverage in force at the time of cancellation by the company may be continued on an individual basis. Continued coverage is Guaranteed Renewable to Age 70.

Applicability

This is a new product filing. This filing applies to new issues and renewals.

Marketing Method

Policies will be marketed by brokers to employer groups on a voluntary basis.

Underwriting

Certificates under this policy are subject to guaranteed issue underwriting, simplified underwriting, or conditional guaranteed issue underwriting, depending on group size and participation during open enrollment periods. Applicants at other times may be required to submit evidence of insurability.

Premium Classes

Premium rates vary by the following factors:

1. Industry Class: 1, 2, 3, 4, and 5. If a certificate-holder's coverage is continued after the policy has been cancelled as allowed in the policy, rates are subject to a Continued Coverage class. As of this filing, Continued Coverage class rates are equal to the initial group rates.
2. Benefit Period: 13, 26, and 52 weeks.

RESERVE NATIONAL INSURANCE COMPANY
Group Short Term Disability Insurance Policy

3. Elimination Period:

<u>Acc</u>	<u>Sick</u>	<u>Available Ben Per</u>
0	7	13, 26
7	7	13, 26
0	14	13, 26, 52
14	14	13, 26, 52
7	14	52
30	30	26, 52
60	60	52

4. Coverage Option: Non-Occupation Accident and Sickness, 24 Hour Accident & Sickness

5. Issue Age: 18-49, 50-59, 60-64

Premium rates for a large group may differ from the attached schedule of manual premiums. Rates may be adjusted at issue or renewal due to factors including, but not limited to the group's historical experience, policy coverage features, and the level of premium contribution by the group policyholder.

Pricing Assumptions

1. Morbidity:

Incidence and termination rates are based on 1985 CIDA with adjustments for experience developed from studies performed by the Individual Disability Experience Committee of the Society of Actuaries, for the characteristics of the product and market, and for actuarial judgment.

2. Persistency:

The sample termination rates below include mortality:

	<u>25</u>	<u>35</u>	<u>45</u>	<u>55</u>	<u>62</u>
1	35%	35%	30%	30%	30%
2	30%	30%	25%	25%	20%
3	20%	20%	15%	15%	22%
4	15%	15%	14%	14%	27%
5	14%	14%	13%	13%	30%
6	13%	13%	12%	22%	30%
7	12%	12%	12%	24%	30%

3. Interest: 4.0%

Average Annual Premium

The average annual premium for this policy form is \$448.

RESERVE NATIONAL INSURANCE COMPANY
Group Short Term Disability Insurance Policy

Premium Modalization Rules

Annual premium rates are shown in the Rate Manual. The premium for a monthly mode is equal to 1/12 times the annual premium. Premiums for modes other than annual are equal to the fractional portion of the year multiplied by the annual premium.

Claim Liability and Reserves

Claim reserves will be calculated using the minimum interest and morbidity standards required by this state.

Active Life Reserves

Active Life Reserves will be calculated using 2 year Full Preliminary Term methodology, and the minimum interest, morbidity and mortality standards required by this state.

Anticipated Loss Ratio

The anticipated loss ratio for this form is 50.1%. The loss ratio is calculated as the present value of incurred claims divided by the present value of premiums, where incurred claims are equal to paid plus the change in claim reserve. The discount rate is 4.0%.

Distribution of Business

By Industry Class	
Class 1	10%
Class 2	30%
Class 3	30%
Class 4	20%
Class 5	10%

By Benefit Period	
13	25%
26	50%
52	25%

By Issue Age	
18-49	70%
50-59	25%
60-64	5%

RESERVE NATIONAL INSURANCE COMPANY
Group Short Term Disability Insurance Policy

By Elimination Period within Benefit Period

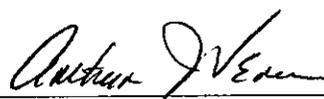
Acc/Sick	<u>13</u>	<u>26</u>	<u>52</u>
00/07	25%	20%	
00/14	25%	20%	25%
07/07	25%	20%	
07/14			25%
14/14	25%	20%	25%
30/30		20%	15%
60/60			10%

By Coverage Election

Non-Occupation Accident and Sickness	80%
24 Hour Accident and Sickness	20%

Actuarial Certification

To the best of my knowledge and judgment, this rate filing is in compliance with the applicable laws and regulations of this state and with Actuarial Standard Practice No. 8, "Regulatory Filings for Rates and Financial Projections for Health Plans". Premiums are reasonable in relation to the benefits provided, and are not excessive, inadequate or unfairly discriminatory.



 Arthur J. Verney, FSA, MAAA
 Consulting Actuary
 Disability Insurance Specialists, LLC

2/5/13

 Date

ACTUARIAL MEMORANDUM

Policy Forms

Group Short Term Disability Insurance Policy	KB-ESDI-POL-1301
Group Short Term Disability Insurance Certificate	KB-ESDI-CER-1301

Scope and Purpose

The purpose of this memorandum is to certify that the premiums for the policy forms shown above satisfy the requirements of your state. This memorandum should not be used for any other purpose.

Benefit Description

This policy provides weekly short term disability income benefits for total disability due to accident or sickness. Normal pregnancy benefits are covered as a sickness after a 10 month waiting period. Two coverage options are available:

1. Non-Occupation Accident and Sickness: No benefit is paid for on-the-job accident or sickness
2. 24 Hour Accident and Sickness: Benefits for on-the-job accident or sickness are payable at 50% of the selected benefit amount.

Total disability benefits are paid following an elimination period, subject to a maximum benefit period. The policy provides an additional partial disability benefit, payable after a period of total disability at 50% of the total disability benefit, for a period limited to 6 months. The combined total and partial benefits cannot exceed the maximum benefit period. A premium waiver benefit, retroactive after 30 days, is also included.

Renewability

The policy is Optionally Renewable. Coverage in force at the time of cancellation by the company may be continued on an individual basis. Continued coverage is Guaranteed Renewable to Age 70.

Applicability

This is a new product filing. This filing applies to new issues and renewals.

Marketing Method

Policies will be marketed by brokers to employer groups on a voluntary basis.

Underwriting

Certificates under this policy are subject to guaranteed issue underwriting, simplified underwriting, or conditional guaranteed issue underwriting, depending on group size and participation during open enrollment periods. Applicants at other times may be required to submit evidence of insurability.

Premium Classes

Premium rates vary by the following factors:

1. Industry Class: 1, 2, 3, 4, and 5. If a certificate-holder's coverage is continued after the policy has been cancelled as allowed in the policy, rates are subject to a Continued Coverage class. As of this filing, Continued Coverage class rates are equal to the initial group rates.
2. Benefit Period: 13, 26, and 52 weeks.

RESERVE NATIONAL INSURANCE COMPANY
Group Short Term Disability Insurance Policy

3. Elimination Period:

<u>Acc</u>	<u>Sick</u>	<u>Available Ben Per</u>
0	7	13, 26
7	7	13, 26
0	14	13, 26, 52
14	14	13, 26, 52
7	14	52
30	30	26, 52
60	60	52

4. Coverage Option: Non-Occupation Accident and Sickness, 24 Hour Accident & Sickness

5. Issue Age: 18-49, 50-59, 60-64

Premium rates for a large group may differ from the attached schedule of manual premiums. Rates may be adjusted at issue or renewal due to factors including, but not limited to the group's historical experience, policy coverage features, and the level of premium contribution by the group policyholder.

Pricing Assumptions

1. Morbidity:

Incidence and termination rates are based on 1985 CIDA with adjustments for experience developed from studies performed by the Individual Disability Experience Committee of the Society of Actuaries, for the characteristics of the product and market, and for actuarial judgment.

2. Persistency:

The sample termination rates below include mortality:

	<u>25</u>	<u>35</u>	<u>45</u>	<u>55</u>	<u>62</u>
1	35%	35%	30%	30%	30%
2	30%	30%	25%	25%	20%
3	20%	20%	15%	15%	22%
4	15%	15%	14%	14%	27%
5	14%	14%	13%	13%	30%
6	13%	13%	12%	22%	30%
7	12%	12%	12%	24%	30%

3. Interest: 4.0%

Average Annual Premium

The average annual premium for this policy form is \$448.

RESERVE NATIONAL INSURANCE COMPANY
Group Short Term Disability Insurance Policy

Premium Modalization Rules

Annual premium rates are shown in the Rate Manual. The premium for a monthly mode is equal to 1/12 times the annual premium. Premiums for modes other than annual are equal to the fractional portion of the year multiplied by the annual premium.

Claim Liability and Reserves

Claim reserves will be calculated using the minimum interest and morbidity standards required by this state.

Active Life Reserves

Active Life Reserves will be calculated using 2 year Full Preliminary Term methodology, and the minimum interest, morbidity and mortality standards required by this state.

Anticipated Loss Ratio

The anticipated loss ratio for this form is 50.1%. The loss ratio is calculated as the present value of incurred claims divided by the present value of premiums, where incurred claims are equal to paid plus the change in claim reserve. The discount rate is 4.0%.

Distribution of Business

By Industry Class	
Class 1	10%
Class 2	30%
Class 3	30%
Class 4	20%
Class 5	10%

By Benefit Period	
13	25%
26	50%
52	25%

By Issue Age	
18-49	70%
50-59	25%
60-64	5%

RESERVE NATIONAL INSURANCE COMPANY
Group Short Term Disability Insurance Policy

By Elimination Period within Benefit Period

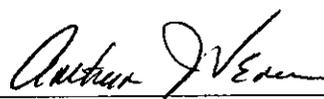
Acc/Sick	<u>13</u>	<u>26</u>	<u>52</u>
00/07	25%	20%	
00/14	25%	20%	25%
07/07	25%	20%	
07/14			25%
14/14	25%	20%	25%
30/30		20%	15%
60/60			10%

By Coverage Election

Non-Occupation Accident and Sickness	80%
24 Hour Accident and Sickness	20%

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