

**State:** District of Columbia **Filing Company:** Reserve National Insurance Company  
**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** Accident Expense Rates  
**Project Name/Number:** /

## Filing at a Glance

Company: Reserve National Insurance Company  
Product Name: Accident Expense Rates  
State: District of Columbia  
TOI: H02G Group Health - Accident Only  
Sub-TOI: H02G.000 Health - Accident Only  
Filing Type: Rate  
Date Submitted: 10/16/2013  
SERFF Tr Num: EWLE-129251755  
SERFF Status: Assigned  
State Tr Num:  
State Status:  
Co Tr Num:

Implementation  
Date Requested:  
Author(s): Suzanne Heasley  
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:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only  
**Product Name:** Accident Expense Rates  
**Project Name/Number:** /

## General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Date Approved in Domicile:
Requested Filing Mode:	Domicile Status Comments:
Explanation for Combination/Other:	Market Type:
Submission Type:	Overall Rate Impact:
Filing Status Changed: 10/24/2013	
State Status Changed:	Deemer Date:
Created By: Suzanne Heasley	Submitted By: Suzanne Heasley
Corresponding Filing Tracking Number:	

Filing Description:  
See attached submission letter

## Company and Contact

### Filing Contact Information

Suzanne Heasley, Compliance	sheasley@lewisellis.com
2325 Havard Oak Drive	972-398-3733 [Phone]
Plano, TX 75074	

### Filing Company Information

(This filing was made by a third party - lewisandellisincorporated3)

Reserve National Insurance Company	CoCode: 68462	State of Domicile: Oklahoma
601 East Britton Road	Group Code:	Company Type:
Oklahoma City, OK 73114	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 #:**

EWLE-129251755

**State Tracking #:****Company Tracking #:****State:** District of Columbia**Filing Company:**

Reserve National Insurance Company

**TOI/Sub-TOI:** H02G Group Health - Accident Only/H02G.000 Health - Accident Only**Product Name:** Accident Expense Rates**Project Name/Number:** /

## 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	KB-EAE-POL-1301-DC, KB-EAE-PHAPP-1301-DC, KB-EAE-CER-1301-DC, KB-EAE-IPAPP-1301-DC, KB-EA-SR-1301-DC, KB-EA-CR-1301-DC, KB-EAE-AR-1301-DC, KB-EA-DR-1301-ED	New		RNICAccExpKB-EAE-POL-1301ActMemo-Generic02-21-13.pdf,

# **Reserve National Insurance Company**

---

**Actuarial Memorandum**  
**Accident Expense Product**  
**Policy Form: KB-EAE-POL-1301, et al.**

## **Purpose and Scope**

The purpose of this memorandum is to demonstrate that the proposed rates comply with state regulations. This filing is not intended to be used for any other purpose.

## **Benefit Description**

The base plan offers accident medical expense coverage. Initial Care must begin within 72 hours of the accident and all treatment expenses must be incurred within 90 days of the accident, unless otherwise specified. Please see the exhibits for a more detailed benefit description.

Accidental Death and Disability Income riders are also available. Please see the attached Exhibit II for a summary of benefits.

## **Applicability**

This actuarial memorandum is for all policies issued under this form for the schedule of benefits as well as market and underwriting approach.

## **Renewability Clause**

Coverage is guaranteed renewable to age 69.

## **Marketing Method**

The product will be sold on a voluntary basis to employees of an employer.

## **Morbidity**

The morbidity is based upon public and proprietary sources. Sources include:

- 2012 Lewis & Ellis Major Medical Manual
- CDC National Center for Health Statistics Data
- Society of Actuaries 2006 Group Term Life Mortality & Morbidity Study
- National Safety Council: Injury Facts 2005 – 2006 Edition
- 1985 Commissioners Individual Disability Table A

## **Premium Classes**

Premiums are calculated on a single age unisex basis.

Premiums were developed separately by Family Tier. The tiers available are: Employee, Employee and Spouse, Employee and Child, and Family.

# **Reserve National Insurance Company**

---

Please see the attached Exhibit I for the base premium schedule.

## **Average Annual Premium**

Based on the assumed sales distribution, the average annual premium per policy is \$611.

## **Premium Modalization Rules**

<u>Modal Factors</u>	
Monthly	1.0000
Semi-Monthly	0.5000
Bi-Weekly	0.4614
Weekly	0.2307

## **Claim Liability and Reserves**

Claim liabilities and reserves will be established using the completion factor method with adjustments as necessary.

## **Anticipated Loss Ratio**

The anticipated lifetime (25 year) loss ratio is 50.6%

## **Proposed Effective Date**

The plan will be effective after approval by the insurance department.

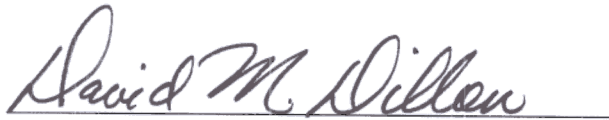
# Reserve National Insurance Company

---

## Actuarial Certification

I certify that to the best of my knowledge and judgment:

- (1) The rates attached comply with Actuarial Standard of Practice No. 8, "Regulatory Filings for Health Plan Entities," as adopted by the Actuarial Standards Board, December, 2005, which standard is hereby adopted and incorporated by reference;
- (2) The expected benefits provided are reasonable in relation to the proposed premiums;
- (3) The filing is in compliance with all applicable laws and regulations of the state in which it is filed;
- (4) The premium schedule is not excessive, inadequate, or unfairly discriminatory.



David M. Dillon, F.S.A., M.A.A.A.  
LEWIS & ELLIS, INC.  
P.O. Box 851857  
Richardson, TX 75085-1857

February 21, 2013

# Reserve National Insurance Company

---

## Exhibit I - Premium Exhibit

### 24-Hour Coverage - Monthly Premiums

Class I Maximum Benefit	EE	ES	EC	F
\$1,000	\$10.17	\$20.08	\$23.66	\$34.55
\$2,000	\$16.00	\$31.72	\$38.84	\$56.60
\$3,000	\$20.38	\$40.57	\$50.04	\$73.19
\$4,000	\$24.03	\$47.97	\$59.05	\$86.79
\$5,000	\$27.20	\$54.42	\$66.60	\$98.41
\$6,000	\$30.00	\$60.15	\$72.86	\$108.15
\$7,000	\$32.53	\$65.32	\$78.46	\$116.94
\$8,000	\$34.81	\$69.99	\$83.60	\$125.02
\$9,000	\$36.90	\$74.30	\$87.79	\$131.84
\$10,000	\$38.79	\$78.23	\$92.09	\$138.72

Class II Maximum Benefit	EE	ES	EC	F
\$1,000	\$11.07	\$21.85	\$24.47	\$36.12
\$2,000	\$17.43	\$34.51	\$40.16	\$59.17
\$3,000	\$22.21	\$44.13	\$51.75	\$76.51
\$4,000	\$26.18	\$52.18	\$61.07	\$90.73
\$5,000	\$29.63	\$59.20	\$68.88	\$102.88
\$6,000	\$32.69	\$65.43	\$75.36	\$113.06
\$7,000	\$35.44	\$71.05	\$81.15	\$122.25
\$8,000	\$37.92	\$76.14	\$86.47	\$130.70
\$9,000	\$40.20	\$80.82	\$90.80	\$137.83
\$10,000	\$42.26	\$85.09	\$95.24	\$145.01

### Accidental Death Rider - Monthly Premiums

Accidental Death Rider Per \$10,000	EE	ES	EC	F
Class I	\$0.28	\$0.56	\$0.88	\$1.26
Class II	\$0.33	\$0.67	\$0.94	\$1.37

# Reserve National Insurance Company

---

## Exhibit I - Premium Exhibit

### 24-Hour Coverage - Monthly Premiums

Other Base Maximums 24-Hour Coverage	Factors multiplied by the Base \$10,000 premiums			
	EE	ES	EC	F
Base \$11,000	1.05	1.05	1.04	1.04
Base \$12,000	1.09	1.09	1.07	1.07
Base \$13,000	1.12	1.13	1.10	1.11
Base \$14,000	1.16	1.17	1.13	1.14
Base \$15,000	1.19	1.20	1.15	1.17
Base \$16,000	1.22	1.23	1.18	1.19
Base \$17,000	1.25	1.26	1.20	1.22
Base \$18,000	1.28	1.29	1.22	1.24
Base \$19,000	1.30	1.32	1.24	1.26
Base \$20,000	1.33	1.34	1.25	1.28
Base \$21,000	1.35	1.36	1.27	1.30
Base \$22,000	1.37	1.39	1.29	1.32
Base \$23,000	1.39	1.41	1.30	1.33
Base \$24,000	1.41	1.43	1.31	1.35
Base \$25,000	1.42	1.44	1.33	1.36
Base \$26,000	1.44	1.46	1.34	1.37
Base \$27,000	1.46	1.48	1.35	1.39
Base \$28,000	1.47	1.49	1.36	1.40
Base \$29,000	1.48	1.51	1.37	1.41
Base \$30,000	1.50	1.52	1.38	1.42
Base \$31,000	1.51	1.54	1.39	1.43
Base \$32,000	1.52	1.55	1.40	1.45
Base \$33,000	1.54	1.56	1.41	1.46
Base \$34,000	1.55	1.58	1.42	1.46
Base \$35,000	1.56	1.59	1.43	1.47
Base \$36,000	1.57	1.60	1.43	1.48
Base \$37,000	1.58	1.61	1.44	1.49
Base \$38,000	1.59	1.62	1.45	1.50
Base \$39,000	1.60	1.63	1.46	1.51
Base \$40,000	1.61	1.64	1.46	1.51
Base \$41,000	1.62	1.65	1.47	1.52
Base \$42,000	1.63	1.66	1.48	1.53
Base \$43,000	1.64	1.67	1.48	1.54
Base \$44,000	1.65	1.68	1.49	1.54
Base \$45,000	1.65	1.68	1.49	1.55
Base \$46,000	1.66	1.69	1.50	1.55
Base \$47,000	1.67	1.70	1.50	1.56
Base \$48,000	1.68	1.71	1.51	1.57
Base \$49,000	1.68	1.72	1.51	1.57
Base \$50,000	1.69	1.72	1.52	1.58



# Reserve National Insurance Company

---

## Exhibit I - Premium Exhibit

### Disability Rider – Monthly Premiums

Accident Only Benefit Period; Elim Period	Per \$100 Unit	
	Class I	Class II
Acc 13 Weeks; 7 Days	\$0.95	\$1.42
Acc 26 Weeks; 14 Days	\$0.92	\$1.46

Accident & Sickness Benefit Period; Elim Period	Per \$100 Unit	
	Class I	Class II
A&S 13 Weeks; 7/14 Days	\$3.22	\$4.34
A&S 26 Weeks; 7/14 Days	\$4.04	\$5.47

### Off-the-job-only Premium Adjustment Factors

Benefits	EE	ES	EC	F
24-Hour	1.00	1.00	1.00	1.00
Non-Occupational	0.94	0.95	0.98	0.97

# Reserve National Insurance Company

## Exhibit II - Summary of Benefits

<p><b>General Description</b></p>	<p>Benefits will be available only for Accident related treatment based on the "allowed amount".</p> <p>Initial Care must begin within 72 hours of the Accident. All expenses must be incurred within 90 days of the Accident, unless otherwise specified.</p>
<p><b>Accident Medical Expense Base Benefits</b></p>	<p>No deductible applies to the Policy.</p> <p>The available Benefit Maximum amounts are: \$1,000 to \$50,000 in \$1,000 increments. This is an annual maximum, not a per accident maximum to coordinate better with the HDHP movement</p>
<p>1. <i>Emergency Care Benefit:</i></p>	<p>Must be received from a Physician, in a Hospital, including an Emergency Room, or an Urgent Care Center in the United States. May include Surgery.</p> <p>\$50 deductible, waived if admitted</p>
<p>2. <i>Follow-up Care Benefit:</i></p>	<p>If Emergency Care is received within 72 hours after an Accident and later requires additional Follow-up Care, this benefit is limited to one follow-up visit per day, up to a maximum of three follow-up visits, per Insured for each Accident.</p> <p>It must be furnished by a Physician in a Physician's Office, in a Hospital, on an outpatient basis.</p> <p>May include Surgery.</p> <p>Benefits will is not payable for the same visit that the Physical Therapy Benefit is payable or on the same day for which the Emergency Care Benefit is payable.</p>
<p>3. <i>Ambulance Benefit:</i></p>	<p>This benefit is only payable for transportation in an Ambulance to a Hospital resulting from an Accident for which an Emergency Care Benefit is payable.</p> <p>Ground Ambulance: Pays up to 10% of Benefit Maximum Air Ambulance: Pays up to 25% of Benefir Maximum</p>
<p>4. <i>Inpatient Drug Benefit:</i></p>	<p>Pays for drugs that are administered in a Hospital or Urgent Care Center during the care of an Accident.</p> <p>There is no payment for a drug prescribed to be taken or used after the initial Care.</p>
<p>5. <i>Fracture/Dislocation Benefit:</i></p>	<p>Pays for a Fracture or Dislocation diagnosed within 14 days of the Accident.</p>

# Reserve National Insurance Company

---

## Exhibit II - Summary of Benefits

<p>6. <i>Diagnostic Exam Benefit:</i></p>	<p>X-ray Benefit: Pays benefits if an Insured requires an x-ray or a set of x-rays due to an Accident.</p> <p>Major Diagnostic Exam Benefit: Limited to one per Accident. Benefit is limited to 25% of the Maximum Benefit.</p> <p>Major Diagnostic Exams are limited to the following:</p> <ul style="list-style-type: none"> <li>- CT (computerized tomography) scan;</li> <li>- CTA (computerized tomography angiogram) scan;</li> <li>- MRI (magnetic resonance imaging); and</li> <li>- MRA (magnetic resonance angiogram); and</li> <li>- EEG (electroencephalogram).</li> </ul> <p>Diagnostic Exams must be performed in a Hospital or a Physician's office within 14 days of the Accident.</p>
<p>7. <i>Physical Therapy Benefit:</i></p>	<p>Pays benefits if an Insured is advised by a Physician to seek and subsequently receives Physical Therapy as the result of an Accident.</p> <p>The Physical Therapy must begin within 45 days of the Accident or discharge from the Hospital and must be completed within six months after the Accident.</p> <p>Benefits are limited to one Physical Therapy visit per day, up to a maximum of 10 visits for each Accident. No "internal" limit on the daily benefit amount paid for PT just a max of one visit per day.</p>
<p>8. <i>Prosthesis Benefit:</i></p>	<p>Pays benefits if any Insured receives a Prosthetic Device prescribed by a Physician when such Insured Person suffers the dismemberment of a hand, foot, arm, leg or sight due to an Accident.</p> <p>This benefit is limited to one Prosthetic Device received within one year of the Accident.</p>
<p>9. <i>Dental Benefit:</i></p>	<p>Pays benefits if any Insured receives Emergency Dental Work. Benefits are payable for any and all broken teeth repaired with crown(s) or extractions(s)</p> <p>Benefit is limited to 10% of the Maximum Benefit.</p>
<p>10. <i>Appliance Benefit:</i></p>	<p>Pays benefits if Physician prescribes the use of a medical appliance as an aid in personal locomotion or mobility. These include crutches, braces, walkers, and wheelchairs.</p> <p>Benefit is limited to 5% of the Maximum Benefit.</p>

# Reserve National Insurance Company

---

## Exhibit II - Summary of Benefits

<p><i>11. Accidental Dismemberment Benefit:</i></p>	<p>Pays a lump sum benefit as a result of an accidental dismemberment.</p> <p>A benefit equal to 200% of the Base Policy Benefit Maximum will be paid for the loss of:</p> <ul style="list-style-type: none"> <li>Both hands</li> <li>Both feet</li> <li>Both eyes</li> <li>One hand and one foot</li> <li>One hand and one eye</li> <li>One foot and one eye</li> </ul> <p>A benefit equal to 100% of the Base Policy Benefit Maximum will be paid for the loss of:</p> <ul style="list-style-type: none"> <li>One hand</li> <li>One eye</li> <li>One foot</li> </ul> <p>The loss must be incurred within 90 days of the accident. The benefit is doubled if the loss occurs in a common carrier accident.</p>
<p><b>Accidental Death Rider</b></p>	<p>Pays a lump sum benefit to the beneficiary if the insured dies as a result fo a covered accident.</p> <ul style="list-style-type: none"> <li>Insured – [\$10,000 - \$100,000]</li> <li>Spouse – ½ of Insured Benefit</li> <li>Child – ¼ of Insured Benefit</li> </ul> <p>The benefit is doubled if the loss occurs in a common carrier accident.</p>
<p><b>Disability Income Rider</b></p>	<p>Pays a flat monthly benefit of \$100 per unit, up to 25 units. Benefit payable for a total disability as a result of a covered Accident-only or Accident &amp; Sickness.</p> <p>The elimination and benefit periods available are:</p> <ul style="list-style-type: none"> <li><u>Accident Only Coverage</u></li> <li>7 day EP, 13 week benefit</li> <li>14 day EP, 26 week benefit</li> <li> </li> <li><u>Accident /Sickness Coverage</u></li> <li>7/14 day EP, 13 week benefit</li> <li>14/14 day EP, 26 week benefit</li> </ul> <p>The rider is only available to the primary insured. The STD will be in weekly amounts</p>

SERFF Tracking #:

EWLE-129251755

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

Reserve National Insurance Company

TOI/Sub-TOI:

H02G Group Health - Accident Only/H02G.000 Health - Accident Only

Product Name:

Accident Expense Rates

Project Name/Number:

/

## Supporting Document Schedules

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

<b>Satisfied - Item:</b>	Certificate of Authority to File
<b>Comments:</b>	
<b>Attachment(s):</b>	LetterofAuthorization-Lewis&Ellis.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	RNICAccExpKB-EAE-POL-1301ActMemo-Generic02-21-13.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	
<b>Attachment(s):</b>	RNICAccExpKB-EAE-POL-1301ActMemo-Generic02-21-13.pdf
<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 P and C
<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)
-------------------------	--

SERFF Tracking #:

EWLE-129251755

State Tracking #:

Company Tracking #:

State:

District of Columbia

Filing Company:

Reserve National Insurance Company

TOI/Sub-TOI:

H02G Group Health - Accident Only/H02G.000 Health - Accident Only

Product Name:

Accident Expense Rates

Project Name/Number:

/

<b>Bypass Reason:</b>	Not P and C
<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 unified rate review template. Not ppaca.
<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 ppaca
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	



**Dallas**

Glenn A. Tobleman, F.S.A., F.C.A.S.  
S. Scott Gibson, F.S.A.  
Cabe W. Chadick, F.S.A.  
Michael A. Mayberry, F.S.A.  
David M. Dillon, F.S.A.  
Gregory S. Wilson, F.C.A.S.  
Steven D. Bryson, F.S.A.  
Bonnie S. Albritton, F.S.A.  
Brian D. Rankin, F.S.A.  
Wesley R. Campbell, F.S.A.  
Jacqueline B. Lee, F.S.A.  
Robert E. Gove, A.S.A.  
J. Finn Knox-Seith, A.S.A.  
Brian C. Stentz, A.S.A.  
Jay W. Fuller, A.S.A.  
Sujaritha Tansen, A.S.A.  
Josh A. Hammerquist, A.S.A.  
Xiaoxiao (Lisa) Jiang, A.S.A.  
Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

**Kansas City**

Gary L. Rose, F.S.A.  
Terry M. Long, F.S.A.  
David L. Batchelder, A.S.A.  
Leon L. Langlitz, F.S.A.  
Gary R. McElwain, FLMI  
Anthony G. Proulx, F.S.A.  
Thomas L. Handley, F.S.A.  
D. Patrick Glenn, A.S.A., A.C.A.S.  
Christopher H. Davis, F.S.A.  
Karen E. Elsom, F.S.A.  
Jill J. Humes, F.S.A.

**London / Kansas City**

Roger K. Annin, F.S.A.  
Timothy A. DeMars, F.S.A.  
Scott E. Morrow, F.S.A.

**Baltimore**

David A. Palmer, C.F.E.

October 16, 2013

District of Columbia Division of Insurance

RE: Reserve National Insurance Company      NAIC # 68462

Actuarial Filing for:

KB-EAE-POL-1301-DC	Policy Pages Accident Expense
KB-EAE-PHAPP-1301-DC	Policyholder Accident Expense Application
KB-EAE-CER-1301-DC	Certificate Accident Expense
KB-EAE-IPAPP-1301-DC	Insured Person Accident Expense Application
KB-EA-SR-1301-DC	Spouse Rider (Indemnity and Expense)
KB-EA-CR-1301-DC	Child(ren) Rider (Indemnity and Expense)
KB-EAE-AR-1301-DC	Accident Rider (Expense)
KB-EA-DR-1301-DC	Disability Income Rider (Indemnity and Expense)

Dear Sir or Madam:

This submission is being made on behalf of Reserve National Insurance Company.

This filing is to provide the Actuarial information in connection with the forms submission (submitted under separate SERFF submission) for the forms described in this letter. The forms are designed to provide group accident coverage on an expense basis.

Form KB-EAE-POL-1301-DC is the Policy Pages for the Accident Expense coverage. Form KB-EAE-PHAPP-1301-DC is the Policyholder Accident Expense Application. Form KB-EAE-CER-1301-DC is the Certificate Accident Expense and Form KB-EAE-IPAPP-1301-DC is the Insured Person Accident Expense Application.

Form KB-EA-SR-1301-DC is a Spouse Rider to be used with both the Indemnity (also filed under separate SERFF submission) and Expense forms. Form KB-EA-CR-1301-DC is the Child(ren) Rider to be used with both the Indemnity (also filed under separate SERFF submission) and Expense forms. Form KB-EAE-AR-1301-DC is an Accident Rider to be used with the Expense forms only. Form KB-EA-DR-1301-DC is a Disability Income Rider to be used with both the Indemnity (also filed under separate SERFF submission) and Expense forms.

Should you have any questions or need additional information, please do not hesitate to call me at (972) 398-3733.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne Heasley".

Suzanne Heasley, FLMI, CLU  
Legal Assistant and Compliance Specialist





December 31, 2012

RE: Filing Authorization  
Lewis & Ellis, Inc.

To Whom It May Concern:

I hereby authorize Lewis & Ellis, Inc. and any authorized representative of Lewis & Ellis, Inc. 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

[Type text]

[Type text]

[Type text]

# **Reserve National Insurance Company**

---

## **Actuarial Memorandum**

### **Accident Expense Product**

**Policy Form: KB-EAE-POL-1301, et al.**

## **Purpose and Scope**

The purpose of this memorandum is to demonstrate that the proposed rates comply with state regulations. This filing is not intended to be used for any other purpose.

## **Benefit Description**

The base plan offers accident medical expense coverage. Initial Care must begin within 72 hours of the accident and all treatment expenses must be incurred within 90 days of the accident, unless otherwise specified. Please see the exhibits for a more detailed benefit description.

Accidental Death and Disability Income riders are also available. Please see the attached Exhibit II for a summary of benefits.

## **Applicability**

This actuarial memorandum is for all policies issued under this form for the schedule of benefits as well as market and underwriting approach.

## **Renewability Clause**

Coverage is guaranteed renewable to age 69.

## **Marketing Method**

The product will be sold on a voluntary basis to employees of an employer.

## **Morbidity**

The morbidity is based upon public and proprietary sources. Sources include:

- 2012 Lewis & Ellis Major Medical Manual
- CDC National Center for Health Statistics Data
- Society of Actuaries 2006 Group Term Life Mortality & Morbidity Study
- National Safety Council: Injury Facts 2005 – 2006 Edition
- 1985 Commissioners Individual Disability Table A

## **Premium Classes**

Premiums are calculated on a single age unisex basis.

Premiums were developed separately by Family Tier. The tiers available are: Employee, Employee and Spouse, Employee and Child, and Family.

# **Reserve National Insurance Company**

---

Please see the attached Exhibit I for the base premium schedule.

## **Average Annual Premium**

Based on the assumed sales distribution, the average annual premium per policy is \$611.

## **Premium Modalization Rules**

<u>Modal Factors</u>	
Monthly	1.0000
Semi-Monthly	0.5000
Bi-Weekly	0.4614
Weekly	0.2307

## **Claim Liability and Reserves**

Claim liabilities and reserves will be established using the completion factor method with adjustments as necessary.

## **Anticipated Loss Ratio**

The anticipated lifetime (25 year) loss ratio is 50.6%

## **Proposed Effective Date**

The plan will be effective after approval by the insurance department.

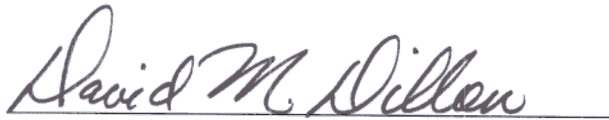
# Reserve National Insurance Company

---

## Actuarial Certification

I certify that to the best of my knowledge and judgment:

- (1) The rates attached comply with Actuarial Standard of Practice No. 8, "Regulatory Filings for Health Plan Entities," as adopted by the Actuarial Standards Board, December, 2005, which standard is hereby adopted and incorporated by reference;
- (2) The expected benefits provided are reasonable in relation to the proposed premiums;
- (3) The filing is in compliance with all applicable laws and regulations of the state in which it is filed;
- (4) The premium schedule is not excessive, inadequate, or unfairly discriminatory.



David M. Dillon, F.S.A., M.A.A.A.  
LEWIS & ELLIS, INC.  
P.O. Box 851857  
Richardson, TX 75085-1857

February 21, 2013

# Reserve National Insurance Company

---

## Exhibit I - Premium Exhibit

### 24-Hour Coverage - Monthly Premiums

Class I Maximum Benefit	EE	ES	EC	F
\$1,000	\$10.17	\$20.08	\$23.66	\$34.55
\$2,000	\$16.00	\$31.72	\$38.84	\$56.60
\$3,000	\$20.38	\$40.57	\$50.04	\$73.19
\$4,000	\$24.03	\$47.97	\$59.05	\$86.79
\$5,000	\$27.20	\$54.42	\$66.60	\$98.41
\$6,000	\$30.00	\$60.15	\$72.86	\$108.15
\$7,000	\$32.53	\$65.32	\$78.46	\$116.94
\$8,000	\$34.81	\$69.99	\$83.60	\$125.02
\$9,000	\$36.90	\$74.30	\$87.79	\$131.84
\$10,000	\$38.79	\$78.23	\$92.09	\$138.72

Class II Maximum Benefit	EE	ES	EC	F
\$1,000	\$11.07	\$21.85	\$24.47	\$36.12
\$2,000	\$17.43	\$34.51	\$40.16	\$59.17
\$3,000	\$22.21	\$44.13	\$51.75	\$76.51
\$4,000	\$26.18	\$52.18	\$61.07	\$90.73
\$5,000	\$29.63	\$59.20	\$68.88	\$102.88
\$6,000	\$32.69	\$65.43	\$75.36	\$113.06
\$7,000	\$35.44	\$71.05	\$81.15	\$122.25
\$8,000	\$37.92	\$76.14	\$86.47	\$130.70
\$9,000	\$40.20	\$80.82	\$90.80	\$137.83
\$10,000	\$42.26	\$85.09	\$95.24	\$145.01

### Accidental Death Rider - Monthly Premiums

Accidental Death Rider Per \$10,000	EE	ES	EC	F
Class I	\$0.28	\$0.56	\$0.88	\$1.26
Class II	\$0.33	\$0.67	\$0.94	\$1.37

# Reserve National Insurance Company

---

## Exhibit I - Premium Exhibit

### 24-Hour Coverage - Monthly Premiums

Other Base Maximums 24-Hour Coverage	Factors multiplied by the Base \$10,000 premiums			
	EE	ES	EC	F
Base \$11,000	1.05	1.05	1.04	1.04
Base \$12,000	1.09	1.09	1.07	1.07
Base \$13,000	1.12	1.13	1.10	1.11
Base \$14,000	1.16	1.17	1.13	1.14
Base \$15,000	1.19	1.20	1.15	1.17
Base \$16,000	1.22	1.23	1.18	1.19
Base \$17,000	1.25	1.26	1.20	1.22
Base \$18,000	1.28	1.29	1.22	1.24
Base \$19,000	1.30	1.32	1.24	1.26
Base \$20,000	1.33	1.34	1.25	1.28
Base \$21,000	1.35	1.36	1.27	1.30
Base \$22,000	1.37	1.39	1.29	1.32
Base \$23,000	1.39	1.41	1.30	1.33
Base \$24,000	1.41	1.43	1.31	1.35
Base \$25,000	1.42	1.44	1.33	1.36
Base \$26,000	1.44	1.46	1.34	1.37
Base \$27,000	1.46	1.48	1.35	1.39
Base \$28,000	1.47	1.49	1.36	1.40
Base \$29,000	1.48	1.51	1.37	1.41
Base \$30,000	1.50	1.52	1.38	1.42
Base \$31,000	1.51	1.54	1.39	1.43
Base \$32,000	1.52	1.55	1.40	1.45
Base \$33,000	1.54	1.56	1.41	1.46
Base \$34,000	1.55	1.58	1.42	1.46
Base \$35,000	1.56	1.59	1.43	1.47
Base \$36,000	1.57	1.60	1.43	1.48
Base \$37,000	1.58	1.61	1.44	1.49
Base \$38,000	1.59	1.62	1.45	1.50
Base \$39,000	1.60	1.63	1.46	1.51
Base \$40,000	1.61	1.64	1.46	1.51
Base \$41,000	1.62	1.65	1.47	1.52
Base \$42,000	1.63	1.66	1.48	1.53
Base \$43,000	1.64	1.67	1.48	1.54
Base \$44,000	1.65	1.68	1.49	1.54
Base \$45,000	1.65	1.68	1.49	1.55
Base \$46,000	1.66	1.69	1.50	1.55
Base \$47,000	1.67	1.70	1.50	1.56
Base \$48,000	1.68	1.71	1.51	1.57
Base \$49,000	1.68	1.72	1.51	1.57
Base \$50,000	1.69	1.72	1.52	1.58

# Reserve National Insurance Company

---

## Exhibit I - Premium Exhibit

### Disability Rider – Monthly Premiums

Accident Only Benefit Period; Elim Period	Per \$100 Unit	
	Class I	Class II
Acc 13 Weeks; 7 Days	\$0.95	\$1.42
Acc 26 Weeks; 14 Days	\$0.92	\$1.46

Accident & Sickness Benefit Period; Elim Period	Per \$100 Unit	
	Class I	Class II
A&S 13 Weeks; 7/14 Days	\$3.22	\$4.34
A&S 26 Weeks; 7/14 Days	\$4.04	\$5.47

### Off-the-job-only Premium Adjustment Factors

Benefits	EE	ES	EC	F
24-Hour	1.00	1.00	1.00	1.00
Non-Occupational	0.94	0.95	0.98	0.97



# Reserve National Insurance Company

## Exhibit II - Summary of Benefits

<p><b>General Description</b></p>	<p>Benefits will be available only for Accident related treatment based on the "allowed amount".</p> <p>Initial Care must begin within 72 hours of the Accident. All expenses must be incurred within 90 days of the Accident, unless otherwise specified.</p>
<p><b>Accident Medical Expense Base Benefits</b></p>	<p>No deductible applies to the Policy.</p> <p>The available Benefit Maximum amounts are: \$1,000 to \$50,000 in \$1,000 increments. This is an annual maximum, not a per accident maximum to coordinate better with the HDHP movement</p>
<p>1. <i>Emergency Care Benefit:</i></p>	<p>Must be received from a Physician, in a Hospital, including an Emergency Room, or an Urgent Care Center in the United States. May include Surgery.</p> <p>\$50 deductible, waived if admitted</p>
<p>2. <i>Follow-up Care Benefit:</i></p>	<p>If Emergency Care is received within 72 hours after an Accident and later requires additional Follow-up Care, this benefit is limited to one follow-up visit per day, up to a maximum of three follow-up visits, per Insured for each Accident.</p> <p>It must be furnished by a Physician in a Physician's Office, in a Hospital, on an outpatient basis.</p> <p>May include Surgery.</p> <p>Benefits will is not payable for the same visit that the Physical Therapy Benefit is payable or on the same day for which the Emergency Care Benefit is payable.</p>
<p>3. <i>Ambulance Benefit:</i></p>	<p>This benefit is only payable for transportation in an Ambulance to a Hospital resulting from an Accident for which an Emergency Care Benefit is payable.</p> <p>Ground Ambulance: Pays up to 10% of Benefit Maximum Air Ambulance: Pays up to 25% of Benefir Maximum</p>
<p>4. <i>Inpatient Drug Benefit:</i></p>	<p>Pays for drugs that are administered in a Hospital or Urgent Care Center during the care of an Accident.</p> <p>There is no payment for a drug prescribed to be taken or used after the initial Care.</p>
<p>5. <i>Fracture/Dislocation Benefit:</i></p>	<p>Pays for a Fracture or Dislocation diagnosed within 14 days of the Accident.</p>

# Reserve National Insurance Company

---

## Exhibit II - Summary of Benefits

<p>6. <i>Diagnostic Exam Benefit:</i></p>	<p>X-ray Benefit: Pays benefits if an Insured requires an x-ray or a set of x-rays due to an Accident.</p> <p>Major Diagnostic Exam Benefit: Limited to one per Accident. Benefit is limited to 25% of the Maximum Benefit.</p> <p>Major Diagnostic Exams are limited to the following:</p> <ul style="list-style-type: none"> <li>- CT (computerized tomography) scan;</li> <li>- CTA (computerized tomography angiogram) scan;</li> <li>- MRI (magnetic resonance imaging); and</li> <li>- MRA (magnetic resonance angiogram); and</li> <li>- EEG (electroencephalogram).</li> </ul> <p>Diagnostic Exams must be performed in a Hospital or a Physician's office within 14 days of the Accident.</p>
<p>7. <i>Physical Therapy Benefit:</i></p>	<p>Pays benefits if an Insured is advised by a Physician to seek and subsequently receives Physical Therapy as the result of an Accident.</p> <p>The Physical Therapy must begin within 45 days of the Accident or discharge from the Hospital and must be completed within six months after the Accident.</p> <p>Benefits are limited to one Physical Therapy visit per day, up to a maximum of 10 visits for each Accident. No "internal" limit on the daily benefit amount paid for PT just a max of one visit per day.</p>
<p>8. <i>Prosthesis Benefit:</i></p>	<p>Pays benefits if any Insured receives a Prosthetic Device prescribed by a Physician when such Insured Person suffers the dismemberment of a hand, foot, arm, leg or sight due to an Accident.</p> <p>This benefit is limited to one Prosthetic Device received within one year of the Accident.</p>
<p>9. <i>Dental Benefit:</i></p>	<p>Pays benefits if any Insured receives Emergency Dental Work. Benefits are payable for any and all broken teeth repaired with crown(s) or extractions(s)</p> <p>Benefit is limited to 10% of the Maximum Benefit.</p>
<p>10. <i>Appliance Benefit:</i></p>	<p>Pays benefits if Physician prescribes the use of a medical appliance as an aid in personal locomotion or mobility. These include crutches, braces, walkers, and wheelchairs.</p> <p>Benefit is limited to 5% of the Maximum Benefit.</p>

# Reserve National Insurance Company

---

## Exhibit II - Summary of Benefits

<p><i>11. Accidental Dismemberment Benefit:</i></p>	<p>Pays a lump sum benefit as a result of an accidental dismemberment.</p> <p>A benefit equal to 200% of the Base Policy Benefit Maximum will be paid for the loss of:</p> <ul style="list-style-type: none"> <li>Both hands</li> <li>Both feet</li> <li>Both eyes</li> <li>One hand and one foot</li> <li>One hand and one eye</li> <li>One foot and one eye</li> </ul> <p>A benefit equal to 100% of the Base Policy Benefit Maximum will be paid for the loss of:</p> <ul style="list-style-type: none"> <li>One hand</li> <li>One eye</li> <li>One foot</li> </ul> <p>The loss must be incurred within 90 days of the accident. The benefit is doubled if the loss occurs in a common carrier accident.</p>
<p><b>Accidental Death Rider</b></p>	<p>Pays a lump sum benefit to the beneficiary if the insured dies as a result fo a covered accident.</p> <ul style="list-style-type: none"> <li>Insured – [\$10,000 - \$100,000]</li> <li>Spouse – ½ of Insured Benefit</li> <li>Child – ¼ of Insured Benefit</li> </ul> <p>The benefit is doubled if the loss occurs in a common carrier accident.</p>
<p><b>Disability Income Rider</b></p>	<p>Pays a flat monthly benefit of \$100 per unit, up to 25 units. Benefit payable for a total disability as a result of a covered Accident-only or Accident &amp; Sickness.</p> <p>The elimination and benefit periods available are:</p> <ul style="list-style-type: none"> <li><u>Accident Only Coverage</u></li> <li>7 day EP, 13 week benefit</li> <li>14 day EP, 26 week benefit</li> <li> </li> <li><u>Accident /Sickness Coverage</u></li> <li>7/14 day EP, 13 week benefit</li> <li>14/14 day EP, 26 week benefit</li> </ul> <p>The rider is only available to the primary insured. The STD will be in weekly amounts</p>

# **Reserve National Insurance Company**

---

**Actuarial Memorandum**  
**Accident Expense Product**  
**Policy Form: KB-EAE-POL-1301, et al.**

## **Purpose and Scope**

The purpose of this memorandum is to demonstrate that the proposed rates comply with state regulations. This filing is not intended to be used for any other purpose.

## **Benefit Description**

The base plan offers accident medical expense coverage. Initial Care must begin within 72 hours of the accident and all treatment expenses must be incurred within 90 days of the accident, unless otherwise specified. Please see the exhibits for a more detailed benefit description.

Accidental Death and Disability Income riders are also available. Please see the attached Exhibit II for a summary of benefits.

## **Applicability**

This actuarial memorandum is for all policies issued under this form for the schedule of benefits as well as market and underwriting approach.

## **Renewability Clause**

Coverage is guaranteed renewable to age 69.

## **Marketing Method**

The product will be sold on a voluntary basis to employees of an employer.

## **Morbidity**

The morbidity is based upon public and proprietary sources. Sources include:

- 2012 Lewis & Ellis Major Medical Manual
- CDC National Center for Health Statistics Data
- Society of Actuaries 2006 Group Term Life Mortality & Morbidity Study
- National Safety Council: Injury Facts 2005 – 2006 Edition
- 1985 Commissioners Individual Disability Table A

## **Premium Classes**

Premiums are calculated on a single age unisex basis.

Premiums were developed separately by Family Tier. The tiers available are: Employee, Employee and Spouse, Employee and Child, and Family.

# **Reserve National Insurance Company**

---

Please see the attached Exhibit I for the base premium schedule.

## **Average Annual Premium**

Based on the assumed sales distribution, the average annual premium per policy is \$611.

## **Premium Modalization Rules**

<u>Modal Factors</u>	
Monthly	1.0000
Semi-Monthly	0.5000
Bi-Weekly	0.4614
Weekly	0.2307

## **Claim Liability and Reserves**

Claim liabilities and reserves will be established using the completion factor method with adjustments as necessary.

## **Anticipated Loss Ratio**

The anticipated lifetime (25 year) loss ratio is 50.6%

## **Proposed Effective Date**

The plan will be effective after approval by the insurance department.

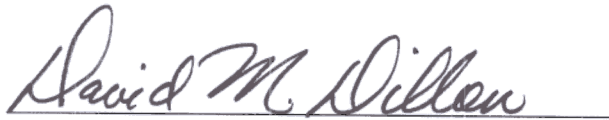
# Reserve National Insurance Company

---

## Actuarial Certification

I certify that to the best of my knowledge and judgment:

- (1) The rates attached comply with Actuarial Standard of Practice No. 8, "Regulatory Filings for Health Plan Entities," as adopted by the Actuarial Standards Board, December, 2005, which standard is hereby adopted and incorporated by reference;
- (2) The expected benefits provided are reasonable in relation to the proposed premiums;
- (3) The filing is in compliance with all applicable laws and regulations of the state in which it is filed;
- (4) The premium schedule is not excessive, inadequate, or unfairly discriminatory.



David M. Dillon, F.S.A., M.A.A.A.  
LEWIS & ELLIS, INC.  
P.O. Box 851857  
Richardson, TX 75085-1857

February 21, 2013

# Reserve National Insurance Company

---

## Exhibit I - Premium Exhibit

### 24-Hour Coverage - Monthly Premiums

Class I Maximum Benefit	EE	ES	EC	F
\$1,000	\$10.17	\$20.08	\$23.66	\$34.55
\$2,000	\$16.00	\$31.72	\$38.84	\$56.60
\$3,000	\$20.38	\$40.57	\$50.04	\$73.19
\$4,000	\$24.03	\$47.97	\$59.05	\$86.79
\$5,000	\$27.20	\$54.42	\$66.60	\$98.41
\$6,000	\$30.00	\$60.15	\$72.86	\$108.15
\$7,000	\$32.53	\$65.32	\$78.46	\$116.94
\$8,000	\$34.81	\$69.99	\$83.60	\$125.02
\$9,000	\$36.90	\$74.30	\$87.79	\$131.84
\$10,000	\$38.79	\$78.23	\$92.09	\$138.72

Class II Maximum Benefit	EE	ES	EC	F
\$1,000	\$11.07	\$21.85	\$24.47	\$36.12
\$2,000	\$17.43	\$34.51	\$40.16	\$59.17
\$3,000	\$22.21	\$44.13	\$51.75	\$76.51
\$4,000	\$26.18	\$52.18	\$61.07	\$90.73
\$5,000	\$29.63	\$59.20	\$68.88	\$102.88
\$6,000	\$32.69	\$65.43	\$75.36	\$113.06
\$7,000	\$35.44	\$71.05	\$81.15	\$122.25
\$8,000	\$37.92	\$76.14	\$86.47	\$130.70
\$9,000	\$40.20	\$80.82	\$90.80	\$137.83
\$10,000	\$42.26	\$85.09	\$95.24	\$145.01

### Accidental Death Rider - Monthly Premiums

Accidental Death Rider Per \$10,000	EE	ES	EC	F
Class I	\$0.28	\$0.56	\$0.88	\$1.26
Class II	\$0.33	\$0.67	\$0.94	\$1.37

# Reserve National Insurance Company

---

## Exhibit I - Premium Exhibit

### 24-Hour Coverage - Monthly Premiums

Other Base Maximums 24-Hour Coverage	Factors multiplied by the Base \$10,000 premiums			
	EE	ES	EC	F
Base \$11,000	1.05	1.05	1.04	1.04
Base \$12,000	1.09	1.09	1.07	1.07
Base \$13,000	1.12	1.13	1.10	1.11
Base \$14,000	1.16	1.17	1.13	1.14
Base \$15,000	1.19	1.20	1.15	1.17
Base \$16,000	1.22	1.23	1.18	1.19
Base \$17,000	1.25	1.26	1.20	1.22
Base \$18,000	1.28	1.29	1.22	1.24
Base \$19,000	1.30	1.32	1.24	1.26
Base \$20,000	1.33	1.34	1.25	1.28
Base \$21,000	1.35	1.36	1.27	1.30
Base \$22,000	1.37	1.39	1.29	1.32
Base \$23,000	1.39	1.41	1.30	1.33
Base \$24,000	1.41	1.43	1.31	1.35
Base \$25,000	1.42	1.44	1.33	1.36
Base \$26,000	1.44	1.46	1.34	1.37
Base \$27,000	1.46	1.48	1.35	1.39
Base \$28,000	1.47	1.49	1.36	1.40
Base \$29,000	1.48	1.51	1.37	1.41
Base \$30,000	1.50	1.52	1.38	1.42
Base \$31,000	1.51	1.54	1.39	1.43
Base \$32,000	1.52	1.55	1.40	1.45
Base \$33,000	1.54	1.56	1.41	1.46
Base \$34,000	1.55	1.58	1.42	1.46
Base \$35,000	1.56	1.59	1.43	1.47
Base \$36,000	1.57	1.60	1.43	1.48
Base \$37,000	1.58	1.61	1.44	1.49
Base \$38,000	1.59	1.62	1.45	1.50
Base \$39,000	1.60	1.63	1.46	1.51
Base \$40,000	1.61	1.64	1.46	1.51
Base \$41,000	1.62	1.65	1.47	1.52
Base \$42,000	1.63	1.66	1.48	1.53
Base \$43,000	1.64	1.67	1.48	1.54
Base \$44,000	1.65	1.68	1.49	1.54
Base \$45,000	1.65	1.68	1.49	1.55
Base \$46,000	1.66	1.69	1.50	1.55
Base \$47,000	1.67	1.70	1.50	1.56
Base \$48,000	1.68	1.71	1.51	1.57
Base \$49,000	1.68	1.72	1.51	1.57
Base \$50,000	1.69	1.72	1.52	1.58



# Reserve National Insurance Company

---

## Exhibit I - Premium Exhibit

### Disability Rider – Monthly Premiums

Accident Only Benefit Period; Elim Period	Per \$100 Unit	
	Class I	Class II
Acc 13 Weeks; 7 Days	\$0.95	\$1.42
Acc 26 Weeks; 14 Days	\$0.92	\$1.46

Accident & Sickness Benefit Period; Elim Period	Per \$100 Unit	
	Class I	Class II
A&S 13 Weeks; 7/14 Days	\$3.22	\$4.34
A&S 26 Weeks; 7/14 Days	\$4.04	\$5.47

### Off-the-job-only Premium Adjustment Factors

Benefits	EE	ES	EC	F
24-Hour	1.00	1.00	1.00	1.00
Non-Occupational	0.94	0.95	0.98	0.97

# Reserve National Insurance Company

## Exhibit II - Summary of Benefits

<p><b>General Description</b></p>	<p>Benefits will be available only for Accident related treatment based on the "allowed amount".</p> <p>Initial Care must begin within 72 hours of the Accident. All expenses must be incurred within 90 days of the Accident, unless otherwise specified.</p>
<p><b>Accident Medical Expense Base Benefits</b></p>	<p>No deductible applies to the Policy.</p> <p>The available Benefit Maximum amounts are: \$1,000 to \$50,000 in \$1,000 increments. This is an annual maximum, not a per accident maximum to coordinate better with the HDHP movement</p>
<p>1. <i>Emergency Care Benefit:</i></p>	<p>Must be received from a Physician, in a Hospital, including an Emergency Room, or an Urgent Care Center in the United States. May include Surgery.</p> <p>\$50 deductible, waived if admitted</p>
<p>2. <i>Follow-up Care Benefit:</i></p>	<p>If Emergency Care is received within 72 hours after an Accident and later requires additional Follow-up Care, this benefit is limited to one follow-up visit per day, up to a maximum of three follow-up visits, per Insured for each Accident.</p> <p>It must be furnished by a Physician in a Physician's Office, in a Hospital, on an outpatient basis.</p> <p>May include Surgery.</p> <p>Benefits will is not payable for the same visit that the Physical Therapy Benefit is payable or on the same day for which the Emergency Care Benefit is payable.</p>
<p>3. <i>Ambulance Benefit:</i></p>	<p>This benefit is only payable for transportation in an Ambulance to a Hospital resulting from an Accident for which an Emergency Care Benefit is payable.</p> <p>Ground Ambulance: Pays up to 10% of Benefit Maximum Air Ambulance: Pays up to 25% of Benefir Maximum</p>
<p>4. <i>Inpatient Drug Benefit:</i></p>	<p>Pays for drugs that are administered in a Hospital or Urgent Care Center during the care of an Accident.</p> <p>There is no payment for a drug prescribed to be taken or used after the initial Care.</p>
<p>5. <i>Fracture/Dislocation Benefit:</i></p>	<p>Pays for a Fracture or Dislocation diagnosed within 14 days of the Accident.</p>

# Reserve National Insurance Company

## Exhibit II - Summary of Benefits

<p>6. <i>Diagnostic Exam Benefit:</i></p>	<p>X-ray Benefit: Pays benefits if an Insured requires an x-ray or a set of x-rays due to an Accident.</p> <p>Major Diagnostic Exam Benefit: Limited to one per Accident. Benefit is limited to 25% of the Maximum Benefit.</p> <p>Major Diagnostic Exams are limited to the following:</p> <ul style="list-style-type: none"> <li>- CT (computerized tomography) scan;</li> <li>- CTA (computerized tomography angiogram) scan;</li> <li>- MRI (magnetic resonance imaging); and</li> <li>- MRA (magnetic resonance angiogram); and</li> <li>- EEG (electroencephalogram).</li> </ul> <p>Diagnostic Exams must be performed in a Hospital or a Physician's office within 14 days of the Accident.</p>
<p>7. <i>Physical Therapy Benefit:</i></p>	<p>Pays benefits if an Insured is advised by a Physician to seek and subsequently receives Physical Therapy as the result of an Accident.</p> <p>The Physical Therapy must begin within 45 days of the Accident or discharge from the Hospital and must be completed within six months after the Accident.</p> <p>Benefits are limited to one Physical Therapy visit per day, up to a maximum of 10 visits for each Accident. No "internal" limit on the daily benefit amount paid for PT just a max of one visit per day.</p>
<p>8. <i>Prosthesis Benefit:</i></p>	<p>Pays benefits if any Insured receives a Prosthetic Device prescribed by a Physician when such Insured Person suffers the dismemberment of a hand, foot, arm, leg or sight due to an Accident.</p> <p>This benefit is limited to one Prosthetic Device received within one year of the Accident.</p>
<p>9. <i>Dental Benefit:</i></p>	<p>Pays benefits if any Insured receives Emergency Dental Work. Benefits are payable for any and all broken teeth repaired with crown(s) or extractions(s)</p> <p>Benefit is limited to 10% of the Maximum Benefit.</p>
<p>10. <i>Appliance Benefit:</i></p>	<p>Pays benefits if Physician prescribes the use of a medical appliance as an aid in personal locomotion or mobility. These include crutches, braces, walkers, and wheelchairs.</p> <p>Benefit is limited to 5% of the Maximum Benefit.</p>

# Reserve National Insurance Company

---

## Exhibit II - Summary of Benefits

<p><i>11. Accidental Dismemberment Benefit:</i></p>	<p>Pays a lump sum benefit as a result of an accidental dismemberment.</p> <p>A benefit equal to 200% of the Base Policy Benefit Maximum will be paid for the loss of:</p> <ul style="list-style-type: none"> <li>Both hands</li> <li>Both feet</li> <li>Both eyes</li> <li>One hand and one foot</li> <li>One hand and one eye</li> <li>One foot and one eye</li> </ul> <p>A benefit equal to 100% of the Base Policy Benefit Maximum will be paid for the loss of:</p> <ul style="list-style-type: none"> <li>One hand</li> <li>One eye</li> <li>One foot</li> </ul> <p>The loss must be incurred within 90 days of the accident. The benefit is doubled if the loss occurs in a common carrier accident.</p>
<p><b>Accidental Death Rider</b></p>	<p>Pays a lump sum benefit to the beneficiary if the insured dies as a result fo a covered accident.</p> <ul style="list-style-type: none"> <li>Insured – [\$10,000 - \$100,000]</li> <li>Spouse – ½ of Insured Benefit</li> <li>Child – ¼ of Insured Benefit</li> </ul> <p>The benefit is doubled if the loss occurs in a common carrier accident.</p>
<p><b>Disability Income Rider</b></p>	<p>Pays a flat monthly benefit of \$100 per unit, up to 25 units. Benefit payable for a total disability as a result of a covered Accident-only or Accident &amp; Sickness.</p> <p>The elimination and benefit periods available are:</p> <ul style="list-style-type: none"> <li><u>Accident Only Coverage</u></li> <li>7 day EP, 13 week benefit</li> <li>14 day EP, 26 week benefit</li> <li> </li> <li><u>Accident /Sickness Coverage</u></li> <li>7/14 day EP, 13 week benefit</li> <li>14/14 day EP, 26 week benefit</li> </ul> <p>The rider is only available to the primary insured. The STD will be in weekly amounts</p>