

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
TOI/Sub-TOI: H071 Individual Health - Specified Disease - Limited Benefit/H071.002A Dread Disease - Cancer Only
Product Name: Cancer Plan
Project Name/Number: Cancer Endurance/5KM, 5KN, 5KO

Filing at a Glance

Company: Liberty National Life Insurance Company
Product Name: Cancer Plan
State: District of Columbia
TOI: H071 Individual Health - Specified Disease - Limited Benefit
Sub-TOI: H071.002A Dread Disease - Cancer Only
Filing Type: Rate
Date Submitted: 11/05/2013
SERFF Tr Num: AMLC-129279510
SERFF Status: Pending Industry Response
State Tr Num:
State Status:
Co Tr Num: RATES - 5KM, 5KN, 5KO

Implementation: 01/01/2014
Date Requested:
Author(s): Pattie Church, Donna Kennedy
Reviewer(s): Darniece Shirley (primary), Alula Selassie, Donghan Xu
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
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Project Name/Number: Cancer Endurance/5KM, 5KN, 5KO

General Information

Project Name: Cancer Endurance Status of Filing in Domicile: Authorized
Project Number: 5KM, 5KN, 5KO Date Approved in Domicile: 07/10/2009
Requested Filing Mode: Review & Approval Domicile Status Comments: These forms were approved in Nebraska, our state of domicile, on 7/10/09.
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Individual Market Type:
Overall Rate Impact: Filing Status Changed: 12/02/2013
State Status Changed:
Deemer Date: Created By: Donna Kennedy
Submitted By: Donna Kennedy Corresponding Filing Tracking Number: AMLC-129279511

Filing Description:
RE: Rates for Form 5KM – Cancer Policy
Rates for Form 5KN – Family Cancer Policy
Rates for Form 5KO – Single Parent Cancer Policy

Enclosed for your review and approval are premium rates for the above referenced forms. The forms are new and will not replace any forms previously approved in your state. The rates were approved in Nebraska, our state of domicile, on July 10, 2009.

Policy Forms 5KM, 5KN and 5KO (filed under SERFF Tracking # AMLC-129279511 are Cancer policies that are guaranteed renewable. The policy will be offered as an individual, family or single parent plan to applicants age 0 to 69. Policy forms 5KM, 5KN and 5KO will be marketed through our Branch Agency distribution system. The implementation date of these rates will be January 1, 2014.

To the best of our knowledge and belief these rates comply with the laws and regulations of your state. These forms do not contain any language that is unusual in terms of normal company or industry standards.

Included with this filing are actuarial memorandums, premium rates, transmittal documents or other documents required by your state.

Should you require additional information or if you should have any questions, please do not hesitate to contact me at 205-325-4919 or by email at regulatory@libnat.com.

Company and Contact

Filing Contact Information

Pattie Church, Compliance Analyst regulatory@libnat.com
100 Concourse Parkway 205-325-4919 [Phone]
Suite 350 205-325-2720 [FAX]
Hoover, AL 35244

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
TOI/Sub-TOI: H071 Individual Health - Specified Disease - Limited Benefit/H071.002A Dread Disease - Cancer Only
Product Name: Cancer Plan
Project Name/Number: Cancer Endurance/5KM, 5KN, 5KO

Filing Company Information

Liberty National Life Insurance Company P.O. Box 2612 Birmingham, AL 35202 (205) 325-4307 ext. [Phone]	CoCode: 65331 Group Code: 290 Group Name: Liberty National Life FEIN Number: 63-0124600	State of Domicile: Nebraska Company Type: Life and Health State ID Number:
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Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

SERFF Tracking #:

AMLC-129279510

State Tracking #:

Company Tracking #:

RATES - 5KM, 5KN, 5KO

State: District of Columbia

Filing Company: Liberty National Life Insurance Company

TOI/Sub-TOI: H071 Individual Health - Specified Disease - Limited Benefit/H071.002A Dread Disease - Cancer Only

Product Name: Cancer Plan

Project Name/Number: Cancer Endurance/5KM, 5KN, 5KO

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Darniece Shirley	12/02/2013	12/02/2013

Response Letters

Responded By	Created On	Date Submitted
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State: District of Columbia Filing Company: Liberty National Life Insurance Company
 TOI/Sub-TOI: H071 Individual Health - Specified Disease - Limited Benefit/H071.002A Dread Disease - Cancer Only
 Product Name: Cancer Plan
 Project Name/Number: Cancer Endurance/5KM, 5KN, 5KO

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	12/02/2013
Submitted Date	12/02/2013
Respond By Date	12/23/2013

Dear Pattie Church,

Introduction:

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

Objection 1

Comments: The Rate Review Data Detail section of the filing is missing. The State understands this is 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)
- 2013 LNL 5KM Rate Page Page 50% LR, [5KM] (Rate)
- 2013 LNL 5KN Rate Page 50% LR, [5KN] (Rate)
- 2013 LNL 5KO Rate Page 50% LR, [5KO] (Rate)

Comments: Please further detail the stated expenses in the Actuarial Memorandum. The detailed make-up of expenses should be provided as a percentage of premiums. Each expense item should be accounted for separately and total 100%. Expenses such as taxes, administrative, et al should not be grouped together. Expenses such as profit, claims, commission, e.g. should be included.

Objection 3

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

Comments: Please provide mortality and morbidity assumptions and justifications for this rate filing per DCs Health Rate Filing Instructions. Please see <http://disb.dc.gov/sites/default/files/dc/sites/disb/publication/attachments/Health%20Rate%20Filing%20-%20102012.pdf> for more information.

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)
- 2013 LNL 5KM Rate Page Page 50% LR, [5KM] (Rate)
- 2013 LNL 5KN Rate Page 50% LR, [5KN] (Rate)
- 2013 LNL 5KO Rate Page 50% LR, [5KO] (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 5

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
TOI/Sub-TOI: H071 Individual Health - Specified Disease - Limited Benefit/H071.002A Dread Disease - Cancer Only
Product Name: Cancer Plan
Project Name/Number: Cancer Endurance/5KM, 5KN, 5KO

- Cover Letter All Filings (Supporting Document)
- Certificate of Authority to File (Supporting Document)
- Actuarial Memorandum (Supporting Document)
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- 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)
- 2013 LNL 5KM Rate Page Page 50% LR, [5KM] (Rate)
- 2013 LNL 5KN Rate Page 50% LR, [5KN] (Rate)
- 2013 LNL 5KO Rate Page 50% LR, [5KO] (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. This is in conjunction with the forms objection in AMLC-129279511 "Multiple critical illness benefits are permissible in a policy if these benefits are tied into or as a result of the base benefit in the policy. If not, all other specified disease benefits must be deleted."

Conclusion:

Sincerely,
Darniece Shirley

SERFF Tracking #:

AMLC-129279510

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

RATES - 5KM, 5KN, 5KO

State: District of Columbia**Filing Company:** Liberty National Life Insurance Company**TOI/Sub-TOI:** H071 Individual Health - Specified Disease - Limited Benefit/H071.002A Dread Disease - Cancer Only**Product Name:** Cancer Plan**Project Name/Number:** Cancer Endurance/5KM, 5KN, 5KO

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		2013 LNL 5KM Rate Page 50% LR	5KM	New		2013 LNL 5KM Rate Page 50% LR.pdf,
2		2013 LNL 5KN Rate Page 50% LR	5KN	New		2013 LNL 5KN Rate Page 50% LR.pdf,
3		2013 LNL 5KO Rate Page 50% LR	5KO	New		2013 LNL 5KO Rate Page 50% LR.pdf,

LIBERTY NATIONAL LIFE INSURANCE COMPANY

McKinney, Texas

**A CANCER AND SPECIFIED DISEASE POLICY COVERING INDIVIDUALS
POLICY FORM 5KM**

**Proposed Annual Premium Rates
For Policies Issued with Issue Age Rates**

Issue Age	Male or Female
Individual:	
00 - 20	70.33
21 - 25	86.11
26 - 30	95.56
31 - 35	123.78
36 - 40	162.56
41 - 45	223.67
46 - 50	294.33
51 - 55	336.89
56 - 60	400.33
61 - 65	454.44
66 - 69	499.89

Modal Premium Factors:

Semi-Annual	= Annual	* 0.525
Quarterly	= Annual	* 0.265
Monthly	= Annual	* 0.095
Bank Budget	= Annual	* 0.090
Payroll Deduction	= Annual	* 0.090
Government Allotment	= Annual	* 0.090
Liberty National		
Weekly Deduction	= Annual	* 0.01923

For Company Use:

Plan Codes XXX / XXX

LIBERTY NATIONAL LIFE INSURANCE COMPANY

McKinney, Texas

A CANCER AND SPECIFIED DISEASE POLICY COVERING FAMILIES POLICY FORM 5KN

Proposed Annual Premium Rates For Policies Issued with Issue Age Rates

Issue Age*	Male or Female
Family:	
00 - 20	123.11
21 - 25	153.44
26 - 30	172.44
31 - 35	223.56
36 - 40	290.89
41 - 45	399.56
46 - 50	529.11
51 - 55	618.44
56 - 60	755.22
61 - 65	902.00
66 - 69	1,014.75

* Rates are based on the age of the older spouse

Modal Premium Factors:

Semi-Annual	= Annual	* 0.525
Quarterly	= Annual	* 0.265
Monthly	= Annual	* 0.095
Bank Budget	= Annual	* 0.090
Payroll Deduction	= Annual	* 0.090
Government Allotment	= Annual	* 0.090
Liberty National Weekly Deduction	= Annual	* 0.01923

For Company Use:

Plan Codes XXX / XXX

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

A CANCER AND SPECIFIED DISEASE POLICY COVERING SINGLE PARENT FAMILIES
POLICY FORM 5KO

Proposed Annual Premium Rates
For Policies Issued with Issue Age Rates

Issue Age*	Male or Female
Single Parent:	
00 - 20	86.11
21 - 25	106.22
26 - 30	120.89
31 - 35	161.44
36 - 40	218.11
41 - 45	279.22
46 - 50	349.89
51 - 55	392.44
56 - 60	455.89
61 - 65	510.00
66 - 69	555.44

* Rates are based on the age of the parent

Modal Premium Factors:

Semi-Annual	= Annual	* 0.525
Quarterly	= Annual	* 0.265
Monthly	= Annual	* 0.095
Bank Budget	= Annual	* 0.090
Payroll Deduction	= Annual	* 0.090
Government Allotment	= Annual	* 0.090
Liberty National		
Weekly Deduction	= Annual	* 0.01923

For Company Use:

Plan Codes XXX / XXX

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
TOI/Sub-TOI: H071 Individual Health - Specified Disease - Limited Benefit/H071.002A Dread Disease - Cancer Only
Product Name: Cancer Plan
Project Name/Number: Cancer Endurance/5KM, 5KN, 5KO

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	See Attached
Attachment(s):	5KM-5KO Rate Filing letter.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	Our company is submitting this filing, there is no third party involved.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	2013 LNL 5KM Actuarial Memorandum with Attachments 50% LR.pdf 2013 LNL 5KN Actuarial Memorandum with Attachments 50% LR.pdf 2013 LNL 5KO Actuarial Memorandum with Attachments 50% LR.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	See Actuarial Memorandums
Attachment(s):	
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):	

SERFF Tracking #:

AMLC-129279510

State Tracking #:

Company Tracking #:

RATES - 5KM, 5KN, 5KO

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
TOI/Sub-TOI: H071 Individual Health - Specified Disease - Limited Benefit/H071.002A Dread Disease - Cancer Only
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Item Status:	
Status Date:	
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:	

Liberty National
Life Insurance Company
P.O. Box 2612
Birmingham, Alabama 35202



November 5, 2013

District of Columbia Department of
Insurance, Securities and Banking
810 1st Street N. E. Suite 701
Washington, DC 20002

RE: Rates for Form 5KM – Cancer Policy
Rates for Form 5KN – Family Cancer Policy
Rates for Form 5KO – Single Parent Cancer Policy

Dear Reviewer:

Enclosed for your review and approval are premium rates for the above referenced forms. The forms are new and will not replace any forms previously approved in your state. The rates were approved in Nebraska, our state of domicile, on July 10, 2009.

Policy Forms 5KM, 5KN and 5KO (filed under SERFF Tracking # AMLC-129279511 are Cancer policies that are guaranteed renewable. The policy will be offered as an individual, family or single parent plan to applicants age 0 to 69. Policy forms 5KM, 5KN and 5KO will be marketed through our Branch Agency distribution system. The implementation date of these rates will be January 1, 2014.

To the best of our knowledge and belief these rates comply with the laws and regulations of your state. These forms do not contain any language that is unusual in terms of normal company or industry standards.

Included with this filing are actuarial memorandums, premium rates, transmittal documents or other documents required by your state.

Should you require additional information or if you should have any questions, please do not hesitate to contact me at 205-325-4919 or by email at regulatory@libnat.com.

Sincerely,

A handwritten signature in black ink that reads "Pattie Church". The signature is written in a cursive, flowing style.

Pattie Church
Compliance Analyst

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5KM
A CANCER AND SPECIFIED DISEASE POLICY COVERING INDIVIDUALS
NEW PRODUCT FILING
ACTUARIAL MEMORANDUM

This actuarial memorandum along with its attachments is an actuarial report. This actuarial memorandum contains a general description of some policy provisions; it does not change the policy. Benefits are paid as specified in the complete policy.

BENEFITS

A description of the benefits is attached. See Attachment 1.

COVERAGE

This is an individual (not group) policy form. It will be issued to cover an individual.

RENEWABILITY

The policy is guaranteed renewable for life. Premiums are issue age rated and may be changed on a class basis for all policies of this form in your state. Class is based on age at issue, year of issue, and your state.

MARKETING METHOD AND ELIGIBILITY

This policy form will be marketed by licensed agents and issued to persons ages 0 to 69.

APPLICATION OF RATES

The schedule of proposed premium rates applies to all policies in your state.

SCOPE AND REASON

This is a new product filing. The purpose of this rate filing is to demonstrate to state officials that the anticipated loss ratio of this product meets the minimum requirements of your state. This rate filing is not intended to be used for any other purpose or by any other party.

DETERMINATION OF RATES

Proposed premiums were calculated to achieve at least a 50% loss ratio calculated using expected claims cost and policy terminations. Expected claims cost are based on 2005-2007 experience, with claims developed through December 2008, of insurance policies providing similar benefits. Policy Terminations are based on 2005-2008 experience of insurance policies providing similar benefits. See Attachment 2 – Actuarial Parameters for Determination of Rates. Data used in the preparation of this filing is from company records and was used without audit. It was reviewed for reasonableness.

AVERAGE ANNUAL PREMIUM PER POLICY

The average annual premium per policy is expected to be \$203.

LOSS RATIO

The minimum loss ratio per the NAIC Model Guidelines for Filing of Rates for Individual Health Insurance Forms, without reduction for low average premium, is 50%. The anticipated lifetime loss ratio for this policy is 50%. Experience is subject to significant fluctuations on small blocks of business.

CERTIFICATION

I, Peter Hendee, am Health Actuary for Liberty National Life Insurance Company. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render this opinion. I am available to assist with questions regarding this filing.

I hereby certify, to the best of my knowledge and judgment, that this rate filing is in compliance with the applicable laws and regulations of this state and that the benefits of the policies are reasonable in relation to the premiums charged because they are expected to meet or exceed loss ratio requirements.

2/7/13

Date



Peter G. Hendee, FSA, MAAA
Health Actuary

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5KM
A CANCER AND SPECIFIED DISEASE POLICY COVERING INDIVIDUALS
UNISEX RATE FILING
DESCRIPTION OF BENEFITS

- 1) **First Occurrence Benefit**
 \$3,500 upon the first diagnosis of cancer in addition to all other benefits. For this benefit only, skin cancer (except for melanoma) is not covered.
- 2) **Income Replacement Benefit**
 \$100 per week up to a lifetime maximum of 26 weeks if you are disabled due to cancer. A 14-day elimination period applies. All insured persons who are gainfully employed are covered.
- 3) **Hospital Confinement Benefit**
 \$250 per day for the first 90 days of hospital confinement and \$600 per day thereafter for continuous confinement. No maximum number of days.
- 4) **Radiation and Chemotherapy Benefit**
 Up to \$500 per day in or out of the hospital. No maximum lifetime limit.
- 5) **Prescription Chemotherapy Drug Benefit**
 Up to \$10,000 per year for cancer-fighting chemotherapy drugs prescribed to be taken at home. No maximum lifetime limit.
- 6) **Blood Benefit**
 Up to \$500 per day for blood with no maximum lifetime limit when a transfusion is received. Cross matching, laboratory tests, supplies or blood subsequently replaced by a donor are not covered.
- 7) **Attending Physician Benefit**
 Up to \$35 per day for the attending physician (other than the operating surgeon) in or out of the hospital. No maximum number of days.
- 8) **Private Duty Nursing Benefit**
 Up to \$75 per day for care in or out of a hospital by a graduate nurse or licensed practical nurse. No maximum number of days.
- 9) **Surgery Benefit**
 Up to \$2,000 per operation for the surgeon's fee as described in the surgical schedule of the policy. No lifetime limit.
- 10) **Anesthesia Benefit**
 Up to 25% of the amount payable for each surgery. No lifetime limit.
- 11) **Outpatient Surgery Benefit**
 Up to \$250 per day for surgical facilities. No maximum number of days.
- 12) **Transportation Benefit**
 All charges for commercial transportation for you and one attendant to a hospital or clinic. Or 25¢ per mile if you use your car and the hospital or clinic is more than 100 miles (one way) away. Maximum of six trips in a twelve-month period.
- 13) **Hospice Benefit**
 Up to \$75 per day for care provided by a hospice organization. No maximum number of days.
- 14) **Prosthesis Benefit**
 Up to \$750 for each prosthesis. Lifetime limit of two prostheses.
- 15) **Government Hospital Confinement Benefit**
 \$3,500 First Occurrence Benefit upon the first diagnosis of cancer (if not already paid).
 \$250 per day for the first 90 days of hospital confinement and \$600 per day thereafter for continuous confinement in lieu of all other hospital benefits.
- 16) **Dread Disease Benefit**
 \$250 per day for the first 90 days of hospital confinement and \$600 per day thereafter for continuous hospital confinement in lieu of all other benefits for: cystic fibrosis, diphtheria, encephalitis, Lou Gehrig's Disease, meningitis, multiple sclerosis, muscular dystrophy, osteomyelitis, poliomyelitis, rabies, scarlet fever, sickle-cell anemia, smallpox, tetanus, tuberculosis, tularemia and typhoid fever.
- 17) **New or Experimental Treatment Benefit**
 Charges for new or experimental treatment for cancer based on the regular schedule of benefits as stated in the policy.

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5KM
A CANCER AND SPECIFIED DISEASE POLICY COVERING INDIVIDUALS

NEW PRODUCT FILING

ACTUARIAL PARAMETERS FOR DETERMINATION OF RATES

MORBIDITY Claims cost are based on 2005-2007 experience of insurance policies providing similar benefits.

POLICY TERMINATION RATES (including mortality):

<u>Duration</u>	<u>Ages 0-25</u>	<u>Ages 26-35</u>	<u>Ages 36-45</u>	<u>Ages 46-55</u>	<u>Ages 56-65</u>
1	0.476	0.405	0.344	0.335	0.269
2	0.277	0.239	0.225	0.210	0.189
3	0.222	0.198	0.169	0.160	0.154
4	0.169	0.164	0.135	0.134	0.160
5	0.145	0.153	0.136	0.142	0.123
6+	0.100	0.100	0.100	0.100	0.150

INTEREST: 6.5% per year

TREND: No trend for premiums or claims.

EXPENSES:

Average Administration Expense
Taxes, Licenses and Fees

5.5% of premium - all years
2.0% of premium - all years

UNDERWRITING SELECTION:

<u>Duration</u>	<u>Selection</u>
All	100%

DISTRIBUTION OF BUSINESS:

Age and Sex Distribution:

<u>Issue Age</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
0-20	3.1%	3.1%	6.2%
21-25	8.7%	8.5%	17.2%
26-30	5.9%	6.0%	11.9%
31-35	3.9%	4.0%	7.9%
36-40	4.3%	5.5%	9.8%
41-45	5.5%	8.7%	14.2%
46-50	3.9%	6.9%	10.8%
51-55	3.5%	7.3%	10.8%
56-60	2.4%	5.9%	8.3%
61-65	0.7%	2.2%	2.9%
66-69	0.0%	0.0%	0.0%
Total	41.9%	58.1%	100.0%

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas
POLICY FORM 5KN
A CANCER AND SPECIFIED DISEASE POLICY COVERING FAMILIES
NEW PRODUCT FILING
ACTUARIAL MEMORANDUM

This actuarial memorandum along with its attachments is an actuarial report. This actuarial memorandum contains a general description of some policy provisions; it does not change the policy. Benefits are paid as specified in the complete policy.

BENEFITS

A description of the benefits is attached. See Attachment 1.

COVERAGE

This is an individual (not group) policy form. It will be issued to cover an individual, his or her spouse and their children.

RENEWABILITY

The policy is guaranteed renewable for life. Premiums are issue age rated and may be changed on a class basis for all policies of this form in your state. Class is based on age at issue, year of issue, and your state.

MARKETING METHOD AND ELIGIBILITY

This policy form will be marketed by licensed agents and issued to persons ages 0 to 69.

APPLICATION OF RATES

The schedule of proposed premium rates applies to all policies in your state.

SCOPE AND REASON

This is a new product filing. The purpose of this rate filing is to demonstrate to state officials that the anticipated loss ratio of this product meets the minimum requirements of your state. This rate filing is not intended to be used for any other purpose or by any other party.

DETERMINATION OF RATES

Proposed premiums were calculated to achieve at least a 50% loss ratio calculated using expected claims cost and policy terminations. Expected claims cost are based on 2005-2007 experience, with claims developed through December 2008, of insurance policies providing similar benefits. Policy Terminations are based on 2005-2008 experience of insurance policies providing similar benefits. See Attachment 2 – Actuarial Parameters for Determination of Rates. Data used in the preparation of this filing is from company records and was used without audit. It was reviewed for reasonableness.

AVERAGE ANNUAL PREMIUM PER POLICY

The average annual premium per policy is expected to be \$372.

LOSS RATIO

The minimum loss ratio per the NAIC Model Guidelines for Filing of Rates for Individual Health Insurance Forms, without reduction for low average premium, is 50%. The anticipated lifetime loss ratio for this policy is 50%. Experience is subject to significant fluctuations on small blocks of business.

CERTIFICATION

I, Peter Hendee, am Health Actuary for Liberty National Life Insurance Company. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render this opinion. I am available to assist with questions regarding this filing.

I hereby certify, to the best of my knowledge and judgment, that this rate filing is in compliance with the applicable laws and regulations of this state and that the benefits of the policies are reasonable in relation to the premiums charged because they are expected to meet or exceed loss ratio requirements.

2/7/13

Date

Peter G. Hendee

Peter G. Hendee, FSA, MAAA
Health Actuary

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5KN
A CANCER AND SPECIFIED DISEASE POLICY COVERING FAMILIES
NEW PRODUCT FILING
DESCRIPTION OF BENEFITS

- 1) **First Occurrence Benefit**
 \$3,500 upon the first diagnosis of cancer in addition to all other benefits. For this benefit only, skin cancer (except for melanoma) is not covered.
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 All insured persons who are gainfully employed are covered.
- 3) **Hospital Confinement Benefit**
 \$250 per day for the first 90 days of hospital confinement and \$600 per day thereafter for continuous confinement. No maximum number of days.
- 4) **Radiation and Chemotherapy Benefit**
 Up to \$500 per day in or out of the hospital. No maximum lifetime limit.
- 5) **Prescription Chemotherapy Drug Benefit**
 Up to \$10,000 per year for cancer-fighting chemotherapy drugs prescribed to be taken at home. No maximum lifetime limit.
- 6) **Blood Benefit**
 Up to \$500 per day for blood with no maximum lifetime limit when a transfusion is received. Cross matching, laboratory tests, supplies or blood subsequently replaced by a donor are not covered.
- 7) **Attending Physician Benefit**
 Up to \$35 per day for the attending physician (other than the operating surgeon) in or out of the hospital. No maximum number of days.
- 8) **Private Duty Nursing Benefit**
 Up to \$75 per day for care in or out of a hospital by a graduate nurse or licensed practical nurse. No maximum number of days.
- 9) **Surgery Benefit**
 Up to \$2,000 per operation for the surgeon's fee as described in the surgical schedule of the policy. No lifetime limit.
- 10) **Anesthesia Benefit**
 Up to 25% of the amount payable for each surgery. No lifetime limit.
- 11) **Outpatient Surgery Benefit**
 Up to \$250 per day for surgical facilities. No maximum number of days.
- 12) **Transportation Benefit**
 All charges for commercial transportation for you and one attendant to a hospital or clinic. Or 25¢ per mile if you use your car and the hospital or clinic is more than 100 miles (one way) away. Maximum of six trips in a twelve-month period.
- 13) **Hospice Benefit**
 Up to \$75 per day for care provided by a hospice organization. No maximum number of days.
- 14) **Prosthesis Benefit**
 Up to \$750 for each prosthesis. Lifetime limit of two prostheses.
- 15) **Government Hospital Confinement Benefit**
 \$3,500 First Occurrence Benefit upon the first diagnosis of cancer (if not already paid).
 \$250 per day for the first 90 days of hospital confinement and \$600 per day thereafter for continuous confinement in lieu of all other hospital benefits.
- 16) **Dread Disease Benefit**
 \$250 per day for the first 90 days of hospital confinement and \$600 per day thereafter for continuous hospital confinement in lieu of all other benefits for:
 cystic fibrosis, diphtheria, encephalitis, Lou Gehrig's Disease, meningitis, multiple sclerosis, muscular dystrophy, osteomyelitis, poliomyelitis, rabies, scarlet fever, sickle-cell anemia, smallpox, tetanus, tuberculosis, tularemia and typhoid fever.
- 17) **New or Experimental Treatment Benefit**
 Charges for new or experimental treatment for cancer based on the regular schedule of benefits as stated in the policy.

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5KN
A CANCER AND SPECIFIED DISEASE POLICY COVERING FAMILIES

NEW PRODUCT FILING

ACTUARIAL PARAMETERS FOR DETERMINATION OF RATES

MORBIDITY Claims cost are based on 2005-2007 experience of insurance policies providing similar benefits.

POLICY TERMINATION RATES (including mortality):

<u>Duration</u>	<u>Ages 0-25</u>	<u>Ages 26-35</u>	<u>Ages 36-45</u>	<u>Ages 46-55</u>	<u>Ages 56-65</u>
1	0.476	0.405	0.344	0.335	0.269
2	0.277	0.239	0.225	0.210	0.189
3	0.222	0.198	0.169	0.160	0.154
4	0.169	0.164	0.135	0.134	0.160
5	0.145	0.153	0.136	0.142	0.123
6+	0.100	0.100	0.100	0.100	0.150

INTEREST: 6.5% per year

TREND: No trend for premiums or claims.

EXPENSES:

Average Administration Expense	5.5% of premium - all years
Taxes, Licenses and Fees	2.0% of premium - all years

UNDERWRITING SELECTION:

<u>Duration</u>	<u>Selection</u>
All	100%

DISTRIBUTION OF BUSINESS:

Age and Sex Distribution:

<u>Issue Age</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
0-20	0.5%	0.5%	1.0%
21-25	3.9%	3.9%	7.8%
26-30	7.2%	7.2%	14.4%
31-35	6.7%	6.7%	13.4%
36-40	8.1%	8.1%	16.2%
41-45	9.0%	9.0%	18.0%
46-50	5.5%	5.5%	11.0%
51-55	5.0%	5.0%	10.0%
56-60	3.2%	3.2%	6.4%
61-65	0.9%	0.9%	1.8%
66-69	0.0%	0.0%	0.0%
Total	50.0%	50.0%	100.0%

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5KO
A CANCER AND SPECIFIED DISEASE POLICY COVERING SINGLE PARENT FAMILIES
NEW PRODUCT FILING
ACTUARIAL MEMORANDUM

This actuarial memorandum along with its attachments is an actuarial report. This actuarial memorandum contains a general description of some policy provisions; it does not change the policy. Benefits are paid as specified in the complete policy.

BENEFITS

A description of the benefits is attached. See Attachment 1.

COVERAGE

This is an individual (not group) policy form. It will be issued to cover an individual and his or her children.

RENEWABILITY

The policy is guaranteed renewable for life. Premiums are issue age rated and may be changed on a class basis for all policies of this form in your state. Class is based on age at issue, year of issue, and your state.

MARKETING METHOD AND ELIGIBILITY

This policy form will be marketed by licensed agents and issued to persons ages 0 to 69.

APPLICATION OF RATES

The schedule of proposed premium rates applies to all policies in your state.

SCOPE AND REASON

This is a new product filing. The purpose of this rate filing is to demonstrate to state officials that the anticipated loss ratio of this product meets the minimum requirements of your state. This rate filing is not intended to be used for any other purpose or by any other party.

DETERMINATION OF RATES

Proposed premiums were calculated to achieve at least a 50% loss ratio calculated using expected claims cost and policy terminations. Expected claims cost are based on 2005-2007 experience, with claims developed through December 2008, of insurance policies providing similar benefits. Policy Terminations are based on 2005-2008 experience of insurance policies providing similar benefits. See Attachment 2 – Actuarial Parameters for Determination of Rates. Data used in the preparation of this filing is from company records and was used without audit. It was reviewed for reasonableness.

AVERAGE ANNUAL PREMIUM PER POLICY

The average annual premium per policy is expected to be \$201.

LOSS RATIO

The minimum loss ratio per the NAIC Model Guidelines for Filing of Rates for Individual Health Insurance Forms, without reduction for low average premium, is 50%. The anticipated lifetime loss ratio for this policy is 50%. Experience is subject to significant fluctuations on small blocks of business.

CERTIFICATION

I, Peter Hendee, am Health Actuary for Liberty National Life Insurance Company. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render this opinion. I am available to assist with questions regarding this filing.

I hereby certify, to the best of my knowledge and judgment, that this rate filing is in compliance with the applicable laws and regulations of this state and that the benefits of the policies are reasonable in relation to the premiums charged because they are expected to meet or exceed loss ratio requirements.

2/7/13
Date

Peter G. Hendee

Peter G. Hendee, FSA, MAAA
Health Actuary

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5KO
A CANCER AND SPECIFIED DISEASE POLICY COVERING SINGLE PARENT FAMILIES
UNISEX RATE FILING
DESCRIPTION OF BENEFITS

- 1) **First Occurrence Benefit**
 \$3,500 upon the first diagnosis of cancer in addition to all other benefits. For this benefit only, skin cancer (except for melanoma) is not covered.
- 2) **Income Replacement Benefit**
 \$100 per week up to a lifetime maximum of 26 weeks if you are disabled due to cancer. A 14-day elimination period applies. All insured persons who are gainfully employed are covered.
- 3) **Hospital Confinement Benefit**
 \$250 per day for the first 90 days of hospital confinement and \$600 per day thereafter for continuous confinement. No maximum number of days.
- 4) **Radiation and Chemotherapy Benefit**
 Up to \$500 per day in or out of the hospital. No maximum lifetime limit.
- 5) **Prescription Chemotherapy Drug Benefit**
 Up to \$10,000 per year for cancer-fighting chemotherapy drugs prescribed to be taken at home. No maximum lifetime limit.
- 6) **Blood Benefit**
 Up to \$500 per day for blood with no maximum lifetime limit when a transfusion is received. Cross matching, laboratory tests, supplies or blood subsequently replaced by a donor are not covered.
- 7) **Attending Physician Benefit**
 Up to \$35 per day for the attending physician (other than the operating surgeon) in or out of the hospital. No maximum number of days.
- 8) **Private Duty Nursing Benefit**
 Up to \$75 per day for care in or out of a hospital by a graduate nurse or licensed practical nurse. No maximum number of days.
- 9) **Surgery Benefit**
 Up to \$2,000 per operation for the surgeon's fee as described in the surgical schedule of the policy. No lifetime limit.
- 10) **Anesthesia Benefit**
 Up to 25% of the amount payable for each surgery. No lifetime limit.
- 11) **Outpatient Surgery Benefit**
 Up to \$250 per day for surgical facilities. No maximum number of days.
- 12) **Transportation Benefit**
 All charges for commercial transportation for you and one attendant to a hospital or clinic. Or 25¢ per mile if you use your car and the hospital or clinic is more than 100 miles (one way) away. Maximum of six trips in a twelve-month period.
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LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5KO
A CANCER AND SPECIFIED DISEASE POLICY COVERING SINGLE PARENT FAMILIES
NEW PRODUCT FILING

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INTEREST: 6.5% per year

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EXPENSES:

Average Administration Expense
Taxes, Licenses and Fees

5.5% of premium - all years
2.0% of premium - all years

UNDERWRITING SELECTION:

<u>Duration</u>	<u>Selection</u>
All	100%

DISTRIBUTION OF BUSINESS:

Age and Sex Distribution:

<u>Issue Age</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
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21-25	2.0%	8.1%	10.1%
26-30	4.3%	15.2%	19.5%
31-35	4.4%	14.0%	18.4%
36-40	5.6%	15.7%	21.3%
41-45	5.5%	14.0%	19.5%
46-50	2.2%	3.9%	6.1%
51-55	0.9%	1.4%	2.3%
56-60	0.3%	0.4%	0.7%
61-65	0.0%	0.1%	0.1%
66-69	0.0%	0.0%	0.0%
Total	25.5%	74.5%	100.0%