

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
TOI/Sub-TOI: H08I Individual Health - Intensive Care - Limited Benefit/H08I.000 Health - Intensive Care - Limited Benefit
Product Name: Intensive Care Protector
Project Name/Number: Intensive Care Protector/5JP, 5JQ, 5JR

Filing at a Glance

Company: Liberty National Life Insurance Company
Product Name: Intensive Care Protector
State: District of Columbia
TOI: H08I Individual Health - Intensive Care - Limited Benefit
Sub-TOI: H08I.000 Health - Intensive Care - Limited Benefit
Filing Type: Rate
Date Submitted: 11/06/2013
SERFF Tr Num: AMLC-129281261
SERFF Status: Pending Industry Response
State Tr Num:
State Status:
Co Tr Num: RATES - 5JP, 5JQ, 5JR

Implementation: 02/01/2014
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
TOI/Sub-TOI: H08I Individual Health - Intensive Care - Limited Benefit/H08I.000 Health - Intensive Care - Limited Benefit
Product Name: Intensive Care Protector
Project Name/Number: Intensive Care Protector/5JP, 5JQ, 5JR

General Information

Project Name: Intensive Care Protector Status of Filing in Domicile: Authorized
Project Number: 5JP, 5JQ, 5JR Date Approved in Domicile: 10/16/2009
Requested Filing Mode: Review & Approval Domicile Status Comments: These forms were approved in Nebraska, our state of domicile on 10/16/09.
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-129281262

Filing Description:

RE: Rates for Form 5JP – Hospital Intensive Care Policy
Rates for Form 5JQ – Single Parent Hospital Intensive Care Policy
Rates for Form 5JR – Family Hospital Intensive Care 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 October 16, 2009.

Policy Forms 5JP, 5JQ and 5JR (filed under SERFF Tracking # AMLC-129281262) are Hospital Intensive Care policies that are guaranteed renewable. The policy will be offered as an individual, family or single parent plan to applicants age 0 to 60. Policy forms 5JP, 5JQ and 5JR will be marketed through our Branch Agency distribution system.

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 premium rates, actuarial memorandums, 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: H08I Individual Health - Intensive Care - Limited Benefit/H08I.000 Health - Intensive Care - Limited Benefit
Product Name: Intensive Care Protector
Project Name/Number: Intensive Care Protector/5JP, 5JQ, 5JR

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-129281261

State Tracking #:

Company Tracking #:

RATES - 5JP, 5JQ, 5JR

State:

District of Columbia

Filing Company:

Liberty National Life Insurance Company

TOI/Sub-TOI:

H08I Individual Health - Intensive Care - Limited Benefit/H08I.000 Health - Intensive Care - Limited Benefit

Product Name:

Intensive Care Protector

Project Name/Number:

Intensive Care Protector/5JP, 5JQ, 5JR

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: H08I Individual Health - Intensive Care - Limited Benefit/H08I.000 Health - Intensive Care - Limited Benefit
Product Name: Intensive Care Protector
Project Name/Number: Intensive Care Protector/5JP, 5JQ, 5JR

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)
- Actuarial Memorandum and Certifications (Supporting Document)

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)
- 2013 LNL 5JP Hosp ICU Rate 45% LR, [5JP] (Rate)
- 2013 LNL 5JQ Hosp ICU Rate Page 45% LR, [5JQ] (Rate)
- 2013 LNL 5JR Hosp ICU Rate Page 45% LR, [5JR] (Rate)

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 5JP Hosp ICU Rate 45% LR, [5JP] (Rate)
- 2013 LNL 5JQ Hosp ICU Rate Page 45% LR, [5JQ] (Rate)
- 2013 LNL 5JR Hosp ICU Rate Page 45% LR, [5JR] (Rate)

Comments: Please confirm: Dispositions with respects to this filing are being made on behalf of residents of the District of Columbia only.

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
TOI/Sub-TOI: H08I Individual Health - Intensive Care - Limited Benefit/H08I.000 Health - Intensive Care - Limited Benefit
Product Name: Intensive Care Protector
Project Name/Number: Intensive Care Protector/5JP, 5JQ, 5JR

Objection 5

- 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 5JP Hosp ICU Rate 45% LR, [5JP] (Rate)
- 2013 LNL 5JQ Hosp ICU Rate Page 45% LR, [5JQ] (Rate)
- 2013 LNL 5JR Hosp ICU Rate Page 45% LR, [5JR] (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-129281262 "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

State: District of Columbia

Filing Company: Liberty National Life Insurance Company

TOI/Sub-TOI: H08I Individual Health - Intensive Care - Limited Benefit/H08I.000 Health - Intensive Care - Limited Benefit

Product Name: Intensive Care Protector

Project Name/Number: Intensive Care Protector/5JP, 5JQ, 5JR

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 5JP Hosp ICU Rate 45% LR	5JP	New		2013 LNL 5JP Hosp ICU Rate Page 45% LR.pdf,
2		2013 LNL 5JQ Hosp ICU Rate Page 45% LR	5JQ	New		2013 LNL 5JQ Hosp ICU Rate Page 45% LR.pdf,
3		2013 LNL 5JR Hosp ICU Rate Page 45% LR	5JR	New		2013 LNL 5JR Hosp ICU Rate Page 45% LR.pdf,

LIBERTY NATIONAL LIFE INSURANCE COMPANY
 McKinney, Texas

A HOSPITAL INTENSIVE CARE POLICY COVERING INDIVIDUALS
POLICY FORM 5JP

Proposed Annual Premium Rates Per Unit
For Policies Issued with Issue Age Rates

Issue Age	Male	Female
Individual:		
00 - 20	38.89	38.89
21 - 25	38.89	38.89
26 - 30	38.89	38.89
31 - 35	44.44	44.44
36 - 40	50.00	50.00
41 - 45	55.56	55.56
46 - 50	61.11	61.11
51 - 55	66.67	66.67
56 - 60	75.00	75.00

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 HOSPITAL INTENSIVE CARE POLICY COVERING SINGLE PARENT FAMILIES
POLICY FORM 5JQ**

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

Issue Age*	Male	Female
Single Parent:		
00 - 20	47.22	47.22
21 - 25	47.22	47.22
26 - 30	47.22	47.22
31 - 35	52.78	52.78
36 - 40	58.33	58.33
41 - 45	63.89	63.89
46 - 50	75.00	75.00
51 - 55	80.56	80.56
56 - 60	88.89	88.89

* 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

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

A HOSPITAL INTENSIVE CARE POLICY COVERING FAMILIES
POLICY FORM 5JR

Proposed Annual Premium Rates Per Unit
For Policies Issued with Issue Age Rates

Issue Age*	Male	Female
Family:		
00 - 20	75.00	75.00
21 - 25	75.00	75.00
26 - 30	75.00	75.00
31 - 35	75.00	75.00
36 - 40	75.00	75.00
41 - 45	80.56	80.56
46 - 50	88.89	88.89
51 - 55	97.22	97.22
56 - 60	108.33	108.33

* 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

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
TOI/Sub-TOI: H08I Individual Health - Intensive Care - Limited Benefit/H08I.000 Health - Intensive Care - Limited Benefit
Product Name: Intensive Care Protector
Project Name/Number: Intensive Care Protector/5JP, 5JQ, 5JR

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	See Attached
Attachment(s):	Rate Filing Cover Letter - 5JP, 5JQ, 5JR.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:	See Attached
Attachment(s):	2013 LNL 5JP Hosp ICU Actuarial Memo and Attachments 45% LR.pdf 2013 LNL 5JQ Hosp ICU Actuarial Memo and Attachments 45% LR.pdf 2013 LNL 5JR Hosp ICU Actuarial Memo and Attachments 45% 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-129281261

State Tracking #:

Company Tracking #:

RATES - 5JP, 5JQ, 5JR

State: District of Columbia **Filing Company:** Liberty National Life Insurance Company
TOI/Sub-TOI: H08I Individual Health - Intensive Care - Limited Benefit/H08I.000 Health - Intensive Care - Limited Benefit
Product Name: Intensive Care Protector
Project Name/Number: Intensive Care Protector/5JP, 5JQ, 5JR

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 6, 2013

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

RE: Rates for Form 5JP – Hospital Intensive Care Policy
Rates for Form 5JQ – Single Parent Hospital Intensive Care Policy
Rates for Form 5JR – Family Hospital Intensive Care 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 October 16, 2009.

Policy Forms 5JP, 5JQ and 5JR (filed under SERFF Tracking # AMLC-129281262) are Hospital Intensive Care policies that are guaranteed renewable. The policy will be offered as an individual, family or single parent plan to applicants age 0 to 60. Policy forms 5JP, 5JQ and 5JR will be marketed through our Branch Agency distribution system. The implementation date of this filing will be February 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 premium rates, actuarial memorandums, 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 5JP
A HOSPITAL INTENSIVE CARE 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

This policy is guaranteed renewable to age 65 or, if earlier, eligibility for Medicare. 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 benefit amounts, sex, 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 60.

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 45% loss ratio calculated using expected claims cost and policy terminations. Experience is subject to significant fluctuations on small blocks of business. Expected claims cost and policy terminations are based on historical 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 \$100.

LOSS RATIO

The minimum loss ratio per the NAIC Model Guidelines for Filing of Rates for Individual Health Insurance Forms, with reduction for low average premium, is less than 45%. The anticipated lifetime loss ratio for this policy exceeds 45%.

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.

6/14/13
Date

Peter G. Hendee

Peter G. Hendee, FSA, MAAA
Health Actuary

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5JP
A HOSPITAL INTENSIVE CARE POLICY COVERING INDIVIDUALS
NEW PRODUCT FILING

DESCRIPTION OF BENEFITS

Benefits Per Unit of Coverage

1) Daily Intensive Care

\$500 per day up to 30 days for each ICU confinement (other than automobile and travel accidents) beginning the first day for accidental bodily injury and the second day for sickness.

2) Automobile and Travel Accidents

\$1,000* per day up to 30 days for each ICU confinement for treatment of an accidental bodily injury resulting from an automobile or travel accident. This benefit pays for confinements which begin within forty-eight (48) hours of the accident.

3) Regular Hospital Room

\$100 per day for confinement in a regular hospital room up to the same number of covered days of ICU confinement. For example, if you are in ICU for two (2) covered days, you would receive \$100 per day for up to two (2) days of regular room confinement occurring during the same hospitalization.

4) Blood

\$100 for whole blood or blood components administered during a hospital stay involving an ICU confinement.

5) Ambulance

\$100 for a professional ambulance or air ambulance when a covered insured is transported to the hospital for an ICU confinement.

*\$500 Daily Intensive Care Benefit Plus \$500 Automobile and Travel Accident Benefit.

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5JP
A HOSPITAL INTENSIVE CARE POLICY COVERING INDIVIDUALS

NEW PRODUCT FILING

ACTUARIAL PARAMETERS FOR DETERMINATION OF RATES

MORBIDITY

Claims cost are based on 2005 through 2007 experience, developed through 2008, of insurance policies providing similar benefits. Claims cost are equal to frequency of care times the fixed benefits in the policy.

POLICY TERMINATION RATES (including mortality): Based on 2006-2007 experience of insurance policies providing similar benefits.

Duration	Issue Ages 0-25	Issue Ages 26-35	Issue Ages 36-45	Issue Ages 46-55	Issue Ages 56-60
1	0.558	0.476	0.412	0.361	0.295
2	0.332	0.304	0.240	0.209	0.171
3	0.222	0.208	0.181	0.164	0.132
4	0.174	0.160	0.140	0.120	0.120
5	0.149	0.140	0.135	0.100	0.100
6+	0.100	0.100	0.100	0.100	0.100

INTEREST: 6.5% per year

TREND: No trend for premiums or claims.

EXPENSES:

Average Administration Expense
Taxes, Licenses and Fees

6.0% of premium - all years
2.3% of premium - all years

UNDERWRITING SELECTION:

Duration	Selection
1	60%
2	60%
3+	125%

DISTRIBUTION OF BUSINESS:

Age and Sex Distribution:

Issue Age	Male	Female	Total
0-20	3.8%	2.5%	6.3%
21-25	9.1%	6.2%	15.3%
26-30	6.6%	4.9%	11.5%
31-35	5.1%	4.3%	9.4%
36-40	4.9%	4.3%	9.2%
41-45	5.5%	7.3%	12.8%
46-50	5.8%	9.2%	15.0%
51-55	4.0%	7.7%	11.7%
56-60	2.7%	6.1%	8.8%
Total	47.5%	52.5%	100.0%

Average of 1.92 benefit units per policy.

LIBERTY NATIONAL LIFE INSURANCE COMPANY

McKinney, Texas

POLICY FORM 5JQ

A HOSPITAL INTENSIVE CARE 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

This policy is guaranteed renewable to age 65 or, if earlier, eligibility for Medicare. 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 benefit amounts, sex, 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 60.

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 45% loss ratio calculated using expected claims cost and policy terminations. Experience is subject to significant fluctuations on small blocks of business. Expected claims cost and policy terminations are based on historical 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 \$112.

LOSS RATIO

The minimum loss ratio per the NAIC Model Guidelines for Filing of Rates for Individual Health Insurance Forms, with reduction for low average premium, is less than 45%. The anticipated lifetime loss ratio for this policy exceeds 45%.

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.

6/14/13

Date

Peter G. Hendee

Peter G. Hendee, FSA, MAAA
Health Actuary

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5JQ
A HOSPITAL INTENSIVE CARE POLICY COVERING SINGLE PARENT FAMILIES
NEW PRODUCT FILING

DESCRIPTION OF BENEFITS

Benefits Per Unit of Coverage

- 1) **Daily Intensive Care**
\$500 per day up to 30 days for each ICU confinement (other than automobile and travel accidents) beginning the first day for accidental bodily injury and the second day for sickness.
- 2) **Automobile and Travel Accidents**
\$1,000* per day up to 30 days for each ICU confinement for treatment of an accidental bodily injury resulting from an automobile or travel accident. This benefit pays for confinements which begin within forty-eight (48) hours of the accident.
- 3) **Regular Hospital Room**
\$100 per day for confinement in a regular hospital room up to the same number of covered days of ICU confinement. For example, if you are in ICU for two (2) covered days, you would receive \$100 per day for up to two (2) days of regular room confinement occurring during the same hospitalization.
- 4) **Blood**
\$100 for whole blood or blood components administered during a hospital stay involving an ICU confinement.
- 5) **Ambulance**
\$100 for a professional ambulance or air ambulance when a covered insured is transported to the hospital for an ICU confinement.

*\$500 Daily Intensive Care Benefit Plus \$500 Automobile and Travel Accident Benefit.

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5JQ
A HOSPITAL INTENSIVE CARE POLICY COVERING SINGLE PARENT FAMILIES

NEW PRODUCT FILING

ACTUARIAL PARAMETERS FOR DETERMINATION OF RATES

MORBIDITY

Claims cost are based on 2005 through 2007 experience, developed through 2008, of insurance policies providing similar benefits. Claims cost are equal to frequency of care times the fixed benefits in the policy.

POLICY TERMINATION RATES (including mortality): Based on 2006-2007 experience of insurance policies providing similar benefits.

Duration	Ages 0-25	Ages 26-35	Ages 36-45	Ages 46-55	Ages 56-60
1	0.558	0.476	0.412	0.361	0.295
2	0.332	0.304	0.240	0.209	0.171
3	0.222	0.208	0.181	0.164	0.132
4	0.174	0.160	0.140	0.120	0.120
5	0.149	0.140	0.135	0.100	0.100
6+	0.100	0.100	0.100	0.100	0.100

INTEREST: 6.5% per year

TREND: No trend for premiums or claims.

EXPENSES:

Average Administration Expense
Taxes, Licenses and Fees

6.0% of premium - all years
2.3% of premium - all years

UNDERWRITING SELECTION:

Duration	Selection
1	60%
2	60%
3+	125%

DISTRIBUTION OF BUSINESS:

Age and Sex Distribution:

Issue Age	Male	Female	Total
0-20	0.4%	0.9%	1.3%
21-25	1.9%	5.7%	7.6%
26-30	4.4%	11.8%	16.2%
31-35	5.1%	15.1%	20.2%
36-40	5.2%	14.3%	19.5%
41-45	5.9%	14.8%	20.7%
46-50	3.3%	6.9%	10.2%
51-55	1.1%	2.3%	3.4%
56-60	0.2%	0.7%	0.9%
Total	27.5%	72.5%	100.0%

Average of 1.92 benefit units per policy.

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas
POLICY FORM 5JR
A HOSPITAL INTENSIVE CARE 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

This policy is guaranteed renewable to age 65 or, if earlier, eligibility for Medicare. 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 benefit amounts, sex, 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 60.

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 45% loss ratio calculated using expected claims cost and policy terminations. Experience is subject to significant fluctuations on small blocks of business. Expected claims cost and policy terminations are based on historical 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 \$158.

LOSS RATIO

The minimum loss ratio per the NAIC Model Guidelines for Filing of Rates for Individual Health Insurance Forms, with reduction for low average premium, is less than 45%. The anticipated lifetime loss ratio for this policy exceeds 45%.

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.

6/14/13
Date

Peter G. Hendee

Peter G. Hendee, FSA, MAAA
Health Actuary

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas
POLICY FORM 5JR
A HOSPITAL INTENSIVE CARE POLICY COVERING FAMILIES
NEW PRODUCT FILING

DESCRIPTION OF BENEFITS

Benefits Per Unit of Coverage

1) Daily Intensive Care

\$500 per day up to 30 days for each ICU confinement (other than automobile and travel accidents) beginning the first day for accidental bodily injury and the second day for sickness.

2) Automobile and Travel Accidents

\$1,000* per day up to 30 days for each ICU confinement for treatment of an accidental bodily injury resulting from an automobile or travel accident. This benefit pays for confinements which begin within forty-eight (48) hours of the accident.

3) Regular Hospital Room

\$100 per day for confinement in a regular hospital room up to the same number of covered days of ICU confinement. For example, if you are in ICU for two (2) covered days, you would receive \$100 per day for up to two (2) days of regular room confinement occurring during the same hospitalization.

4) Blood

\$100 for whole blood or blood components administered during a hospital stay involving an ICU confinement.

5) Ambulance

\$100 for a professional ambulance or air ambulance when a covered insured is transported to the hospital for an ICU confinement.

*\$500 Daily Intensive Care Benefit Plus \$500 Automobile and Travel Accident Benefit.

LIBERTY NATIONAL LIFE INSURANCE COMPANY
McKinney, Texas

POLICY FORM 5JR
A HOSPITAL INTENSIVE CARE POLICY COVERING FAMILIES

NEW PRODUCT FILING

ACTUARIAL PARAMETERS FOR DETERMINATION OF RATES

MORBIDITY

Claims cost are based on 2005 through 2007 experience, developed through 2008, of insurance policies providing similar benefits. Claims cost are equal to frequency of care times the fixed benefits in the policy.

POLICY TERMINATION RATES (including mortality): Based on 2006-2007 experience of insurance policies providing similar benefits.

Duration	Ages 0-25	Ages 26-35	Ages 36-45	Ages 46-55	Ages 56-60
1	0.558	0.476	0.412	0.361	0.295
2	0.332	0.304	0.240	0.209	0.171
3	0.222	0.208	0.181	0.164	0.132
4	0.174	0.160	0.140	0.120	0.120
5	0.149	0.140	0.135	0.100	0.100
6+	0.100	0.100	0.100	0.100	0.100

INTEREST: 6.5% per year

TREND: No trend for premiums or claims.

EXPENSES:

Average Administration Expense
Taxes, Licenses and Fees

6.0% of premium - all years
2.3% of premium - all years

UNDERWRITING SELECTION:

Duration	Selection
1	60%
2	60%
3+	125%

DISTRIBUTION OF BUSINESS:

Age and Sex Distribution:

Issue Age	Male	Female	Total
0-20	0.4%	0.4%	0.8%
21-25	3.0%	3.0%	6.0%
26-30	6.1%	6.1%	12.2%
31-35	7.8%	7.8%	15.6%
36-40	7.4%	7.4%	14.8%
41-45	9.1%	9.1%	18.2%
46-50	8.2%	8.2%	16.4%
51-55	5.1%	5.1%	10.2%
56-60	2.9%	2.9%	5.8%
Total	50.0%	50.0%	100.0%

Average of 1.92 benefit units per policy.