TABLE 1. REFUND CALCULATION FORM

FOR CALENDAR YEAR __________

<table>
<thead>
<tr>
<th>TYPE (v)</th>
<th>SMSBP (w)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned Premium (x)</td>
<td>Incurred Claims (y)</td>
</tr>
</tbody>
</table>

Line

1. Current Year's Experience
   a. Total (all policy years)
   b. Current year's issues (z)
   c. Net (for reporting purposes = 1a - 1b)

2. Past Years' Experience
   (All Policy Years)

3. Total Experience (Net Current Year + Past Years' Experience)

4. Refunds last year (Excluding Interest)

5. Previous Since Inception
   (Excluding Interest)

6. Refunds Since Inception (Excluding Interest)

7. Benchmark Ratio Since Inception
   (SEE WORKSHEET FOR RATIO 1)
## TABLE 1. REFUND CALCULATION FORM

**FOR CALENDAR YEAR __________**

<table>
<thead>
<tr>
<th>Type (v)</th>
<th>SMSBP (w)</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the State of</td>
<td>________________________</td>
</tr>
<tr>
<td>Company Name</td>
<td>________________________</td>
</tr>
<tr>
<td>NAIC Group Code</td>
<td>NAIC Company Code</td>
</tr>
<tr>
<td>Address</td>
<td>________________________</td>
</tr>
<tr>
<td>Person Completing This Exhibit</td>
<td>_________________</td>
</tr>
<tr>
<td>Title</td>
<td>Telephone Number</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>(a)</th>
<th>(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned Premium (x)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incurred Claims (y)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Line 8 Experience Ratio Since Inception**

\[
\text{Total Actual Incurred Claims (line 3, col b)} = \text{Ratio 2} \\
\]

\[
\text{Total Earned Premium (line 3, col a) - Refunds Since Inception (line 6)} \\
\]

**Line 9 Life Years Exposed Since Inception**

If the Experienced Ratio is less than the Benchmark Ratio, and there are more than 500 life years exposure, then proceed to calculation of refund.

**Line 10 Tolerance Permitted (obtained from credibility table)**

**Line 11 Adjustment to Incurred Claims for Credibility**

\[
\text{Ratio 3} = \text{Ratio 2} + \text{Tolerance} \\
\]

If Ratio 3 is more than benchmark ratio (ratio 1), a refund or credit to premium is not required.
TABLE 1. REFUND CALCULATION FORM

FOR CALENDAR YEAR __________

TYPE (v) ______________________ SMSBP (w) ______________________
For the State of __________________________________________________
Company Name ______________________________________________________
NAIC Group Code ______________ NAIC Company Code _________________
Address ___________________________________________________________
Person Completing This Exhibit ____________________________________
Title ________________________ Telephone Number __________________

(a) Earned Premium (x)  (b) Incurred Claims (y)
--- ---

Line

If Ratio 3 is less than the benchmark ratio, then proceed.

12 Adjusted Incurred Claims =

\[ \text{Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6)) x Ratio 3 (line 11)} \]

13 Refund =

\[
\frac{\text{Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6) - Adjusted Incurred Claims (line 12)}}{\text{Benchmark Ratio (Ratio 1)}}
\]

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise, the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.
### Table 1. Refund Calculation Form

**For Calendar Year __________**

<table>
<thead>
<tr>
<th>Type (v)</th>
<th>SMSBP (w)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Supplement</td>
<td>Credibility</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Life Years Exposed</th>
<th>Tolerance</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000 +</td>
<td>0.0%</td>
</tr>
<tr>
<td>5,000 - 9,999</td>
<td>5.0%</td>
</tr>
<tr>
<td>2,500 - 4,999</td>
<td>7.5%</td>
</tr>
<tr>
<td>1,000 - 2,499</td>
<td>10.0%</td>
</tr>
<tr>
<td>500 - 999</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

If less than 500, no credibility.

(v) Individual, Group, Individual Medicare Select or Group Medicare Select Only

(w) "SMSBP" = Standardized Medicare Supplement Benefit Plan

(x) Includes modal loadings and fees charged.

(y) Excludes Active Life Reserves.

(z) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios"

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

______________________________
Signature

______________________________
Name - Please Type

______________________________
Title

______________________________
Date