APPENDIX Q. MEDICARE SUPPLEMENT [REVOKED]
APPENDIX Q. MEDICARE SUPPLEMENT [NEW]
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		
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)		

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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

8   Experience Ratio Since Inception

$$\frac{\text{Total Actual Incurred Claims (line 3, col b)}}{\text{Total Earned Premium (line 3, col a) - Refunds Since Inception (line 6)}} = \text{Ratio 2}$$

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.

10   Tolerance Permitted (obtained from credibility table) _____

11   Adjustment to Incurred Claims for Credibility

Ratio 3 = Ratio 2 + Tolerance

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

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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 =

[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 _____

TYPE (v) _____   SMSBP (w) _____
For the State of _____
Company Name _____
NAIC Group Code _____   NAIC Company Code _____
Address _____
Person Completing This Exhibit _____
Title _____   Telephone Number _____

     Medicare Supplement Credibility
     Table

     Life Years Exposed
     Since Inception   Tolerance
     ------------------   ---------
     10,000 +   0.0%
      5,000 - 9,999   5.0%
      2,500 - 4,999   7.5%
      1,000 - 2,499   10.0%
       500 - 999   15.0%

     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