

Filing: 05-00309

Florida Department of Financial Services

Union Bankers Insurance Company

Actuarial Memorandum

Individual Comprehensive Long-Term Care Business

I. Scope and Purpose

The purpose of this filing is to request a rate increase on our entire block of comprehensive long-term care business (the forms are listed below) and to demonstrate that, after the requested increase, the expected lifetime loss ratio meets the minimum requirements of your state. This filing is not intended to be used for other purposes.

<u>FL Form</u>	<u>Title</u>
LTC-92	Long-Term Care Policy
NH86 w/rider UB-NH86GR	Nursing Home Policy w/Policy Amendment Rider (the rider makes the policy guaranteed renewable)
NH87 GR	Nursing Home Policy
NH-88-GR	Long-Term Care Policy
UB-8801	Home Convalescent Care Benefit Rider

<u>Non-FL Form</u>	<u>Title</u>
H-706-0886	Nursing Home Policy (Integrity National Life Insurance Company form assumed by Union Bankers Insurance Company)
H-716	Long-Term Care Policy (Integrity National Life Insurance Company form assumed by Union Bankers Insurance Company)
LTC-CV	Long-Term Care Policy

II. Benefit Description

These forms are individual policies providing daily benefits for nursing home care. Benefits for home care are included in forms NH86, NH87, and H-706-0886 and were optional in forms LTC-92 and H-716. Forms LTC-CV and NH-88-GR were sold with optional rider UB-8801 (which provides home care benefits).

III. Renewability Clause

The forms are guaranteed renewable.

IV. Applicability

This rate increase will apply to existing policies only, as this is a closed block of business.

V. Morbidity

Pricing claim costs were based on the experience of Bankers Life and Casualty as well as the 1985 National Nursing Home Survey and Medicare Program Statistics of 1982 (published by HCFA).

VI. Mortality

The mortality table used in the projections is the 1983 Group Annuity Mortality Table.

VII. Persistency

The projections assume a lapse rate of 6.7%, based on the difference between the actual total decrement rate from 12/31/02 to 12/31/03 and the mortality rate.

VIII. Expenses

LTC-92

Renewal Commission – 10% (add 5% for issues ages 55-75)

Fixed - \$1.282/policy/month

Overhead – 2.62% of premium earned

Premium and DAC Tax – 3.40% of premium earned

Claims Administration – 4.33% of claims paid

NH86 and NH87 GR

Renewal Commission – 15%

Fixed - \$1.25/individual/month

Overhead – 6.00% of premium earned

Premium and DAC Tax – 2.40% of premium earned

Claims Administration – 1.00% of claims paid

UB-8801

Renewal Commission – 15%, decreasing to 2% in the 11th year

Overhead – 3.0% of premium earned

Premium and DAC Tax – 2.0% of premium earned

Claims Administration – 6.9% of claims paid

IX. Marketing Method

These policies were marketed through brokers.

X. Underwriting

These forms were medically underwritten.

XI. Premium Classes

Premiums vary by issue age, premium mode, benefit period/maximum, elimination period/deductible, and optional benefits selected.

XII. Issue Age Range

The issue age range was 50-84 for LTC-92 and NH-88-GR. For NH86 and NH87 GR, it was 50-79. All premiums are on an issue age basis.

XIII. Area Factors

The premiums do not differ by area within a state.

XIV. Average Annual Premium

Form	Nationwide				Florida			
	Policy Count	Annualized Premium	Average Prem Before Inc	Average Prem After Inc	Policy Count	Annualized Premium	Average Prem Before Inc	Average Prem After Inc
H-706-0886	1	562.50	562.50	731.25	0	0.00	N/A	N/A
H-716	66	61,112.94	925.95	1,203.74	0	0.00	N/A	N/A
LTC-92	501	945,266.27	1,886.76	2,452.79	9	16,649.64	1,849.96	2,404.95
LTC-CV	11	7,676.72	697.88	907.25	0	0.00	N/A	N/A
NH86	367	478,129.31	1,302.80	1,693.65	9	8,344.40	927.16	1,205.30
NH87 GR	201	268,007.29	1,333.37	1,733.38	6	6,058.82	1,009.80	1,312.74
NH-88-GR	1180	1,489,238.30	1,262.07	1,640.69	34	50,671.51	1,490.34	1,937.44
UB-8801*	73	16,699.99	228.77	297.40	2	434.40	217.20	282.36
Total	2327	3,266,693.32	1,403.82	1,824.97	58	82,158.77	1,416.53	1,841.49

*Riders not included in total policy count

XV. Premium Modalization Rules

The modal factors are as follows:

Schedule	Mode				
	Annual	Semi-Annual	Quarterly	Monthly	Monthly PAC
20	1.00000	.51140	.26140	.09330	.08333
21	1.00000	.51140	.26140	.09330	.08500
23	1.00000	.51140	.26140	.09470	.08333
25	1.00000	.51140	.26140	.09470	.08750
31	1.00000	.52000	.26500	.09000	.08750
32	1.00000	.52500	.26500	.09500	.08750

LTC-92

3-yr max, 90-day elim, level – Schedule 31
other – Schedule 32

NH86

1-yr max, all elims – Schedule 25
3 or 5-yr max, 100-day elim – Schedule 23
other – Schedule 20

NH87 GR

5-yr max – Schedule 20
other – Schedule 25

NH-88-GR

3-yr max, 20-day elim, increasing – Schedule 31
level, sold after 7/89 – Schedule 21
level, sold prior to 8/89 – Schedule 23
other – Schedule 32

UB-8801

all - Schedule 32

XVI. Claim Liability and Reserves

The claim liabilities were calculated using a continuance table provided by Milliman USA. The nationwide claim reserve as of 12/31/03 is \$6,591,654.

XVII. Active Life Reserves

The active life reserve is calculated using Southwestern Life Insurance Company's reserve factor file.

XVIII. Trend Assumption – Medical and Insurance

A. Medical Trend

Due to the indemnity nature of the benefits provided by these policies, we have assumed no medical trend.

B. Insurance Trend

The aging factor is based on the ultimate trend of the expected durational loss ratios. Shock lapses are estimated as half of the rate increase in excess of 15%. Antiselection is calculated as one minus the shock lapse.

XIX. Minimum Loss Ratio

The minimum required loss ratio is 60.0%.

XX. Anticipated Loss Ratio

Exhibit B shows the nationwide experience by duration and compares the actual to the expected experience. This shows that the actual experience for the years for which we have data (2000-2003) is 227% of expected. Adding in the 1986-1999 experience (modeled at 100% of expected – see Section XXIII) brings the number to 139%. We are filing for an increase of 30.0%.

Exhibit C takes the experience from Exhibit B and projects it 20 years at 5.00% interest, with and without the requested increase effective 8/1/2004 (the nationwide effective date). Since this increase will not bring the future loss ratio to the target loss ratio, we will continue to monitor the experience closely, but we are not projecting future rate increases at this time.

The projected durational loss ratios (from the original filings) are as follows:

<u>Pol Yr</u>	<u>LTC-92</u>	<u>NH86</u>	<u>NH87GR</u>	<u>NHST-95</u>
1	20.40	14.63	14.63	21.06
2	33.20	23.68	23.68	28.42
3	43.20	29.18	29.18	36.40
4	51.60	35.77	35.77	44.07
5	60.40	41.69	41.69	51.28
6	71.10	48.58	48.58	59.62
7	81.70	56.66	56.66	68.07
8	90.40	66.17	66.17	77.53
9	100.10	77.38	77.38	88.39
10	110.50	89.30	89.30	101.50

XXI. Distribution of Business

Please see Exhibit A for the distribution of business by premium class.

XXII. Contingency & Risk Margins

NH86 and NH87 GR – 10%

XXIII. Experience – Past & Future

The experience of these forms has been combined due to the lack of credibility of the individual forms, and rider experience has been included with the experience of the base policy. Claims are shown on a restated basis. For example, the 2001 incurred claims consist of claims paid on any date for all claimants with a 2001 original incurred date, plus the estimated remaining claim liability for 2001 incurred claims as of 12/31/03. Due to the lack of availability of data, we have estimated the actual incurred claims prior to 2000 as 100% of expected claims. Expected claims are based on the originally filed durational loss ratios for forms LTC-92, NH86, and NH87 GR. For the remaining forms, we used the originally filed durational loss ratios for the most similar form from the previous list. Earned premiums prior to 1998 (except NH86, NH87 GR, and LTC-92 – which are based on information from previous rate filings) were modeled from the 1998 premiums, with the same mortality and lapse assumptions as the projections.

Historical premiums adjusted to the current rate level are shown in Exhibit D.

XXIV. Lifetime Loss Ratio

The projection shows the following loss ratios:

	Earned Premium	Incurred Claims	Loss Ratio
Historical	138,700,031	75,837,767	54.7%
Future without Increase	13,532,702	34,698,287	256.4%
Lifetime without Increase	152,232,733	110,536,054	72.6%
Future with Increase	15,537,229	31,947,825	205.6%
Lifetime with Increase	154,237,260	107,785,593	69.9%

XXV. History of Previous Rate Revisions

The only previous rate revision in FL was a 15% decrease on LTC-92, approved 9/16/1993.

XXVI. Number of Policyholders

Please see section XIV for both nationwide and Florida policy counts.

XXVII. Proposed Effective Date

The proposed effective date is 3/1/2005 (8/1/2004 on a nationwide basis), following 45 days advance notice and Department approval.

XXVIII. Actuarial Certification

To the best of my knowledge and judgment, this filing is in compliance with the applicable laws of the State of Florida and with the rules of the Department of Insurance, and complies with Actuarial Standard of Practice No. 8, "Regulatory Filings for Rates and Financial Projections for Health Plans," as adopted by the Actuarial Standards Board, January, 1989, which standard is hereby adopted and incorporated by reference, and that the benefits provided are reasonable in relation to the proposed premiums.

Garry R. Reed, ASA, MAAA
Vice President and Actuary

May 25, 2006

UNIVERSAL AMERICAN FINANCIAL CORP.

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800 538 1053, x8319
407 995 8023 Fax

January 10, 2005

Mr. Frank Dino
Florida Department of Financial Service
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

RE: Union Bankers Insurance Company
NAIC #69701
Request for Rate Revision – Long Term Care
Form(s): LTC-92, et al

Dear Mr. Dino:

Enclosed for your review and approval is a rate revision request for the above referenced filing. Union Bankers is requesting a 30% increase.

If you have any questions, please direct them to my attention at 1-800-538-1053, ext. 8319, by e mail at cboyd@uafc.com or by fax at 407-995-8023.

Sincerely,

Carmen Boyd
AVP, Actuarial Compliance

DISAPPROVED

Date Received: Date of Action:
JAN 10 2005 JAN 21 2005

**Union Bankers Insurance Company
 Current and Requested Rates - all Long Term Care**

OFFICE OF INSURANCE REGULATION

Iss State	FormName	Policy #	Covg	Issue Date	Sex	Issue Age	Data		Requested Increase	
							Policy Cour	Current Annualized Prem		
FL	LTC-92	46799823	1	19940104	F	67	2	829.00	30.0%	
			2	19940104	F	67	0	570.00	30.0%	
		46812558	1	19940628	F	63	2	507.87	30.0%	
			2	19940628	F	63	0	121.13	30.0%	
		46813236	1	19940429	F	81	2	1,064.50	30.0%	
			2	19940429	F	81	0	530.00	30.0%	
		46818887	1	19940630	F	65	2	585.84	30.0%	
			2	19940630	F	65	0	283.56	30.0%	
		46849379	1	19950518	F	74	2	1,075.00	30.0%	
			2	19950518	F	74	0	456.00	30.0%	
		46857189	1	19951004	F	82	2	1,196.00	30.0%	
			2	19951004	F	82	0	370.00	30.0%	
		46870189	1	19951231	F	81	2	1,974.80	30.0%	
			2	19951231	F	81	0	712.32	30.0%	
		46871871	1	19960301	F	62	2	0.00	30.0%	
					M	64	2	2,151.68	30.0%	
					F	62	0	0.00	30.0%	
		46873371	1	19960325	M	64	0	1,774.96	30.0%	
					F	65	2	0.00	30.0%	
					M	69	2	1,952.28	30.0%	
		2	19960325	F	65	0	0.00	30.0%		
				M	69	0	494.70	30.0%		
	LTC-92 Total							22	16,649.64	30.0%
	NH86			1	19870217	F	69	1	823.40	30.0%
				1	19870225	F	64	1	1,093.80	30.0%
				1	19870501	M	70	1	1,225.00	30.0%
				1	19870506	F	69	1	450.00	30.0%
				1	19870708	F	80	1	825.00	30.0%
				1	19870721	M	69	1	941.04	30.0%
				1	19870721	F	68	1	627.36	30.0%
				1	19870901	F	74	1	1,463.84	30.0%
	46437871	1	19871228	F		66	1	894.96	30.0%	
	NH86 Total							9	8,344.40	30.0%
	NH87 GR			1	19880316	F	69	1	612.50	30.0%
				1	19880501	F	76	1	2,300.32	30.0%
1				19880701	F	69	1	675.00	30.0%	
1				19880603	F	65	1	400.00	30.0%	
1				19880621	F	71	1	1,189.36	30.0%	
46484131	1	19880621	F		66	1	881.64	30.0%		
NH87 GR Total							6	6,058.82	30.0%	
NH88-GR			1	19880706	M	74	1	1,391.82	30.0%	
			1	19880707	F	70	1	558.00	30.0%	
			1	19880818	F	66	1	2,059.00	30.0%	
			1	19881009	F	65	1	3,097.52	30.0%	
			1	19881103	F	69	1	1,279.80	30.0%	
			1	19890208	F	71	1	646.32	30.0%	
			1	19890308	F	77	1	1,584.00	30.0%	
			1	19890504	F	75	1	1,663.20	30.0%	
			1	19890324	F	65	1	509.16	30.0%	
			1	19890601	F	74	1	936.00	30.0%	
			46577348	1	19890701	F	73	1	4,966.25	30.0%
				2	19890701	F	73	0	12.00	30.0%
			46593104	1	19891101	M	67	1	1,224.00	30.0%
			46593155	1	19890909	M	65	1	1,114.20	30.0%
			46593862	1	19890903	F	76	1	1,166.40	30.0%
			46605629	1	19891130	F	69	1	1,009.44	30.0%
			46606214	1	19900115	M	75	1	2,197.44	30.0%
2	19900115	M		75	0	12.60	30.0%			
46606215	1	19900115	F	71	1	1,481.76	30.0%			

DISAPPROVED

Date Received: Date of Action:
JAN 10 2005 JAN 21 2005

OFFICE OF INSURANCE REGULATION

		2	19900115	F	71	0	12.60	30.0%
46624628		1	19900316	F	68	1	528.00	30.0%
46626527		1	19900326	F	67	1	559.68	30.0%
46628904		1	19900318	F	70	1	949.20	30.0%
46657033		1	19900830	M	63	1	830.85	30.0%
46657034		1	19900830	F	54	1	539.40	30.0%
46658963		1	19900906	M	71	1	1,687.80	30.0%
46658964		1	19900906	F	71	1	1,687.80	30.0%
46669443		1	19901217	M	55	1	1,529.75	30.0%
46672572		1	19910118	F	66	1	1,180.40	30.0%
		2	19910118	F	66	0	12.72	30.0%
46676349		1	19910319	F	69	1	422.40	30.0%
46682400		1	19910401	M	70	1	1,428.00	30.0%
46682401		1	19910315	F	67	1	1,068.00	30.0%
46690444		1	19910510	F	70	1	987.84	30.0%
46708949		1	19911122	F	79	1	1,872.00	30.0%
46708973		1	19911120	M	82	1	2,409.60	30.0%
46715225		1	19920211	M	74	1	4,147.00	30.0%
		2	19920211	M	74	0	12.00	30.0%
46715660		1	19920220	F	81	1	1,897.56	30.0%
NH-88-GR Total						34	50,671.51	30.0%
UB-8801	46690444	2	19910510	F	70	0	197.40	30.0%
	46715225	2	19920211	M	74	0	237.00	30.0%
UB-8801 Total						0	434.40	30.0%
FL Total						104	100,657.13	30.0%
Grand Total						104	100,657.13	30.0%

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OFFICE OF INSURANCE REGULATION

Proposed Annualized Prem
1,077.70
741.00
660.23
157.47
1,383.85
689.00
761.59
368.63
1,397.50
592.80
1,554.80
481.00
2,567.24
926.02
0.00
2,797.18
0.00
2,307.45
0.00
2,537.96
0.00
643.11
21,644.53
1,070.42
1,421.94
1,592.50
585.00
1,072.50
1,223.35
815.57
1,902.99
1,163.45
10,847.72
796.25
2,990.42
877.50
520.00
1,546.17
1,146.13
7,876.47
1,809.37
725.40
2,676.70
4,026.78
1,663.74
840.22
2,059.20
2,162.16
661.91
1,216.80
6,456.13
15.60
1,591.20
1,448.46
1,516.32
1,312.27
2,856.67
16.38
1,926.29

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OFFICE OF INSURANCE REGULATION

16.38
686.40
727.58
1,233.96
1,080.11
701.22
2,194.14
2,194.14
1,988.68
1,534.52
16.54
549.12
1,856.40
1,388.40
1,284.19
2,433.60
3,132.48
5,391.10
15.60
2,466.83
65,872.96
256.62
308.10
564.72
130,854.27
130,854.27

Union Bankers Insurance Company
 Individual Comprehensive Long-Term Care Business
 Nationwide Distribution by Premium Class

Exhibit A

<u>Issue Age</u>	<u>All Forms</u>
47	0.0%
50	0.0%
51	0.2%
52	0.2%
53	0.1%
54	0.3%
55	0.3%
56	0.3%
57	0.5%
58	0.5%
59	0.7%
60	1.2%
61	1.7%
62	1.8%
63	2.9%
64	2.5%
65	9.9%
66	6.9%
67	7.1%
68	7.8%
69	7.7%
70	9.1%
71	7.0%
72	5.0%
73	4.0%
74	4.7%
75	3.7%
76	2.5%
77	2.5%
78	2.4%
79	2.1%
80	1.5%
81	0.7%
82	0.6%
83	0.8%
84	0.4%
85	0.3%
Total	100.0%

<u>Mode</u>	<u>All Forms</u>
Annual	45.7%
SemiAnnual	10.6%
Quarterly	10.9%
Monthly	32.8%
Total	100.0%

<u>Benefit</u>	
<u>Period/Max</u>	<u>FL Forms</u>
1 Year	5.2%
2 Years	9.4%
3 Years	31.7%
5 Years	35.5%
Lifetime	18.1%
Total	100.0%

<u>Elimination/</u>	
<u>Deductible</u>	<u>FL Forms</u>
0 Day	27.2%
20 Day	32.6%
30 Day	5.6%
90 Day	13.6%
100 Day	18.5%
150 Day	2.6%
Total	100.0%

Union Bankers Insurance Company
Individual Comprehensive Long-Term Care Business
Projected Nationwide Experience

Table with columns: NW Rate Increase, Cal Year (B), WITHOUT INTEREST (30.0%), WITH 5% INTEREST (5.00%), Projection Date (12/31/03), Premium Factors, Claim Factors, ASSUMPTIONS, Persistence Factors, Interest Factors. Rows include Past Experience (1986-2002), Projected Future Experience w/o Requested Increase (2004-2022), and Past Future Lifetime (2004-2022).

*Incurred claims do not include the policy reserve

Individual Long-Term Care Policy Forms H-706-0886,H-716,LTC-92,LTC-CV,NH86,NH87 GR,NH-88-GR
 Nationwide Earned Premium Restated to Current Rate Level

H-706-0886

Calendar Year	Avg Rate Inc	Avg Eff Date	Current Yr Portion Remaining	Cumulative Premium Trend	Premium at 12/31/03 Rate Level
1987	0.0%	N/A	0.0%	1.000	5,445
1988	0.0%	N/A	0.0%	1.000	5,030
1989	0.0%	N/A	0.0%	1.000	12,129
1990	0.0%	N/A	0.0%	1.000	11,178
1991	0.0%	N/A	0.0%	1.000	10,287
1992	0.0%	N/A	0.0%	1.000	9,451
1993	0.0%	N/A	0.0%	1.000	8,668
1994	0.0%	N/A	0.0%	1.000	7,933
1995	0.0%	N/A	0.0%	1.000	7,244
1996	0.0%	N/A	0.0%	1.000	6,599
1997	0.0%	N/A	0.0%	1.000	5,993
1998	0.0%	N/A	0.0%	1.000	5,426
1999	0.0%	N/A	0.0%	1.000	5,471
2000	0.0%	N/A	0.0%	1.000	5,359
2001	0.0%	N/A	0.0%	1.000	4,813
2002	0.0%	N/A	0.0%	1.000	3,699
2003	0.0%	N/A	0.0%	1.000	402

H-716

Calendar Year	Avg Rate Inc	Avg Eff Date	Current Yr Portion Remaining	Cumulative Premium Trend	Premium at 12/31/03 Rate Level
1988	0.0%	N/A	0.0%	1.147	101,643
1989	0.0%	N/A	0.0%	1.147	162,683
1990	0.0%	N/A	0.0%	1.147	230,506
1991	0.0%	N/A	0.0%	1.147	245,542
1992	0.0%	N/A	0.0%	1.147	239,655
1993	0.0%	N/A	0.0%	1.147	226,390
1994	0.0%	N/A	0.0%	1.147	215,800
1995	0.0%	N/A	0.0%	1.147	197,063
1996	0.0%	N/A	0.0%	1.147	179,497
1997	0.0%	N/A	0.0%	1.147	163,032
1998	0.0%	N/A	0.0%	1.147	147,603
1999	0.0%	N/A	0.0%	1.147	130,056
2000	0.0%	N/A	0.0%	1.147	108,843
2001	0.0%	N/A	0.0%	1.147	99,770
2002	14.7%	01/10/03	100.0%	1.147	76,137
2003	0.0%	N/A	2.8%	1.004	56,071

LTC-92

Calendar Year	Avg Rate Inc	Avg Eff Date	Current Yr Portion Remaining	Cumulative Premium Trend	Premium at 12/31/03 Rate Level
1993	-15.0%	10/01/93	75.1%	1.365	303,750
1994	0.0%	N/A	0.0%	1.539	1,530,924
1995	0.0%	N/A	0.0%	1.539	2,509,910
1996	0.0%	N/A	0.0%	1.539	2,518,567
1997	15.7%	08/19/97	63.4%	1.462	2,362,514
1998	0.0%	N/A	0.0%	1.330	2,097,033
1999	0.0%	N/A	0.0%	1.330	1,762,453
2000	0.0%	N/A	0.0%	1.330	1,571,147
2001	18.6%	03/22/01	22.2%	1.167	915,270
2002	12.1%	01/04/03	100.0%	1.121	687,350
2003	0.0%	N/A	1.2%	1.002	934,322

LTC-CV

Calendar Year	Avg Rate Inc	Avg Eff Date	Current Yr Portion Remaining	Cumulative Premium Trend	Premium at 12/31/03 Rate Level
1989	0.0%	N/A	0.0%	1.000	16,024
1990	0.0%	N/A	0.0%	1.000	14,768
1991	0.0%	N/A	0.0%	1.000	13,590
1992	0.0%	N/A	0.0%	1.000	12,486
1993	0.0%	N/A	0.0%	1.000	11,451
1994	0.0%	N/A	0.0%	1.000	10,481
1995	0.0%	N/A	0.0%	1.000	9,571
1996	0.0%	N/A	0.0%	1.000	8,718
1997	0.0%	N/A	0.0%	1.000	7,918
1998	0.0%	N/A	0.0%	1.000	7,169
1999	0.0%	N/A	0.0%	1.000	10,071
2000	0.0%	N/A	0.0%	1.000	9,301
2001	0.0%	N/A	0.0%	1.000	9,327
2002	0.0%	N/A	0.0%	1.000	8,281
2003	0.0%	N/A	0.0%	1.000	-1,426

NH86 and NH87 GR

Calendar Year	Avg Rate Inc	Avg Eff Date	Current Yr Portion Remaining	Cumulative Premium Trend	Premium at 12/31/03 Rate Level
1986	0.0%	N/A	0.0%	1.737	400,265
1987	0.0%	N/A	0.0%	1.737	4,619,459
1988	0.0%	N/A	0.0%	1.737	7,851,903
1989	0.0%	N/A	0.0%	1.737	6,088,543
1990	0.0%	N/A	0.0%	1.737	4,613,580
1991	0.0%	N/A	0.0%	1.737	3,784,196
1992	0.0%	N/A	0.0%	1.737	3,249,045
1993	0.0%	N/A	0.0%	1.737	2,849,210
1994	0.0%	N/A	0.0%	1.737	2,466,984
1995	0.0%	N/A	0.0%	1.737	2,206,485
1996	13.9%	09/07/96	68.7%	1.670	1,924,987
1997	18.5%	09/13/97	70.2%	1.454	1,618,648
1998	0.0%	N/A	0.0%	1.287	1,511,169
1999	0.0%	N/A	0.0%	1.287	1,435,480
2000	0.0%	N/A	0.0%	1.287	1,267,522
2001	12.2%	06/23/01	47.9%	1.214	1,054,901
2002	14.7%	10/24/02	81.6%	1.120	904,350
2003	0.0%	N/A	0.0%	1.000	708,440

NH-88-GR

Calendar Year	Avg Rate Inc	Avg Eff Date	Current Yr Portion Remaining	Cumulative Premium Trend	Premium at 12/31/03 Rate Level
1988	0.0%	N/A	0.0%	1.266	1,308,346
1989	0.0%	N/A	0.0%	1.266	3,076,612
1990	0.0%	N/A	0.0%	1.266	4,498,502
1991	0.0%	N/A	0.0%	1.266	5,054,814
1992	0.0%	N/A	0.0%	1.266	5,197,692
1993	0.0%	N/A	0.0%	1.266	4,787,428
1994	0.0%	N/A	0.0%	1.266	4,381,663
1995	0.0%	N/A	0.0%	1.266	4,001,223
1996	0.0%	N/A	0.0%	1.266	3,644,562
1997	0.0%	N/A	0.0%	1.266	3,310,247
1998	0.0%	N/A	0.0%	1.266	2,996,977
1999	0.0%	N/A	0.0%	1.266	2,528,283
2000	0.0%	N/A	0.0%	1.266	2,320,918
2001	11.1%	06/24/01	48.1%	1.200	2,052,116
2002	14.0%	01/03/03	100.0%	1.140	1,704,507
2003	0.0%	N/A	1.1%	1.002	1,430,318

Individual Long-Term Care Policy Forms H-706-0886,H-716,LTC-92,LTC-CV,NH86,NH87 GR,NH-88-GR
 Nationwide Earned Premium Restated to Current Rate Level

All Forms

Calendar Year	Cumulative Premium Trend	Premium at 12/31/03 Rate Level
1986	1.737	400,265
1987	1.735	4,624,904
1988	1.632	9,266,923
1989	1.523	9,355,990
1990	1.427	9,368,533
1991	1.368	9,108,428
1992	1.323	8,708,330
1993	1.289	8,186,897
1994	1.299	8,613,786
1995	1.295	8,931,496
1996	1.237	8,282,930
1997	1.084	7,468,352
1998	0.990	6,765,377
1999	1.008	5,871,813
2000	1.064	5,283,090
2001	1.007	4,136,197
2002	1.005	3,384,324
2003	0.905	3,128,127

Filing Details

Work Unit Number: W05-134337
Filing Purpose: Rates Only
Line of Business: Non-Fraternal Accident and Health Products
Date Created: 1/10/2005 03:56:02 PM
Filing Name: UBIC 2005 LTC FL

Company Details

Company Name	FEIN	NAIC CC	NAIC GC
UNION BANKERS INSURANCE COMPANY	750860066	69701	0529

Filing Originator Information**Company E-Mail:**

Contact Name: Ms. Carmen Boyd
Contact Title: AVP, Actuarial Compliance
Professional Designation:
Contact E-mail: cboyd@uafc.com

Street Address: 1001 Heathrow Park Lane
Suite/Room #: 5001
P. O. Box Mailing Address:
Department: Lake Mary
City: FL
State: 32746
Zip Code:
Country:

Non US Postal Code:

Phone Number: 407-628-1776 Ext 8319
Fax Number: 407-995-8023
Toll Free Number: 800-538-1053 Ext 8319
Non US Phone Number:

Company Contact Information

Company E-Mail:

Contact Name: Ms. Carmen Boyd
Contact Title: AVP, Actuarial Compliance
Professional Designation:
Contact E-mail: cboyd@uaafc.com

Street Address: 1001 Heathrow Park Lane
Suite/Room #: 5001

P.O. Box Mailing Address:

Department:
City: Lake Mary
State: FL
Zip Code: 32746
Country:

Non US Postal Code:

Phone Number: 407-628-1776 **Ext** 8319
Fax Number: 407-995-8023
Toll Free Number: 800-538-1053 **Ext** 8319
Non US Phone Number:

General Information

A. Do you currently have in force business on this plan of insurance in Florida?

Yes

B. Are you selling new business on this plan of insurance in Florida?

No

If no, date discontinued:

1 / 1 / 1996

C. Are you currently selling this plan of insurance in other states?

No

D. What market restrictions (such as available to military persons only), do you have on this form?

Life & Health Insurance

A. Your policy or coverage is (Bold one)

Health

Life

Variable Life

Annuity

Variable Annuity

B. Your policy or coverage is (Bold one)

Fraternal

Individual

Group

D. Individual Policy Characteristics(Bold One)

1. Optional Renewable
2. Conditionally Renewable
- 3. Guaranteed Renewable**
4. Non-Cancelable
5. Non-Renewable
6. Other(Specify)

E. Is your policy or Coverage primarily for individuals over 65?

YES

F. Check the type(s) of benefit your policy or coverage provides: (Bold One)

1. Disability Income
 2. Major Medical
 - 3. Long Term Care**
 4. Prepaid Limited Health Service Organization
 5. Medicare Supplement
 6. Small Employer Group Coverage (see section 627.6699, F.S.)
 7. Health Maintenance Organization
 8. Other (specify)
-

Rate Filing History - Including Annual Rate Certifications

(This section is for Florida experience only)

(1) Rate Change Requested	(2) Total Annualized Premium Volume	(3) # of Certificates / Subscribers or Individual Policies	(4) Average Rate Change	(5) Maximum Rate Change	(6) Date Changed Approved or Acknowledged	(7) Florida Filing Number
Current Filing						
30 %	\$ 82159	58	30 %	30 %		
1st Prior Filing						
0 %	\$ 0	0	0 %	0 %		
2nd Prior Filing						
0 %	\$ 0	0	0 %	0 %		

Rate Request By Form

(To be completed for all filings which include pooled blocks - Florida experience only)

Primary Form	Rate Change Requested	Total Annualized Premium Volume	# of Certificates or Policies
LTC-92	30 %	\$ 16650	9
Additional Form(s)			
NH86	30 %	\$ 8344	9
NH87 C	30 %	\$ 6059	6
NH88-C	30 %	\$ 50672	34
UB-88C	30 %	\$ 434	2

Additional Data for New Form & Rate Filings

(Provide current data for the form(s) submitted)

	Florida Only	Nationwide
A. Number of Certificates or Individual Policies Affected:	58	2327
B. If Group, Average Number of Certificates Per Policy / Participating Unit (e.g. Employer Unit)	0	0
C. Annualized Premium Volume	\$ 82159	\$ 3266693
D. Average Annual Premium (current / proposed or new form)	\$ 1416.53	\$ 1844.49
E. Anticipated Loss Ratio (Current / Proposed Premium)	204.9 %	167.9 %
F. Lifetime Loss Ratio (Current / Proposed Premium)	49.7 %	48.4 %
G. Loss Ratio Standard for The Form (or pooled group/forms)	60 %	60 %
H. Total Past Incurred Loss Ratio Without Active Life Reserve Increases	39.2 %	54.7 %
I. Current Year Loss Ratio for Policies 3 Years & Older (For Med. Supp.) Without Policy Reserves:		

0 %

0 %

Uploaded Documents

Document Type	Filenet Number	Form Number	Title
Actuarial Memorandum	0		Actuarial Memorandum
Cover Letter	0		Cover Letter
Manual/Rate Pages	0		Rate Pages
Miscellaneous	0		Exhibits

Rate Filing Certification

I certify that I and am authorized to make this Rate Filing on behalf of the company, further that the information contained in related transmittals and the filing is true, complete, correct, and in compliance with all applicable state laws. I certify that the proposed premiums are reasonable in relationship to the benefits provided.

(Check one)

I am an actuary

I am not an actuary

Name:

Carmen Boyd

Title:

AVP, Actuarial Compliance



**Union Bankers
Insurance Company**

1001 Heathrow Park Lane
Lake Mary, FL 32746

407-628-1776
407-995-8023 Fax

Mailing Address:
PO Box 958465
Lake Mary, FL 32795-8465

January 20, 2005

Daniel J. Keating
Bureau of Life & Health Forms & Rates
Department of Financial Services
Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399-0328

Re: Union Bankers Insurance Company
NAIC #69701
Long-Term Care Rate Increase Filing
Forms: H-706-0886, et al
Your Filing Number 05-00309
Your E-mail of 1/18/05 to Carmen Boyd

Dear Mr. Keating:

I am writing in response to the above-referenced e-mail.

Unfortunately, I have neither the total number of claims incurred in any year nor any open claim counts prior to 9/2001. The following are the number of open claims as of year end for each of the last 4 years:

	<u>Nationwide</u>	<u>Florida</u>
2001	172	2
2002	241	4
2003	167	2
2004	164	3

Please continue to direct any questions or requests for additional information to Carmen Boyd. She can be reached at 1-800-538-1053, ext.8319. I look forward to the receipt of your formal approval.

Sincerely,

Eva L. W. Gaber, ASA, MAAA
Assistant Actuary

Filing Details**Work Unit Number:**

W05-135942

Filing Purpose:

Rates Only

Line of Business:

Non-Fraternal Accident and Health Products

Date Created:

1/20/2005 03:31:49 PM

Filing Name:

UBIC 2005 LTC FL

Company Details**Company Name**

UNION BANKERS INSURANCE COMPANY

FEIN

750860066

NAIC CC

69701

NAIC GC

0529

Uploaded Documents

Document Type	Filenet Number	Form Number	Title
Cover Letter	0		Cover Letter



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

JEB BUSH
GOVERNOR

TOM GALLAGHER
CHIEF FINANCIAL OFFICER

CHARLIE CRIST
ATTORNEY GENERAL

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

KEVIN M. MCCARTY
COMMISSIONER

*via email: cboyd@uafc.com
& telecopier: (407) 995-8023*

January 21, 2005

Ms. Carmen Boyd
AVP, Actuarial Compliance
Union Bankers Insurance Company
1001 Heathrow Park Lane
Suite 5001
Lake Mary, FL 32746

**RE: UNION BANKERS INSURANCE COMPANY
FORM NUMBER(S): LTC-92, ET AL
FILE LOG NUMBER: FLR 05-00309
PLEASE REFER TO THIS FILE NUMBER WHEN CORRESPONDING**

Dear Ms. Boyd:

The review of the above referenced filing is complete. This letter serves as notification that the filing is **DISAPPROVED** under Section 627.411, F.S., and for the following:

- 1 The company has not provided a count of incurred claims for each of the past five years, needed to determine the credibility of the experience data provided.
- 2 The company has not provided expected claim and expected loss ratio data for all forms included in the filing.
- 3 Experience and projected data was not provided in the format required by Rule 690-149.006(3)(b)23 F.A.C.

Consequently, the Office is unable to determine if the proposed rates are reasonable in relation to the benefits provided.

The Office of Insurance Regulation's disapproval of this filing is a decision that affects the substantial interests of your company and, as such, your company may be entitled to a hearing to contest this decision. You have the right to contest this action pursuant to Section 120.57, F.S. An outline of your rights and procedures to follow is attached.

Feel free to contact me if you have any questions.

Sincerely,

Daniel J. Keating, FSA, MAAA
Actuary
Dan.Keating@fldfs.com
(850) 413-5144

Enclosures

NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapters 28-106 and 28-107, Florida Administrative Code (F.A.C.), you have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes would apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one will be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.201, F.A.C., must demonstrate that your substantial interests have been affected by this agency's action, and contain:

- a) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- b) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action;
- c) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and
- d) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

These proceedings are held before a State Administrative Law Judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere, the Office will request that the hearing be conducted in Tallahassee.

In some instances you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for an administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

To: cboyd@uafc.com
From: Dan.Keating@fldfs.com
Cc:
Bcc:
Subject: Florida Office of Insurance Regulation [RE: Filing Number 05-00309]
Attachment(s):

Sent: 1/18/2005 4:52:18 PM

Please provide the number of incurred claims for each of the last 5 calendar years, for both Florida and Nationwide business. Please provide this information by close of business Thursday, January 20, 2005

Sincerely,

Daniel J. Keating, FSA, MAAA
Actuary
(850) 413-5144

To: cboyd@uafc.com
From: Dan.Keating@fldfs.com
Cc:
Bcc:
Subject: Florida Office of Insurance Regulation [RE: Filing Number 05-00309]
Attachment(s): 05-00309-FLR-Dis-Union-Bankers-Ins-Co.rtf

Sent: 1/21/2005 1:43:32 PM

Click the link below to view the documents for this filing:
<http://www.fldfs.com/edms/docs.asp?FN=05-00309>

Please see the attached letter. A signed copy of the letter will be faxed and mailed. Electronic copies of the stamped documents may be viewed using the link provided. If you have any questions, please do not hesitate to contact me.

Sincerely,

Daniel J. Keating, FSA, MAAA
Actuary
(850) 413-5144

** Transmit Conf. Report **

P.1

Jan 21 2005 13:49

Telephone Number	Mode	Start	Time	Page	Result	Note
614079958023	NORMAL	21,13:47	1'00"	3	* O K	



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

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CHIEF FINANCIAL OFFICER

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AGRICULTURE

KEVIN M. MCCARTY
COMMISSIONER

via email: cboyd@uafc.com
& telecopier: (407) 995-8023

January 21, 2005

Ms. Carmen Boyd
AVP, Actuarial Compliance
Union Bankers Insurance Company
1001 Heathrow Park Lane
Suite 5001
Lake Mary, FL 32746

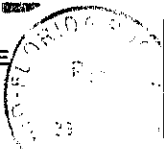
RE: UNION BANKERS INSURANCE COMPANY
FORM NUMBER(S): LTC-92, ET AL
FILE LOG NUMBER: FLR 05-00309
PLEASE REFER TO THIS FILE NUMBER WHEN CORRESPONDING

Dear Ms. Boyd:

The review of the above referenced filing is complete. This letter serves as notification that the filing is **DISAPPROVED** under Section 627.411, F.S., and for the following:

- 1 The company has not provided a count of incurred claims for each of the past five years, needed to determine the credibility of the experience data provided.
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- 3 Experience and projected data was not provided in the format required by Rule 690-149.006(3)(b)23 F.A.C.

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Dan Keating
Department of Financial Services
200 E. Gaines Street
Life & Health Forms & Rates
Room 312E
Tallahassee, FL 32399-0328

RECEIVED

JAN 28 2005

Bureau of Life & Health
Forms & Rates

FLR 05-00309



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Carmen Boyd
Union Bankers Insurance
Company
1001 Heathrow Park
Lane
Suite 5001
Lakemary, FL 32746

2. Article Number
(Transfer from service label)

7004 0550 0000 9954 8266

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Dorlene King

- Agent
 Addressee

B. Received by (Printed Name)

Dorlene King

C. Date of Delivery

1/24

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes