

STERLING LIFE INSURANCE COMPANY
CHICAGO, ILLINOIS
NAIC COMPANY CODE #77399
INDIVIDUAL 2010 STANDARDIZED MEDICARE SUPPLEMENT PLANS
STLG-127383249

Medicare Individual Supplement Rates Changing in 2012

Sterling Life Insurance filed the rates increases with the New York State Department of Financial Services. The Department has the authority to approve, modify or deny the requested increase.

The new rates will not go into effect before March, 1 2012. All policyholders will receive the rate adjustment on the policyholder's next anniversary.

There are thirty six policyholders affected by the proposed rate adjustment.

Revision in premium rates is due to two major factors - Medicare changes and the economic climate. Medicare has increased the deductibles from 2011 to 2012 as well as making other changes that enlarge the 'gaps' that Medicare Supplement Plans cover.

Increases in premium rates reflect:

1. Increases in Medical Costs. This portion of the premium increase is the result of the rising costs of health care, including payments to doctors and hospitals.
2. Increases in Utilization are due to the use of expensive new technologies and prescription drugs.
3. Increases in Medicare benefit levels. Medicare changes its deductibles every year.

The chart below is illustrating the Medicare Supplement Rates before and after the increase.

Sterling Life Insurance Company - Narrative Summary

Modernized Medicare Supplement Plans June 1, 2010, and later effective dates					
Rating Area I	Rate Before Increase [Monthly]	Rate After Increase [Monthly]	Rating Area II	Rate Before Increase [Monthly]	Rate After Increase [Monthly]
Plan A	[164.16]	[179.10]	Plan A	[172.76]	[188.48]
Plan B	[198.50]	[216.56]	Plan B	[211.36]	[230.59]
Plan F	[228.45]	[249.24]	Plan F	[239.77]	[261.59]
Plan K	[104.69]	[104.69]	Plan K	[110.93]	[110.93]
Plan N	[175.20]	[191.14]	Plan N	[185.25]	[202.11]

Modernized Medicare Supplement Plans June 1, 2010, and later effective dates					
Rating Area III	Rate Before Increase [Monthly]	Rate After Increase [Monthly]	Rating Area IV	Rate Before Increase [Monthly]	Rate After Increase [Monthly]
Plan A	[247.80]	[270.35]	Plan A	[159.99]	[174.55]
Plan B	[287.56]	[313.73]	Plan B	[198.50]	[216.57]
Plan F	[313.48]	[342.00]	Plan F	[225.34]	[245.84]
Plan K	[152.95]	[152.95]	Plan K	[103.35]	[103.35]
Plan N	[247.20]	[269.70]	Plan N	[173.30]	[189.08]