

EXHIBIT 3: NARRATIVE SUMMARY

Company Name: Transamerica Financial Life Insurance Company
NAIC Code: 468-70688
SERFF Tracking #: AEGC-129585154

MEDICARE SUPPLEMENT GROUP INSURANCE PLANS

Pre- Standard Plans

Rate Changes Requested:

<u>Plans</u>	<u>Change Requested</u>
Pre-Standard	7.5%

All certificate holders with a Pre-Standard plan are affected by this filing.

The new premium rate adjustment will be effective on 9/1/14 for all certificate holders with a Pre-standard plan. Certificate holders paying monthly premiums will have their new rate effective on 9/1/14. Certificate holders paying non-monthly premiums will have their new rate effective with their first bill payable after 8/31/14.

Using an insured policy count as of 12/31/13, the number of certificate holders that will be affected by the above rate change are as follows:

<u>Plans</u>	<u>Count</u>
Pre- Standard	63

Explanation for Rate Change: Each year, we examine the experience of this block of business and compare it to what was expected. In addition, an assumption is made for medical trend for the upcoming year. Over the past year, the experience loss ratio was 78.1%, compared to an expected loss ratio of 75%. An adjustment (3.8%) to bring the loss ratio back to 75% plus an adjustment for expected medical trend (3.7%), yields the rate increase requested of 7.5%.