

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

Medicare Individual Supplement Rates Changing in 2014

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 **May, 1 2014**. All policyholders will receive the rate adjustment on the policyholder's next anniversary.

There are **forty three** policyholders affected by the proposed rate adjustment. Below are the proposed increases by Plan and Form:

Plan A – NY STD A (05/10) 20%	Plan A – NY STD A 20%
Plan B – NY STD B (05/10) 20%	Plan B – NY STD B 20%
Plan F – NY STD F (05/10) 20%	Plan K – NY STD K 20%
Plan K – NY STD K (05/10) 20%	
Plan N – NY STD N 20%	

The requested rate change for Sterling's Individual Standardized Medicare Supplement plans is due to three major factors:

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 and coinsurance every year. Medicare Supplement plans cover some of these cost sharing features, thus the claim costs associated with these plans typically increase annually.