

**State:** Pennsylvania **Filing Company:** Transamerica Life Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** TLIC RINC 2015 UNI  
**Project Name/Number:** TLIC RINC 2015 UNI/3004

## Filing at a Glance

Company: Transamerica Life Insurance Company  
Product Name: TLIC RINC 2015 UNI  
State: Pennsylvania  
TOI: LTC03I Individual Long Term Care  
Sub-TOI: LTC03I.001 Qualified  
Filing Type: Rate - Other (Not M.U. or G.I. Product)  
Date Submitted: 07/08/2016  
SERFF Tr Num: AEGJ-130645667  
SERFF Status: Submitted to State  
State Tr Num: AEGJ-130645667  
State Status: Received Review in Progress  
Co Tr Num: AEGJ-130645667  
  
Implementation: On Approval  
Date Requested:  
Author(s): Dianna Whitney, Debbie Bellows, Wendi Miller, Laura Aleman  
Reviewer(s):  
Disposition Date:  
Disposition Status:  
Implementation Date:

### State Filing Description:

Proposed 63.3% increase on 332 PA policyholders of Transamerica LTC forms LI 1-P PRO 4 (PA) 402, LI 1-P PRO 4 (PA-F) 402, TLC 1-P TRM (PA) 407, TLC 1-P TRM (PA-F) 407, TOL 1-P TCO (PA) 402, TOL 1-P TCO (PA-F) 402, and TLC 1-SC-R 0510.

**State:** Pennsylvania  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** TLIC RINC 2015 UNI  
**Project Name/Number:** TLIC RINC 2015 UNI/3004

**Filing Company:** Transamerica Life Insurance Company

## General Information

Project Name: TLIC RINC 2015 UNI  
Project Number: 3004  
Requested Filing Mode: Review & Approval  
Explanation for Combination/Other:  
Submission Type: New Submission  
Overall Rate Impact: 63.3%

Status of Filing in Domicile: Authorized  
Date Approved in Domicile: 02/26/2016  
Domicile Status Comments:  
Market Type: Individual  
Individual Market Type:  
Filing Status Changed: 07/08/2016  
State Status Changed: 07/11/2016  
Created By: Laura Aleman  
Corresponding Filing Tracking Number: AEGJ-130596703  
State TOI: LTC03I Individual Long Term Care

Deemer Date:  
Submitted By: Laura Aleman

### Filing Description:

Enclosed for your formal review and approval are revised actuarial memorandum and rates.

The rate filing is a request for an increase on the base policy and all associated riders that varies by benefit period and by benefit increase options. Please refer to the enclosed actuarial letter and memorandum for detailed information regarding the rate increase request.

Please accept this letter as certification that we are no longer selling these policy forms. The policy forms affected by this rate revision are as follows:

Form Numbers	Approved:	State/SERFF File No.:
LI 1-P PRO 4 (PA) 402	2/25/04	PID File ID: A76271001
LI 1-P PRO 4 (PA-F) 402	2/25/04	PID File ID: A76271001
TLC 1-P TRM (PA) 407	12/11/08	PID File ID: B05856001
TLC 1-P TRM (PA-F) 407	12/11/08	PID File ID: B05856001
TOL 1-P TCO (PA) 402	2/25/04	PID File ID: A76270001
TOL 1-P TCO (PA-F) 402	2/25/04	PID File ID: A76270001
TLC 1-SC-R 0510	09/09/10	State Tracking # AEGJ-126673823

Please be advised that a corresponding individual Long Term Care Insurance policy form filing will be filed on SERFF, file no. AEGJ-130596703. The forms filed are to be used during our rate increase process for previously approved policies receiving a rate increase. When the policyholder receives notice of a premium rate increase they will be given the option to offset the increase and lower their premium by reducing the percentage of their current Benefit Increase Option benefit.

Your review and approval of this submission will be greatly appreciated. If you have any questions, or require additional information, please call me at 1-972-881-6332. My email address is Laura.Aleman@transamerica.com.

Sincerely,

Laura Aleman  
Senior State Filing Analyst

## Company and Contact

### Filing Contact Information

**State:** Pennsylvania **Filing Company:** Transamerica Life Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** TLIC RINC 2015 UNI  
**Project Name/Number:** TLIC RINC 2015 UNI/3004

Laura Aleman, Senior State Filing Analyst    Laura.Aleman@transamerica.com  
 2700 West Plano Pkwy.                            972-881-6332 [Phone]  
 Plano, TX 75075                                    800-909-4346 [FAX]

**Filing Company Information**

Transamerica Life Insurance Company	CoCode: 86231	State of Domicile: Iowa
P O Box 869090	Group Code: 468	Company Type:
Plano, TX 75086-9090	Group Name:	State ID Number:
(972) 881-6200 ext. [Phone]	FEIN Number: 39-0989781	

**Filing Fees**

Fee Required?                                    No  
 Retaliatory?                                    No  
 Fee Explanation:

SERFF Tracking #:

AEGJ-130645667

State Tracking #:

AEGJ-130645667

Company Tracking #:

AEGJ-130645667

State: Pennsylvania

Filing Company: Transamerica Life Insurance Company

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name: TLIC RINC 2015 UNI

Project Name/Number: TLIC RINC 2015 UNI/3004

### Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 0.000%

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Transamerica Life Insurance Company	63.300%	63.300%	\$354,710	332	\$560,363	65.000%	43.500%

**SERFF Tracking #:**

AEGJ-130645667

**State Tracking #:**

AEGJ-130645667

**Company Tracking #:**

AEGJ-130645667

**State:**

Pennsylvania

**Filing Company:**

Transamerica Life Insurance Company

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

TLIC RINC 2015 UNI

**Project Name/Number:**

TLIC RINC 2015 UNI/3004

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Sheets	LI 1-P PRO 4 (PA) 402, LI 1-P PRO 4 (PA-F) 402, TLC 1-P TRM (PA) 407, TLC 1-P TRM (PA-F) 407, TOL 1-P TCO (PA) 402, TOL 1-P TCO (PA-F) 402, TLC 1-SC-R 0510	Revised	Previous State Filing Number: None Percent Rate Change Request: 63.3	PARateSheetsSchedule A.pdf, PARateSheetsSchedule B.pdf,

**Transamerica Life Insurance Company  
 Pennsylvania Policy Forms: UniProduct Series**

**Schedule A Rates Before Requested Rate Increase**

**Base Rates**

per \$10 of Daily Benefit

Benefit Periods\*

	730 Days	1095 Days	1460 Days	1825 Days	2190 Days	Unlimited
Nursing Home	35.08	38.49	43.61	49.61	58.00	84.49
Assisted Living Facility	28.34	31.10	35.24	40.08	46.86	68.26
Home Health Care	9.45	10.37	11.75	13.37	15.63	22.76

**Schedule A Rates After Requested 65% Rate Increase**

**Base Rates**

per \$10 of Daily Benefit

Benefit Periods\*

	730 Days	1095 Days	1460 Days	1825 Days	2190 Days	Unlimited
Nursing Home	57.88	63.51	71.96	81.86	95.70	139.41
Assisted Living Facility	46.76	51.32	58.15	66.13	77.32	112.63
Home Health Care	15.59	17.11	19.39	22.06	25.79	37.55

\* Benefit Periods between years are interpolated between full year benefit periods

Example: Rate for a 1,000 day BP would be calculated as follows:

$$730 \text{ day rate} \times (1095 - 1000) / (1095 - 730) + 1095 \text{ day rate} \times (1000 - 730) / (1095 - 730)$$

$$35.08 \times (95 / 365) + 38.49 \times (270 / 365) = 37.60$$

Unlimited is assumed to be 3650 days for purposes of interpolating.

**Transamerica Life Insurance Company  
 Pennsylvania Policy Forms: UniProduct Series**

**No change in these factors  
 Schedule A Age Factors**

Issue Age	Non-Lifetime Benefit Periods	Lifetime Benefit Period
40	0.37	0.36
41	0.39	0.38
42	0.41	0.40
43	0.43	0.42
44	0.45	0.44
45	0.48	0.46
46	0.50	0.48
47	0.52	0.50
48	0.54	0.52
49	0.57	0.54
50	0.59	0.56
51	0.62	0.58
52	0.64	0.60
53	0.68	0.62
54	0.72	0.64
55	0.75	0.65
56	0.79	0.67
57	0.83	0.69
58	0.86	0.75
59	0.90	0.81
60	0.93	0.88
61	0.97	0.94
62	1.00	1.00
63	1.10	1.11
64	1.21	1.21
65	1.31	1.32
66	1.42	1.43
67	1.52	1.53
68	1.70	1.72
69	1.87	1.90
70	2.05	2.09
71	2.22	2.27
72	2.40	2.45
73	2.75	2.90
74	3.10	3.35
75	3.45	3.80
76	3.80	4.25
77	4.15	4.70
78	4.72	5.16
79	5.29	5.62
80	5.86	6.08
81	6.43	6.54
82	7.00	7.00
83	7.96	7.96
84	8.77	8.77
85	9.29	9.19
86	9.74	9.53
87	10.40	10.18
88	11.06	10.82
89	11.70	11.45
90	12.35	11.95
91	13.00	12.58
92	13.66	13.22
93	14.33	13.87
94	15.01	14.53
95	17.13	16.39
96	18.27	17.52
97	19.34	18.59
98	20.39	19.65
99	21.45	20.71
100	22.50	21.76

**Transamerica Life Insurance Company**  
**Pennsylvania Policy Forms: UniProduct Series**

**No change in these factors**  
**Schedule A Elimination Period Factors**

Benefit	Elimination Period										
	0 Day	20 Day	30 Day	50 Day	60 Day	90 Day	100 Day	120 Day	150 Day	180 Day	365 Day
NH and ALF	1.40	1.30	1.25	1.18	1.15	1.00	0.98	0.95	0.90	0.85	0.80
HHC	1.00					0.65					



**Transamerica Life Insurance Company  
 Pennsylvania Policy Forms: UniProduct Series**

**No change in the Schedule A factors below**

**(Cost of Module is a Percentage of Premium)**

Module Name	Rate
Ambulance	+ 1.0% of the NH rate
Patient Advocacy and Medication Management	+ 1.0% of the NH rate
Prescription Drug Benefit In A Nursing Home	+ 3.0% of the NH rate
Nursing Home Indemnity Payment Option	+ 1.0% of the NH rate
Professional Services at 2 x Basic Services	+ 30.0% of the HC rate
Monthly HHC	+ 50.0% of the HC rate
Three ADL Trigger	- 20.0% of the HC and ALF Rate
Shortened Benefit Period	+ 10.0% of the Entire rate
Joint Waiver of Premium	+ 2.0% of the Entire rate
Joint Policy	- 15.0% of the Entire rate
Rate Guarantee	+ 1.0% For every year of guarantee beyond 3 years (e.g. 10 yr guarantee is 7%)

**Full Restoration of Benefits**

Maximum Benefit Period	Percent Increase
< 912 Days	6.0%
913 - 1277 Days	4.0%
1278 - 1642 Days	3.0%
1643 - 2007 Days	2.0%
≥ 2008 Days*	1.0%

\* Does not include Unlimited.

**Survivorship**

Issue Age	Minimum Number of Years With No Death Nor Claims			
	0/0	5/5	5/0	10/10
< 66	12.0%	10.0%	10.0%	7.0%
≥ 66	17.0%	13.0%	14.0%	7.0%

**Transamerica Life Insurance Company  
Pennsylvania Policy Forms: UniProduct Series**

**No change in these factors  
Schedule A Return of Premium**

Issue Age	Full No Max	Full 10K Max	Less Clms No Max	Less Clms 10K Max
18 - 40	37%	10%	29%	10%
41	39%	10%	30%	10%
42	40%	11%	31%	11%
43	42%	11%	33%	11%
44	43%	12%	34%	12%
45	45%	12%	35%	12%
46	47%	13%	36%	13%
47	49%	13%	37%	13%
48	51%	14%	39%	14%
49	53%	15%	41%	15%
50	56%	16%	42%	16%
51	59%	18%	44%	18%
52	62%	19%	46%	19%
53	65%	21%	48%	20%
54	68%	22%	50%	22%
55	71%	24%	52%	24%
56	75%	26%	55%	26%
57	79%	28%	57%	28%
58	82%	30%	59%	29%
59	85%	32%	61%	31%
60	89%	34%	63%	33%
61	93%	35%	65%	34%
62	98%	37%	67%	36%
63	103%	38%	70%	37%
64	108%	38%	73%	37%
65	114%	38%	76%	37%
66	121%	39%	80%	37%
67	129%	39%	83%	38%
68	136%	39%	87%	38%
69	145%	40%	91%	38%
70	154%	40%	95%	39%
71	164%	41%	100%	39%
72	175%	41%	105%	40%
73	189%	42%	110%	40%
74	204%	42%	116%	40%
75	219%	42%	122%	41%
76	234%	43%	128%	41%
77	247%	43%	132%	42%
78	258%	44%	136%	42%
79	268%	44%	139%	42%
80	276%	45%	142%	43%
81	285%	45%	145%	43%
82	294%	46%	148%	44%
83	302%	46%	150%	44%
84	309%	46%	153%	44%
85	317%	47%	155%	45%
86	328%	47%	159%	45%
87	347%	48%	164%	46%
88	371%	48%	170%	46%
89	400%	48%	178%	46%
90	434%	48%	186%	46%
91	475%	49%	195%	47%
92	523%	50%	204%	48%
93	577%	52%	214%	50%
94	638%	54%	224%	52%
95	706%	58%	234%	55%
96	782%	62%	244%	58%
97	867%	67%	254%	64%
98	961%	74%	263%	70%
99	1063%	82%	272%	77%
100 +	1174%	91%	281%	85%

**Transamerica Life Insurance Company  
Pennsylvania Policy Forms: UniProduct Series**

**No change in these factors  
Schedule A Benefit Increase Options**

Issue Age	Simple BIO				Compound BIO				Step-Rate	Deferred BIO	Guaranteed Purchase Option
	Unlimited		2x max		Unlimited		2x Max		BIO		
	5%	3%	5%	3%	5%	3%	5%	3%	5%		
18-40	84%	50%	45%	42%	230%	87%	45%	44%	37%	1%	1%
41	84%	50%	46%	43%	225%	86%	46%	45%	37%	1%	1%
42	84%	50%	47%	43%	220%	86%	47%	46%	37%	1%	1%
43	84%	50%	48%	44%	216%	85%	48%	47%	37%	1%	1%
44	83%	50%	49%	44%	211%	84%	49%	47%	37%	1%	1%
45	83%	50%	50%	45%	207%	83%	50%	48%	36%	1%	1%
46	82%	50%	51%	45%	203%	82%	51%	49%	36%	1%	1%
47	82%	49%	52%	46%	198%	81%	52%	50%	36%	1%	1%
48	81%	49%	52%	46%	195%	80%	53%	51%	36%	1%	1%
49	81%	49%	53%	46%	192%	79%	54%	51%	36%	1%	1%
50	80%	49%	54%	46%	189%	77%	55%	52%	36%	1%	1%
51	80%	49%	55%	47%	185%	76%	56%	52%	36%	1%	1%
52	80%	48%	55%	47%	182%	75%	57%	53%	36%	1%	1%
53	79%	48%	56%	47%	178%	73%	58%	53%	35%	1%	1%
54	78%	48%	57%	46%	173%	72%	58%	54%	34%	1%	1%
55	78%	47%	58%	46%	169%	71%	59%	54%	34%	1%	1%
56	77%	47%	58%	46%	164%	69%	60%	54%	33%	1%	1%
57	77%	46%	59%	46%	160%	68%	61%	55%	32%	1%	1%
58	76%	46%	59%	45%	154%	66%	62%	54%	31%	1%	1%
59	74%	45%	59%	45%	148%	65%	62%	54%	30%	1%	1%
60	73%	44%	60%	44%	143%	63%	63%	54%	28%	1%	1%
61	72%	44%	60%	44%	137%	61%	63%	53%	27%	1%	1%
62	71%	43%	60%	43%	131%	60%	64%	53%	26%	1%	1%
63	69%	42%	60%	42%	125%	58%	64%	52%	25%	1%	1%
64	68%	41%	60%	41%	118%	55%	65%	51%	24%	1%	1%
65	66%	40%	59%	40%	112%	53%	65%	50%	22%	1%	1%
66	65%	39%	59%	39%	105%	51%	66%	49%	21%	1%	1%
67	63%	38%	59%	38%	99%	49%	66%	48%	20%	1%	1%
68	61%	37%	57%	37%	93%	47%	65%	45%	19%	1%	1%
69	58%	35%	55%	35%	87%	44%	63%	43%	17%	1%	1%
70	55%	33%	53%	33%	82%	42%	61%	41%	16%	1%	1%
71	52%	32%	51%	32%	76%	39%	60%	39%	14%	1%	1%
72	50%	30%	49%	30%	70%	37%	58%	36%	13%	1%	1%
73	47%	29%	47%	29%	66%	35%	55%	34%	12%	1%	1%
74	45%	27%	45%	27%	62%	33%	53%	32%	11%	1%	1%
75	43%	26%	42%	26%	57%	31%	50%	30%	10%	1%	1%
76	40%	24%	40%	24%	53%	29%	48%	29%	9%	1%	1%
77	38%	23%	38%	23%	49%	27%	46%	27%	8%	1%	1%
78	36%	22%	36%	22%	46%	25%	43%	25%	8%	1%	1%
79	34%	21%	34%	21%	43%	24%	41%	24%	7%	1%	1%
80	32%	19%	32%	19%	40%	22%	38%	22%	7%	1%	1%
81	30%	18%	30%	18%	37%	21%	36%	21%	6%	1%	1%
82	28%	17%	28%	17%	34%	19%	33%	19%	6%	1%	1%
83	27%	16%	27%	16%	32%	18%	32%	18%	5%	1%	1%
84	26%	16%	26%	16%	31%	17%	30%	17%	4%	1%	1%
85	25%	15%	25%	15%	29%	16%	29%	16%	4%	1%	1%
86	24%	14%	24%	14%	27%	16%	27%	16%	3%	1%	1%
87	22%	14%	22%	14%	26%	15%	26%	15%	2%	1%	1%
88	22%	13%	22%	13%	25%	14%	25%	14%	2%	1%	1%
89	21%	12%	21%	12%	24%	13%	23%	13%	2%	1%	1%
90	20%	12%	20%	12%	22%	13%	22%	13%	2%	1%	1%
91	19%	11%	19%	11%	21%	12%	21%	12%	1%	1%	1%
92	18%	11%	18%	11%	20%	12%	20%	12%	1%	1%	1%
93	17%	10%	17%	10%	19%	11%	19%	11%	1%	1%	1%
94	17%	10%	17%	10%	18%	11%	18%	11%	1%	1%	1%
95	16%	10%	16%	10%	18%	10%	18%	10%	1%	1%	1%
96	15%	9%	15%	9%	17%	10%	17%	10%	1%	1%	1%
97	15%	9%	15%	9%	16%	9%	16%	9%	1%	1%	1%
98	14%	8%	14%	8%	15%	9%	15%	9%	1%	1%	1%
99	14%	8%	14%	8%	15%	8%	15%	8%	1%	1%	1%
100 +	13%	8%	13%	8%	14%	8%	14%	8%	1%	1%	1%

**Transamerica Life Insurance Company  
 Pennsylvania Policy Forms: UniProduct Series**

**Schedule B Rates Before Requested Rate Increase**  
 per \$10 of Daily Benefit

	Benefit Periods*						
	365 Days	730 Days	1095 Days	1460 Days	1825 Days	2190 Days	Unlimited
Nursing Home	21.33	28.44	33.01	37.40	42.28	49.91	55.93
Assisted Living Facility	21.33	28.44	33.01	37.40	42.28	49.91	55.93
Home Health Care	18.29	24.38	28.29	32.05	36.24	42.78	47.94

**Schedule B Rates After Requested 43.5% Rate Increase**  
 per \$10 of Daily Benefit

	Benefit Periods*						
	365 Days	730 Days	1095 Days	1460 Days	1825 Days	2190 Days	Unlimited
Nursing Home	30.61	40.81	47.37	53.67	60.67	71.62	80.26
Assisted Living Facility	30.61	40.81	47.37	53.67	60.67	71.62	80.26
Home Health Care	26.25	34.99	40.60	45.99	52.00	61.39	68.79

\* Benefit Periods between years are interpolated between full year benefit periods

Example: Rate for a 1,000 day BP would be calculated as follows:

$$730 \text{ day rate} \times (1095 - 1000) / (1095 - 730) + 1095 \text{ day rate} \times (1000 - 730) / (1095 - 730)$$

$$28.44 \times (95 / 365) + 33.01 \times (270 / 365) = 31.82$$

Unlimited is assumed to be 3650 days for purposes of interpolating.

**Transamerica Life Insurance Company  
 Pennsylvania Policy Forms: UniProduct Series**

**No change in these factors  
 Schedule B Elimination Period Factors**

Benefit	Elimination Period										
	0 Day	20 Day	30 Day	50 Day	60 Day	90 Day	100 Day	120 Day	150 Day	180 Day	365 Day
NH & ALF	1.40	1.30	1.25	1.18	1.15	1.00	0.98	0.95	0.90	0.85	0.80
HHC	1.00	0.91	0.87	0.81	0.78	0.65	0.64	0.61	0.58	0.54	0.50

**Transamerica Life Insurance Company  
Pennsylvania Policy Forms: UniProduct Series**

**No change in these factors  
Schedule B Age Factors**

Issue Age	Non-Lifetime Benefit Periods	Lifetime Benefit Period
0	0.36	0.36
31	0.36	0.36
32	0.36	0.36
33	0.36	0.36
34	0.36	0.36
35	0.37	0.36
36	0.37	0.36
37	0.37	0.36
38	0.39	0.38
39	0.40	0.39
40	0.42	0.41
41	0.44	0.42
42	0.45	0.44
43	0.46	0.45
44	0.47	0.47
45	0.48	0.48
46	0.49	0.50
47	0.50	0.51
48	0.52	0.53
49	0.53	0.54
50	0.54	0.56
51	0.56	0.57
52	0.57	0.59
53	0.60	0.63
54	0.62	0.66
55	0.65	0.70
56	0.67	0.73
57	0.70	0.77
58	0.77	0.84
59	0.83	0.91
60	0.90	0.97
61	0.96	1.04
62	1.03	1.11
63	1.13	1.22
64	1.24	1.34
65	1.34	1.45
66	1.45	1.57
67	1.55	1.68
68	1.74	1.87
69	1.94	2.06
70	2.13	2.25
71	2.33	2.43
72	2.52	2.62
73	2.89	3.04
74	3.26	3.45
75	3.62	3.87
76	3.99	4.28
77	4.36	4.70
78	5.10	5.37
79	5.83	6.04
80	6.57	6.71
81	7.31	7.38
82	8.05	8.05
83	8.83	8.78
84	9.61	9.51
85	10.40	10.24
86	11.18	10.98
87	11.96	11.71
88	12.71	12.41
89	13.46	13.11
90	14.21	13.80
91	14.96	14.50
92	15.71	15.20
93	17.02	16.44
94	18.32	17.67
95	19.63	18.91
96	20.93	20.14
97	22.24	21.38
98	23.45	22.60
99	24.67	23.82
100	25.88	25.02

**Transamerica Life Insurance Company  
Pennsylvania Policy Forms: UniProduct Series**

**No change in the factors below**

**Schedule B Miscellaneous Riders**

Rider		Rate
Ambulance	=	1% of the NH rate
Patient Advocacy and Medication Management	=	1% of the NH rate
Prescription Drug Benefit In A Nursing Home	=	3% of the NH rate
Nursing Home Indemnity Payment Option	=	1% of the NH rate
Professional Services at 2 x Basic Services	=	30% of the HC rate
Monthly HHC	=	9.25% of the entire rate
Three ADL Trigger	=	20% reduction of the HC and ALF rate
Joint Policy	=	15% reduction of the entire rate
Nonforfeiture Benefit - Shortened Benefit Period	=	10% of the entire rate
Joint Waiver of Premium	=	2% of the entire rate
Rate Guarantee	=	2% for each year of guarantee beyond 5 years (e.g. 10-yr guarantee is 10%)

**Schedule B Restoration of Benefits**

Benefit Period	Rate
1 Year	9%
2 Year	6%
3 Year	5%
4 Year	4%
5+ Year *	3%

\* Does not apply to Unlimited Benefit Period

**Schedule B Survivorship Rider**

Minimum Number of Years With No Death Nor Claims			
Issue Age	0/0		10/10
< 66	20.0%		15.0%
≥ 66	25.0%		15.0%

**Schedule B Shared Care Rider**

Benefit Period		Rate
1 Year	=	32%
2 Year	=	28%
3 Year	=	17%
4 Year	=	12%
5 Year	=	9%
6 Year	=	7%
7 Year	=	6%
8 Year	=	4%
9 Year	=	3%
Lifetime	=	0%

**Transamerica Life Insurance Company  
Pennsylvania Policy Forms: UniProduct Series**

**No change in these factors  
Schedule B Return of Premium Rider**

<b>Issue Age</b>	<b>Full No Max</b>	<b>Full \$10K Max</b>	<b>Less Claims No Max</b>	<b>Less Claims \$10K Max</b>
18 - 30	37%	10%	23%	10%
31	37%	10%	23%	10%
32	37%	10%	23%	10%
33	37%	10%	23%	10%
34	37%	10%	23%	10%
35	37%	10%	23%	10%
36	37%	10%	23%	10%
37	37%	10%	24%	10%
38	37%	10%	24%	10%
39	37%	10%	24%	10%
40	37%	10%	25%	10%
41	39%	10%	25%	10%
42	40%	11%	25%	11%
43	42%	11%	26%	11%
44	43%	12%	27%	12%
45	45%	12%	28%	12%
46	47%	13%	29%	13%
47	49%	13%	31%	13%
48	51%	14%	32%	14%
49	53%	15%	33%	15%
50	56%	16%	34%	16%
51	59%	18%	36%	18%
52	62%	19%	37%	19%
53	65%	21%	39%	20%
54	68%	22%	40%	22%
55	71%	24%	42%	24%
56	75%	26%	44%	26%
57	79%	28%	45%	28%
58	82%	30%	47%	29%
59	85%	32%	49%	31%
60	89%	34%	51%	33%
61	93%	35%	54%	34%
62	98%	37%	56%	36%
63	103%	38%	58%	37%
64	108%	38%	61%	37%
65	114%	38%	64%	37%
66	121%	39%	67%	37%
67	129%	39%	70%	38%
68	136%	39%	74%	38%
69	145%	40%	79%	38%
70	154%	40%	83%	39%
71	164%	41%	88%	39%
72	175%	41%	92%	40%
73	189%	42%	98%	40%
74	204%	42%	104%	40%
75	219%	42%	109%	41%
76	234%	43%	115%	41%
77	247%	43%	121%	42%
78	258%	44%	127%	42%
79	268%	44%	133%	42%
80	276%	45%	138%	43%
81	285%	45%	144%	43%
82	294%	46%	150%	44%
83	302%	46%	156%	44%
84	309%	46%	162%	44%
85	317%	47%	168%	45%
86	328%	47%	174%	45%
87	347%	48%	180%	46%
88	371%	48%	187%	46%
89	400%	48%	194%	46%
90	434%	48%	201%	46%
91	475%	49%	208%	47%
92	523%	50%	215%	48%
93	577%	52%	223%	50%
94	638%	54%	231%	52%
95	706%	58%	239%	55%
96	782%	62%	247%	58%
97	867%	67%	255%	64%
98	961%	74%	263%	70%
99	1063%	82%	273%	77%
100 +	1174%	91%	283%	85%



**Transamerica Life Insurance Company  
 Pennsylvania Policy Forms: UniProduct Series**

No change in these factors

**Schedule B Benefit Increase Option Factors for 1-Year and 2-Year Benefit Period**

Issue Age	Simple		Compound		Step-Rate		Deferred	Guaranteed Purchase Option
	5%	3%	5%	3%	5%	3%		
0	111%	68%	288%	132%	74%	36%	0%	0%
31	111%	68%	288%	132%	74%	36%	0%	0%
32	111%	68%	288%	132%	74%	36%	0%	0%
33	111%	68%	287%	132%	74%	36%	0%	0%
34	111%	68%	286%	132%	74%	36%	0%	0%
35	111%	68%	284%	132%	74%	36%	0%	0%
36	111%	68%	283%	132%	74%	36%	0%	0%
37	111%	68%	282%	132%	74%	36%	0%	0%
38	111%	68%	282%	132%	74%	36%	0%	0%
39	111%	68%	282%	132%	74%	36%	0%	0%
40	111%	68%	282%	132%	74%	36%	0%	0%
41	111%	68%	282%	132%	74%	36%	0%	0%
42	111%	68%	282%	132%	74%	36%	0%	0%
43	111%	68%	277%	130%	72%	36%	0%	0%
44	111%	68%	273%	127%	70%	36%	0%	0%
45	111%	68%	269%	125%	68%	36%	0%	0%
46	111%	68%	264%	122%	66%	35%	0%	0%
47	111%	68%	260%	120%	65%	35%	0%	0%
48	111%	68%	255%	119%	64%	35%	0%	0%
49	111%	68%	250%	118%	63%	35%	0%	0%
50	111%	68%	246%	118%	62%	35%	0%	0%
51	111%	68%	241%	117%	61%	35%	0%	0%
52	111%	68%	236%	116%	60%	35%	0%	0%
53	111%	68%	229%	114%	59%	35%	0%	0%
54	110%	67%	222%	111%	58%	35%	0%	0%
55	109%	67%	214%	108%	56%	35%	0%	0%
56	108%	66%	207%	105%	55%	35%	0%	0%
57	107%	66%	200%	103%	54%	35%	0%	0%
58	105%	65%	192%	99%	52%	33%	0%	0%
59	103%	64%	185%	96%	50%	31%	0%	0%
60	101%	62%	178%	92%	47%	30%	0%	0%
61	99%	61%	170%	89%	45%	28%	0%	0%
62	97%	60%	163%	86%	43%	26%	0%	0%
63	91%	57%	153%	80%	39%	23%	0%	0%
64	84%	54%	143%	75%	34%	20%	0%	0%
65	78%	51%	133%	69%	30%	17%	0%	0%
66	72%	48%	123%	64%	26%	14%	0%	0%
67	66%	45%	112%	58%	22%	11%	0%	0%
68	61%	43%	105%	55%	20%	10%	0%	0%
69	57%	42%	97%	52%	19%	10%	0%	0%
70	52%	40%	89%	49%	18%	9%	0%	0%
71	47%	38%	82%	46%	17%	9%	0%	0%
72	42%	36%	74%	43%	16%	8%	0%	0%
73	40%	35%	70%	41%	15%	8%	0%	0%
74	38%	33%	67%	39%	14%	7%	0%	0%
75	36%	31%	63%	37%	12%	7%	0%	0%
76	34%	30%	59%	35%	11%	6%	0%	0%
77	32%	28%	55%	33%	10%	6%	0%	0%
78	31%	27%	52%	31%	10%	5%	0%	0%
79	29%	25%	48%	29%	9%	5%	0%	0%
80	27%	24%	45%	27%	9%	5%	0%	0%
81	26%	22%	41%	25%	8%	5%	0%	0%
82	24%	21%	38%	23%	8%	4%	0%	0%
83	23%	20%	36%	22%	7%	4%	0%	0%
84	22%	20%	35%	21%	6%	3%	0%	0%
85	21%	18%	32%	19%	5%	3%	0%	0%
86	20%	17%	30%	19%	4%	2%	0%	0%
87	19%	17%	29%	18%	3%	1%	0%	0%
88	19%	16%	28%	17%	2%	1%	0%	0%
89	18%	15%	27%	16%	2%	1%	0%	0%
90	17%	15%	25%	16%	2%	1%	0%	0%
91	16%	14%	24%	15%	2%	1%	0%	0%
92	15%	14%	22%	15%	1%	1%	0%	0%
93	14%	12%	21%	13%	1%	1%	0%	0%
94	14%	12%	20%	13%	1%	1%	0%	0%
95	14%	12%	20%	12%	1%	1%	0%	0%
96	13%	11%	19%	12%	1%	1%	0%	0%
97	13%	11%	18%	11%	1%	1%	0%	0%
98	12%	10%	17%	11%	1%	1%	0%	0%
99	12%	10%	17%	10%	1%	1%	0%	0%
100	11%	10%	16%	10%	1%	1%	0%	0%

**Transamerica Life Insurance Company**  
**Pennsylvania Policy Forms: UniProduct Series**  
**No change in these factors**  
**Schedule B Benefit Increase Option Factors for 3-Year Benefit Period**

Issue Age	Simple		Compound		Step-Rate		Deferred	Guaranteed Purchase Option
	5%	3%	5%	3%	5%	3%		
0	108%	64%	291%	122%	65%	30%	0%	0%
31	108%	64%	291%	122%	65%	30%	0%	0%
32	108%	64%	291%	122%	65%	30%	0%	0%
33	108%	64%	291%	121%	65%	30%	0%	0%
34	108%	64%	291%	121%	65%	30%	0%	0%
35	108%	64%	290%	121%	65%	30%	0%	0%
36	108%	64%	290%	121%	65%	30%	0%	0%
37	108%	64%	290%	121%	65%	30%	0%	0%
38	108%	64%	290%	121%	65%	30%	0%	0%
39	108%	64%	290%	121%	65%	30%	0%	0%
40	108%	64%	290%	121%	65%	30%	0%	0%
41	108%	64%	290%	121%	65%	30%	0%	0%
42	108%	64%	290%	121%	65%	30%	0%	0%
43	108%	64%	284%	119%	63%	30%	0%	0%
44	108%	64%	277%	117%	62%	31%	0%	0%
45	108%	63%	271%	115%	60%	31%	0%	0%
46	108%	63%	265%	113%	59%	31%	0%	0%
47	108%	63%	258%	111%	57%	31%	0%	0%
48	108%	63%	253%	111%	56%	31%	0%	0%
49	108%	63%	248%	110%	55%	31%	0%	0%
50	108%	63%	242%	109%	54%	31%	0%	0%
51	108%	63%	237%	108%	53%	31%	0%	0%
52	108%	63%	232%	107%	52%	31%	0%	0%
53	108%	63%	225%	104%	51%	31%	0%	0%
54	107%	62%	217%	102%	50%	31%	0%	0%
55	106%	62%	210%	100%	49%	31%	0%	0%
56	105%	61%	203%	97%	48%	31%	0%	0%
57	104%	61%	196%	95%	47%	31%	0%	0%
58	102%	60%	189%	92%	45%	31%	0%	0%
59	100%	59%	182%	89%	42%	30%	0%	0%
60	98%	58%	175%	86%	40%	30%	0%	0%
61	96%	57%	169%	84%	37%	30%	0%	0%
62	94%	56%	162%	81%	35%	30%	0%	0%
63	89%	53%	153%	76%	32%	26%	0%	0%
64	84%	51%	143%	72%	29%	23%	0%	0%
65	80%	49%	134%	67%	26%	19%	0%	0%
66	75%	47%	125%	63%	23%	16%	0%	0%
67	70%	45%	116%	58%	20%	12%	0%	0%
68	65%	43%	108%	55%	19%	11%	0%	0%
69	60%	42%	100%	52%	18%	11%	0%	0%
70	56%	40%	92%	48%	17%	10%	0%	0%
71	51%	38%	84%	45%	16%	9%	0%	0%
72	46%	36%	76%	42%	14%	8%	0%	0%
73	44%	35%	72%	40%	13%	8%	0%	0%
74	41%	33%	68%	38%	12%	7%	0%	0%
75	39%	31%	64%	36%	11%	7%	0%	0%
76	36%	30%	60%	33%	10%	6%	0%	0%
77	34%	28%	56%	31%	9%	5%	0%	0%
78	32%	27%	53%	30%	9%	5%	0%	0%
79	30%	25%	49%	28%	8%	5%	0%	0%
80	29%	24%	46%	26%	8%	5%	0%	0%
81	27%	22%	42%	24%	7%	4%	0%	0%
82	25%	21%	39%	22%	7%	4%	0%	0%
83	24%	20%	37%	21%	6%	4%	0%	0%
84	23%	20%	36%	20%	5%	3%	0%	0%
85	22%	18%	33%	19%	4%	3%	0%	0%
86	21%	17%	31%	19%	3%	2%	0%	0%
87	20%	17%	30%	17%	2%	1%	0%	0%
88	20%	16%	29%	16%	2%	1%	0%	0%
89	19%	15%	27%	15%	2%	1%	0%	0%
90	18%	15%	25%	15%	2%	1%	0%	0%
91	17%	14%	24%	14%	1%	1%	0%	0%
92	16%	14%	23%	14%	1%	1%	0%	0%
93	15%	12%	22%	13%	1%	1%	0%	0%
94	15%	12%	21%	13%	1%	1%	0%	0%
95	14%	12%	21%	12%	1%	1%	0%	0%
96	13%	11%	19%	12%	1%	1%	0%	0%
97	13%	11%	18%	10%	1%	1%	0%	0%
98	13%	10%	17%	10%	1%	1%	0%	0%
99	13%	10%	17%	9%	1%	1%	0%	0%
100	12%	10%	16%	9%	1%	1%	0%	0%

**Transamerica Life Insurance Company**  
**Pennsylvania Policy Forms: UniProduct Series**  
**No change in these factors**  
**Schedule B Benefit Increase Option Factors for 4-Year Benefit Period**

Issue Age	Simple		Compound		Step-Rate		Deferred	Guaranteed Purchase Option
	5%	3%	5%	3%	5%	3%		
0	117%	72%	328%	143%	77%	34%	0%	0%
31	117%	72%	328%	143%	77%	34%	0%	0%
32	117%	72%	328%	143%	77%	34%	0%	0%
33	117%	72%	327%	143%	77%	34%	0%	0%
34	117%	72%	325%	143%	77%	34%	0%	0%
35	117%	72%	324%	143%	77%	34%	0%	0%
36	117%	72%	323%	143%	77%	34%	0%	0%
37	117%	72%	321%	143%	77%	34%	0%	0%
38	117%	72%	320%	143%	77%	34%	0%	0%
39	117%	72%	319%	143%	77%	34%	0%	0%
40	117%	72%	317%	143%	77%	34%	0%	0%
41	117%	72%	316%	143%	77%	34%	0%	0%
42	117%	72%	315%	143%	77%	34%	0%	0%
43	117%	72%	310%	140%	75%	34%	0%	0%
44	117%	72%	306%	138%	73%	34%	0%	0%
45	117%	73%	301%	135%	71%	34%	0%	0%
46	118%	73%	296%	132%	69%	34%	0%	0%
47	118%	73%	292%	130%	67%	34%	0%	0%
48	118%	73%	286%	129%	66%	34%	0%	0%
49	118%	73%	280%	128%	66%	34%	0%	0%
50	118%	73%	274%	127%	65%	34%	0%	0%
51	118%	73%	268%	126%	64%	34%	0%	0%
52	117%	73%	262%	125%	64%	34%	0%	0%
53	116%	73%	255%	123%	62%	34%	0%	0%
54	115%	72%	247%	120%	60%	34%	0%	0%
55	114%	71%	240%	117%	58%	34%	0%	0%
56	112%	71%	232%	114%	57%	34%	0%	0%
57	111%	70%	225%	111%	55%	34%	0%	0%
58	109%	69%	215%	107%	52%	33%	0%	0%
59	106%	67%	205%	103%	50%	32%	0%	0%
60	104%	65%	196%	99%	47%	31%	0%	0%
61	102%	63%	186%	95%	45%	31%	0%	0%
62	100%	62%	176%	92%	42%	30%	0%	0%
63	94%	59%	165%	86%	38%	26%	0%	0%
64	88%	57%	154%	81%	34%	22%	0%	0%
65	83%	54%	143%	75%	30%	18%	0%	0%
66	77%	52%	132%	70%	26%	15%	0%	0%
67	71%	49%	122%	64%	22%	11%	0%	0%
68	67%	47%	115%	61%	20%	10%	0%	0%
69	62%	45%	108%	58%	19%	10%	0%	0%
70	58%	43%	101%	55%	18%	9%	0%	0%
71	53%	41%	94%	52%	17%	9%	0%	0%
72	48%	39%	87%	49%	16%	8%	0%	0%
73	45%	38%	82%	46%	15%	8%	0%	0%
74	42%	36%	77%	44%	14%	7%	0%	0%
75	39%	34%	73%	41%	12%	7%	0%	0%
76	36%	32%	68%	38%	11%	6%	0%	0%
77	32%	31%	63%	36%	10%	5%	0%	0%
78	31%	29%	60%	33%	10%	5%	0%	0%
79	29%	27%	56%	31%	9%	5%	0%	0%
80	27%	26%	52%	29%	9%	5%	0%	0%
81	26%	24%	48%	27%	8%	4%	0%	0%
82	24%	23%	44%	25%	8%	4%	0%	0%
83	23%	21%	41%	24%	7%	4%	0%	0%
84	22%	21%	40%	22%	6%	3%	0%	0%
85	21%	20%	38%	21%	5%	3%	0%	0%
86	20%	19%	35%	21%	4%	2%	0%	0%
87	19%	19%	34%	20%	3%	1%	0%	0%
88	19%	17%	32%	18%	2%	1%	0%	0%
89	18%	16%	31%	17%	2%	1%	0%	0%
90	17%	16%	29%	17%	2%	1%	0%	0%
91	16%	15%	27%	16%	2%	1%	0%	0%
92	15%	15%	26%	16%	1%	1%	0%	0%
93	14%	13%	25%	14%	1%	1%	0%	0%
94	14%	13%	23%	14%	1%	1%	0%	0%
95	14%	13%	23%	13%	1%	1%	0%	0%
96	13%	12%	22%	13%	1%	1%	0%	0%
97	13%	12%	21%	12%	1%	1%	0%	0%
98	12%	11%	19%	12%	1%	1%	0%	0%
99	12%	11%	19%	11%	1%	1%	0%	0%
100	11%	11%	18%	11%	1%	1%	0%	0%

**Transamerica Life Insurance Company**  
**Pennsylvania Policy Forms: UniProduct Series**  
**No change in these factors**  
**Schedule B Benefit Increase Option Factors for 5-Year Benefit Period**

Issue Age	Simple		Compound		Step-Rate		Deferred	Guaranteed Purchase Option
	5%	3%	5%	3%	5%	3%		
0	113%	69%	320%	127%	70%	31%	0%	0%
31	113%	69%	320%	127%	70%	31%	0%	0%
32	113%	69%	320%	127%	70%	31%	0%	0%
33	113%	69%	319%	126%	70%	31%	0%	0%
34	113%	69%	317%	126%	70%	31%	0%	0%
35	113%	69%	316%	126%	70%	31%	0%	0%
36	113%	69%	315%	126%	70%	31%	0%	0%
37	113%	69%	313%	126%	70%	31%	0%	0%
38	113%	69%	312%	126%	70%	31%	0%	0%
39	113%	69%	311%	126%	70%	31%	0%	0%
40	113%	69%	309%	126%	70%	31%	0%	0%
41	113%	69%	308%	126%	70%	31%	0%	0%
42	113%	69%	307%	126%	70%	31%	0%	0%
43	113%	69%	303%	124%	68%	31%	0%	0%
44	113%	69%	298%	122%	67%	31%	0%	0%
45	113%	69%	294%	119%	65%	31%	0%	0%
46	113%	69%	290%	117%	63%	31%	0%	0%
47	113%	69%	286%	115%	61%	31%	0%	0%
48	113%	69%	279%	114%	60%	31%	0%	0%
49	113%	69%	273%	112%	59%	31%	0%	0%
50	113%	69%	266%	111%	57%	31%	0%	0%
51	113%	69%	259%	110%	56%	31%	0%	0%
52	113%	69%	253%	109%	55%	31%	0%	0%
53	112%	69%	246%	106%	54%	31%	0%	0%
54	110%	68%	238%	103%	53%	31%	0%	0%
55	109%	68%	231%	101%	52%	31%	0%	0%
56	108%	67%	224%	98%	51%	31%	0%	0%
57	106%	67%	216%	95%	50%	31%	0%	0%
58	104%	65%	207%	91%	47%	30%	0%	0%
59	102%	63%	197%	88%	45%	30%	0%	0%
60	100%	62%	187%	84%	43%	29%	0%	0%
61	98%	60%	178%	80%	40%	28%	0%	0%
62	95%	58%	168%	77%	38%	27%	0%	0%
63	90%	56%	159%	73%	35%	23%	0%	0%
64	84%	53%	150%	69%	32%	20%	0%	0%
65	79%	51%	140%	64%	29%	16%	0%	0%
66	73%	48%	131%	60%	26%	12%	0%	0%
67	67%	46%	122%	56%	23%	8%	0%	0%
68	63%	44%	115%	53%	21%	8%	0%	0%
69	58%	42%	108%	50%	20%	7%	0%	0%
70	54%	40%	101%	47%	18%	7%	0%	0%
71	49%	38%	94%	44%	17%	6%	0%	0%
72	45%	36%	87%	42%	16%	6%	0%	0%
73	42%	34%	82%	39%	15%	5%	0%	0%
74	39%	33%	77%	36%	14%	5%	0%	0%
75	36%	31%	73%	34%	12%	4%	0%	0%
76	32%	29%	68%	31%	11%	4%	0%	0%
77	29%	28%	63%	29%	10%	3%	0%	0%
78	28%	26%	60%	27%	10%	3%	0%	0%
79	26%	25%	56%	25%	9%	3%	0%	0%
80	25%	23%	52%	24%	9%	3%	0%	0%
81	23%	22%	48%	22%	8%	2%	0%	0%
82	22%	20%	44%	20%	8%	2%	0%	0%
83	21%	19%	41%	19%	7%	2%	0%	0%
84	20%	19%	40%	18%	6%	2%	0%	0%
85	19%	18%	38%	17%	5%	1%	0%	0%
86	19%	17%	35%	17%	4%	1%	0%	0%
87	17%	17%	34%	16%	3%	1%	0%	0%
88	17%	16%	32%	15%	2%	1%	0%	0%
89	16%	14%	31%	14%	2%	1%	0%	0%
90	15%	14%	29%	14%	2%	1%	0%	0%
91	15%	13%	27%	13%	2%	0%	0%	0%
92	14%	13%	26%	13%	1%	0%	0%	0%
93	13%	12%	25%	12%	1%	0%	0%	0%
94	13%	12%	23%	12%	1%	0%	0%	0%
95	12%	12%	23%	11%	1%	0%	0%	0%
96	12%	11%	22%	11%	1%	0%	0%	0%
97	12%	11%	21%	10%	1%	0%	0%	0%
98	11%	10%	19%	10%	1%	0%	0%	0%
99	11%	10%	19%	9%	1%	0%	0%	0%
100	10%	10%	18%	9%	1%	0%	0%	0%

**Transamerica Life Insurance Company  
Pennsylvania Policy Forms: UniProduct Series**

**No change in these factors**

**Schedule B Benefit Increase Option Factors for Benefit Periods Greater Than 5 Years**

Issue Age	Simple		Compound		Step-Rate		Deferred	Guaranteed Purchase Option
	5%	3%	5%	3%	5%	3%		
0	186%	100%	444%	201%	92%	55%	0%	0%
31	186%	100%	444%	201%	92%	55%	0%	0%
32	186%	100%	444%	201%	92%	55%	0%	0%
33	186%	100%	444%	201%	92%	55%	0%	0%
34	186%	100%	443%	201%	92%	55%	0%	0%
35	186%	100%	443%	200%	92%	55%	0%	0%
36	186%	100%	442%	200%	92%	55%	0%	0%
37	186%	100%	442%	199%	92%	55%	0%	0%
38	185%	100%	440%	198%	92%	55%	0%	0%
39	184%	100%	438%	197%	92%	55%	0%	0%
40	183%	100%	436%	196%	92%	55%	0%	0%
41	182%	100%	434%	195%	92%	55%	0%	0%
42	181%	100%	432%	194%	92%	55%	0%	0%
43	179%	99%	424%	191%	91%	55%	0%	0%
44	178%	99%	416%	188%	90%	55%	0%	0%
45	176%	99%	408%	185%	89%	54%	0%	0%
46	174%	98%	400%	182%	88%	54%	0%	0%
47	172%	98%	392%	179%	87%	54%	0%	0%
48	171%	96%	381%	176%	85%	53%	0%	0%
49	169%	94%	371%	173%	84%	52%	0%	0%
50	168%	91%	360%	170%	82%	51%	0%	0%
51	166%	89%	350%	167%	81%	51%	0%	0%
52	164%	87%	339%	164%	79%	50%	0%	0%
53	162%	85%	326%	160%	76%	49%	0%	0%
54	159%	84%	312%	156%	73%	47%	0%	0%
55	157%	83%	298%	152%	70%	46%	0%	0%
56	154%	81%	285%	148%	67%	45%	0%	0%
57	151%	80%	271%	144%	64%	43%	0%	0%
58	147%	78%	260%	139%	61%	41%	0%	0%
59	142%	77%	250%	134%	57%	40%	0%	0%
60	138%	75%	239%	128%	54%	38%	0%	0%
61	133%	73%	229%	123%	50%	36%	0%	0%
62	128%	72%	218%	118%	47%	34%	0%	0%
63	124%	70%	209%	113%	43%	32%	0%	0%
64	120%	68%	200%	109%	38%	29%	0%	0%
65	117%	66%	190%	104%	34%	27%	0%	0%
66	113%	64%	181%	100%	30%	25%	0%	0%
67	109%	63%	172%	95%	25%	23%	0%	0%
68	104%	60%	163%	91%	24%	21%	0%	0%
69	100%	58%	155%	87%	22%	20%	0%	0%
70	96%	56%	146%	83%	21%	19%	0%	0%
71	92%	54%	138%	79%	20%	17%	0%	0%
72	88%	51%	129%	75%	18%	16%	0%	0%
73	84%	49%	123%	72%	17%	15%	0%	0%
74	80%	47%	117%	69%	16%	15%	0%	0%
75	77%	45%	111%	66%	15%	14%	0%	0%
76	73%	43%	105%	63%	14%	14%	0%	0%
77	69%	41%	99%	60%	13%	13%	0%	0%
78	66%	39%	93%	57%	12%	13%	0%	0%
79	62%	37%	87%	53%	12%	12%	0%	0%
80	58%	35%	81%	50%	11%	11%	0%	0%
81	55%	33%	74%	46%	10%	11%	0%	0%
82	51%	31%	68%	42%	10%	10%	0%	0%
83	49%	29%	64%	40%	8%	9%	0%	0%
84	47%	29%	62%	38%	7%	7%	0%	0%
85	46%	27%	58%	36%	6%	6%	0%	0%
86	44%	25%	54%	36%	5%	5%	0%	0%
87	40%	25%	52%	33%	3%	3%	0%	0%
88	40%	23%	50%	31%	3%	3%	0%	0%
89	38%	22%	48%	29%	3%	3%	0%	0%
90	36%	22%	44%	29%	2%	2%	0%	0%
91	35%	20%	42%	27%	2%	2%	0%	0%
92	33%	20%	40%	27%	2%	2%	0%	0%
93	31%	18%	38%	25%	2%	2%	0%	0%
94	31%	18%	36%	25%	2%	2%	0%	0%
95	29%	18%	36%	22%	2%	2%	0%	0%
96	27%	16%	34%	22%	2%	2%	0%	0%
97	27%	16%	32%	20%	2%	2%	0%	0%
98	26%	14%	30%	20%	2%	2%	0%	0%
99	26%	14%	30%	18%	2%	2%	0%	0%
100	24%	14%	28%	18%	2%	2%	0%	0%

SERFF Tracking #:

AEGJ-130645667

State Tracking #:

AEGJ-130645667

Company Tracking #:

AEGJ-130645667

State: Pennsylvania

Filing Company:

Transamerica Life Insurance Company

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name: TLIC RINC 2015 UNI

Project Name/Number: TLIC RINC 2015 UNI/3004

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA Uniproduct CoverLtr.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Certification (A&H)
<b>Comments:</b>	N/A. Revised rate filing only.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum and Explanatory Information (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA Uniproduct ActlMemo - 07072016.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Advertisements (A&H)
<b>Bypass Reason:</b>	N/A. This is a revised rate only filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Authorization to File (A&H)
<b>Bypass Reason:</b>	N/A. This is our own filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Insert Page Explanation (A&H)
<b>Bypass Reason:</b>	N/A. This is a revised rate only filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

**SERFF Tracking #:**

AEGJ-130645667

**State Tracking #:**

AEGJ-130645667

**Company Tracking #:**

AEGJ-130645667

**State:**

Pennsylvania

**Filing Company:**

Transamerica Life Insurance Company

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

TLIC RINC 2015 UNI

**Project Name/Number:**

TLIC RINC 2015 UNI/3004

<b>Bypassed - Item:</b>	Rate Table (A&H)
<b>Bypass Reason:</b>	N/A. Revised rate filing only.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Replacement Form with Highlighted Changes (A&H)
<b>Bypass Reason:</b>	N/A. This is a revised rate only filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Reserve Calculation (A&H)
<b>Bypass Reason:</b>	N/A. This is a revised rate only filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Variability Explanation (A&H)
<b>Bypass Reason:</b>	N/A. This is a revised rate only filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Exhibits
<b>Comments:</b>	
<b>Attachment(s):</b>	PA UniProduct ExI.pdf PA UniProduct ExII.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



HOME OFFICE: CEDAR RAPIDS, IOWA  
Long Term Care Administrative Office  
P.O. Box 869090  
Plano, Texas 75086-9090  
1-800-227-3740

July 7, 2016

Pennsylvania Department of Insurance

Re: Rate Increase Filing

Policy Forms: UniProduct Series which includes TLC 1-P TRM (PA) 407, TLC 1-P TRM (PA-F) 407, TLC 1-SC-R 0510, TOL 1-P TCO (PA) 402, TOL 1-P TCO (PA-F) 402, LI 1-P PRO 4 (PA) 402 and LI 1-P PRO 4 (PA-F) 402

Attached is an actuarial memorandum and accompanying rates for the Company's proposed premium rate increase filing on the above-captioned policy forms as well as all accompanying riders. This increase is needed due to claim levels that produce unacceptable lifetime loss.

The policy form listed above beginning with "LI" was filed under Life Investors Insurance Company of America and the one beginning with "TOL" was filed under Transamerica Occidental Life Insurance Company. The rest were filed under Transamerica Life Insurance Company. Life Investors Insurance Company of America and Transamerica Occidental Life Insurance Company were both merged into Transamerica Life Insurance Company in October 2008. As a result, the Life Investors and Transamerica Occidental companies no longer exist as separate statutory entities. Therefore, all of the policy forms shown above are being included in this one filing for Transamerica Life Insurance Company.

There are two levels of premium rates associated with these policy forms. The first set of rates, referred to in the attached memorandum as Premium Schedule A, was approved in Pennsylvania in 2004. The revised set of rates, referred to as Premium Schedule B, was approved in Pennsylvania in 2010. No rate increase has previously been applied to either schedule. We are requesting an increase of 65% on Premium Schedule A and 43.5% on Premium Schedule B which will make both sets of rates approximately the same rate level because Schedule B rates average 15% higher than Schedule A rates (only about 8% of the policies use the Schedule B rates). The resulting aggregate average increase is approximately 63.3%. The proposed rate increase does not apply to policies that were purchased with a single-pay or limited-pay premium payment plan. The experience for policies with these premium payment plans has also been excluded from all analysis and justification for the proposed rate increase.

Under the 60% lifetime loss ratio requirement, the requested rate increase should be 168%, and under the 58%/85% loss ratio requirement of the rate stability regulations, the requested rate increase should be 160%. However, we believe the requested 63.3% increase is appropriate under our current expectation of future experience. If the requested rate increase is approved and implemented as proposed, the Company does not expect to request additional rate increases based on current expectations of future experience. If actual future experience were to deteriorate further, additional rate action may become necessary even if the requested rate increase is approved and implemented as proposed.



The attached actuarial memorandum includes the following experience exhibits:

- Exhibit I Displays nationwide loss ratio experience associated with all policies of the listed policy forms by calendar year.
- Exhibit II Displays nationwide actual-to-expected (“A/E”) loss ratio experience associated with all policies of the listed policy forms by duration.

Exhibit II shows how actual lifetime experience compares to expected experience per original pricing assumptions by duration, where actual experience consists of historical experience from inception to date combined with projected experience thereafter per current assumptions. In order to see a complete picture of how adverse experience impacts A/E loss ratios by duration for all factors combined, A/E cumulative loss ratios by duration are displayed in the last column of Exhibit II. The A/E cumulative loss ratios in the last column of Exhibit II capture the full impact of all factors, including lapse experience, and hence reveal a complete picture of the lifetime experience of this block by duration. In particular, A/E cumulative loss ratios reflect the fact that greater-than-anticipated persistency to later durations generates much more additional incurred claims than additional earned premium over time, which in turn drives up the currently projected lifetime loss ratio well above expected. More additional incurred claims than premium are generated due to the sharply increasing slope of LTCL claims by duration relative to the level slope of premiums.

A Contingent Nonforfeiture Benefit, more generous than that required by NAIC Long-Term Care Insurance Model Regulation, will be offered to all insureds affected by the premium rate increase who allow their coverage to lapse within 120 days following the increase. Also, the Company will provide insureds with various downgrade options to maintain existing premium levels as the proposed premium rate increase becomes effective. In addition to the traditional downgrade options such as changes in elimination period, benefit period, benefit amounts or a combination thereof, the Company intends to also make available to eligible policyholders with a benefit increase option (“BIO”) the means to partially or entirely offset the premium rate increase of this filing depending on the type of BIO coverage they have. For eligible policyholders whose coverage includes BIO, the company will offer these policyholders the option to partially or completely avoid paying the requested rate increase of this filing in return for agreeing to reduce the BIO growth factor applicable to their policy going forward. Furthermore, the Company has set up a customer service unit with a toll-free line that is dedicated to answering rate increase related questions policyholders may have and to facilitating changes in coverage if they so choose.

I look forward to your review of the proposed premium rate increase. Please do not hesitate to contact me with questions or concerns.

Sincerely,



Brian D. Ulery, FSA, MAAA  
Vice President and Actuary



HOME OFFICE: CEDAR RAPIDS, IOWA  
Long Term Care Administrative Office  
P.O. Box 869090  
Plano, Texas 75086-9090  
1-800-227-3740

## Actuarial Memorandum

**UniProduct Series which includes Policy Forms:  
TLC 1-P TRM (PA) 407, TLC 1-P TRM (PA-F) 407, TLC 1-SC-R 0510, TOL  
1-P TCO (PA) 402, TOL 1-P TCO (PA-F) 402, LI 1-P PRO 4 (PA) 402 and LI  
1-P PRO 4 (PA-F) 402**

### Long Term Care Coverage

#### 1) Scope and Purpose

This rate filing is a request for a premium rate increase on the base policy as well as all associated riders for all lifetime premium paying insureds covered under the above captioned policy forms. The purpose of this memorandum is to file revised premium rates and demonstrate that the anticipated loss ratio meets the minimum requirements of Pennsylvania. This memorandum is not to be used for other purposes.

There are two levels of premium rates associated with these policy forms. The first set of rates, referred to in this memorandum as Premium Schedule A, was approved in Pennsylvania in 2004. The revised set of rates, referred to as Premium Schedule B, was approved in Pennsylvania in 2010. No rate increase has previously been applied to either schedule. We are requesting an increase of 65% on Premium Schedule A and 43.5% on Premium Schedule B which will make both sets of rates approximately the same rate level because Schedule B rates average 15% higher than Schedule A rates (only about 8% of the policies use the Schedule B rates). The resulting aggregate average increase is approximately 63.3%. The proposed rate increase does not apply to policies that were purchased with a single-pay or limited-pay premium payment plan. The experience for policies with these premium payment plans has also been excluded from all analysis and justification for the proposed rate increase.

Under the 60% lifetime loss ratio requirement, the requested rate increase should be 168%, and under the 58%/85% loss ratio requirement of the rate stability regulations, the requested rate increase should be 160%. However, we believe the requested 63.3% increase is appropriate under our current expectation of future experience. If the requested rate increase is approved and implemented as proposed, the Company does not expect to request additional rate increases based on current expectations of future experience. If actual future experience were to deteriorate further beyond a margin for moderately adverse experience of 10% on morbidity, additional rate action may become

necessary even if the requested rate increase is approved and implemented as proposed.

The requested rate increase will take effect upon approval by the Pennsylvania Department of Insurance subject to all notification requirements. The requested premium rate increase is needed because experience has exceeded the margin for adverse experience included in the original pricing, resulting in lifetime loss ratios that exceed the standards for rate action under the rate stability regulations.

The requested rate increase will not result in renewal premium rate schedules greater than new business premium rate schedules except for differences attributable to benefits.

This filing is also a request to allow the Company to make available to eligible policyholders with a benefit increase option (BIO) the means to completely offset the requested rate increase by agreeing to reduce the BIO growth factor applicable to their policy. If elected, the reduced BIO growth factor would begin to apply on the anniversary date following the effective date of the rate increase. Once applicable, the reduced BIO factor would remain in effect in all future years the policy remains in force. The growth in policy benefits accumulated from issue-to-date would not be lost for policyholders electing this downgrade option. Policyholders eligible for this downgrade option would be limited only to those who currently have BIO included on their policy where benefit growth is unlimited. The reduced future BIO growth factors to which policyholders would need to agree to completely offset the requested rate increase are as follows:

BIO Type	Current BIO Growth Factor	Future BIO Growth Factor
Compound	5.00%/year	2.67%/year
Compound	3.00%/year	1.33%/year
Simple	5.00%/year	1.63%/year

This BIO downgrade offer would only affect the rate increase request of this filing. Policyholders who elect this BIO downgrade offer may still be subject to additional future rate action were it to become justified due to further deterioration of experience not currently anticipated as explained in the second prior paragraph.

These Future BIO Growth Factors were calculated using a Gross Premium Valuation (GPV) approach which calculates the present value of all premiums less all benefits and expenses to determine the profits of the block of business using the various assumptions explained in later sections of this memorandum. The GPV was first calculated using the one-time rate increase percentage, e.g., the 65%. Then, the GPV was calculated without the one-time rate increase but with the BIO growth factors reduced. This calculation was iteratively repeated until the GPV result matched that calculated with the one-time rate increase. Thus the Future BIO Growth Factors produce the same present value results as the requested rate increase.

As a numerical example of how this BIO downgrade would work, consider a policy that in the first policy year provided \$100 daily benefit. On the first policy anniversary, the daily benefit would increase to \$105. Similarly the daily benefit would become \$110.25 on the second policy anniversary, \$115.76 on the third policy anniversary, \$162.89 on the tenth anniversary, \$171.03 on the eleventh anniversary, \$179.59 on twelfth anniversary, \$188.56 on thirteenth anniversary, etc. If the requested rate increase were to occur during the tenth policy year, the daily benefit on the eleventh anniversary would be \$171.03 (unchanged), but the daily benefit on the twelfth anniversary would be \$175.60 which is \$171.03 times 1.0267 (rather than \$179.59), on the thirteenth anniversary would be \$180.29 which is \$175.60 times 1.0267 (rather than \$188.56), etc.

The Company intends to offer a phasing-in of the requested rate increase for those policies that did not purchase the benefit increase option when the policy was issued. Policies that have the benefit increase option will not be offered a phasing-in of the requested rate increase because they have the option to reduce their future BIO growth factor and have no increase in their premium. The phasing-in of the rate increase will work as follows for policies with Schedule A rates: instead of a 65% one-time increase in the premium rate, a 23% increase in the premium rate will occur in the current year, another 23% increase will occur two years later, and finally another 23% increase will occur four years after the initial 23% increase. For policies with Schedule B rates, instead of a 43.5% one-time increase in the premium rate, a 17.4% increase will occur that will be implemented in three steps just like the 23% increase.

The requested rate increase percentage will not vary by issue age, benefit period, benefit increase option, or any other component of the coverage.

## 2) **Benefits** \*

### **Base Benefits**

#### *A. Nursing Home Benefit*

Once the Elimination period has been met, the actual charges incurred for each day the Insured Person is confined to a Nursing Home will be paid, up to the Maximum Daily Benefit.

#### *B. Bed Reservation Benefit*

When an Insured Person is absent for any reason other than discharge during a Nursing Home or Assisted Living confinement, we will (1) pay the actual charges incurred for room and board while the room is being reserved, up to the Maximum Daily Benefit, if the Elimination Period has been satisfied, (2) give credit toward the satisfaction of the Elimination Period where the absence occurs while the Elimination Period is being satisfied; or (3) a combination of (1) and (2).

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\* This is not intended to be a comprehensive listing of all benefits available.

*C. Assisted Living Facility Benefit*

The actual charges for room and board and necessary maintenance and personal care expenses incurred for each day the Insured Person is confined to an Assisted Living Facility, up to the Maximum Daily Benefit, will be paid if treatment and/or services are received from a licensed, registered or certified Assisted Living Facility.

*D. Home Health Care and Adult Day Care Benefit*

The actual charges incurred for each day the Insured Person receives Home Health Care and Adult Day Care, up to the Maximum Daily Professional Services Benefit or the Maximum Daily Basic Services Benefit (whichever is applicable), will be paid.

*E. Alternative Payment Benefit*

Once an Insured Person has met the benefit eligibility, the insurer will pay the Monthly Benefit in advance each calendar month. This benefit will be paid in lieu of all other benefits for care or services provided under this policy.

*F. Respite Care Benefit*

The actual charges incurred for Respite Care, up to the Respite Care Maximum Daily Benefit(s), will be paid if such treatment and/or services are received from a Nursing Home, and Assisted Living Facility or in the Insured Person's Home.

*G. Hospice Care Benefit*

The actual charges incurred for each day an Insured Person receives Hospice Care, up to the Maximum Daily Benefit, will be paid by the insurer if it has been estimated by a doctor that the Insured Person has a life expectancy of 6 months or less and no reasonable prospect of cure and the treatment and/or services are received from a Hospice Care Provider.

*H. Therapeutic Device Benefit*

The actual charges incurred for the rental or purchase of a Therapeutic Device will be paid by the insurer if:

1. the Insured Person is receiving the Care Coordination Benefit; and
2. the Therapeutic Device is used in the Insured Person's Home.

*I. Medical Alert System Benefit*

The actual charges incurred for a Medical Alert System will be paid by the insurer for either: (1) rental and/or monitoring costs, not to exceed the monthly Medical Alert System Benefit; or (2) at the discretion of the insurer, the actual purchase cost of a Medical Alert System if the Insured Person is receiving the Care Coordination Benefit.

*J. Home Modification Benefit*

The actual charges incurred, not to exceed the Maximum Lifetime Home Modification Benefit, for labor, equipment and supplies needed in making minor modifications to the Insured Person's Home that will enhance his or

her ability to perform the Activities of Daily Living and allow the Insured Person to safely remain in his or her home will be paid by the insurer if the Insured Person is receiving the Care Coordination Benefit.

*K. Caregiver Training Benefit*

The actual charges incurred for Caregiver Training of the Insured Person or a Volunteer Caregiver to assist an Insured Person, not to exceed the Maximum Lifetime Caregiver Training Benefit, will be paid by the insurer if:

1. the Insured Person is receiving the Care Coordination Benefit; and
2. Caregiver Training is not already provided free of charge by an equipment or supply vendor.

*L. Waiver of Premium*

Premiums will be waived on a monthly basis once the Elimination Period has been met and while the Insured Person is receiving Nursing Home, Assisted Living Facility, Home Health Care or Adult Day Care benefits, or the Alternate Payment Benefit.

*M. Contingent Non-forfeiture Benefit – Shortened Benefit Period*

In the event that premium rates increase to a level which results in a cumulative increase of the premium equal to or exceeding the percentage of the initial premium set forth in the Triggers for a Substantial Premium Increase table, the Insured Person will receive the Contingent Non-forfeiture benefit, and he or she may elect to: (1) reduce current benefits; or (2) during the 120 days following the Premium Due Date on which the increased premium would first have become due, convert his or her coverage as follows:

1. the daily benefit amounts available will remain as they were at the time coverage would have lapsed under the policy;
2. the total benefit amount in force under this benefit will be equal to the amount of all premium paid, excluding waived premiums, for all coverage combined including this benefit.

The minimum benefit will be 30 times the daily benefit in force at the time the policy would have lapsed.

**Optional Benefits**

*A. Prescription Drug Benefit in a Nursing Home*

An Insured Person will receive the Prescription Drug Benefit if they are receiving prescription drugs while confined to a Nursing Home and receiving the Nursing Home Benefit.

*B. Ambulance Benefit*

The actual charges incurred for emergency ambulance service to or from a Nursing Home, up to the Maximum Benefit for each Ambulance Trip, will be paid if the Insured Person has not reached the Maximum Benefit Limitation or the Maximum Number of Trips per Calendar Year.

*C. Monthly Home Care Benefit*

If the Insured Person is receiving the Care Coordination Benefit, the actual charges incurred for Home Health Care and Adult Day Care will be paid on the basis of services received during each continuous 30-day period rather than on a daily basis. This benefit will be in lieu of the Home Health Care and Adult Day Care Benefit.

*D. Professional Services Benefit at 2 times Basic Services*

An applicant may choose to have a Maximum Daily Benefit for Professional Services equal to 2 times the Maximum Daily Benefit for Basic Services.

*E. Nursing Home Indemnity Payment Option*

In lieu of the Nursing Home Benefit, the full amount of the Nursing Home Maximum Daily Benefit will be paid to the Insured Person.

*F. Full Restoration of Benefits*

Once a period of time during which the insurer has been paying benefits under the policy has ended, the benefit amounts that have been paid will be restored to the remaining applicable Maximum Benefit if the Insured Person has ceased to be a Chronically Ill Individual for at least 180 consecutive days and the policy remains in force.

*G. Joint Waiver of Premium Benefit*

When the spouse of an Insured Person is receiving the Waiver of Premium Benefit, the Insured Person's premiums will be waived if both the Insured Person and spouse are insured as a married couple on the same policy form series which includes this Joint Waiver of Premium Benefit.

*H. Survivorship –Waiver of Premium (insured under same policy)*

The premiums for the surviving Insured Person will be waived, after the last of the following to occur: (1) the date of death of the other Insured Person; or (2) the tenth anniversary of the effective date of this policy, if:

1. The Insured Person and other Insured Person have coverage in force under this policy; and
2. the other Insured Person dies while this policy is in force.

Several variations of this benefit are that the Insured Person(s) must not have incurred any claims and / or a death did not occur during the Number of Years Insured shown on the schedule, and listed below:

1. No deaths within the first 5 policy years,
2. No deaths or claims within the first 5 policy years, and
3. No deaths or claims within the first 10 policy years.

*I. Spouse Survivorship –Waiver of Premium (insured under separate policies)*

The premiums for the surviving Insured Person will be waived, after the last of the following to occur: (1) the date of death of the spouse; or (2) the tenth anniversary of the effective date of this policy, if:

1. The Insured Person and the spouse have coverage in force under this form series; and
2. the spouse dies while both policies are in force.

Several variations of this benefit are that the Insured Person(s) must not have incurred any claims and / or a death did not occur during the Number of Years Insured shown on the schedule, and listed below:

1. No deaths within the first 5 policy years,
2. No deaths or claims within the first 5 policy years, and
3. No deaths or claims within the first 10 policy years.

*J. Simple Benefit Increase Option*

Every dollar benefit amount will increase by the percentage shown on the schedule of the original dollar benefit amounts on each anniversary of the option, up to the Maximum Multiple, so long as the option remains in force.

Several variations of this option were priced:

1. 3%, with unlimited increases,
2. 3%, with increases capped at 2 times the original benefit amount,
3. 5%, with unlimited increases, and
4. 5%, with increases capped at 2 times the original benefit amount.

*K. Compound Benefit Increase Option*

Every dollar benefit amount will increase by the percentage shown on the schedule of the current dollar benefit amounts on each anniversary of this option, up to the Maximum Multiple, so long as the option remains in force.

Several variations of this option were priced:

1. 3%, with unlimited increases,
2. 3%, with increases capped at 2 times the original benefit amount,
3. 5%, with unlimited increases, and
4. 5%, with increases capped at 2 times the original benefit amount.

*L. Step Rated Compound Benefit Increase Option*

Current premiums will increase and every dollar benefit amount will increase by the percentage shown on the schedule on every anniversary, every third anniversary or fifth anniversary of this option so long as the option remains in force. This option is not available on any limited payment plan.

*M. Deferred Benefit Increase Option*

The Insured Person may add a Benefit Increase Option without evidence of insurability within the 90 day period prior to the first, third, or fifth anniversary of the policy, if they have not incurred a claim. The additional premium required for the Benefit Increase Option selected will be based on the attained ages of the Insured Persons when this option is exercised, and the increases in dollar benefit amounts will take effect on the second anniversary after this option is exercised.

*N. Guaranteed Purchase Option*

The Insured Person will have the opportunity to purchase additional coverage equal to 16% of the amounts initially elected on each of the Purchase Option Dates without evidence of insurability if:

1. The Insured Person has not reached the Attained Age Limit;
2. The policy is in force on the Purchase Option Date,



3. Prior to age 70 this benefit will terminate if the Insured Person does not elect to purchase the additional amount on any two Purchase Option Dates;
4. On and after age 70, this benefit will terminate if the Insured Person does not elect to purchase the additional amount on any Purchase Option Date.

*O. Return Of Premium Benefit*

Once all Insured Persons have died, the named beneficiary will receive the Return of Premium Benefit, and a lump sum amount equal to the lesser of: (1) the sum of all premiums paid less the amount of any benefits paid or (2) the Return of Premium Maximum will be paid by the insurer.

*P. Full Return Of Premium Benefit*

Once all Insured Persons have died, the named beneficiary will receive the Full Return of Premium Benefit, and a lump sum amount equal to the lesser of: (1) the sum of all premiums paid or (2) the Return of Premium Maximum Benefit will be paid by the insurer.

*Q. Non-forfeiture Benefit – Shortened Benefit Period*

Once an Insured Person's coverage has been in effect for at least 3 full years, coverage will continue on a limited basis when it would otherwise have lapsed for nonpayment of premium with the following conditions:

1. the daily benefit amounts available will remain as they were at the time coverage would have lapsed under the policy;
2. the total benefit amount in force under this benefit will be equal to the amount of all premiums paid, excluding waived premiums, for all coverage combined including this benefit; and
3. the minimum benefit provided will be equal to 30 times the daily benefit in force at the time the Policy would have lapsed.

*R. Patient Advocacy and Medication Management Benefit*

The cost of unplanned visits, not more often than once each 6 months, from a person contracted by the insurer to a covered facility for the purpose of assessing living conditions in the facility and the care being received by the Insured Person will be paid if:

1. the insured is permanently confined to a facility covered in the policy, and
2. the insured is receiving the Care Coordination Benefit.

The actual charges incurred for services provided by a Nurse in helping the Insured Person to comply with his or her medication/treatment regimen will be paid by the insurer if the Insured Person is receiving the Care Coordination Benefit.

*S. Rate Guarantee*

A 3 year rate guarantee is available at no extra charge. Rate guarantees in whole year increments are also available for an additional charge.

*T. Shared Care Rider*

This benefit is available when a two Spouses/Partners purchase Policies with identical benefits. If the Insured Person's Spouse/Partner exhausts the Policy Maximum Amount under his/her Policy, the insurer will continue the Spouse/Partner's coverage under the Insured Person's Policy.

If the Spouse/Partner dies, any remaining Policy Maximum Amount on his/her Policy will be transferred to the Insured Person's Policy.

If the Spouse/Partner exhausts the Policy Maximum Amount on the Insured Person's Policy, the Insured Person has the option to purchase two more years of coverage. This option for additional coverage will not be available if:

1. The Insured Person's Policy Maximum Amount is exhausted on or after his/her 91<sup>st</sup> birthday;
2. The Insured Person has met the Eligibility for Payment of Benefits within the 2-year period prior to the date the Policy Maximum Amount was exhausted; or
3. The Insured Person is the one who exhausted the Policy Maximum Amount.

**3) Renewability**

These policy forms are guaranteed renewable for life, subject to the company's right to change premium rates.

**4) Applicability**

This filing applies to inforce insureds. The premium change will be applicable to the base rates. There will be no change to the original factors that are applied to the base rates.

**5) Morbidity**

Ultimate morbidity assumptions are developed based on incidence rates, on-claim mortality, recovery and transitions from one site of care to the other. These assumptions reflect benefit period, implied elimination period (based on deductible and cost of care) and the effect of the BIO option selected. Any BIO adjustment continues to increase the Maximum Daily Benefit after the insured is disabled — the assumptions reflect this increase. There is no morbidity improvement assumption in the statutory reserve calculation.

An updated claims study was completed at the end of 2014, and new assumptions have been incorporated into our analysis beginning in 2015

Our morbidity assumptions are developed using internal company experience as follows:

- Base assumptions for incidence, recovery, on-claim mortality and transition are developed that vary by marital status, gender, implied elimination period, benefit period and issue age.

- The base curves are adjusted by attained age modifiers that vary by marital status, gender, implied elimination period, benefit period, and inflation.

The original morbidity assumptions were based on data from Milliman USA's 1997 LTC Guidelines and available internal experience. Claim cost modifiers were developed, based on data from Milliman USA and available internal experience, to reflect the effect of underwriting on the ultimate claim costs and varied by marital status, issue age and benefit period. The following loads were then applied:

<u>Issue Age Bracket</u>	<u>Load if Married</u>	<u>Load if Single</u>
Less than 60	5%	5%
60 – 64	5%	5%
65 – 69	10%	10%
70 – 74	15%	15%
75 – 79	20%	20%
80 +	25%	25%

As shown in the enclosed Exhibit II, the projected lifetime Actual to Expected Incurred Claims is 232%. So the current assumption for morbidity is 132% higher than used in pricing. This exceeds the moderately adverse conditions assumption in the original pricing, which was 10%.

The current morbidity assumption used in this rate increase filing is consistent with the assumption the Company has used for currently marketed policy forms.

## 6) Off-Claim Mortality

Our mortality assumptions are developed using internal company experience. Base attained age mortality rates, adjusted for issue year, have been developed and vary by gender and marital status. The rates are further adjusted by 15 years of improvement factors that vary by gender.

The original total in-force mortality assumptions were the ultimate mortality rates of the 1983 Individual Annuitant Mortality Table adjusted by the following mortality selection factors:

<u>Duration</u>	<u>Ages 18-69 Married</u>	<u>Ages 70+ Married</u>	<u>Ages 18-69 Single</u>	<u>Ages 70+ Single</u>
1	0.32	0.34	0.42	0.34
2	0.52	0.52	0.65	0.56
3	0.63	0.64	0.82	0.69
4	0.74	0.75	0.92	0.80
5	0.78	0.83	0.98	0.85
6	0.83	0.89	1.02	0.89
7	0.85	0.93	1.05	0.93
8	0.88	0.95	1.07	0.95

9	0.90	0.97	1.09	0.97
10	0.92	0.98	1.10	1.01
11	0.93	0.99	1.11	1.05
12	0.93	0.99	1.12	1.08
13	0.93	0.99	1.13	1.10
14	0.93	0.99	1.14	1.10
15+	0.93	0.99	1.15	1.10

As shown in the enclosed Exhibit II, the projected lifetime Actual to Expected Earned Premiums is 121%, so actual mortality rate and/or lapse rate has been smaller than assumed in the original pricing; however, the overall result of mortality and persistency has been within the moderately adverse conditions assumption in the original pricing.

The current off-claim mortality assumption used in this rate increase filing is consistent with the assumption the Company has used for currently marketed policy forms.

## 7) Persistency

Projected lapse rates were based on actual experience varying by inflation coverage (BIO), marital status and issue age. A sample of current voluntary lapse rates is included as Exhibit III.

The original lapse rates assumed by issue age group and policy duration were:

Single	18 – 49	11.0%, 9.5%, 7.0%, 5.0%, 3.0%, 2.0%,2.0%,...
	50 – 59	5.5%, 4.5%, 4.0%, 2.5%, 1.5%, 1.0%,1.0%,...
	60 – 69	6.5%, 5.0%, 3.5%, 2.5%, 2.0%, 1.5%,1.5%,...
	70 – 79	8.0%, 5.5%, 4.0%, 3.0%, 2.5%, 2.0%,2.0%,...
	80 +	11.0%, 8.0%, 6.5%, 5.5%, 4.5%, 3.5%, 3.5%...
Married	18 – 49	6.5%, 5.5%, 4.5%, 2.5%, 1.5%, 1.0%,1.0%,...
	50 – 59	3.5%, 2.5%, 2.5%, 2.0%, 1.5%, 1.0%,1.0%,...
	60 – 69	4.0%, 2.5%, 2.0%, 1.5%, 1.5%, 1.0%,1.0%,...
	70 – 79	6.0%, 4.0%, 3.0%, 2.0%, 1.5%, 1.5%,1.5%,...
	80 +	12.0%, 5.5%, 4.0%, 3.5%, 3.0%, 3.0%,...

As shown in the enclosed Exhibit II, the projected lifetime Actual to Expected Earned Premiums is 121%, so actual mortality rate and/or lapse rate has been less than assumed in the original pricing; however, the overall result of mortality and persistency has been within the moderately adverse conditions assumption in the original pricing.

The current persistency assumption used in this rate increase filing is consistent with the assumption the Company has used for currently marketed policy forms.

Selection of the Contingent Nonforfeiture Benefit upon lapse is not considered a lapse because the policy remains in force. Selection of the Contingent Nonforfeiture Benefit results in the amount of coverage being reduced, but because the policy remains in force, the policy is not counted as lapsed. In our experience studies, policies that have selected the Contingent Nonforfeiture Benefit are not counted as lapses.

**8) Expenses**

The original commission schedule was as shown in following table and was assumed to equal a present value of commissions as a percent of the present value of premiums of approximately 30%:

Commission Rates as Percent of Premium by Policy Year

<u>Issue Age</u>	<u>Year 1</u>	<u>Years 2 – 10</u>	<u>Years 11+</u>
<50	110%	18.5%	13.5%
50 – 54	105%	18.5%	13.5%
55 – 59	100%	18.5%	13.5%
60 – 64	100%	18.5%	13.5%
65 – 69	95%	18.5%	13.5%
70 – 74	85%	17.5%	12.5%
75 – 79	80%	17.5%	12.5%
80 – 84	75%	17.5%	12.5%
85 +	65%	17.5%	12.5%

Original expense assumptions were:

<u>Issue Age</u>	<u>Issue &amp; Underwriting Expense</u>
<45	\$154
46 – 64	\$180
65 – 69	\$195
70 +	\$435

Marketing and developmental expenses were assumed to be \$130 per policy in the first policy year. Maintenance expenses each policy year were assumed to be 1.5% of incurred claims plus \$80 per policy (increased 3% per year for inflation).

Commissions and expenses are not a factor in justifying the proposed rate increase.

The commission and acquisition expense assumptions used in this rate increase are consistent with those assumed in original pricing. The maintenance expense assumptions used in this rate increase filing are consistent with the assumption the Company has used for currently marketed policy forms. Maintenance expenses are assumed to be 3.45% of paid claims plus \$87 per policy (increasing by 2% per year) and 0.75% of premium. Premium taxes are assumed to be 2.25% of premium.

Commissions are not paid on the rate increase portion of the policy premium.

## **9) Marketing**

These policy forms were marketed by agents to individuals 18 years and older. In addition, employers, associations, or affinity groups were accepted for group sponsored rates under this individual policy. Members and/or employees of such groups, employees of group members, and anyone who is at least 18 years of age and who is related to group members and employees of group members by blood, marriage, or domestic relationship can be included.

## **10) Policy Design**

Policy design features have been taken into consideration. Benefit provisions, exclusions, elimination periods, benefit periods, number of units, benefit growth, etc. have been accounted for either in the development of claim costs or projection model formulas.

## **11) Underwriting**

These policy forms were underwritten with the use of various underwriting tools in addition to the application, which may have included medical records, an attending physician's statement, telephone interview and/or face-to-face assessment. The effect of underwriting has been incorporated into the projection.

## **12) Claims Adjudication Practice**

No significant changes to the standard operating practices of the Claims Department have been necessary to date nor are any changes expected to be necessary in the future. The claim adjudication staff has maintained a consistently high degree of expertise, experience, and performance over the life of these policy forms and this is expected to continue in the future. Therefore, special adjustments due to claim adjudication practice have not been incorporated into the projection.

## **13) Premiums**

Premium rates are attached. The gross premiums are annual rates per unit of \$10 of Maximum Daily Benefit.

Various discounts, from 5% to 40%, were offered. These discounts were based on the marketer and to whom the company is marketing; they may also be based on the expected morbidity and/or other cost elements of the affinity group. When agents were involved, the marketing expenses were generally higher and the discount was lower. When marketing involved only mailing/telemarketing, the expenses were generally lower and the discounts were larger. Marketing and any discounts were handled consistently, with the different

discounts handled as different premium classes. In this manner, the company passed expense savings directly to the insureds. This was not done on an individual by individual basis, but was consistent by marketer (agent sales are more expensive than mail/telemarketing; mail/telemarketing is more expensive than when some affinity group absorbs all marketing expenses) and by affinity group that the company is selling to (the absence of an affinity group is generally more expensive than an affinity group). Some examples:

- 1) Agents market to general public: this is the most expensive form of marketing and there is no discount.
- 2) Direct Marketer markets to general public: mailings to the general public are performed and only telemarketing agents are involved and a 10% discount is given.
- 3) We work with a Company (say, our owner) who covers all marketing expenses and provides all distribution: this is the least expensive form of marketing and a 30% discount is given.
- 4) Agents market to an affinity group: lead costs are cheaper and various administrative costs are generally cheaper, so the discount can range from 5% to 15%.
- 5) Our Direct Marketer markets to an affinity group: mailings are performed and only telemarketing agents are involved, various administrative costs are generally cheaper: the discount can range from 10% to 20%.

All individuals were handled consistently based on how the distribution was performed, if there was an affinity group involved and the expected morbidity of the group. Each different scenario provided for a different premium class.

This product was designed to be used by many different marketing groups. Several health and personal status packages used as follows:

Rate Class	Criteria	Factor
<b>Package A</b>		
Single Standard	Tobacco User or Non-Driver	1.244
Single Preferred		0.995
Married Standard	Tobacco User or Non-Driver	0.646
Married		0.587
<b>Package B</b>		
Single	Tobacco User	1.250
Single		1.000
Married		0.600
<b>Package C</b>		
Single	Tobacco User	1.291
Single		1.033
Single	Health screen on application	0.930
Married		0.600

Package D		
Single Standard		1.245
Single Preferred	Active and Non-Tobacco User	0.996
Married Standard		0.722
Married Preferred	Active and Non-Tobacco User	0.578

  

Package E		
Single Standard		0.960
Single Preferred	Non-Tobacco User	0.835
Married Standard		0.817
Married Preferred	Non-Tobacco User	0.710

  

Package F		
Single Standard		0.956
Single Preferred	Non-Tobacco User	0.831
Married Standard		0.812
Married Preferred	Non-Tobacco User	0.706

  

Package G		
Single Standard		0.935
Single Preferred	Non-Tobacco User	0.813
Married Standard		0.795
Married Preferred	Non-Tobacco User	0.691

Only one package of discounts was available to any one marketer for use with individual sales and possibly a different package available for group sponsored sales. All packages were anticipated to be actuarially equivalent. Each package of discounts was considered a separate rate class.

The following additional classes were possibly available with any package:

Family Member Discount	0.95
Quality Producer Discount	0.95
Substandard Class 1	1.25
Substandard Class 2	1.50
Substandard Class 3	1.75
Substandard Class 4	2.00

The following are examples under Schedule A rates of the premium rate change that will result from each of the following changes in a policyholder's coverage:

Initial policy specifications: Issue age 55, elimination period 90 days (0 days for Home Care), benefit increase option 5% compounded, benefit period Unlimited.

Annual premium per \$10 of daily benefit for initial policy specifications:

	<u>Base rates</u>	<u>Age Factor</u>	<u>Elim.Per.Factor</u>	<u>BIO Factor</u>	<u>Result</u>
Nursing Home	\$ 84.49	x 0.65	x 1.00	x 2.69	= \$ 147.73
Assisted Living Facility	\$ 68.26	x 0.65	x 1.00	x 2.69	= \$ 119.35
Home Health Care	\$ 22.76	x 0.65	x 1.00	x 2.69	= \$ 39.80
				Total	= \$ 306.88



Rate increase and no benefit change:

	<u>Base rates</u>	<u>Age Factor</u>	<u>Elim.Per.Factor</u>	<u>BIO Factor</u>	<u>Result</u>
Nursing Home	\$ 139.41	x 0.65	x 1.00	x 2.69	= \$ 243.76
Assisted Living Facility	\$ 112.63	x 0.65	x 1.00	x 2.69	= \$ 196.93
Home Health Care	\$ 37.55	x 0.65	x 1.00	x 2.69	= \$ 65.66
				Total	= \$ 506.35

Rate increase and increase elimination period from 90 days to 365 days:

	<u>Base rates</u>	<u>Age Factor</u>	<u>Elim.Per.Factor</u>	<u>BIO Factor</u>	<u>Result</u>
Nursing Home	\$ 139.41	x 0.65	x 0.80	x 2.69	= \$ 195.01
Assisted Living Facility	\$ 112.63	x 0.65	x 0.80	x 2.69	= \$ 157.55
Home Health Care	\$ 37.55	x 0.65	x 1.00	x 2.69	= \$ 65.66
				Total	= \$ 418.21

Rate increase and reduce benefit increase option from 5% to 2.67%:

Nursing Home	\$ 84.49	x 0.65	x 1.00	x 2.69	= \$ 147.73
Assisted Living Facility	\$ 68.26	x 0.65	x 1.00	x 2.69	= \$ 119.35
Home Health Care	\$ 22.76	x 0.65	x 1.00	x 2.69	= \$ 39.80
				Total	= \$ 306.88

Rate increase and reduce benefit period from Unlimited to 5 years:

	<u>Base rates</u>	<u>Age Factor</u>	<u>Elim.Per.Factor</u>	<u>BIO Factor</u>	<u>Result</u>
Nursing Home	\$ 81.86	x 0.75	x 1.00	x 2.69	= \$ 165.15
Assisted Living Facility	\$ 66.13	x 0.75	x 1.00	x 2.69	= \$ 133.42
Home Health Care	\$ 22.06	x 0.75	x 1.00	x 2.69	= \$ 44.51
				Total	= \$ 343.08

#### 14) Issue Age Range

Applicants age 18 years and older were eligible for all elimination periods and benefit periods.

#### 15) Area Factors

Area factors are not used for these products.

#### 16) Average Annual Premium

Before increase: \$1,701. After increase: \$2,778.

#### 17) Premium Modalization Rules

Modal factors which are applied to the annual premium are no greater than as follows:

Annual	1.000
Semi-annual	.520
Quarterly	.265
Monthly	.090

#### 18) Claim Liability and Reserve

The present value of amounts not yet due is calculated for all open claims using termination rates derived from company experience. The resulting reserve is adjusted by factors based on age at incurral, gender, and benefit period developed from company experience. The interest rate varies by year of incurral.

The incurred but not reported and in course of settlement reserves are calculated based on the development of incurred claims by month of incurral, based on internal Company data. The claim reserves underlying the incurred claims in the projection are consistent with the reserves reported in Exhibits 6 and 8 of the Company's financial statement.

## **19) Active Life Reserve**

Active life reserves have not been used in this rate filing to demonstrate compliance with the minimum loss ratio requirement. The inclusion of active life reserves would result in a larger justifiable rate increase based on loss ratios and actual-to-expected projections.

Reserves have not been incorporated into this rate increase for those policies that, as a result of the requested rate increase, trigger the Contingent Nonforfeiture Benefit. A Contingent Nonforfeiture Benefit, more generous than that required by NAIC Long-Term Care Insurance Model Regulation, will be offered to all insureds affected by the premium rate increase who allow their coverage to lapse within 120 days following the increase.

## **20) Trend Assumptions**

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

## **21) Anticipated Loss Ratio**

The original anticipated lifetime loss ratio for these policy forms was 60%. The currently anticipated lifetime loss ratio is 116% without the proposed rate increase and 88% with the proposed rate increase.

The specific standard the Company uses to determine the credibility of the experience is the credibility formula recommended by an American Academy of Actuaries Long Term Care task force which is  $\text{SQRT}(\text{number of claims divided by } 3,264)$ . In the claims count, a claim that transitions through different service levels (such as, but not limited to: Home Health Care to Assisted Living Facility to Nursing Home) without an intervening recovery is counted as one claim. This rate increase filing is not based on the experience of just the policy forms listed in this memorandum but rather on the Company's total experience to date with focus on the experience of policy forms providing benefits similar to the policy forms listed in this memorandum.

## **22) Distribution of Business**

The distribution of in-force policies by issue age, attained age, benefit period, elimination period and benefit increase option are:

**By Issue Age**

Issue Age Band	% of Policies
0 to 59	48.5%
60 to 64	26.3%
65 to 69	16.3%
70 to 74	6.8%
75 to 79	1.8%
80+	0.2%

**By Attained Age**

Attained Age Band	% of Policies
0 to 59	23.6%
60 to 64	16.9%
65 to 69	22.2%
70 to 74	18.2%
75 to 79	11.9%
80+	7.2%

**By Elimination Period**

Elimination Period	% of Policies
30 days or less	5.4%
60 days	4.8%
90 days	87.7%
Over 90 days	2.0%

**By Maximum Benefit Period**

Benefit Period	% of Policies
2 years or less	5.8%
3 years	34.0%
4 years	28.7%
5 years	14.4%
Unlimited	17.1%

**By Benefit Increase Option**

Increase Option	% of Policies
None	41.3%
Simple	20.2%
Compound	38.5%

**By Underwriting Classification**

Increase Option	% of Policies
Married, Preferred	56%
Married, Standard	14%
Single, Preferred	24%
Single, Standard	6%

The Company anticipates that 65% of policyholders will accept the full rate increase; 25% will reduce their benefit increase option as described in Section 1 of this memo and thus have no rate increase, 3% will select the Contingent

Nonforfeiture Benefit, and 7% will reduce their benefit so they will have a lower or no rate increase.

### 23) Margin for Moderately Adverse Conditions

The margin included in the original pricing of these policy forms was the greater of a 10% increase in morbidity, 10% decrease in mortality or 10% decrease in lapses. Actual historical experience combined with revised assumptions for morbidity and persistency have resulted in lifetime expected loss ratios significantly greater than those anticipated at the time of original pricing. The enclosed Exhibit II shows that the projected lifetime Actual to Expected Incurred Claims is 232%, much greater than the 110% level of morbidity included under adverse conditions. The current margin for moderately adverse conditions is a 10% increase in expected morbidity.

The proposed rate increase is less than that justified by the 58/85 loss ratio standard in the rate stability regulations. As such, there is no margin for adverse experience in the filing exhibits, unless specifically requested and noted. The rate increase we are requesting was determined by a Gross Premium Valuation analysis, which is why we are requesting considerably less increase than the rate stability regulations would require.

### 24) Experience on the Form

The enclosed Exhibit I displays calendar year historical experience as well as projected experience both with and without the proposed rate increase with June 30, 2014 as the break point between historical actual and projected future values. Exhibit II displays that same experience by policy year duration and includes an actual to expected analysis. These exhibits include the experience of all policies of these policy forms regardless of issue date.

The enclosed Exhibit I shows that the 58/85 test is satisfied using the original expected pricing loss ratio of 60% both without a margin for moderately adverse conditions and with a 10% margin for future adverse claims experience.

The number of claims under these policy forms has been:

<u>Year</u>	<u>Count</u>	<u>Year</u>	<u>Count</u>
2003	5	2010	140
2004	22	2011	137
2005	49	2012	169
2006	52	2013	206
2007	61	<u>2014</u>	<u>271</u>
2008	73	Total	1,279

## 25) Interest Rate

The interest rate used to discount the values displayed in Exhibit I is 4.5% for years 1998-2005 and 4.0% for years 2006-2011. An interest rate of 4.5% is used in Exhibit II.

The original interest rate assumed was 6.5% for pricing and 4.5% for statutory reserves.

## 26) History of Rate Adjustments

The Company has sold long-term care insurance since the late 1980s and sold the policy forms listed in this memorandum from 2002 to 2011. The Company has not previously raised the rates for the policy forms listed in this memorandum in Pennsylvania or any other state. The following summarizes the current status of this requested rate increase in all states:

<u>State</u>	<u>Current Status of Filing</u>	<u>Date Submitted</u>
AK	Not yet submitted	
AL	Pending	7/5/2016
AR	Not yet submitted	
AZ	Not yet submitted	
CA	Pending	8/14/2015
CO	Not yet submitted	
CT	Approved	9/4/2015
DC	Not yet submitted	
DE	Not yet submitted	
FL	Pending	5/17/2016
GA	Not yet submitted	
HI	Not yet submitted	
IA	Approved	8/13/2015
ID	Not yet submitted	
IL	Pending	8/31/2015
IN	Not yet submitted	
KS	Not yet submitted	
KY	Approved	10/30/2015
LA	Not yet submitted	
MA	Not yet submitted	
MD	Not yet submitted	
ME	Not yet submitted	
MI	Not yet submitted	
MN	Pending	9/4/2015
MO	Pending	1/27/2016
MS	Not yet submitted	
MT	Not yet submitted	
NC	Pending	7/7/2016

ND	Approved	1/27/2016
NE	Pending	9/18/2015
NH	Not yet submitted	
NJ	Not yet submitted	
NM	Not yet submitted	
NV	Not yet submitted	
OH	Not yet submitted	
OK	Not yet submitted	
OR	Not yet submitted	
PA	Pending	7/7/2016
RI	Not yet submitted	
SC	Not yet submitted	
SD	Not yet submitted	
TN	Not yet submitted	
TX	Approved	8/31/2015
UT	Not yet submitted	
VA	Pending	1/22/2016
VT	Not yet submitted	
WA	Pending	1/22/2016
WI	Not yet submitted	
WV	Not yet submitted	
WY	Not yet submitted	

## 27) Number of Policyholders

B. As of December 31, 2015, the number of policies that will be affected by this increase is:

	Insureds	Annualized Premium
Pennsylvania	332	\$560,363
Nationwide	20,981	\$35,689,476

## 24) Proposed Effective Date

The increase will be implemented within 3 months following approval after fulfillment of all statutory and contractual requirements.

## 25) Methodology

The product was originally priced on a statutory IRR basis, with further consideration given to GAAP results. The internal rate of return at the time of original pricing was expected to be 20.8%, and the lifetime valuation loss ratio was expected to be approximately 60%. Original

pricing assumptions have been described in the above sections. A summary of original pricing expected results follows:

	Statutory				GAAP		
	IRR	PVProfit / PVPrem	Incurred Loss Ratio	Loss Ratio w/ ALR	PVProfit / PVPrem	Incurred Loss Ratio	Loss Ratio w/ ALR
Aggregate Pricing	20.8%	10.9%	62.2%	92.1%	19.0%	47.4%	78.3%
Married Cells	20.5%	11.5%	60.4%	92.4%	19.9%	44.7%	77.6%
Single Cells	21.5%	9.9%	65.8%	91.7%	17.3%	52.5%	79.6%
No BIO	22.9%	9.6%	55.1%	68.2%	15.2%	47.9%	61.4%
BIO	20.3%	11.3%	64.0%	98.3%	20.1%	47.2%	82.8%
Fixed BP	18.7%	8.5%	60.8%	86.2%	15.3%	48.4%	75.0%
Lifetime BP	22.0%	12.2%	63.0%	95.3%	21.0%	46.8%	80.0%
<u>Ages</u>							
<= 59	20.0%	13.1%	60.4%	101.8%	23.9%	40.6%	81.6%
62	21.3%	11.1%	62.4%	90.6%	18.3%	47.9%	79.3%
67	13.7%	5.0%	71.9%	93.5%	10.8%	60.1%	85.8%
72	23.9%	9.2%	61.0%	72.9%	14.1%	54.0%	67.6%
77	37.2%	11.7%	55.9%	61.7%	16.1%	51.9%	58.1%
80+	57.6%	14.7%	47.8%	50.6%	18.7%	45.5%	47.7%

The requested rate increase amount was determined performing a gross premium valuation on the block of business. This approach looks at the present value of future premiums, claims and expenses in conjunction with current reserve levels. A rate increase of 65% on the original rates was determined to be necessary to ensure that the present value of future premiums combined with current reserve balances is sufficient to cover the present value of future claims and expenses on the block. A summary of those results follows:

	10% MAE	No MAE
Premiums	392,466,572	392,466,572
GAAP ALR	394,732,306	394,732,306
DAC	15,159,519	15,159,519
DLR	40,831,404	40,831,404
Benefits & Expenses	1,068,738,399	971,580,363
Net GPV	(255,867,636)	(158,709,600)
Rate Increase Percent	65%	40%

## 26) Actuarial Certification

I certify that to the best of my knowledge and judgment, this premium rate filing complies with the applicable laws of the state of Pennsylvania, with the rules of the Department of Insurance, and with Actuarial Standard of Practice Nos. 8 and 18, and that:

No further premium rate schedule increases are anticipated if the requested premium rate schedule increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized, Policy design, underwriting and claims adjudication practices have been taken into consideration, and  
The resulting premium rate schedules are not greater than new business premium rate schedules except for differences attributable to benefits.



Brian D. Ulery, FSA, MAAA  
Vice President and Actuary

Date: July 7, 2016



**Exhibit I**  
**TRANSAMERICA LIFE INSURANCE COMPANY**

Policy Forms: UniProduct Series

Actual Nationwide Experience Through June 30, 2014 and Projected Experience Thereafter

Year	Earned Premiums		Loss Ratios Excluding Change in Active Life Reserves				
	Actual Past & Projected Future w/o Requested Rate Increase	Actual Past & Projected Future with Requested Rate Increase	Actual Past & Projected Future Incurred Claims	Actual Past & Projected Future w/o Requested Rate Increase	Actual Past & Projected Future with Requested Rate Increase	Cumulative PV Actual Past & Projected w/o Requested Rate Increase	Cumulative PV Actual Past & Projected with Requested Rate Increase
2002	\$39,665	\$39,665	\$0	0%	0%	0%	0%
2003	\$2,524,356	\$2,524,356	\$3,365	0%	0%	0%	0%
2004	\$11,609,581	\$11,609,581	\$510,059	4%	4%	4%	4%
2005	\$16,988,320	\$16,988,320	\$1,367,608	8%	8%	6%	6%
2006	\$16,746,539	\$16,746,539	\$1,096,370	7%	7%	6%	6%
2007	\$16,301,277	\$16,301,277	\$1,921,996	12%	12%	7%	7%
2008	\$16,088,726	\$16,088,726	\$3,049,539	19%	19%	10%	10%
2009	\$16,457,104	\$16,457,104	\$4,505,451	27%	27%	12%	12%
2010	\$17,659,583	\$17,659,583	\$4,131,798	23%	23%	14%	14%
2011	\$23,853,482	\$23,853,482	\$4,065,127	17%	17%	14%	14%
2012	\$32,307,582	\$32,307,582	\$5,066,703	16%	16%	15%	15%
2013	\$34,808,153	\$34,808,153	\$7,100,918	20%	20%	15%	15%
2014	\$34,374,410	\$34,374,410	\$8,280,122	24%	24%	16%	16%
2015	\$33,157,986	\$35,746,006	\$12,629,260	38%	35%	19%	18%
2016	\$32,072,979	\$49,125,569	\$14,451,108	45%	29%	21%	20%
2017	\$31,039,687	\$50,653,261	\$16,516,983	53%	33%	23%	21%
2018	\$30,029,405	\$49,038,019	\$18,874,698	63%	38%	25%	23%
2019	\$29,028,183	\$47,403,023	\$21,441,257	74%	45%	28%	24%
2020	\$28,025,569	\$45,765,755	\$24,115,222	86%	53%	31%	26%
2021	\$27,013,639	\$44,113,273	\$26,788,823	99%	61%	34%	28%
2022	\$25,990,698	\$42,442,809	\$29,561,491	114%	70%	37%	30%
2023	\$24,955,397	\$40,752,164	\$32,397,462	130%	79%	40%	32%
2024	\$23,905,589	\$39,037,827	\$35,478,196	148%	91%	43%	35%
2025	\$22,841,914	\$37,300,845	\$38,721,463	170%	104%	46%	37%
2026	\$21,765,644	\$35,543,297	\$41,847,541	192%	118%	50%	39%
2027	\$20,678,936	\$33,768,702	\$44,717,698	216%	132%	53%	42%
2028	\$19,585,249	\$31,982,712	\$47,278,229	241%	148%	57%	45%
2029	\$18,488,024	\$30,190,942	\$50,366,428	272%	167%	60%	47%
2030	\$17,388,797	\$28,395,906	\$53,265,424	306%	188%	64%	50%
2031	\$16,289,770	\$26,601,195	\$55,798,929	343%	210%	68%	52%
2032	\$15,196,658	\$24,816,143	\$57,864,592	381%	233%	71%	55%
2033	\$14,115,119	\$23,049,989	\$59,282,001	420%	257%	75%	58%
2034	\$13,050,714	\$21,311,817	\$60,280,599	462%	283%	79%	60%
2035	\$12,008,716	\$19,610,233	\$60,779,730	506%	310%	82%	63%
2036	\$10,994,139	\$17,953,429	\$60,819,725	553%	339%	85%	65%
2037	\$10,012,080	\$16,349,727	\$60,281,162	602%	369%	88%	67%
2038	\$9,067,948	\$14,807,960	\$59,074,826	651%	399%	91%	70%
2039	\$8,166,778	\$13,336,349	\$57,401,977	703%	430%	94%	72%
2040	\$7,313,091	\$11,942,278	\$55,205,653	755%	462%	97%	73%
2041	\$6,510,860	\$10,632,235	\$52,702,996	809%	496%	99%	75%
2042	\$5,763,081	\$9,411,112	\$49,943,637	867%	531%	101%	77%
2043	\$5,071,463	\$8,281,699	\$46,958,879	926%	567%	103%	78%
2044	\$4,436,809	\$7,245,310	\$43,865,653	989%	605%	105%	80%
2045	\$3,858,873	\$6,301,540	\$40,674,386	1054%	645%	107%	81%
2046	\$3,336,630	\$5,448,717	\$37,485,520	1123%	688%	108%	82%
2047	\$2,868,205	\$4,683,778	\$34,361,456	1198%	734%	109%	83%
2048	\$2,451,025	\$4,002,523	\$31,307,469	1277%	782%	110%	84%
2049	\$2,082,032	\$3,399,959	\$28,371,015	1363%	834%	111%	84%
2050	\$1,758,003	\$2,870,819	\$25,542,239	1453%	890%	112%	85%
2051	\$1,475,617	\$2,409,683	\$22,842,154	1548%	948%	113%	85%
2052	\$1,231,328	\$2,010,759	\$20,303,911	1649%	1010%	114%	86%
2053	\$1,021,450	\$1,668,028	\$17,939,177	1756%	1075%	114%	86%
2054	\$842,452	\$1,375,723	\$15,767,209	1872%	1146%	115%	87%
2055	\$690,868	\$1,128,187	\$13,777,520	1994%	1221%	115%	87%
2056	\$563,440	\$920,098	\$11,958,705	2122%	1300%	115%	87%
2057	\$456,942	\$746,185	\$10,325,300	2260%	1384%	115%	87%
2058	\$368,523	\$601,798	\$8,856,769	2403%	1472%	116%	88%
2059	\$295,471	\$482,503	\$7,550,347	2555%	1565%	116%	88%
2060	\$235,373	\$384,364	\$6,388,412	2714%	1662%	116%	88%
2061	\$186,224	\$304,104	\$5,365,601	2881%	1764%	116%	88%
2062	\$146,242	\$238,813	\$4,477,742	3062%	1875%	116%	88%
2063	\$113,955	\$186,089	\$3,721,175	3265%	2000%	116%	88%
2064	\$88,038	\$143,767	\$3,071,523	3489%	2114%	116%	88%

PV Past	\$283,273,165	\$283,273,165	\$46,533,589	16%	16%
PV Future	\$359,576,218	\$566,835,021	\$701,844,171	195%	124%
PV Lifetime	\$642,849,382	\$850,108,186	\$748,377,760	116%	88%

**Exhibit II**  
**TRANSAMERICA LIFE INSURANCE COMPANY**

Policy Forms: UniProduct Series

Actual Nationwide Experience Through June 30, 2014 and Projected Experience Thereafter

Duration	Actual			Expected			Actual to Expected		
	Earned	Incurred	Cumulative	Earned	Incurred	Cumulative	Actual to	Actual to	Actual to
	Premium on	Claims	Loss Ratio	Premium on	Claims	Loss Ratio	Expected	Expected	Expected
Original Rate	excluding	excluding	Original Rate	excluding	excluding	Earned	Incurred	Loss	
Level	ALR	ALR	Level	ALR	ALR	Premium	Claims	Ratio	
1	\$33,727,289	\$694,290	2%	\$33,727,289	\$196,488	1%	100%	353%	353%
2	\$38,941,374	\$1,689,364	3%	\$31,940,663	\$610,830	1%	122%	277%	268%
3	\$36,391,696	\$1,674,203	4%	\$30,650,294	\$1,179,046	2%	119%	142%	183%
4	\$36,791,090	\$3,329,623	5%	\$29,565,684	\$1,897,804	3%	124%	175%	166%
5	\$36,099,317	\$4,778,668	6%	\$28,696,230	\$2,685,735	4%	126%	178%	159%
6	\$35,123,849	\$6,923,817	8%	\$27,926,342	\$3,479,411	5%	126%	199%	161%
7	\$34,281,453	\$6,314,380	10%	\$27,256,270	\$4,221,210	6%	126%	150%	150%
8	\$33,478,111	\$8,305,936	11%	\$26,560,052	\$4,903,587	8%	126%	169%	148%
9	\$32,621,454	\$8,507,021	12%	\$25,839,439	\$5,539,781	9%	126%	154%	143%
10	\$30,917,870	\$11,867,805	14%	\$25,095,372	\$6,166,965	10%	123%	192%	146%
11	\$30,141,451	\$17,874,475	17%	\$24,327,779	\$6,799,559	11%	124%	263%	157%
12	\$29,395,759	\$20,479,146	20%	\$23,538,780	\$7,504,267	12%	125%	273%	166%
13	\$28,326,743	\$21,421,620	23%	\$22,729,054	\$8,325,014	13%	125%	257%	172%
14	\$27,293,402	\$24,149,977	26%	\$21,900,057	\$9,257,344	14%	125%	261%	177%
15	\$26,237,204	\$27,523,973	29%	\$21,054,366	\$10,252,469	16%	125%	268%	182%
16	\$25,154,228	\$31,071,786	32%	\$20,192,979	\$11,318,609	17%	125%	275%	187%
17	\$24,048,313	\$34,508,622	35%	\$19,318,789	\$12,492,918	18%	124%	276%	191%
18	\$22,925,770	\$37,904,546	39%	\$18,433,590	\$13,747,089	20%	124%	276%	194%
19	\$21,784,728	\$41,267,028	42%	\$17,539,519	\$15,043,593	21%	124%	274%	197%
20	\$20,628,225	\$44,520,515	46%	\$16,639,024	\$16,342,107	23%	124%	272%	199%
21	\$19,459,649	\$48,223,928	49%	\$15,734,808	\$17,651,066	25%	124%	273%	201%
22	\$18,282,998	\$51,950,658	53%	\$14,829,794	\$18,976,341	26%	123%	274%	203%
23	\$17,103,510	\$55,089,243	57%	\$13,927,053	\$20,342,864	28%	123%	271%	205%
24	\$15,927,081	\$57,722,273	61%	\$13,029,973	\$21,752,672	30%	122%	265%	205%
25	\$14,760,233	\$59,730,601	65%	\$12,142,225	\$23,200,228	32%	122%	257%	206%
26	\$13,608,366	\$62,197,654	69%	\$11,267,628	\$24,558,292	33%	121%	253%	206%
27	\$12,475,640	\$64,348,384	72%	\$10,410,011	\$25,788,241	35%	120%	250%	206%
28	\$11,369,483	\$65,554,829	76%	\$9,573,044	\$26,938,914	37%	119%	243%	206%
29	\$10,298,370	\$65,765,869	80%	\$8,760,345	\$27,843,830	39%	118%	236%	205%
30	\$9,270,330	\$64,748,704	83%	\$7,975,479	\$28,402,663	41%	116%	228%	204%
31	\$8,292,435	\$63,719,100	86%	\$7,221,791	\$28,718,506	42%	115%	222%	203%
32	\$7,369,585	\$62,212,832	89%	\$6,502,309	\$28,742,873	44%	113%	216%	202%
33	\$6,506,407	\$60,076,384	92%	\$5,819,410	\$28,479,818	46%	112%	211%	201%
34	\$5,706,429	\$57,254,750	94%	\$5,175,112	\$28,067,739	47%	110%	204%	200%
35	\$4,971,959	\$53,635,172	97%	\$4,571,130	\$27,425,200	49%	109%	196%	199%
36	\$4,303,830	\$50,191,405	99%	\$4,008,829	\$26,495,319	50%	107%	189%	198%
37	\$3,700,955	\$46,637,375	100%	\$3,489,170	\$25,340,932	51%	106%	184%	197%
38	\$3,161,630	\$43,001,817	102%	\$3,012,393	\$23,935,178	52%	105%	180%	196%
39	\$2,683,434	\$39,232,543	103%	\$2,578,348	\$22,347,662	53%	104%	176%	195%
40	\$2,263,198	\$35,271,974	105%	\$2,186,586	\$20,551,220	54%	104%	172%	194%
41	\$1,897,158	\$31,687,362	106%	\$1,836,349	\$18,581,950	55%	103%	171%	193%
42	\$1,580,834	\$28,310,346	107%	\$1,526,524	\$16,557,153	55%	104%	171%	192%
43	\$1,309,749	\$25,164,098	107%	\$1,255,393	\$14,547,477	56%	104%	173%	192%
44	\$1,079,212	\$22,215,440	108%	\$1,020,791	\$12,606,068	56%	106%	176%	191%
45	\$884,620	\$19,397,589	109%	\$820,219	\$10,780,681	57%	108%	180%	191%
46	\$721,372	\$16,945,296	109%	\$650,925	\$9,109,313	57%	111%	186%	191%
47	\$585,211	\$14,744,625	109%	\$509,980	\$7,611,507	57%	115%	194%	191%
48	\$472,258	\$12,785,931	110%	\$394,149	\$6,287,085	58%	120%	203%	191%
49	\$379,153	\$11,021,904	110%	\$300,162	\$5,133,777	58%	126%	215%	191%
50	\$302,700	\$9,384,381	110%	\$224,876	\$4,123,673	58%	135%	228%	191%
<b>PV Lifetime</b>	<b>\$491,053,655</b>	<b>\$541,180,305</b>	<b>110%</b>	<b>\$404,412,276</b>	<b>\$233,685,017</b>	<b>58%</b>	<b>121%</b>	<b>232%</b>	<b>191%</b>