

State: Pennsylvania **Filing Company:** LifeSecure Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Individual LTC 1.0 RI
Project Name/Number: Individual LTC 1.0 RI/

Filing at a Glance

Company: LifeSecure Insurance Company
 Product Name: Individual LTC 1.0 RI
 State: Pennsylvania
 TOI: LTC03I Individual Long Term Care
 Sub-TOI: LTC03I.001 Qualified
 Filing Type: Rate - M.U. (Medically underwritten)
 Date Submitted: 06/09/2017
 SERFF Tr Num: LFSC-131064853
 SERFF Status: Assigned
 State Tr Num: LFSC-131064853
 State Status: Received Review in Progress
 Co Tr Num: LS-0002 RI

 Implementation: On Approval
 Date Requested:
 Author(s): Kristin Hagler, Diana Ulicny, Amanda Wheeler
 Reviewer(s): Jim Laverty (primary)
 Disposition Date:
 Disposition Status:
 Implementation Date:

State Filing Description:
 Proposed aggregate 35% increase on 209 policyholders of LifeSecure's LS-0002 LTC policy series.

State: Pennsylvania **Filing Company:** LifeSecure Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Individual LTC 1.0 RI
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General Information

Project Name: Individual LTC 1.0 RI
Project Number:
Requested Filing Mode: Review & Approval

Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact: 35%

Deemer Date:
Submitted By: Kristin Hagler

Status of Filing in Domicile: Pending
Date Approved in Domicile:
Domicile Status Comments: Filing has been submitted for review and approval.
Market Type: Individual
Individual Market Type:
Filing Status Changed: 06/12/2017
State Status Changed: 06/12/2017
Created By: Kristin Hagler
Corresponding Filing Tracking Number:
State TOI: LTC03I Individual Long Term Care

Filing Description:
June 9, 2017

Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg PA 17120

RE:LifeSecure Insurance Company
Company NAIC #: 77720
SERFF Tracking No: LFSC-131064853
Rate Revision Filing on Long Term Care Policy Form:
LS-0002, et al: Tax Qualified Individual Guaranteed Renewable LTC Insurance Policy

Enclosed for your review and approval are the Actuarial Memorandum and Rate Sheets for the proposed rate revision filing on the above-captioned Long Term Care policy form. This policy form was issued in your state from December, 2009 to September, 2014. The form is subject to the rate stability regulation. This product is not being currently marketed in your state and was replaced with ICC13-LS-LTC-0005. LifeSecure Insurance Company requests a premium rate increase of 35%, in accordance with the requirements of Section 20 of the Long Term Care Insurance Model Regulation. In determining the need for a premium rate increase, LifeSecure Insurance Company considered the following:

- The rate increase is necessary due to the current expectation regarding assumptions for morbidity and terminations is worse than the original pricing assumptions.

While we strongly encourage policyholders to maintain coverage, we believe it is important to provide options to policyholders who wish to reduce benefits in order to keep their premium approximately the same. LifeSecure will offer policyholders who qualify the option of decreasing coverage in order to maintain approximately the same premium. In addition, policyholders who are eligible will be informed of their option to exercise their Shortened Nonforfeiture Benefit Option Rider or, if applicable, a Contingent Nonforfeiture Option.

Enclosed, please find the following:

- Actuarial Memorandum;
- Current and Proposed Rate Schedules; and

State: Pennsylvania **Filing Company:** LifeSecure Insurance Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
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- Sample policyholder communication.

The actuarial memorandum includes a detailed rate increase justification.

We trust that you will find our filing to be in order, and that it will allow you to review and approve the rate revision filing request. Thank you for your time and consideration in the review of this filing for LifeSecure Insurance Company. Should you require further information, please do not hesitate to contact me at (P) 810-220-4661 and (E) KPeake@yourlifesecond.com.

Sincerely,

Kevin Peake
Manager, Actuary
LifeSecure Insurance Company

Company and Contact

Filing Contact Information

Kevin Peake, Actuarial Analyst
10559 Citation Drive
Brighton, MI 48116

kpeake@yourlifesecond.com
810-220-4661 [Phone]
810-220-7707 [FAX]

Filing Company Information

LifeSecure Insurance Company
10559 Citation Drive
Suite 300
Brighton, MI 48116
(810) 220-8774 ext. [Phone]

CoCode: 77720
Group Code: 572
Group Name: BCBS of MI GRP
FEIN Number: 75-0956156

State of Domicile: Michigan
Company Type: Life, A & H
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

SERFF Tracking #:

LFSC-131064853

State Tracking #:

LFSC-131064853

Company Tracking #:

LS-0002 RI

State: Pennsylvania

Filing Company: LifeSecure Insurance Company

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

Product Name: Individual LTC 1.0 RI

Project Name/Number: Individual LTC 1.0 RI/

Rate Information

Rate data applies to filing.

Filing Method: Review & Approval

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing: Review & Approval

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):
LifeSecure Insurance Company	35.000%	35.000%	\$106,895	209	\$303,922	90.000%	9.000%

SERFF Tracking #:

LFSC-131064853

State Tracking #:

LFSC-131064853

Company Tracking #:

LS-0002 RI

State:

Pennsylvania

Filing Company:

LifeSecure Insurance Company

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

Individual LTC 1.0 RI

Project Name/Number:

Individual LTC 1.0 RI/

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Exhibit E.1 and E.2 - LS0002 Rate Sheets	LS0002	Revised	Previous State Filing Number: LFSC-125787973 Percent Rate Change Request: 35	Exhibit E.1 and E.2 - LS0002 Rate Sheets.pdf,

Exhibit E.1: Revised Premium Rate Pages for Form LS-0002 Individual and Associations

**LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
90 Day Elimination Period; Daily Benefit = \$100
Single, Standard Premiums***

Base Premiums

Issue Age	Monthly Benefit, as % of Benefit Bank:		
	1%	2%	3%
	<u>(8.3 year BP)</u>	<u>(4.2 year BP)</u>	<u>(2.8 year BP)</u>
30 and under	530	481	439
31	543	491	447
32	556	502	456
33	569	513	465
34	582	523	473
35	595	534	482
36	608	545	491
37	622	556	500
38	640	571	513
39	658	587	525
40	677	602	538
41	695	617	550
42	713	633	563
43	736	652	579
44	759	671	595
45	781	691	611
46	804	710	628
47	827	729	644
48	860	757	667
49	893	785	691
50	926	813	714
51	959	841	738
52	991	870	762
53	1,031	903	790
54	1,070	937	819
55	1,110	971	847
56	1,149	1,005	876
57	1,189	1,039	904
58	1,291	1,127	980
59	1,393	1,216	1,056
60	1,496	1,304	1,132
61	1,598	1,393	1,207
62	1,700	1,481	1,283
63	1,856	1,616	1,399
64	2,011	1,751	1,515
65	2,166	1,886	1,631
66	2,322	2,021	1,747
67	2,477	2,155	1,863
68	2,917	2,534	2,185
69	3,357	2,912	2,507
70	3,797	3,290	2,829
71	4,237	3,668	3,151
72	4,676	4,046	3,472
73	5,488	4,742	4,060
74	6,300	5,438	4,648
75	7,111	6,134	5,236
76	7,923	6,830	5,824
77	8,734	7,525	6,412
78	9,018	7,792	6,650
79	9,302	8,059	6,889
80	9,585	8,325	7,128
81	9,869	8,592	7,366
82	10,153	8,858	7,605
83	10,650	9,312	7,995
84	11,147	9,767	8,385

***Adjustment Factors**

Marital Discount:	30% if both purchase (multiply single rates by 0.70) 10% if only one purchases (multiply single rates by 0.90)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.40

Exhibit E.1: Revised Premium Rate Pages for Form LS-0002 Individual and Associations

**LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
90 Day Elimination Period; Daily Benefit = \$100
Single, Standard Premiums
Sales to Individuals in Associations***

Base Premiums

Issue Age	Monthly Benefit, as % of Benefit Bank:		
	1%	2%	3%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	504	457	417
31	516	466	425
32	528	477	433
33	540	487	441
34	553	497	450
35	565	508	458
36	578	518	467
37	591	528	475
38	608	543	487
39	625	557	499
40	643	572	511
41	660	586	523
42	678	601	535
43	699	619	550
44	721	638	566
45	742	656	581
46	764	674	596
47	786	693	612
48	817	719	634
49	848	746	656
50	879	773	679
51	911	799	701
52	942	826	724
53	979	858	751
54	1,017	890	778
55	1,054	922	805
56	1,092	955	832
57	1,129	987	859
58	1,226	1,071	931
59	1,324	1,155	1,003
60	1,421	1,239	1,075
61	1,518	1,323	1,147
62	1,615	1,407	1,219
63	1,763	1,535	1,329
64	1,910	1,663	1,439
65	2,058	1,791	1,549
66	2,206	1,919	1,659
67	2,353	2,048	1,770
68	2,771	2,407	2,075
69	3,189	2,766	2,381
70	3,607	3,125	2,687
71	4,025	3,485	2,993
72	4,443	3,844	3,299
73	5,214	4,505	3,857
74	5,985	5,166	4,416
75	6,756	5,827	4,974
76	7,527	6,488	5,533
77	8,298	7,149	6,091
78	8,567	7,402	6,318
79	8,837	7,656	6,544
80	9,106	7,909	6,771
81	9,376	8,162	6,998
82	9,645	8,415	7,225
83	10,118	8,847	7,595
84	10,590	9,278	7,966

***Adjustment Factors**

Marital Discount:	30% if both purchase (multiply single rates by 0.70) 10% if only one purchases (multiply single rates by 0.90)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.40

Exhibit E.1: Revised Premium Rate Pages for Form LS-0002 Individual and Associations

**LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
Factors to Apply to Base Policy to get Total Rates for Base Plus Inflation**

Issue Age	5% Compound Factors All Benefit Banks	3% Compound Factors All Benefit Banks
30 and under	5.53	2.70
31	5.46	2.68
32	5.40	2.66
33	5.33	2.64
34	5.27	2.63
35	5.20	2.61
36	5.14	2.59
37	5.07	2.57
38	5.00	2.55
39	4.93	2.53
40	4.86	2.51
41	4.79	2.50
42	4.72	2.48
43	4.64	2.46
44	4.55	2.43
45	4.47	2.41
46	4.38	2.38
47	4.30	2.36
48	4.24	2.33
49	4.18	2.31
50	4.12	2.29
51	4.05	2.26
52	3.99	2.24
53	3.98	2.21
54	3.98	2.18
55	3.97	2.16
56	3.96	2.13
57	3.95	2.10
58	3.92	2.07
59	3.89	2.04
60	3.87	2.01
61	3.84	1.98
62	3.81	1.95
63	3.73	1.92
64	3.65	1.88
65	3.57	1.84
66	3.48	1.81
67	3.40	1.77
68	3.29	1.74
69	3.18	1.70
70	3.07	1.67
71	2.96	1.64
72	2.85	1.60
73	2.76	1.58
74	2.67	1.55
75	2.58	1.52
76	2.49	1.50
77	2.40	1.47
78	2.34	1.45
79	2.28	1.43
80	2.22	1.41
81	2.16	1.39
82	2.10	1.37
83	2.07	1.35
84	2.03	1.33

Exhibit E.1: Revised Premium Rate Pages for Form LS-0002 Individual and Associations

LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
Factors to Apply to Base Policy to get Total Premium with Limited Pay Option

Issue Age	Limited Pay Option: 10 Pay	Limited Pay Option: Paid up at 65
30 and under	3.77	1.55
31	3.71	1.56
32	3.66	1.57
33	3.61	1.58
34	3.56	1.59
35	3.50	1.59
36	3.45	1.60
37	3.40	1.61
38	3.35	1.63
39	3.30	1.64
40	3.24	1.66
41	3.19	1.67
42	3.14	1.69
43	3.09	1.72
44	3.04	1.75
45	2.98	1.78
46	2.93	1.81
47	2.88	1.84
48	2.83	1.90
49	2.78	1.96
50	2.72	2.03
51	2.67	2.09
52	2.62	2.15
53	2.57	2.26
54	2.52	2.36
55	2.47	2.47
56	2.42	N/A
57	2.37	N/A
58	2.32	N/A
59	2.28	N/A
60	2.23	N/A
61	2.19	N/A
62	2.14	N/A
63	2.09	N/A
64	2.04	N/A
65	1.99	N/A
66	1.94	N/A
67	1.89	N/A
68	1.84	N/A
69	1.80	N/A
70	1.75	N/A
71	1.71	N/A
72	1.66	N/A
73	1.62	N/A
74	1.58	N/A
75	1.53	N/A
76	1.49	N/A
77	1.45	N/A
78	1.43	N/A
79	1.42	N/A
80	1.40	N/A
81	1.39	N/A
82	1.37	N/A
83	1.35	N/A
84	1.33	N/A

Exhibit E.1: Revised Premium Rate Pages for Form LS-0002 Individual and Associations

LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option

Issue Age	Return of Premium on Death Non-forfeiture Option	Shortened Benefit Period Non-forfeiture Option
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15
80	1.59	1.15
81	1.59	1.15
82	1.60	1.15
83	1.60	1.15
84	1.61	1.15

Exhibit E.2: Revised Premium Rate Pages for Form LS-0002 Employer-Based Groups

LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
90 Day Elimination Period; Daily Benefit = \$100
Single Premiums; Sales to Individuals in Employer Groups*

Employee Pay Base Premiums with GPO**

Issue Age	Monthly Benefit, as % of Benefit Bank:		
	1%	2%	3%
	<u>(8.3 year BP)</u>	<u>(4.2 year BP)</u>	<u>(2.8 year BP)</u>
30 and under	512	428	364
31	524	437	371
32	537	446	378
33	549	456	386
34	562	465	393
35	575	475	400
36	587	485	408
37	600	495	415
38	618	508	426
39	636	522	436
40	653	536	446
41	671	549	457
42	689	563	467
43	711	580	481
44	733	597	494
45	754	615	508
46	776	632	521
47	799	648	535
48	831	674	554
49	862	699	573
50	894	724	593
51	926	748	613
52	957	773	633
53	1,003	811	662
54	1,048	847	693
55	1,094	884	723
56	1,138	921	752
57	1,177	957	783
58	1,276	1,030	840
59	1,368	1,102	896
60	1,459	1,174	952
61	1,550	1,245	1,009
62	1,641	1,318	1,065
63	1,792	1,437	1,161
64	1,941	1,557	1,258
65	2,092	1,678	1,354
66	2,242	1,798	1,450
67	2,392	1,918	1,546
68	2,817	2,254	1,814
69	3,241	2,591	2,081
70	3,666	2,926	2,348
71	4,091	3,263	2,616
72	4,515	3,600	2,883
73	5,299	4,218	3,371
74	6,083	4,838	3,859
75	6,867	5,457	4,347
76	7,650	6,076	4,835
77	8,434	6,695	5,323
78	8,928	7,169	5,711
79	9,209	7,642	6,098
80	9,395	7,816	6,247
81	9,576	7,985	6,391
82	9,753	8,151	6,532
83	10,128	8,483	6,799
84	10,495	8,808	7,059

***Adjustment Factors**

Marital Discount: 30% if both purchase (multiply single rates by 0.70)
 10% if only one purchases (multiply single rates by 0.90)

**Employer Pay Factor: Apply 5% discount if employer contributes to premium

Exhibit E.2: Revised Premium Rate Pages for Form LS-0002 Employer-Based Groups

**LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
90 Day Elimination Period; Daily Benefit = \$100
Single Premiums; Sales to Individuals in Employer Groups***

Employee Pay Base Premiums with 5% Inflation**

Issue Age	Monthly Benefit, as % of Benefit Bank:		
	1%	2%	3%
	<u>(8.3 year BP)</u>	<u>(4.2 year BP)</u>	<u>(2.8 year BP)</u>
30 and under	2,901	2,521	2,144
31	2,935	2,535	2,152
32	2,968	2,542	2,155
33	3,002	2,558	2,165
34	3,034	2,562	2,165
35	3,065	2,575	2,168
36	3,094	2,580	2,171
37	3,121	2,589	2,170
38	3,169	2,606	2,185
39	3,205	2,631	2,197
40	3,226	2,648	2,203
41	3,254	2,663	2,216
42	3,273	2,674	2,218
43	3,313	2,703	2,241
44	3,342	2,722	2,253
45	3,370	2,749	2,271
46	3,391	2,762	2,277
47	3,420	2,773	2,290
48	3,474	2,817	2,316
49	3,526	2,859	2,344
50	3,567	2,889	2,366
51	3,611	2,917	2,391
52	3,637	2,937	2,405
53	3,721	3,009	2,456
54	3,783	3,058	2,502
55	3,851	3,112	2,545
56	3,895	3,150	2,572
57	3,946	3,187	2,607
58	4,121	3,327	2,713
59	4,296	3,460	2,813
60	4,435	3,569	2,894
61	4,573	3,673	2,977
62	4,677	3,756	3,035
63	4,946	3,966	3,204
64	5,163	4,142	3,346
65	5,376	4,312	3,480
66	5,538	4,441	3,582
67	5,693	4,565	3,679
68	6,366	5,094	4,100
69	6,968	5,571	4,474
70	7,479	5,969	4,790
71	7,896	6,298	5,049
72	8,172	6,516	5,218
73	9,326	7,424	5,933
74	10,341	8,225	6,560
75	11,262	8,949	7,129
76	12,164	9,661	7,688
77	12,904	10,243	8,144
78	13,413	10,682	8,509
79	13,877	11,081	8,842
80	14,092	11,281	9,015
81	14,294	11,470	9,179
82	14,485	11,648	9,335
83	15,013	12,099	9,697
84	15,524	12,536	10,047

***Adjustment Factors**

Marital Discount:	30% if both purchase (multiply single rates by 0.70) 10% if only one purchases (multiply single rates by 0.90)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.40

Exhibit E.2: Revised Premium Rate Pages for Form LS-0002 Employer-Based Groups

LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
90 Day Elimination Period; Daily Benefit = \$100
Single Premiums; Sales to Individuals in Employer Groups*

Employee Pay Base Premiums with 3% Inflation**

Issue Age	Monthly Benefit, as % of Benefit Bank:		
	1%	2%	3%
	<u>(8.3 year BP)</u>	<u>(4.2 year BP)</u>	<u>(2.8 year BP)</u>
30 and under	1,393	1,164	990
31	1,410	1,176	998
32	1,428	1,186	1,005
33	1,444	1,199	1,015
34	1,461	1,209	1,022
35	1,478	1,221	1,028
36	1,497	1,237	1,040
37	1,512	1,247	1,046
38	1,539	1,265	1,061
39	1,565	1,284	1,073
40	1,587	1,302	1,084
41	1,610	1,318	1,097
42	1,640	1,340	1,111
43	1,671	1,363	1,130
44	1,701	1,385	1,146
45	1,727	1,408	1,163
46	1,754	1,428	1,177
47	1,782	1,445	1,193
48	1,828	1,483	1,219
49	1,879	1,524	1,249
50	1,922	1,557	1,275
51	1,963	1,586	1,300
52	2,000	1,616	1,323
53	2,066	1,671	1,364
54	2,127	1,719	1,407
55	2,188	1,768	1,446
56	2,255	1,824	1,489
57	2,311	1,866	1,527
58	2,450	1,978	1,613
59	2,586	2,083	1,693
60	2,714	2,184	1,771
61	2,837	2,278	1,846
62	2,970	2,386	1,928
63	3,190	2,558	2,067
64	3,397	2,725	2,202
65	3,598	2,886	2,329
66	3,789	3,039	2,451
67	3,971	3,184	2,566
68	4,507	3,606	2,902
69	4,991	3,990	3,205
70	5,462	4,360	3,499
71	5,850	4,666	3,741
72	6,186	4,932	3,950
73	7,101	5,652	4,517
74	8,030	6,386	5,094
75	8,927	7,094	5,651
76	9,792	7,777	6,189
77	10,543	8,369	6,654
78	11,162	8,890	7,082
79	11,675	9,323	7,440
80	11,856	9,491	7,585
81	12,027	9,651	7,723
82	12,187	9,801	7,854
83	12,631	10,180	8,158
84	13,061	10,548	8,453

***Adjustment Factors**

Marital Discount:	30% if both purchase (multiply single rates by 0.70) 10% if only one purchases (multiply single rates by 0.90)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.40

Exhibit E.2: Revised Premium Rate Pages for Form LS-0002 Employer-Based Groups

**LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
90 Day Elimination Period; Daily Benefit = \$100
Single Premiums; Sales to Individuals in Employer Groups***

Employee Pay 10-Pay Premiums with 5% Inflation**

Issue Age	Monthly Benefit, as % of Benefit Bank:		
	1%	2%	3%
	<u>(8.3 year BP)</u>	<u>(4.2 year BP)</u>	<u>(2.8 year BP)</u>
30 and under	10,928	9,494	8,075
31	10,896	9,410	7,989
32	10,864	9,304	7,886
33	10,832	9,230	7,813
34	10,790	9,111	7,700
35	10,740	9,021	7,597
36	10,680	8,907	7,493
37	10,611	8,802	7,380
38	10,609	8,725	7,317
39	10,565	8,671	7,243
40	10,465	8,590	7,147
41	10,388	8,499	7,075
42	10,276	8,397	6,965
43	10,231	8,346	6,922
44	10,148	8,265	6,839
45	10,057	8,203	6,776
46	9,943	8,098	6,675
47	9,849	7,988	6,595
48	9,823	7,967	6,549
49	9,787	7,936	6,506
50	9,717	7,869	6,445
51	9,650	7,795	6,388
52	9,528	7,696	6,302
53	9,563	7,733	6,312
54	9,534	7,705	6,304
55	9,512	7,686	6,286
56	9,427	7,623	6,224
57	9,352	7,553	6,180
58	9,578	7,732	6,305
59	9,785	7,883	6,409
60	9,713	7,816	6,338
61	9,511	7,639	6,191
62	9,213	7,400	5,979
63	9,447	7,575	6,120
64	9,552	7,662	6,191
65	9,678	7,762	6,264
66	9,636	7,727	6,232
67	9,564	7,669	6,236
68	10,186	8,150	6,903
69	10,592	8,671	7,466
70	10,769	9,217	7,923
71	11,141	9,646	8,287
72	11,521	9,967	8,555
73	12,767	11,033	9,446
74	13,816	11,926	10,194
75	14,675	12,657	10,806
76	15,356	13,238	11,288
77	15,867	13,671	11,648
78	15,795	13,648	11,648
79	15,698	13,599	11,625
80	15,573	13,523	11,580
81	15,724	13,425	11,510
82	15,933	13,301	11,418
83	16,514	13,566	11,649
84	17,076	13,800	11,848

***Adjustment Factors**

Marital Discount:	30% if both purchase (multiply single rates by 0.70) 10% if only one purchases (multiply single rates by 0.90)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.40

Exhibit E.2: Revised Premium Rate Pages for Form LS-0002 Employer-Based Groups

LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
90 Day Elimination Period; Daily Benefit = \$100
Single Premiums; Sales to Individuals in Employer Groups*

Employee Pay 10-Pay Premiums with 3% Inflation**

Issue Age	Monthly Benefit, as % of Benefit Bank:		
	1%	2%	3%
	<u>(8.3 year BP)</u>	<u>(4.2 year BP)</u>	<u>(2.8 year BP)</u>
30 and under	5,245	4,385	3,729
31	5,233	4,364	3,705
32	5,228	4,342	3,680
33	5,209	4,327	3,663
34	5,196	4,299	3,634
35	5,178	4,278	3,602
36	5,167	4,269	3,591
37	5,141	4,241	3,556
38	5,152	4,235	3,551
39	5,157	4,232	3,535
40	5,148	4,225	3,516
41	5,140	4,206	3,501
42	5,149	4,207	3,490
43	5,160	4,209	3,491
44	5,163	4,205	3,479
45	5,152	4,203	3,471
46	5,142	4,188	3,452
47	5,131	4,162	3,436
48	5,170	4,193	3,447
49	5,217	4,230	3,468
50	5,236	4,240	3,473
51	5,245	4,237	3,472
52	5,240	4,233	3,466
53	5,310	4,294	3,505
54	5,361	4,333	3,545
55	5,404	4,367	3,572
56	5,458	4,413	3,603
57	5,476	4,423	3,619
58	5,694	4,596	3,748
59	5,890	4,745	3,858
60	5,943	4,782	3,878
61	5,900	4,739	3,841
62	5,851	4,700	3,797
63	6,092	4,886	3,947
64	6,284	5,041	4,073
65	6,477	5,195	4,192
66	6,593	5,287	4,269
67	6,671	5,349	4,346
68	7,212	5,770	4,879
69	7,587	6,220	5,356
70	7,866	6,716	5,773
71	8,252	7,145	6,138
72	8,684	7,513	6,448
73	9,767	8,440	7,226
74	10,735	9,267	7,921
75	11,591	9,997	8,535
76	12,339	10,638	9,071
77	12,984	11,187	9,532
78	13,070	11,293	9,638
79	13,141	11,383	9,731
80	13,193	11,457	9,811
81	13,230	11,518	9,875
82	13,406	11,562	9,925
83	13,894	11,851	10,176
84	14,367	12,116	10,403

*Adjustment Factors

Marital Discount:	30% if both purchase (multiply single rates by 0.70) 10% if only one purchases (multiply single rates by 0.90)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.40

Exhibit E.2 – Revised Premium Rate Pages for Form LS-0002 Employer Groups

**LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
Factors to Apply to Base Policy to get Total Premium with Paid up at 65 Option
Employer Groups**

Issue Age	Limited Pay Option: Paid up at 65
30 and under	1.55
31	1.56
32	1.57
33	1.58
34	1.59
35	1.59
36	1.60
37	1.61
38	1.63
39	1.64
40	1.66
41	1.67
42	1.69
43	1.72
44	1.75
45	1.78
46	1.81
47	1.84
48	1.90
49	1.96
50	2.03
51	2.09
52	2.15
53	2.26
54	2.36
55	2.47
56	N/A
57	N/A
58	N/A
59	N/A
60	N/A
61	N/A
62	N/A
63	N/A
64	N/A
65	N/A
66	N/A
67	N/A
68	N/A
69	N/A
70	N/A
71	N/A
72	N/A
73	N/A
74	N/A
75	N/A
76	N/A
77	N/A
78	N/A
79	N/A
80	N/A
81	N/A
82	N/A
83	N/A
84	N/A

Exhibit E.2 – Revised Premium Rate Pages for Form LS-0002 Employer Groups

**LifeSecure Insurance Company
Annual Long Term Care Premiums- Policy Form LS-0002
Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option
Employer Groups**

Issue Age	Return of Premium on Death Non-forfeiture Option	Shortened Benefit Period Non-forfeiture Option
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15
80	1.59	1.15
81	1.59	1.15
82	1.60	1.15
83	1.60	1.15
84	1.61	1.15

State: Pennsylvania

Filing Company:

LifeSecure Insurance Company

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

Product Name: Individual LTC 1.0 RI

Project Name/Number: Individual LTC 1.0 RI/

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	Please reference the attached cover letter.
Attachment(s):	LTC 1.0 RI Cover Letter - Pennsylvania.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Certification (A&H)
Comments:	Please refer to the actuarial memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Explanatory Information (A&H)
Comments:	
Attachment(s):	Pennsylvania.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Advertisements (A&H)
Bypass Reason:	Not applicable.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Authorization to File (A&H)
Bypass Reason:	Not applicable.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Insert Page Explanation (A&H)
Bypass Reason:	Not applicable.
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

LFSC-131064853

State Tracking #:

LFSC-131064853

Company Tracking #:

LS-0002 RI

State: Pennsylvania**Filing Company:**

LifeSecure Insurance Company

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified**Product Name:** Individual LTC 1.0 RI**Project Name/Number:** Individual LTC 1.0 RI/

Bypassed - Item:	Rate Table (A&H)
Bypass Reason:	Not applicable.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Replacement Form with Highlighted Changes (A&H)
Bypass Reason:	Not applicable.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Reserve Calculation (A&H)
Comments:	Please refer to the actuarial memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Variability Explanation (A&H)
Bypass Reason:	Not applicable.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	LTC Rate Increase Letter
Comments:	Please reference the attached LTC Rate Increase Letter.
Attachment(s):	LTC Rate Increase Letter.pdf
Item Status:	
Status Date:	



June 9, 2017

Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg PA 17120

RE: LifeSecure Insurance Company

Company NAIC #: 77720

SERFF Tracking No: LFSC-131064853

Rate Revision Filing on Long Term Care Policy Form:

LS-0002, et al: Tax Qualified Individual Guaranteed Renewable LTC Insurance Policy

Enclosed for your review and approval are the Actuarial Memorandum and Rate Sheets for the proposed rate revision filing on the above-captioned Long Term Care policy form. This policy form was issued in your state from December, 2009 to September, 2014. The form is subject to the rate stability regulation. This product is not being currently marketed in your state and was replaced with ICC13-LS-LTC-0005. LifeSecure Insurance Company requests a premium rate increase of 35%, in accordance with the requirements of Section 20 of the Long Term Care Insurance Model Regulation. In determining the need for a premium rate increase, LifeSecure Insurance Company considered the following:

- The rate increase is necessary due to the current expectation regarding assumptions for morbidity and terminations is worse than the original pricing assumptions.

While we strongly encourage policyholders to maintain coverage, we believe it is important to provide options to policyholders who wish to reduce benefits in order to keep their premium approximately the same. LifeSecure will offer policyholders who qualify the option of decreasing coverage in order to maintain approximately the same premium. In addition, policyholders who are eligible will be informed of their option to exercise their Shortened Nonforfeiture Benefit Option Rider or, if applicable, a Contingent Nonforfeiture Option.

Enclosed, please find the following:

- Actuarial Memorandum;
- Current and Proposed Rate Schedules; and
- Sample policyholder communication.

The actuarial memorandum includes a detailed rate increase justification.



We trust that you will find our filing to be in order, and that it will allow you to review and approve the rate revision filing request. Thank you for your time and consideration in the review of this filing for LifeSecure Insurance Company. Should you require further information, please do not hesitate to contact me at (P) 810-220-4661 and (E) KPeake@yourlifesecond.com.

Sincerely,

Kevin Peake
Manager, Actuary
LifeSecure Insurance Company

4. REQUESTED RATE INCREASE

Rate increase percentages vary based on type of inflation coverage. The rate increases that are warranted are as follows:

Policies eligible for Guaranteed Purchase Option (GPO): 21%

Policies with 3% Compound Inflation: 42%

Policies with 5% Compound Inflation: 90%

However, in order to satisfy the requirement that the premiums after the rate increase is applied do not exceed currently marketed premiums, premiums for policies sold through employer-based groups will be capped. Below are the resulting average effective premium increases:

Policies eligible for Guaranteed Purchase Option (GPO): 17%

Policies with 3% Compound Inflation: 29%

Policies with 5% Compound Inflation: 66%

These averages are weighted on nationwide inforce premium. The supporting exhibits for this filing are based on the capped rate increase.

This filing demonstrates that actual past experience combined with projected future experience results in a lifetime loss ratio of 80% without a rate increase.

For projection purposes, the proposed effective date of the rate increase is October 1, 2017.

5. RATE INCREASE HISTORY

None

6. PROJECTION ASSUMPTIONS

Interest – A 3.7% effective annual rate of interest has been assumed for accumulating historical experience and for discounting projected future experience.

Persistency – Persistency assumptions have been modified from the original pricing expectations. For mortality, selection factors have been applied to the 1994 Group Annuity Mortality table used in original pricing.

Morbidity – Pricing morbidity assumptions have been refreshed to be consistent with Milliman 2014 Long Term Care Guidelines.

See Exhibit D for additional details.

7. HISTORICAL EXPERIENCE

Nationwide Experience since inception through 2016 is shown in Exhibit B. The following summarizes the historical loss ratios:

Inflation Type	Earned Premium	Incurred Claims*	Actual Loss Ratio
GPO	28,417,692	2,397,369	8.4%
3%	30,264,190	700,092	2.3%
5%	8,496,569	130,246	1.5%
Total	67,178,451	3,227,707	4.8%

Consistent with the original filing, incurred claims do not include active life reserves.

*Incurred Claims are calculated as Paid Claims plus Claim Reserves and IBNR for claims through 12/31/2016.

8. PROJECTED FUTURE EXPERIENCE

Future experience which has been projected 60 years using the assumptions described in section 6 is shown in Exhibit C. The following summarizes the anticipated future loss ratios without a rate increase:

Inflation Type	Earned Premium	Incurred Claims	Actual Loss Ratio
GPO	66,340,516	63,511,103	95.7%
3%	84,025,758	92,709,439	110.3%
5%	<u>21,218,862</u>	<u>31,629,104</u>	<u>149.1%</u>
Total	171,585,137	187,849,646	109.5%

9. LIFETIME ANTICIPATED LOSS RATIO

The lifetime anticipated loss ratio is defined as the present value of the historical and projected future incurred claims divided by the present value of the historical and projected future earned premiums. These values without a rate increase are summarized below:

Inflation Type	Earned Premium	Incurred Claims	Actual Loss Ratio
GPO	94,758,209	65,908,472	69.6%
3%	114,289,947	93,409,531	81.7%
5%	<u>29,715,431</u>	<u>31,759,350</u>	<u>106.9%</u>
Total	238,763,588	191,077,353	80.0%

The loss ratio standard on rate stability policies is 58% of the original premium schedule, plus 85% of the premium increase and is summarized as follows:

GPO

	Historical Earned Premiums	Projected Earned Premiums	Lifetime Earned Premiums	Loss Ratio	Min Inc Claims Benchmark	Lifetime Incurred Claims
Initial Earned Premium	28,417,692	66,340,516	94,758,209	58%	54,959,761	
Add'l RI Earned Premium		12,880,837	12,880,836.76	85%	10,948,711	
Total	28,417,692	79,221,353	107,639,045	61%	65,908,472	65,908,472

3% Inflation

	Historical Earned Premiums	Projected Earned Premiums	Lifetime Earned Premiums	Loss Ratio	Min Inc Claims Benchmark	Lifetime Incurred Claims
Initial Earned Premium	30,264,190	84,025,758	114,289,947	58%	66,288,170	
Add'l RI Earned Premium		31,907,484	31,907,484	85%	27,121,362	
Total	30,264,190	115,933,242	146,197,432	64%	93,409,531	93,409,531

5% Inflation

	Historical Earned Premiums	Projected Earned Premiums	Lifetime Earned Premiums	Loss Ratio	Min Inc Claims Benchmark	Lifetime Incurred Claims
Initial Earned Premium	8,496,569	21,218,862	29,715,431	58%	17,234,950	
Add'l RI Earned Premium		17,087,529	17,087,529	85%	14,524,399	
Total	8,496,569	38,306,391	46,802,960	68%	31,759,350	31,759,350

The *Add'l RI Earned Premium* is the justifiable amount to satisfy the *Min Inc Claims Benchmark*. Due to the premium cap discussed in section 4, the Exhibit C projected additional premium will be less.

10. ACTUARIAL CERTIFICATION

I, Kevin Peake, am an Actuary at LifeSecure Insurance Company, a Fellow of the Society of Actuaries, and a member of the American Academy of Actuaries, and I meet the Academy's qualification standards for rendering this opinion. I am familiar with the requirements for filing long-term care insurance premiums.

I hereby certify that, to the best of my knowledge, this filing is in compliance with all applicable laws and regulations of this state, and Actuarial Standard of Practice Number 8, "Regulatory Filings for Rates and Financial Projections for Health Plans," as adopted by the Actuarial Standards Board, and the loss ratios of the policy forms affected by the rate filing meet the minimum requirements of this state.

In my opinion, if the new business premium cap was not applied, then no further rate increases would be necessary as the revised premium rate schedules would be sufficient to cover anticipated costs under moderately adverse experience assuming approvals are granted within three months of the date this memo is filed.

I have reviewed and taken into consideration the policy design and coverage provided and our current underwriting and claims adjudication processes.

The premium rate schedules being submitted are not greater than the rate schedules for similar products currently being marketed.

In forming my opinion, I have used actuarial assumptions, actuarial methods, and such tests of the actuarial calculations as I considered necessary.

Respectfully Submitted,



Kevin Peake, FSA, MAAA
Actuarial Manager
LifeSecure Insurance Company
[Date]

Attachments:

Exhibit A: Inforce Policy Forms

Exhibit B: Historical Experience

Exhibit C: Lifetime Experience

Exhibit D: Projection Assumptions

Exhibit E.1: Revised Premium Rate Pages for Form LS-0002 Individual and Associations

Exhibit E.2: Revised Premium Rate Pages for Form LS-0002 Employer-Based Groups

LifeSecure Insurance Company
ACTUARIAL JUSTIFICATION OF PREMIUM RATES
Long Term Care Policies

Exhibit A – Policies Inforce as of 12/31/2016

Nationwide

Inflation Type	Annualized Premiums	Inforce	Average Annualized Premiums	
			Before Rate Increase	After Rate Increase
GPO	\$5,669,186	6,014	\$943	\$1,102
3% Inflation	\$7,308,486	4,047	\$1,806	\$2,333
5% Inflation	<u>\$2,011,588</u>	<u>733</u>	<u>\$2,744</u>	<u>\$4,557</u>
Total	\$14,989,260	10,794	\$1,389	\$1,798

Pennsylvania

Inflation Type	Annualized Premiums	Inforce	Average Annualized Premiums	
			Before Rate Increase	After Rate Increase
GPO	\$79,821	88	\$907	\$1,068
3% Inflation	\$191,515	112	\$1,710	\$2,312
5% Inflation	<u>\$32,586</u>	<u>9</u>	<u>\$3,621</u>	<u>\$6,430</u>
Total	\$303,922	209	\$1,454	\$1,965

LifeSecure Insurance Company
ACTUARIAL JUSTIFICATION OF PREMIUM RATES
Long Term Care Policies

Exhibit B – Anticipated Loss Ratios

Historical Experience (Nationwide)
As of December 31, 2016

GPO

Incurred Year	Earned Premium	Incurred Claims	Actual Loss Ratio
2007	25,496	957	3.8%
2008	159,232	8,657	5.4%
2009	486,772	31,207	6.4%
2010	934,391	24,637	2.6%
2011	1,375,783	46,927	3.4%
2012	2,129,694	296,385	13.9%
2013	3,419,453	663,686	19.4%
2014	5,458,797	474,415	8.7%
2015	6,105,255	180,465	3.0%
<u>2016</u>	<u>5,740,833</u>	<u>433,977</u>	<u>7.6%</u>
Total	25,835,705	2,161,313	8.4%
Total w/3.7% Interest	28,417,692	2,397,369	8.4%

3% Inflation

Incurred Year	Earned Premium	Incurred Claims	Actual Loss Ratio
2007	32,078	1,204	3.8%
2008	57,395	2,264	3.9%
2009	126,369	5,870	4.6%
2010	246,216	8,496	3.5%
2011	617,810	32,002	5.2%
2012	1,607,240	62,653	3.9%
2013	3,392,215	15,897	0.5%
2014	6,885,604	283,407	4.1%
2015	7,663,280	150,334	2.0%
<u>2016</u>	<u>7,395,218</u>	<u>75,433</u>	<u>1.0%</u>
Total	28,023,425	637,562	2.3%
Total w/3.7% Interest	30,264,190	700,092	2.3%

5% Inflation

Incurred Year	Earned Premium	Incurred Claims	Actual Loss Ratio
2007	11,408	428	3.8%
2008	28,106	1,424	5.1%
2009	37,697	234	0.6%
2010	51,823	1,745	3.4%
2011	196,736	13,449	6.8%
2012	464,979	16,013	3.4%
2013	995,350	4,379	0.4%
2014	1,919,174	76,553	4.0%
2015	2,116,178	125,940	6.0%
<u>2016</u>	<u>2,035,242</u>	<u>-129,520</u>	<u>-6.4%</u>
Total	7,856,693	110,645	1.4%
Total w/3.7% Interest	8,496,569	130,246	1.5%

Total

Incurred Year	Earned Premium	Incurred Claims	Actual Loss Ratio
2007	68,982	2,590	3.8%
2008	244,732	12,345	5.0%
2009	650,838	37,312	5.7%
2010	1,232,429	34,878	2.8%
2011	2,190,329	92,378	4.2%
2012	4,201,913	375,052	8.9%
2013	7,807,017	683,961	8.8%
2014	14,263,575	834,375	5.8%
2015	15,884,714	456,739	2.9%
<u>2016</u>	<u>15,171,293</u>	<u>379,891</u>	<u>2.5%</u>
Total	61,715,823	2,909,520	4.7%
Total w/3.7% Interest	67,178,451	3,227,707	4.8%

LifeSecure Insurance Company

ACTUARIAL JUSTIFICATION OF PREMIUM RATES
Long Term Care Policies

Exhibit C – Lifetime Experience (Nationwide)

GPO

Year	Actual	Rate	Actual	Actual	Loss Ratio	
	Earned		Earned		Incurring	without
	Premium	Increase	Premium	Claims	Rate	Rate
	w/o Rate Increase		w/Rate Increase		Increase	Increase
2007	25,496		25,496	957	3.8%	3.8%
2008	159,232		159,232	8,657	5.4%	5.4%
2009	486,772		486,772	31,207	6.4%	6.4%
2010	934,391		934,391	24,637	2.6%	2.6%
2011	1,375,783		1,375,783	46,927	3.4%	3.4%
2012	2,129,694		2,129,694	296,385	13.9%	13.9%
2013	3,419,453		3,419,453	663,686	19.4%	19.4%
2014	5,458,797		5,458,797	474,415	8.7%	8.7%
2015	6,105,255		6,105,255	180,465	3.0%	3.0%
2016	5,740,833		5,740,833	433,977	7.6%	7.6%
Total	25,835,705		25,835,705	2,161,313	8.4%	8.4%
Acc @ 3.7%	28,417,692		28,417,692	2,397,369	8.4%	8.4%

Year	Projected	Cumulative	Projected	Projected	Loss Ratio	
	Earned		Earned		Incurring	without
	Premium	Increase	Premium	Claims	Rate	Rate
	w/o Rate Increase	Factor	w/Rate Increase		Increase	Increase
2017	5,577,404	101%	5,634,907	883,779	15.8%	15.7%
2018	5,410,747	114%	6,147,672	1,039,405	19.2%	16.9%
2019	5,250,705	117%	6,135,838	1,205,597	23.0%	19.6%
2020	5,093,789	117%	5,951,524	1,382,378	27.1%	23.2%
2021	4,934,025	117%	5,763,808	1,569,089	31.8%	27.2%
2022	4,769,588	117%	5,570,528	1,763,747	37.0%	31.7%
2023	4,598,384	117%	5,369,307	1,967,354	42.8%	36.6%
2024	4,421,481	117%	5,161,449	2,172,224	49.1%	42.1%
2025	4,240,624	117%	4,948,960	2,384,765	56.2%	48.2%
2026	4,056,158	117%	4,732,281	2,605,870	64.2%	55.1%
2027	3,868,318	117%	4,511,683	2,836,856	73.3%	62.9%

2028	3,677,406	117%	4,287,534	3,081,285	83.8%	71.9%
2029	3,483,841	117%	4,060,334	3,326,090	95.5%	81.9%
2030	3,288,161	117%	3,830,741	3,569,246	108.5%	93.2%
2031	3,091,112	116%	3,599,637	3,807,439	123.2%	105.8%
2032	2,893,640	116%	3,368,141	4,031,532	139.3%	119.7%
2033	2,696,795	116%	3,137,488	4,234,202	157.0%	135.0%
2034	2,501,708	116%	2,909,005	4,416,421	176.5%	151.8%
2035	2,309,561	116%	2,684,071	4,572,362	198.0%	170.4%
2036	2,121,614	116%	2,464,162	4,693,719	221.2%	190.5%
2037	1,939,106	116%	2,250,720	4,774,155	246.2%	212.1%
2038	1,763,135	116%	2,045,034	4,812,848	273.0%	235.3%
2039	1,594,693	116%	1,848,261	4,808,621	301.5%	260.2%
2040	1,434,736	116%	1,661,508	4,762,379	331.9%	286.6%
2041	1,284,073	116%	1,485,714	4,673,509	364.0%	314.6%
2042	1,143,330	116%	1,321,603	4,540,541	397.1%	343.6%
2043	1,012,938	115%	1,169,675	4,369,641	431.4%	373.6%
2044	893,095	115%	1,030,150	4,166,049	466.5%	404.4%
2045	783,796	115%	903,013	3,940,875	502.8%	436.4%
2046	684,848	115%	788,033	3,692,628	539.2%	468.6%
2047	595,950	115%	684,845	3,429,125	575.4%	500.7%
2048	516,653	115%	592,918	3,156,576	611.0%	532.4%
2049	446,420	115%	511,611	2,882,535	645.7%	563.4%
2050	384,625	114%	440,179	2,614,751	679.8%	594.0%
2051	330,567	114%	377,789	2,356,543	712.9%	623.8%
2052	283,532	114%	323,592	2,110,907	744.5%	652.3%
2053	242,808	114%	276,743	1,882,630	775.4%	680.3%
2054	207,693	114%	236,410	1,671,762	804.9%	707.1%
2055	177,502	114%	201,788	1,480,046	833.8%	733.5%
2056	151,614	114%	172,147	1,308,321	862.9%	760.0%
2057+	820,021	113%	925,024	8,549,700	1042.6%	924.3%
Total	94,976,192	115%	109,515,819	131,527,494	138.5%	120.1%
Disc @ 3.7%	67,469,643		76,285,984	63,511,103	95.7%	83.3%
Lifetime @ 3.7%	95,887,335		104,703,676	65,908,472	69.6%	62.9%

3% Inflation

Year	Actual		Actual		Loss Ratio	
	Earned Premium w/o Rate Increase	Rate Increase	Earned Premium w/Rate Increase	Actual Incurred Claims	without Rate Increase	with Rate Increase
2007	32,078		32,078	1,204	3.8%	3.8%
2008	57,395		57,395	2,264	3.9%	3.9%
2009	126,369		126,369	5,870	4.6%	4.6%
2010	246,216		246,216	8,496	3.5%	3.5%
2011	617,810		617,810	32,002	5.2%	5.2%
2012	1,607,240		1,607,240	62,653	3.9%	3.9%
2013	3,392,215		3,392,215	15,897	0.5%	0.5%
2014	6,885,604		6,885,604	283,407	4.1%	4.1%
2015	7,663,280		7,663,280	150,334	2.0%	2.0%
2016	7,395,218		7,395,218	75,433	1.0%	1.0%
Total	28,023,425		28,023,425	637,562	2.3%	2.3%
Acc @ 3.7%	30,264,190		30,264,190	700,092	2.3%	2.3%

Year	Projected		Projected		Loss Ratio	
	Earned Premium w/o Rate Increase	Cumulative Rate Increase Factor	Earned Premium w/Rate Increase	Projected Incurred Claims	without Rate Increase	with Rate Increase
2017	7,281,962	102%	7,406,673	538,454	7.4%	7.3%
2018	7,095,698	123%	8,741,792	663,277	9.3%	7.6%
2019	6,926,319	129%	8,953,815	806,021	11.6%	9.0%
2020	6,747,298	129%	8,723,419	970,509	14.4%	11.1%
2021	6,533,946	129%	8,448,773	1,157,183	17.7%	13.7%
2022	6,233,066	129%	8,065,204	1,362,106	21.9%	16.9%
2023	5,891,029	129%	7,618,464	1,588,093	27.0%	20.8%
2024	5,264,570	130%	6,823,717	1,827,285	34.7%	26.8%
2025	4,994,225	130%	6,481,889	2,092,801	41.9%	32.3%
2026	4,805,165	130%	6,235,048	2,388,052	49.7%	38.3%
2027	4,616,438	130%	5,988,542	2,719,279	58.9%	45.4%
2028	4,420,477	130%	5,732,897	3,092,788	70.0%	53.9%
2029	4,218,867	130%	5,469,032	3,503,930	83.1%	64.1%
2030	4,009,737	130%	5,195,719	3,944,071	98.4%	75.9%
2031	3,797,012	130%	4,917,514	4,414,856	116.3%	89.8%
2032	3,574,553	129%	4,627,765	4,910,393	137.4%	106.1%
2033	3,356,867	129%	4,343,251	5,412,604	161.2%	124.6%

2034	3,139,831	129%	4,059,425	5,926,960	188.8%	146.0%
2035	2,920,792	129%	3,773,086	6,440,535	220.5%	170.7%
2036	2,702,124	129%	3,487,470	6,928,356	256.4%	198.7%
2037	2,485,916	129%	3,205,272	7,380,817	296.9%	230.3%
2038	2,272,376	129%	2,926,920	7,784,179	342.6%	266.0%
2039	2,064,701	129%	2,656,497	8,134,019	394.0%	306.2%
2040	1,864,893	129%	2,396,658	8,403,528	450.6%	350.6%
2041	1,671,867	128%	2,145,746	8,588,740	513.7%	400.3%
2042	1,489,220	128%	1,909,069	8,662,371	581.7%	453.7%
2043	1,318,838	128%	1,688,510	8,632,326	654.5%	511.2%
2044	1,161,310	128%	1,484,952	8,513,048	733.1%	573.3%
2045	1,015,936	128%	1,297,384	8,305,870	817.6%	640.2%
2046	883,275	128%	1,126,503	8,017,983	907.8%	711.8%
2047	764,224	127%	973,484	7,646,732	1000.6%	785.5%
2048	657,705	127%	836,817	7,215,538	1097.1%	862.3%
2049	563,405	127%	716,046	6,746,624	1197.5%	942.2%
2050	480,640	127%	610,253	6,259,637	1302.4%	1025.7%
2051	408,480	127%	518,175	5,758,301	1409.7%	1111.3%
2052	345,995	127%	438,579	5,246,323	1516.3%	1196.2%
2053	292,238	127%	370,209	4,747,018	1624.4%	1282.3%
2054	246,250	127%	311,804	4,262,440	1730.9%	1367.0%
2055	207,129	127%	262,187	3,807,980	1838.5%	1452.4%
2056	174,028	127%	220,251	3,384,072	1944.6%	1536.5%
2057+	867,622	127%	1,100,294	22,649,055	2610.5%	2058.5%
Total	119,766,020	127%	152,289,099	220,834,147	184.4%	145.0%
Disc @ 3.7%	85,435,658		106,223,302	92,709,439	110.3%	87.3%
Lifetime @ 3.7%	115,699,848		136,487,492	93,409,531	81.7%	68.4%

5% Inflation

Year	Actual		Actual		Loss Ratio	
	Actual Earned Premium w/o Rate Increase	Rate Increase	Actual Earned Premium w/Rate Increase	Actual Incurred Claims	without Rate Increase	with Rate Increase
2007	11,408		11,408	428	3.8%	3.8%
2008	28,106		28,106	1,424	5.1%	5.1%
2009	37,697		37,697	234	0.6%	0.6%
2010	51,823		51,823	1,745	3.4%	3.4%
2011	196,736		196,736	13,449	6.8%	6.8%
2012	464,979		464,979	16,013	3.4%	3.4%
2013	995,350		995,350	4,379	0.4%	0.4%
2014	1,919,174		1,919,174	76,553	4.0%	4.0%
2015	2,116,178		2,116,178	125,940	6.0%	6.0%
2016	2,035,242		2,035,242	-129,520	-6.4%	-6.4%
Total	7,856,693		7,856,693	110,645	1.4%	1.4%
Acc @ 3.7%	8,496,569		8,496,569	130,246	1.5%	1.5%

Year	Projected		Projected		Loss Ratio	
	Projected Earned Premium w/o Rate Increase	Cumulative Rate Increase Factor	Projected Earned Premium w/Rate Increase	Projected Incurred Claims	without Rate Increase	with Rate Increase
2017	1,961,908	104%	2,038,632	75,261	3.8%	3.7%
2018	1,913,486	153%	2,924,208	93,801	4.9%	3.2%
2019	1,872,109	166%	3,108,028	115,533	6.2%	3.7%
2020	1,829,807	166%	3,034,977	141,375	7.7%	4.7%
2021	1,774,408	166%	2,945,867	172,385	9.7%	5.9%
2022	1,692,033	166%	2,803,998	206,830	12.2%	7.4%
2023	1,533,576	164%	2,511,340	245,872	16.0%	9.8%
2024	1,151,454	166%	1,916,603	288,145	25.0%	15.0%
2025	1,068,918	167%	1,780,986	336,278	31.5%	18.9%
2026	1,037,595	167%	1,730,212	392,982	37.9%	22.7%
2027	1,002,393	167%	1,672,221	456,854	45.6%	27.3%
2028	968,740	167%	1,617,780	532,667	55.0%	32.9%
2029	932,496	167%	1,559,328	620,064	66.5%	39.8%
2030	897,081	167%	1,501,684	718,591	80.1%	47.9%
2031	857,204	168%	1,436,526	832,241	97.1%	57.9%
2032	818,522	168%	1,373,811	959,373	117.2%	69.8%
2033	780,676	168%	1,312,412	1,100,866	141.0%	83.9%

2034	740,730	168%	1,246,966	1,257,031	169.7%	100.8%
2035	700,579	169%	1,181,777	1,430,064	204.1%	121.0%
2036	659,179	169%	1,114,284	1,616,449	245.2%	145.1%
2037	619,039	169%	1,048,829	1,812,523	292.8%	172.8%
2038	579,642	170%	984,474	2,020,154	348.5%	205.2%
2039	540,285	170%	919,968	2,231,635	413.0%	242.6%
2040	501,166	171%	855,616	2,440,232	486.9%	285.2%
2041	462,060	171%	790,921	2,648,586	573.2%	334.9%
2042	419,317	171%	718,592	2,846,486	678.8%	396.1%
2043	380,907	172%	654,682	3,027,492	794.8%	462.4%
2044	345,378	172%	595,215	3,185,110	922.2%	535.1%
2045	311,371	173%	538,031	3,318,905	1065.9%	616.9%
2046	279,102	173%	483,519	3,421,009	1225.7%	707.5%
2047	248,745	174%	431,997	3,490,880	1403.4%	808.1%
2048	220,412	174%	383,697	3,522,794	1598.3%	918.1%
2049	194,197	174%	338,818	3,515,497	1810.3%	1037.6%
2050	170,137	175%	297,465	3,479,605	2045.2%	1169.8%
2051	148,229	175%	259,676	3,403,328	2296.0%	1310.6%
2052	128,442	176%	225,429	3,301,525	2570.4%	1464.5%
2053	110,691	176%	194,615	3,184,495	2876.9%	1636.3%
2054	94,884	176%	167,103	3,046,828	3211.1%	1823.3%
2055	80,930	176%	142,764	2,883,730	3563.3%	2019.9%
2056	68,691	177%	121,374	2,709,828	3945.0%	2232.6%
2057+	311,066	178%	554,260	21,752,962	6993.0%	3924.7%
Total	30,407,582	163%	49,518,682	92,836,263	305.3%	187.5%
Disc @ 3.7%	21,574,322		33,964,193	31,629,104	149.1%	93.1%
Lifetime @ 3.7%	30,070,891		42,460,762	31,759,350	106.9%	74.8%

Total

Year	Actual		Actual		Loss Ratio	
	Actual Earned Premium w/o Rate Increase	Rate Increase	Actual Earned Premium w/Rate Increase	Actual Incurred Claims	without Rate Increase	with Rate Increase
2007	68,982		68,982	2,590	3.8%	3.8%
2008	244,732		244,732	12,345	5.0%	5.0%
2009	650,838		650,838	37,312	5.7%	5.7%
2010	1,232,429		1,232,429	34,878	2.8%	2.8%
2011	2,190,329		2,190,329	92,378	4.2%	4.2%
2012	4,201,913		4,201,913	375,052	8.9%	8.9%
2013	7,807,017		7,807,017	683,961	8.8%	8.8%
2014	14,263,575		14,263,575	834,375	5.8%	5.8%
2015	15,884,714		15,884,714	456,739	2.9%	2.9%
2016	15,171,293		15,171,293	379,891	2.5%	2.5%
Total	61,715,823		61,715,823	2,909,520	4.7%	4.7%
Acc @ 3.7%	67,178,451		67,178,451	3,227,707	4.8%	4.8%

Year	Projected		Projected		Loss Ratio	
	Projected Earned Premium w/o Rate Increase	Cumulative Rate Increase Factor	Projected Earned Premium w/Rate Increase	Projected Incurred Claims	without Rate Increase	with Rate Increase
2017	14,821,274	102%	15,080,212	1,497,495	10.1%	9.9%
2018	14,419,931	124%	17,813,671	1,796,483	12.5%	10.1%
2019	14,049,133	130%	18,197,681	2,127,151	15.1%	11.7%
2020	13,670,894	130%	17,709,920	2,494,262	18.2%	14.1%
2021	13,242,379	130%	17,158,448	2,898,656	21.9%	16.9%
2022	12,694,686	130%	16,439,729	3,332,682	26.3%	20.3%
2023	12,022,988	129%	15,499,110	3,801,319	31.6%	24.5%
2024	10,837,504	128%	13,901,768	4,287,654	39.6%	30.8%
2025	10,303,767	128%	13,211,834	4,813,844	46.7%	36.4%
2026	9,898,918	128%	12,697,540	5,386,904	54.4%	42.4%
2027	9,487,149	128%	12,172,445	6,012,989	63.4%	49.4%
2028	9,066,623	128%	11,638,210	6,706,740	74.0%	57.6%
2029	8,635,204	128%	11,088,694	7,450,083	86.3%	67.2%
2030	8,194,979	128%	10,528,143	8,231,907	100.5%	78.2%
2031	7,745,327	129%	9,953,677	9,054,535	116.9%	91.0%
2032	7,286,715	129%	9,369,716	9,901,297	135.9%	105.7%
2033	6,834,337	129%	8,793,150	10,747,672	157.3%	122.2%
2034	6,382,269	129%	8,215,395	11,600,412	181.8%	141.2%
2035	5,930,932	129%	7,638,933	12,442,961	209.8%	162.9%

2036	5,482,917	129%	7,065,915	13,238,524	241.5%	187.4%
2037	5,044,062	129%	6,504,821	13,967,495	276.9%	214.7%
2038	4,615,153	129%	5,956,428	14,617,181	316.7%	245.4%
2039	4,199,679	129%	5,424,725	15,174,274	361.3%	279.7%
2040	3,800,795	129%	4,913,782	15,606,139	410.6%	317.6%
2041	3,418,000	129%	4,422,381	15,910,835	465.5%	359.8%
2042	3,051,867	129%	3,949,264	16,049,397	525.9%	406.4%
2043	2,712,683	129%	3,512,867	16,029,458	590.9%	456.3%
2044	2,399,783	130%	3,110,317	15,864,207	661.1%	510.1%
2045	2,111,102	130%	2,738,428	15,565,650	737.3%	568.4%
2046	1,847,225	130%	2,398,055	15,131,619	819.2%	631.0%
2047	1,608,918	130%	2,090,326	14,566,736	905.4%	696.9%
2048	1,394,770	130%	1,813,432	13,894,908	996.2%	766.2%
2049	1,204,022	130%	1,566,475	13,144,656	1091.7%	839.1%
2050	1,035,402	130%	1,347,897	12,353,993	1193.2%	916.5%
2051	887,276	130%	1,155,640	11,518,171	1298.2%	996.7%
2052	757,968	130%	987,600	10,658,755	1406.2%	1079.3%
2053	645,737	130%	841,567	9,814,142	1519.8%	1166.2%
2054	548,826	130%	715,317	8,981,030	1636.4%	1255.5%
2055	465,561	130%	606,739	8,171,756	1755.3%	1346.8%
2056	394,334	130%	513,772	7,402,220	1877.1%	1440.8%
2057+	1,998,708	129%	2,579,578	52,951,716	2649.3%	2052.7%
Total	245,149,795	127%	311,323,600	445,197,903	181.6%	143.0%
Disc @ 3.7%	174,479,623		216,473,479	187,849,646	109.5%	86.8%
Lifetime @ 3.7%	241,658,074		283,651,930	191,077,353	80.0%	67.4%

LifeSecure Insurance Company
ACTUARIAL JUSTIFICATION OF PREMIUM RATES
Long Term Care Policies

Exhibit D – Projection Assumptions

1. Interest

A 3.7% effective annual rate of interest has been assumed for accumulating historical experience and for discounting projected future experience. This is the average of the prescribed statutory valuation interest rates by policy issue year weighted on sales premium.

2. Mortality

For non-claimant lives, mortality was assumed to be equal to the 1994 Group Annuity Mortality table, with selection applied. Mortality selection was assumed to increase from 0.2 in the first policy year to 0.9 by the tenth year. The mortality of claimant lives was assumed to be equal to four times the 1979-1981 US Life Mortality Table. This is consistent with the assumptions used for the currently marketed product.

3. Voluntary Lapse Rates

The voluntary lapse rates assumed are as follows:

Voluntary Lapse Rates - Individuals and Employee-paid Members of Groups			
<u>Policy</u> <u>Duration</u>	<u>Issue Ages</u> <u><50</u>	<u>Issue Ages</u> <u>60-64</u>	<u>Issue Ages</u> <u>65+</u>
1	8.00%	5.50%	4.00%
2	6.00	3.75	3.00
3	4.00	2.50	2.00
4	3.00	1.75	1.75
5	2.50	1.50	1.50
6	2.00	1.25	1.25
7	1.50	1.25	1.25
8+	1.00	1.00	1.00

Voluntary Lapse Rates - Individuals where Employer is Contributing	
<u>Policy Duration</u>	<u>Lapse Rates</u> (All Issue Ages)
1	8.00%
2	5.0
3	5.0
4	4.0
5	3.5
6+ (through age 64)	3.0
Attained ages 65+	1.0

These rates are consistent with the assumptions used for the currently marketed product.

4. Morbidity

Milliman's 2014 Long Term Care Cost Guidelines were utilized. Milliman's basis for the cost guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman actuaries.

To these claim costs, durational select factors, also determined by Milliman, were applied to allow for the impact of underwriting. Durational select factors vary by married and single applicants, to reflect the different morbidity experienced by those two groups. Different select factors were used for sales made using simplified underwriting.

These claim costs are consistent with the company's current pricing assumptions. The currently marketed product used Milliman's 2011 Long Term Care Cost Guidelines.



[Mailing Date]

This is not a bill. You do not need to send any payment to us at this time.

[Policyholder Name]
[Address]
[City, State and Zip]

Policy Number:[]

Important Notice: Upcoming Long Term Care Premium Rate Increase.

Dear [Policyholder Name]:

After a careful review, we have found that a premium increase is necessary to continue providing your long term care coverage. Your premium is not being increased due to changes in your personal health, age or claims history. We recognize and value your loyalty to LifeSecure for your long term care insurance needs. We are grateful to have earned your trust over the years, and we are committed to providing you with quality long term care coverage at affordable rates.

Our decision to increase premium rates was made after thoroughly evaluating a variety of factors that impact premium rates. This increase applies to everyone who purchased a policy under a specific policy series and was approved by the state in which your policy was issued. We maintain the right to raise premiums in the future. Any such increase would be in accordance with the requirements of the state in which your policy was issued.

What this means to you:

The rate increase will go into effect on the first premium due date on or after the Increase Effective Date listed in the table below, unless your premium is currently being waived because of your claim status. If your premium is currently being waived you will not be affected by this rate increase until your premium is no longer being waived.

The following represents the upcoming change to your premium. If you pay your premium through a payroll deduction, the new premium will be in effect for the first premium due on or after the Increase Effective Date. If you have received, recently accepted, or are expecting to receive a Guaranteed Future Purchase Offer, the new premium shown below may not reflect the corresponding premium increase.

Your Current Premium	Your New Premium	Percentage of Increase	Increase Effective Date
[Current Premium] [Current Premium Mode]	[New Premium] [New Premium Mode]	[%]	[Effective Date]

We hope you keep your long term care policy. It provides great peace of mind in knowing that, if you need long term care, you won't have to bear the cost burden all on your own. We understand if you would like to explore other available coverage options. [The enclosed Selection Form highlights other coverage that is available]. We are here for you, and we want to answer any questions you might have. Please call our Policyholder Support team at 888.575.8246 or e-mail us at psh@yourlifesecond.com

Sincerely,

LifeSecure Policyholder Support