

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

### Filing at a Glance

Company: LifeSecure Insurance Company  
 Product Name: Individual LTC 1.0 Rate Increase  
 State: Pennsylvania  
 TOI: LTC03I Individual Long Term Care  
 Sub-TOI: LTC03I.001 Qualified  
 Filing Type: Rate - M.U. (Medically underwritten)  
 Date Submitted: 08/24/2021  
 SERFF Tr Num: LFSC-132956909  
 SERFF Status: Closed-Approved  
 State Tr Num: LFSC-132956909  
 State Status: Approved  
 Co Tr Num: LS-0002 RATE INCREASE PHASE II  
  
 Effective: On Approval  
 Date Requested:  
 Author(s): Jodi McAllister, Lynda Roberts, Renee Duncan  
 Reviewer(s): Sean Carmody (primary), Jim Laverty  
 Disposition Date: 01/14/2022  
 Disposition Status: Approved  
 Effective Date:

State Filing Description:  
 Proposed 22.04% increase on 169 PA policyholders of LifeSecure's individual LTC form LS-0002 PA 07/07.

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

## General Information

Project Name: Individual LTC 1.0 Rate Increase Phase II  
 Project Number:  
 Requested Filing Mode: Review & Approval

Explanation for Combination/Other:  
 Submission Type: New Submission  
 Overall Rate Impact: 22.04%

Deemer Date:  
 Submitted By: Marsha Tate

Filing Description:

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: 01/14/2022  
 State Status Changed: 01/14/2022  
 Created By: Marsha Tate  
 Corresponding Filing Tracking Number:  
 State TOI: LTC03I Individual Long Term Care

**State:** Pennsylvania  
**TOI/Sub-TOI:** LTC031 Individual Long Term Care/LTC031.001 Qualified  
**Product Name:** Individual LTC 1.0 Rate Increase  
**Project Name/Number:** Individual LTC 1.0 Rate Increase Phase II/

Pennsylvania Insurance Department  
1326 Strawberry Square  
Harrisburg PA 17120

RE: LifeSecure Insurance Company  
Company NAIC #: 77720  
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 from December 2009 to September 2014 in Pennsylvania and from November 2006 to July 2015 nationwide.

This form is subject to the rate stability regulation and is not currently being marketed in any state or district. The Interstate Insurance Product Regulation Compact (IIPRC) policy forms of ICC13-LS-LTC-0004 and ICC13-LS-LTC-0005 were the replacement forms when LS-0002 was closed. Policy form ICC13-LS-LTC-0005 was then replaced by policy form ICC17-LS-LTC-0006, which is sold in the worksite market only. LifeSecure did not replace policy form ICC13-LS-LTC-0004 and, thus, does not currently sell any Long Term Care products in the individual market in any state or district.

LifeSecure is requesting a 22.4% rate increase in this filing for the policy form LS-0002.

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.

Included in this filing, please find the following:

- Actuarial Memorandum; and
- Proposed Rate Schedules

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) 810-225-3557 and (E) jomcallister@yourlifesecond.com.

Sincerely,

Jodi McAllister  
Senior Actuarial Analyst  
LifeSecure Insurance Company

## Company and Contact

### Filing Contact Information

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

Brian Vestergaard, Vice President, Product & Marketing  
 bvestergaard@yourlifefsecure.com  
 10559 Citation Drive  
 Suite 300  
 Brighton, MI 48116  
 810-220-8732 [Phone]  
 810-220-7707 [FAX]

**Filing Company Information**

LifeSecure Insurance Company	CoCode: 77720	State of Domicile: Michigan
10559 Citation Drive	Group Code: 572	Company Type: Life, A & H
Suite 300	Group Name: BCBS of MI GRP	State ID Number:
Brighton, MI 48116	FEIN Number: 75-0956156	
(810) 220-8774 ext. [Phone]		

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

## Filing Fees

### State Fees

Fee Required? Yes  
Fee Amount: \$0.00  
Retaliatory? Yes  
Fee Explanation: MI is our domicile and doesn't charge a fee.

**SERFF Tracking #:**

LFSC-132956909

**State Tracking #:**

LFSC-132956909

**Company Tracking #:**

LS-0002 RATE INCREASE PHASE II

**State:**

Pennsylvania

**Filing Company:**

LifeSecure Insurance Company

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

Individual LTC 1.0 Rate Increase

**Project Name/Number:**

Individual LTC 1.0 Rate Increase Phase II/

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Sean Carmody	01/14/2022	01/14/2022

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Disapproved	Sean Carmody	01/05/2022	01/05/2022
Disapproved	Jim Lavery	09/06/2021	09/06/2021

#### Response Letters

Responded By	Created On	Date Submitted
Lynda Roberts	01/13/2022	01/13/2022
Lynda Roberts	01/04/2022	01/04/2022

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	LTC Rate Increase Acceptance Letter	Lynda Roberts	01/13/2022	01/13/2022

**SERFF Tracking #:**

LFSC-132956909

**State Tracking #:**

LFSC-132956909

**Company Tracking #:**

LS-0002 RATE INCREASE PHASE II

**State:**

Pennsylvania

**Filing Company:**

LifeSecure Insurance Company

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

Individual LTC 1.0 Rate Increase

**Project Name/Number:**

Individual LTC 1.0 Rate Increase Phase II/

## Disposition

Disposition Date: 01/14/2022

Effective Date:

Status: Approved

Comment: Jan 14, 2022

Brian Vestergaard, Vice President, Product & Marketing

LifeSecure Insurance Company

10559 Citation Drive

Suite 300

Brighton, MI 48116

RE: Proposed 22.04% increase on 169 PA policyholders of LifeSecure's individual LTC form LS-0002 PA 07/07.

Pennsylvania Insurance Department ID #: LFSC-132956909

Dear Brian Vestergaard:

The Department approves a 20% increase on the form listed above.

Sincerely,

Sean Carmody

Actuarial Associate

Bureau of Accident & Health Insurance

SERFF Tracking #:

LFSC-132956909

State Tracking #:

LFSC-132956909

Company Tracking #:

LS-0002 RATE INCREASE PHASE II

State: Pennsylvania

Filing Company:

LifeSecure Insurance Company

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

Product Name: Individual LTC 1.0 Rate Increase

Project Name/Number: Individual LTC 1.0 Rate Increase Phase II/

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	22.040%	22.040%	\$59,738	169	\$271,056	22.400%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Transmittal Letter (A&H)		Yes
Supporting Document	Actuarial Certification (A&H)		Yes
Supporting Document	Actuarial Memorandum and Explanatory Information (A&H)		Yes
Supporting Document	Advertisements (A&H)		Yes
Supporting Document	Authorization to File (A&H)		Yes
Supporting Document	Insert Page Explanation (A&H)		Yes
Supporting Document	Rate Table (A&H)		Yes
Supporting Document	Replacement Form with Highlighted Changes (A&H)		Yes
Supporting Document	Advertisement Compliance Certification		Yes
Supporting Document	Reserve Calculation (A&H)		Yes
Supporting Document	Variability Explanation (A&H)		Yes
Supporting Document	LTC Rate Increase Letter		Yes
Supporting Document	Response Letter to Objection Due 1-4-22		Yes
Supporting Document	LTC Rate Increase Acceptance Letter		Yes
Rate	Exhibit V and VI LS-0002 PA Proposed Rate Sheets 2021		Yes
Rate	Exhibits II and III Estimate Projections		Yes



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

## Objection Letter

Objection Letter Status Disapproved  
Objection Letter Date 01/05/2022  
Submitted Date 01/05/2022  
Respond By Date

Dear Brian Vestergaard,

**Introduction:**

Jan 5, 2022

Brian Vestergaard, Vice President, Product & Marketing  
LifeSecure Insurance Company  
10559 Citation Drive  
Suite 300  
Brighton, MI 48116

RE: Proposed 22.04% increase on 169 PA policyholders of LifeSecure's individual LTC form LS-0002 PA 07/07.  
Pennsylvania Insurance Department ID #: LFSC-132956909

Dear Brian Vestergaard:

The captioned filing has been reviewed by the Pennsylvania Insurance Department. It has been determined that the filing fails to meet the requirements of our Insurance Company Laws or regulations and is therefore disapproved pursuant to the authority granted under Section 304(a) of Act 134, the Accident and Health Filing Reform Act. In the event you have any questions regarding the stated concerns, please feel free to contact the Department for further clarification.

The disapproved filing may be resubmitted within 120 days of the date of disapproval. If the Department does not hear from you within 120 days, the subject filing will be permanently closed. Such filings resubmitted after 120 days must be submitted as a new filing, inclusive of appropriate filing fees and disclosure of the closed filing SERFF tracking number.

The Department cannot approve this filing as submitted but we can offer a 20% increase on the above captioned form.

If LifeSecure would like to accept our offer, then please respond with an acceptance letter.

Sincerely,

Sean Carmody  
Actuarial Associate  
Bureau of Accident & Health Insurance

**State:** Pennsylvania

**Filing Company:** LifeSecure Insurance Company

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

**Product Name:** Individual LTC 1.0 Rate Increase

**Project Name/Number:** Individual LTC 1.0 Rate Increase Phase II/

**Conclusion:**

Sincerely,  
Sean Carmody

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

## Objection Letter

Objection Letter Status Disapproved  
Objection Letter Date 09/06/2021  
Submitted Date 09/06/2021  
Respond By Date

Dear Brian Vestergaard,

### Introduction:

Sept 6, 2021

Brian Vestergaard, Vice President, Product & Marketing  
LifeSecure Insurance Company  
10559 Citation Drive, Suite 300  
Brighton, MI 48116

RE: Proposed 22.04% increase on 169 PA policyholders of LifeSecure's individual LTC form LS-0002 PA 07/07.  
Pennsylvania Insurance Department ID #: LFSC-132956909

Dear Brian Vestergaard:

The captioned filing has been reviewed by the Pennsylvania Insurance Department. It has been determined that the filing fails to meet the requirements of our Insurance Company Laws or regulations and is therefore disapproved pursuant to the authority granted under Section 304(a) of Act 134, the Accident and Health Filing Reform Act. In the event you have any questions regarding the stated concerns, please feel free to contact the Department for further clarification.

The disapproved filing may be resubmitted within 120 days of the date of disapproval. If the Department does not hear from you within 120 days, the subject filing will be permanently closed. Such filings resubmitted after 120 days must be submitted as a new filing, inclusive of appropriate filing fees and disclosure of the closed filing SERFF tracking number.

Please furnish the following information to the Department.

1. It appears that LS-0002 PA 07/07 policyholders who do not purchase the 3% or 5% compound inflation options will automatically be given the GPO option. This means that all PA policyholders fall into one of three inflation indexing options: (i) GPO, (ii) 3% compound, or (iii) 5% compound. Please confirm if my impression is correct.

2. On Dec 6, 2017, the Department approved rate increases of 17%, 29%, and 29% for GPO, 3% Compound Inflation, and 5% Compound Inflation policies, respectively.

How many current PA policies in force with the GPO option received a 17% increase?

How many current PA policies in force with 3% compound inflation received a 29% increase?

How many current PA policies in force with 5% compound inflation received a 29% increase?

3. Is the 90-day elimination period the only choice available?

4. Please provide the rate increase history by state on this series (include a column that shows the cumulative increase) in an Excel spreadsheet.

**State:** Pennsylvania  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Individual LTC 1.0 Rate Increase  
**Project Name/Number:** Individual LTC 1.0 Rate Increase Phase II/

5. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit II) for this nationwide block of policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the current Pennsylvania rate level.

6. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit II) for this nationwide block of policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the original rate level. The original rate level is the rate level that would have existed if no increase was ever granted on any policy nationwide.

7. Please provide the percent of active policyholders remaining on this block on a nationwide basis. How many policies were issued nationwide? How many policies remain in force nationwide?

8. What is the weighted average increase experienced by the LS-0002 PA 07/07 policies currently in force in PA?

9. Please provide Exhibits II and III in Excel.

Sincerely,

James Laverty, FSA, MAAA  
Actuary  
Bureau of Accident & Health Insurance

**Conclusion:**

Sincerely,  
Jim Laverty

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

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	01/13/2022
Submitted Date	01/13/2022

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Dear Sean Carmody,

**Introduction:**

Please see our response below.

**Response 1**

**Comments:**

The rate increase acceptance letter has been submitted as an Amendment.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

We hope this change will allow you to continue with your review. Thank you.

Regards,

Lynda Roberts  
Compliance Analyst

Sincerely,  
Lynda Roberts

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

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 01/04/2022  
 Submitted Date 01/04/2022

Dear Sean Carmody,

**Introduction:**

Good Afternoon,

Please see our response to the objection.

**Response 1**

**Comments:**

Please see the estimated projections II and III attached to the Rate/Rule tab and the objection response letter attached to the Supporting Documentation tab.

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response Letter to Objection Due 1-4-22
<b>Comments:</b>	Please see the attached response letter.
<b>Attachment(s):</b>	Pennsylvania Objection Response 2022.01.04.pdf

No Form Schedule items changed.

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Exhibits II and III Estimate Projections	POL-LS-0002 PA 07/07	New		PA Objection Exhibits 2022.01.04.xlsx,	01/04/2022 By: Lynda Roberts

**Conclusion:**

**SERFF Tracking #:**

LFSC-132956909

**State Tracking #:**

LFSC-132956909

**Company Tracking #:**

LS-0002 RATE INCREASE PHASE II

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**State:**

Pennsylvania

**Filing Company:**

LifeSecure Insurance Company

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

Individual LTC 1.0 Rate Increase

**Project Name/Number:**

Individual LTC 1.0 Rate Increase Phase II/

*We hope these responses will allow you to continue your review. Please let me know if you have any questions. Thank you.*

*Sincerely,*

*Lynda Roberts*

*Compliance Analyst*

*Sincerely,*

*Lynda Roberts*

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

## Amendment Letter

Submitted Date: 01/13/2022

Comments:

I have created an Amendment so the Rate Increase Acceptance Letter is visible to you.

Changed Items:

*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

Supporting Document Schedule Item Changes	
Satisfied - Item:	LTC Rate Increase Acceptance Letter
Comments:	Please see attached acceptance letter.
Attachment(s):	PA Objection Response Rate Acceptance Ltr 2022.01.13.pdf



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

## Rate Information

Rate data applies to filing.

**Filing Method:** Review & Approval  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 0.000%  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:** Review & Approval  
**SERFF Tracking Number 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):
LifeSecure Insurance Company	22.040%	22.040%	\$59,738	169	\$271,056	22.400%	0.000%

**SERFF Tracking #:**

LFSC-132956909

**State Tracking #:**

LFSC-132956909

**Company Tracking #:**

LS-0002 RATE INCREASE PHASE II

**State:**

Pennsylvania

**Filing Company:**

LifeSecure Insurance Company

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

Individual LTC 1.0 Rate Increase

**Project Name/Number:**

Individual LTC 1.0 Rate Increase Phase II/

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Exhibit V and VI LS-0002 PA Proposed Rate Sheets 2021	POL-LS-0002 PA 07/07	New		Exhibit V and VI Pennsylvania Proposed Rate Sheets LS-0002 2021.08.12.pdf,
2		Exhibits II and III Estimate Projections	POL-LS-0002 PA 07/07	New		PA Objection Exhibits 2022.01.04.xlsx,

**SERFF Tracking #:**

LFSC-132956909

**State Tracking #:**

LFSC-132956909

**Company Tracking #:**

LS-0002 RATE INCREASE PHASE II

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**State:**

Pennsylvania

**Filing Company:**

LifeSecure Insurance Company

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

Individual LTC 1.0 Rate Increase

**Project Name/Number:**

Individual LTC 1.0 Rate Increase Phase II/

***Attachment PA Objection Exhibits 2022.01.04.xlsx is not a PDF document and cannot be reproduced here.***

**Exhibit V: 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	627	569	519
31	642	581	529
32	658	594	539
33	673	607	550
34	689	619	560
35	704	632	571
36	720	645	581
37	736	658	592
38	757	676	607
39	779	694	622
40	801	713	636
41	822	731	651
42	844	749	666
43	871	772	685
44	898	794	705
45	925	817	724
46	952	840	743
47	979	863	762
48	1,018	896	790
49	1,057	929	818
50	1,095	963	846
51	1,134	996	874
52	1,173	1,029	901
53	1,220	1,069	935
54	1,267	1,109	969
55	1,313	1,149	1,003
56	1,360	1,189	1,037
57	1,407	1,229	1,070
58	1,528	1,334	1,160
59	1,649	1,439	1,250
60	1,770	1,543	1,339
61	1,891	1,648	1,429
62	2,012	1,753	1,519
63	2,196	1,912	1,656
64	2,380	2,072	1,793
65	2,564	2,232	1,930
66	2,748	2,391	2,067
67	2,932	2,551	2,205
68	3,452	2,999	2,586
69	3,973	3,446	2,967
70	4,494	3,894	3,348
71	5,014	4,341	3,729
72	5,535	4,789	4,110
73	6,495	5,612	4,806
74	7,456	6,436	5,501
75	8,416	7,259	6,197
76	9,377	8,083	6,893
77	10,337	8,907	7,588
78	10,673	9,222	7,871
79	11,009	9,538	8,153
80	11,345	9,853	8,436
81	11,681	10,169	8,718
82	12,016	10,484	9,001
83	12,605	11,022	9,463
84	13,193	11,559	9,924

**\*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 V: 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%
	<u>(8.3 year BP)</u>	<u>(4.2 year BP)</u>	<u>(2.8 year BP)</u>
30 and under	596	540	493
31	610	552	503
32	625	564	512
33	640	576	522
34	654	589	532
35	669	601	542
36	684	613	552
37	699	625	562
38	720	642	576
39	740	660	590
40	761	677	605
41	781	694	619
42	802	711	633
43	828	733	651
44	853	755	669
45	879	776	688
46	904	798	706
47	930	820	724
48	967	851	750
49	1,004	883	777
50	1,041	915	803
51	1,078	946	830
52	1,115	978	856
53	1,159	1,016	888
54	1,203	1,054	921
55	1,248	1,092	953
56	1,292	1,130	985
57	1,337	1,168	1,017
58	1,452	1,267	1,102
59	1,567	1,367	1,187
60	1,682	1,466	1,272
61	1,797	1,566	1,357
62	1,912	1,665	1,443
63	2,086	1,817	1,573
64	2,261	1,968	1,703
65	2,436	2,120	1,834
66	2,610	2,272	1,964
67	2,785	2,423	2,094
68	3,280	2,849	2,456
69	3,774	3,274	2,818
70	4,269	3,699	3,180
71	4,763	4,124	3,542
72	5,258	4,549	3,904
73	6,171	5,332	4,565
74	7,083	6,114	5,226
75	7,995	6,897	5,887
76	8,908	7,679	6,548
77	9,820	8,461	7,209
78	10,139	8,761	7,477
79	10,458	9,061	7,746
80	10,778	9,360	8,014
81	11,097	9,660	8,282
82	11,416	9,960	8,551
83	11,975	10,471	8,989
84	12,534	10,981	9,428

**\*Adjustment Factors**

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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 V: 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	3.88	2.54
31	3.84	2.52
32	3.79	2.50
33	3.74	2.48
34	3.70	2.47
35	3.65	2.45
36	3.61	2.43
37	3.56	2.41
38	3.51	2.39
39	3.46	2.38
40	3.41	2.36
41	3.36	2.35
42	3.31	2.33
43	3.26	2.31
44	3.20	2.28
45	3.14	2.26
46	3.08	2.24
47	3.02	2.22
48	2.98	2.19
49	2.93	2.17
50	2.89	2.15
51	2.85	2.13
52	2.80	2.11
53	2.80	2.08
54	2.79	2.05
55	2.79	2.03
56	2.78	2.00
57	2.77	1.97
58	2.75	1.95
59	2.73	1.92
60	2.72	1.89
61	2.70	1.86
62	2.68	1.83
63	2.62	1.80
64	2.56	1.77
65	2.50	1.73
66	2.45	1.70
67	2.39	1.66
68	2.31	1.63
69	2.23	1.60
70	2.15	1.57
71	2.08	1.54
72	2.00	1.51
73	1.94	1.48
74	1.88	1.46
75	1.81	1.43
76	1.75	1.41
77	1.69	1.38
78	1.65	1.36
79	1.60	1.34
80	1.56	1.32
81	1.52	1.30
82	1.48	1.28
83	1.45	1.27
84	1.43	1.25

**Exhibit V: 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:	Limited Pay Option:
	10 Pay	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 V: 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		Shortened Benefit Period
	Death	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 VI: 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%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	621	394	514
31	636	409	524
32	651	425	534
33	666	442	544
34	682	460	555
35	697	479	565
36	713	499	575
37	728	520	586
38	750	542	601
39	771	565	615
40	793	588	630
41	814	613	645
42	836	641	660
43	862	670	679
44	889	701	698
45	916	729	716
46	942	765	735
47	969	803	754
48	1,007	845	782
49	1,046	890	810
50	1,085	933	837
51	1,123	985	865
52	1,162	1,019	892
53	1,208	1,058	926
54	1,254	1,098	959
55	1,300	1,138	993
56	1,347	1,177	1,026
57	1,393	1,217	1,060
58	1,513	1,321	1,148
59	1,632	1,424	1,237
60	1,752	1,528	1,326
61	1,872	1,632	1,415
62	1,992	1,735	1,503
63	2,174	1,893	1,639
64	2,356	2,051	1,775
65	2,538	2,209	1,911
66	2,720	2,367	2,047
67	2,902	2,525	2,183
68	3,418	2,969	2,560
69	3,933	3,412	2,937
70	4,449	3,855	3,314
71	4,964	4,298	3,691
72	5,479	4,741	4,069
73	6,430	5,556	4,757
74	7,381	6,372	5,446
75	8,332	7,187	6,135
76	9,283	8,002	6,824
77	10,234	8,818	7,512
78	10,566	9,130	7,792
79	10,899	9,442	8,072
80	11,231	9,755	8,351
81	11,564	10,067	8,631
82	11,896	10,379	8,911
83	12,479	10,911	9,368
84	13,061	11,444	9,825

**\*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 VI: 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%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	2,411	2,186	1,995
31	2,439	2,206	2,009
32	2,467	2,227	2,023
33	2,495	2,248	2,038
34	2,522	2,268	2,051
35	2,547	2,287	2,064
36	2,571	2,304	2,075
37	2,594	2,320	2,086
38	2,633	2,351	2,109
39	2,671	2,380	2,131
40	2,706	2,408	2,151
41	2,739	2,433	2,170
42	2,770	2,457	2,187
43	2,808	2,487	2,209
44	2,842	2,514	2,230
45	2,872	2,538	2,248
46	2,900	2,560	2,263
47	2,924	2,579	2,277
48	2,997	2,640	2,327
49	3,067	2,698	2,374
50	3,134	2,754	2,419
51	3,197	2,807	2,462
52	3,257	2,856	2,502
53	3,379	2,961	2,590
54	3,500	3,065	2,678
55	3,621	3,169	2,765
56	3,742	3,272	2,852
57	3,862	3,374	2,938
58	4,165	3,637	3,162
59	4,465	3,895	3,383
60	4,759	4,150	3,601
61	5,049	4,401	3,815
62	5,335	4,647	4,026
63	5,696	4,960	4,294
64	6,036	5,255	4,547
65	6,354	5,531	4,784
66	6,652	5,789	5,005
67	6,928	6,028	5,210
68	7,894	6,803	5,912
69	8,779	7,073	6,556
70	9,586	8,306	7,141
71	10,312	8,928	7,668
72	10,959	9,481	8,137
73	12,460	10,766	9,218
74	13,842	11,949	10,214
75	15,106	13,029	11,122
76	16,251	14,009	11,946
77	17,279	14,887	12,684
78	17,392	15,028	12,826
79	17,479	15,143	12,945
80	17,537	15,231	13,040
81	17,568	15,294	13,112
82	17,569	15,329	13,160
83	18,120	15,844	13,603
84	18,642	16,333	14,023

**\*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 VI: 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%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	1,578	1,176	1,306
31	1,604	1,221	1,321
32	1,630	1,266	1,337
33	1,656	1,317	1,353
34	1,682	1,368	1,368
35	1,707	1,419	1,383
36	1,732	1,469	1,398
37	1,756	1,518	1,412
38	1,796	1,566	1,438
39	1,835	1,613	1,464
40	1,873	1,647	1,489
41	1,911	1,686	1,513
42	1,948	1,728	1,537
43	1,990	1,763	1,566
44	2,031	1,797	1,594
45	2,071	1,830	1,620
46	2,109	1,862	1,646
47	2,146	1,893	1,671
48	2,210	1,946	1,715
49	2,271	1,998	1,758
50	2,331	2,048	1,799
51	2,389	2,097	1,840
52	2,446	2,145	1,879
53	2,511	2,201	1,925
54	2,574	2,254	1,969
55	2,635	2,305	2,012
56	2,693	2,355	2,053
57	2,749	2,402	2,092
58	2,943	2,570	2,234
59	3,130	2,731	2,372
60	3,311	2,887	2,505
61	3,485	3,037	2,633
62	3,652	3,182	2,756
63	3,912	3,407	2,950
64	4,160	3,622	3,134
65	4,395	3,826	3,309
66	4,618	4,019	3,475
67	4,829	4,202	3,631
68	5,579	4,846	4,179
69	6,298	5,463	4,703
70	6,985	6,052	5,204
71	7,638	6,613	5,680
72	8,260	7,147	6,134
73	9,532	8,237	7,052
74	10,756	9,284	7,936
75	11,932	10,292	8,785
76	13,059	11,257	9,599
77	14,139	12,183	10,379
78	14,391	12,435	10,613
79	14,632	12,676	10,836
80	14,859	12,905	11,049
81	15,072	13,121	11,249
82	15,273	13,325	11,440
83	15,829	13,841	11,883
84	16,368	14,341	12,313

**\*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 VI: 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%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	9,081	8,233	7,513
31	9,055	8,192	7,459
32	9,028	8,151	7,405
33	9,002	8,111	7,352
34	8,967	8,064	7,294
35	8,925	8,012	7,232
36	8,875	7,953	7,165
37	8,818	7,889	7,093
38	8,816	7,872	7,061
39	8,803	7,846	7,023
40	8,778	7,811	6,977
41	8,744	7,767	6,925
42	8,699	7,716	6,866
43	8,670	7,680	6,822
44	8,627	7,632	6,769
45	8,571	7,574	6,707
46	8,503	7,506	6,636
47	8,423	7,427	6,557
48	8,477	7,466	6,579
49	8,515	7,491	6,590
50	8,536	7,501	6,589
51	8,542	7,499	6,578
52	8,533	7,484	6,555
53	8,684	7,610	6,656
54	8,821	7,724	6,748
55	8,945	7,827	6,829
56	9,055	7,918	6,901
57	9,152	7,997	6,963
58	9,680	8,452	7,350
59	10,170	8,873	7,707
60	10,622	9,262	8,037
61	11,038	9,620	8,340
62	11,416	9,945	8,616
63	11,904	10,367	8,975
64	12,313	10,720	9,276
65	12,645	11,007	9,520
66	12,904	11,230	9,709
67	13,094	11,393	9,846
68	14,556	12,545	10,902
69	15,786	12,718	11,787
70	16,794	14,552	12,512
71	17,592	15,231	13,082
72	18,191	15,739	13,508
73	20,160	17,419	14,915
74	21,816	18,831	16,096
75	23,172	19,987	17,062
76	24,247	20,902	17,823
77	25,054	21,586	18,391
78	24,941	21,550	18,392
79	24,786	21,473	18,356
80	24,587	21,354	18,282
81	24,349	21,197	18,174
82	24,070	21,001	18,029
83	24,499	21,421	18,391
84	24,869	21,788	18,707

**\*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 VI: 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% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	5,944	4,428	4,918
31	5,955	4,533	4,905
32	5,965	4,634	4,893
33	5,976	4,751	4,881
34	5,981	4,863	4,865
35	5,982	4,970	4,847
36	5,978	5,070	4,826
37	5,970	5,162	4,802
38	6,012	5,244	4,815
39	6,048	5,315	4,825
40	6,076	5,343	4,830
41	6,100	5,382	4,831
42	6,116	5,425	4,828
43	6,145	5,444	4,836
44	6,166	5,455	4,838
45	6,179	5,460	4,835
46	6,184	5,459	4,826
47	6,181	5,451	4,812
48	6,249	5,503	4,850
49	6,305	5,546	4,879
50	6,350	5,580	4,901
51	6,384	5,604	4,916
52	6,408	5,620	4,923
53	6,454	5,656	4,947
54	6,487	5,680	4,962
55	6,508	5,695	4,969
56	6,517	5,699	4,967
57	6,515	5,693	4,957
58	6,840	5,972	5,193
59	7,131	6,222	5,404
60	7,391	6,444	5,592
61	7,619	6,640	5,757
62	7,816	6,809	5,899
63	8,177	7,121	6,165
64	8,486	7,388	6,393
65	8,746	7,613	6,585
66	8,960	7,797	6,741
67	9,127	7,941	6,863
68	10,289	8,936	7,706
69	11,324	9,822	8,456
70	12,237	10,603	9,117
71	13,031	11,282	9,690
72	13,712	11,864	10,182
73	15,423	13,327	11,411
74	16,951	14,632	12,507
75	18,303	15,787	13,477
76	19,484	16,796	14,322
77	20,502	17,665	15,050
78	20,637	17,832	15,219
79	20,747	17,975	15,366
80	20,832	18,093	15,490
81	20,889	18,185	15,591
82	20,924	18,255	15,672
83	21,401	18,713	16,066
84	21,835	19,131	16,425

**\*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 VI: Revised Premium Rate Pages for Form LS-0002 Employer-Based 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**

<b>Issue Age</b>	<b>Limited Pay Option: Paid up at 65</b>
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 VI: Revised Premium Rate Pages for Form LS-0002 Employer-Based 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  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Individual LTC 1.0 Rate Increase  
**Project Name/Number:** Individual LTC 1.0 Rate Increase Phase II/  
**Filing Company:** LifeSecure Insurance Company

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	Please reference the attached cover letter.
<b>Attachment(s):</b>	LTC 1.0 Pennsylvania Cover Letter 2021.08.12.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Certification (A&H)
<b>Bypass Reason:</b>	This is a rate increase filing.
<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>	Please refer to the actuarial memorandum.
<b>Attachment(s):</b>	LTC 1.0 Pennsylvania Confidential Actuarial Memorandum 2021.08.12.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

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



SERFF Tracking #:

LFSC-132956909

State Tracking #:

LFSC-132956909

Company Tracking #:

LS-0002 RATE INCREASE PHASE II

State: Pennsylvania

Filing Company: LifeSecure Insurance Company

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

Product Name: Individual LTC 1.0 Rate Increase

Project Name/Number: Individual LTC 1.0 Rate Increase Phase II/

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

<b>Bypassed - Item:</b>	Advertisement Compliance Certification
<b>Bypass Reason:</b>	Not applicable
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

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

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

<b>Satisfied - Item:</b>	LTC Rate Increase Letter
<b>Comments:</b>	Please reference the attached LTC Rate Increase Letter.
<b>Attachment(s):</b>	LS-0827 ST 1.0-2.0 10-2021 LTC Rate Increase Policyholder Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Response Letter to Objection Due 1-4-22
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State: Pennsylvania Filing Company: LifeSecure Insurance Company  
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified  
Product Name: Individual LTC 1.0 Rate Increase  
Project Name/Number: Individual LTC 1.0 Rate Increase Phase II/

Comments:	Please see the attached response letter.
Attachment(s):	Pennsylvania Objection Response 2022.01.04.pdf
Item Status:	
Status Date:	

Satisfied - Item:	LTC Rate Increase Acceptance Letter
Comments:	Please see attached acceptance letter.
Attachment(s):	PA Objection Response Rate Acceptance Ltr 2022.01.13.pdf
Item Status:	
Status Date:	

August 12, 2021

RE: LifeSecure Insurance Company  
Company NAIC #: 77720  
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 from December 2009 to September 2014 in Pennsylvania and from November 2006 to July 2015 nationwide.

This form is subject to the rate stability regulation and is not currently being marketed in any state or district. The Interstate Insurance Product Regulation Compact (IIPRC) policy forms of ICC13-LS-LTC-0004 and ICC13-LS-LTC-0005 were the replacement forms when LS-0002 was closed. Policy form ICC13-LS-LTC-0005 was then replaced by policy form ICC17-LS-LTC-0006, which is sold in the worksite market only. LifeSecure did not replace policy form ICC13-LS-LTC-0004 and, thus, does not currently sell any Long Term Care products in the individual market in any state or district.

LifeSecure is requesting a 22.4% rate increase in this filing for the policy form LS-0002.

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.

Included in this filing, please find the following:

- Actuarial Memorandum; and
- Proposed Rate Schedules

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) 810-225-3557 and (E) [jomcallister@yourlifesecond.com](mailto:jomcallister@yourlifesecond.com).

Sincerely,



Jodi McAllister  
Senior Actuarial Analyst  
LifeSecure Insurance Company

LifeSecure Insurance Company

ACTUARIAL JUSTIFICATION OF PREMIUM RATES  
Long Term Care Policies

1. Purpose of Filing

This is a rate increase filing for Long Term Care forms and attached options. The purpose of this rate increase filing actuarial memorandum is to demonstrate that the requirements for a rate increase are satisfied. This rate increase filing actuarial memorandum is not intended to be used for any other purpose.

A rate increase is being requested on the policy form LS-0002 due to higher than anticipated future and lifetime loss ratios.

2. Scope of Filing

This filing applies to the Company’s Long Term Care policy form:

LS-0002, et al (LS-0002, LTC 1.0) Tax Qualified Individual Long Term Care Insurance Policy

This form provide reimbursement for long term care services in various settings when the insured meets policy benefit qualification requirements. The form contains individual guaranteed renewable policies. These policies are subject to the rate stability regulation and were issued in Pennsylvania from December 2009 to September 2014. This product is not currently being marketed in any state or district. The rate increase will apply to inforce policies only.

This policy form was marketed to individuals, members of employer-based groups that were list-billed and/or marketed together, and to members of associations through direct agents and brokers. Underwriting and/or premium rates varied among the applicant types.

The Company is requesting a 22.4% rate increase on this policy form.

The number of policyholders and annualized inforce premium as of 12/31/2020 are shown in the table below on a Nationwide and Pennsylvania specific level. The table also shows the Nationwide and Pennsylvania specific average annualized premium both before and after the rate increase of 22.4% is applied.

Nationwide Policies Inforce as of 12/31/2020			
		Average Annualized Premiums	
Annualized Premiums	Inforce	Before Rate Increase	After Rate Increase
13,395,607	8,895	1,506	1,843

  

Pennsylvania Policies Inforce as of 12/31/2020			
		Average Annualized Premiums	
Annualized Premiums	Inforce	Before Rate Increase	After Rate Increase
271,056	169	1,604	1,963

3. Benefit Description

For all plans, the elimination period is 90 calendar days. The benefit period is administered on a “pool of money” or benefit bank basis. There are three possible monthly benefit/benefit bank configurations available: monthly benefit of 1%, 2%, and 3%. These three possible configurations result in inherent benefit periods of 100 months (8.3 years), 50 months (4.2 years), or 33 months (2.8 years), respectively.

Benefits are payable when the insured becomes disable in two out of six Activities of Daily Living (ADL’s) for 90 days, or when they become severely cognitively impaired. The six ADL’s are: bathing, dressing, continence, eating, toileting, and transferring. In order to be considered impaired in an ADL, a person must need substantial human assistance or supervision. Services must be provided pursuant to a Plan of Care.

The following describes the base benefits and optional benefits provided by the products:

Base Policy

- Pool of money approach: insured has lifetime benefit amount to use as needed.
- Maximum monthly benefit equals 1, 2, or 3% of lifetime benefit amount
- All nursing home, assisted living facility (ALF), and formal home care benefits are expense incurred subject to the monthly maximum. Bed reservation is included in the nursing home and ALF benefit.
- Informal caregiver benefits will also be paid, through a “Flexible Benefit”, assuming the benefit triggers are met and that the benefits provided are contained in the person’s Plan of Care. Usual and customary expenses will be paid. Informal caregiver benefits are paid with 50% of the remaining monthly benefit maximum, after formal care expenses have been paid. If no formal care was received and the benefit triggers have been met, the insured will have 50% of their monthly benefit maximum available for informal care.
- Caregiver training, home modification, and other ancillary benefits can be paid out of the Flexible Benefit, subject to the 50% of remaining monthly maximum limit.
- International benefit is provided which pays for 1-year of care, on an indemnity basis, at 100% of the monthly benefit for nursing facility care or at 50% of the monthly benefit for home care.
- Waiver of premium after the 90-day elimination period (not payable if international benefit is being paid)
- Contingent non-forfeiture benefit included (i.e. a shortened benefit period non-forfeiture option is provided if there is a substantial increase in premiums)
- Guaranteed future purchase endorsement is included if no other inflation is selected. An additional 15% of the current benefit will be offered every 3 years, until the insured reaches age 80, with the additional premium based on the person’s attained age at the time.

Optional Riders

- Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 5% per year, compounded, for life
- Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 3% per year, compounded, for life
- Lapse protection benefit rider, which provides the NAIC mandated shortened benefit non-forfeiture option
- Money back promise rider, which provides a return of premiums paid on death. This return is 0% in the first four policy years, 25% in policy years 5-9, 50% in years 10-14, and 75% in years 15+. Cumulative premiums, less benefits paid, times the durational factor are returned on policyholder death. There is no age maximum.

**4. Issue Ages, Premium Classes, and Modalization Rules**

Policies were issued from ages 18 – 84 for this policy form.

The average issue age is for inforce policies as of 12/31/2020 is:

	Nationwide	Pennsylvania
Average Issue Age	55.6	53.6

For policies marketed to individuals, policyholders were classified as preferred risks, standard risks or substandard risks. Preferred rates are 10% lower than standard, and substandard rates are 40% higher than standard. Employer group policies went through simplified underwriting and did not receive any factors applied to the standard rates.

No modal factors were used, except for monthly direct bill, where a \$2/month surcharge is applied each month.

Factors were made available that converted the annual premiums into premiums which would be paid up after 10 years for all policy forms. There were also factors made available that converted the annual premiums into premiums which could be paid up at age 65. The number of limited pay policies inforce as of 12/31/2020 nationwide and for Pennsylvania only is shown in the table below.

	Inforce Policies as of 12/31/2020	
Premium Pay Duration	Nationwide	Pennsylvania
Lifetime Pay	8,507	169
10-Pay	319	0
Pay-to-65	69	0

## 5. Active Life Reserves

Statutory active life reserves are calculated using a mid-terminal one-year preliminary term methodology plus the net unearned premium reserves, but never less than the gross unearned premium reserve. Reserves are calculated using NAIC minimum reserve standards, using expected claim costs with selection, with no morbidity improvement. Lapses will be based on 80% of the assumed voluntary lapse rate up to 6% in the first policy year, 80% of the assumed voluntary lapse rate up to 4% in the second through fourth policy years, and 100% of the assumed voluntary lapse rate up to 2% for the fifth and later policy years. The mortality table specified in the NAIC minimum reserve standards for health insurance contracts is the 1994 GAM. The interest rate used is the maximum statutory valuation rate applicable to the year in which a policy is issued. While the active life reserves were used to determine whether or not the moderately adverse experience trigger for a rate increase had been met, they were not used when calculating the justified rate increase or lifetime loss ratio for this policy form.

## 6. Trend Assumption

Only insurance trend, due to the effect of underwriting wearing off, was assumed.

## 7. Contingency and Risk Margins

There are no explicit contingency and risk margins built into the assumptions. Gross premiums are computed to pay for benefits and expenses, while providing the desired profit. Any excess profit that is built into the gross premiums is the implicit contingency and risk margin.

## 8. Moderately Adverse Assumptions and Trigger for this Rate Increase

The following moderately adverse assumptions were tested at the time of original pricing:

- Morbidity increased by 10%
- Lapses reduced by 50%
- Mortality reduced by 20%
- Investment rate reduced by 50 basis points.

This policy form was priced to yield a pre-tax profit margin of at least 15%. The morbidity change resulted in a drop in pre-tax profit margin of about five percentage points, while each of the other assumption changes resulted in a drop in pre-tax profits of about four percentage points. Any assumption deviation, or combination of assumption changes, that result in the pre-tax profit margin dropping by more than five points was determined to be the moderately adverse experience (MAE) trigger for a rate increase on each of these forms.

When the current inforce is projected using the original pricing assumptions from issue is compared to the same inforce using actual historical and projected future values with the current best estimate assumptions, the difference in the pre-tax profit margin is greater than 5%. Since this was what the original MAE trigger was set at, the policy forms all meet the trigger to request a rate increase.

## 9. New Moderately Adverse Experience Assumptions and Trigger

Under the requested rate increase, the amount of margin is a 10% increase in loss ratio. The proposed lifetime loss ratio, after the requested rate increase is applied, is 63.9%. Thus, the lifetime loss ratio would need to exceed 70.3% in order to trigger an additional rate increase. This is equivalent to an increase in morbidity of approximately 10.48%. This trigger is defined differently than the original pricing. Because this trigger is based on the loss ratio, investment income and expenses will not impact the trigger and only morbidity, mortality, and voluntary terminations will impact the trigger.

## 10. Reason for Rate Increase Request

A rate increase is necessary because the current expectation regarding assumptions for morbidity, mortality, and voluntary lapses are worse than the original pricing assumptions. The Company's best estimate mortality and voluntary lapse assumptions have been updated since the pricing of this form, which is the cause behind a portion of the rate increase. However, the main driver of the rate increase is the updated morbidity assumption.

LifeSecure uses Milliman's Claim Cost Guidelines for our best estimate morbidity assumptions. These assumptions historically have been updated approximately every three years. The worsening claims assumption is solely due to the claim termination assumption. Incidence rates did not get worse.

Investment income is also less than what was expected. However, the investment income is only used in determining that we meet our MAE trigger and can request a rate increase. It is not used in determining what the justified rate increase is for these policy forms.

**11. Requested Rate Increase**

The rate increase LifeSecure is requesting on this policy form is 22.4%. This rate increase was calculated using all inforce policies for this policy form issued nationwide. LifeSecure has already filed or will be filing for a rate increase in all states.

This filing demonstrates that actual past experience combined with projected future experience results in a lifetime loss ratio of 70.9% without this rate increase. The rate increase was calculated such that the 58%/85% rate stability regulation test was passed, and the projections did not produce a loss ratio lower than the original pricing loss ratio of 60%.

The exhibits with best estimate assumptions showing the lifetime loss ratio projections for nationwide business, with and without rate increase, are shown in Exhibits II (without requested rate increase) and III (with requested rate increase) attached at the end of this memorandum.

Once the overall justified rate increase was calculated on a nationwide basis, we then applied the rate stability regulation new business rate cap to the inforce Pennsylvania policies in order for no policy to have a rate higher than the product LifeSecure currently markets.

For projection purposes, the proposed effective date of the rate increase is January 1, 2022.

As an illustration, the table below shows what this requested rate increase will be if it is delayed for the specified number of years. LifeSecure is attempting to avoid an even higher rate increase for the policyholder by correcting the situation early. For instance, we would like to avoid the rate increase needing to be over 35% in less than five years or double the amount requested now in under seven years.

Impact of Delaying Rate Increase*		
Years	Rate Increase	Percent Increase in Rate Increase
0	22.4%	N/A
1	24.8%	10.7%
2	27.6%	23.2%
3	30.5%	36.2%
4	33.8%	50.9%
5	37.5%	67.4%
6	41.9%	87.1%
7	46.8%	108.9%

*\*Note: this illustration is calculated using the current best estimate assumptions and inforce policies as of 12/31/2020. The only change in the lifetime loss ratio calculation was the year of implementation.*

**12. Rate Increase History**

The Department approved rate increases of 17%, 29%, and 29% for GPO, 3% Compound Inflation, and 5% Compound Inflation policies, respectively, which was implemented on 3/24/2018.

**13. Area Factors**

Geographic area factors are not used in rating these policies.

**14. Nationwide Distribution of Inforce Policies as of December 31, 2020 alongside Original Pricing Distribution Percentages**

By Issue Age

Issue Age	Percent Distributions	
	Nationwide	Original Pricing
<30	1.9%	0.0%
30-34	2.5%	0.0%
35-39	3.6%	5.0%
40-44	6.3%	10.0%
45-49	10.4%	14.0%
50-54	18.5%	20.0%
55-59	24.2%	20.0%
60-64	21.8%	17.0%
65-69	8.7%	10.0%
70-74	1.9%	4.0%
75+	0.3%	1.0%

By Inflation Type

Inflation Type	Percent Distributions	
	Nationwide	Original Pricing
None	53.6%	60.0%
3% Compound	39.9%	20.0%
5% Compound	6.4%	20.0%

By Married Status

Status	Percent Distributions	
	Nationwide	Original Pricing
Married	78.7%	56.0%
Single	21.3%	44.0%

By Gender

Gender	Percent Distributions	
	Nationwide	Original Pricing
Female	59.1%	55.0%
Male	40.9%	45.0%

By Monthly Benefit Access Limit (MBAL\*)

MBAL	Percent Distributions	
	Nationwide	Original Pricing
1%	50.9%	33.3%
2%	31.8%	33.3%
3%	17.3%	33.3%

*\*Note that the MBAL percentages also equate to the policy's benefit period with 1% MBAL having a benefit period of approximately 8.3 years, 2% MBAL having a benefit period of approximately 4.2 years, and 3% MBAL having a benefit period of approximately 2.8 years.*

By Underwriting Class

Underwriting Type	Percent Distributions	
	Nationwide	Original Pricing
Substandard	2.8%	10.0%
Standard	83.1%	30.0%
Preferred	14.1%	60.0%

By Payment Period

Payment Period	Percent Distributions	
	Nationwide	Original Pricing
Lifetime Pay	95.6%	95.0%
10-Pay	3.6%	4.5%
Pay-to-65	0.8%	0.5%



**15. Projection Assumptions**

Detailed projection assumptions are shown in Exhibit IV.

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 the original pricing. For the lapse assumptions, the current tables are shown in Exhibit IV.

Morbidity – Pricing morbidity assumptions have been refreshed to be consistent with Milliman 2017 Long Term Care Guidelines.

Expenses – See below.

**LTC 1.0 (LS-0002) Commissions/Marketing Expenses**

Commissions were assumed to be paid on original premium and not on waived premiums. Actual commission schedules will vary by level of production. The following table shows the average commission plus marketing percentages that were assumed in pricing:

Commissions LTC 1.0				
Policy Duration	Ages 18 - 64	Ages 65 - 74	Ages 75 - 79	Ages 80 - 84
1	105%	105%	100%	90%
2-10	15%	15%	15%	15%
11+	6%	6%	6%	6%

Expense Assumptions LTC 1.0			
Type of Expense	Fully Underwritten	Simplified Issue	Unit
Underwriting/ Protective Info	\$85	\$43	Per policy Issued: Issue ages 18-54
	\$85	\$43	Issue ages 55-64
	\$160	n/a	Issue ages 65-74
	\$200	n/a	Issue ages 75+
	4.5%	4.5%	Of Premium Issued
Administrative	\$75	\$75	Per policy per year inflated 3% per year
Claims Payment	5.0%	5.0%	Of Claims Paid
Premium Taxes	2.0%	2.0%	Of Premium
Overhead	3.0%	3.0%	Of Premium

**16. Comparison of Original and Current Assumptions**

The tables below show the assumptions that have changed from the original pricing assumptions to the current best estimate assumptions. Not all assumptions are used in the projection of loss ratios. Expenses, commissions, and investment income assumptions were not used in the calculation of the loss ratio or justified rate increase. However, they were used to calculate the pre-tax profit amount and determine whether or not the block exceeded the MAE trigger in order to request a rate increase.

**A. Morbidity**

The current morbidity assumption is based on the 2017 Milliman Long-Term Care Guidelines (the “Guidelines”), which consist of over 800,000 claims totaling nearly \$50 billion in incurred claims and 49 million life years of exposure, using data collected from 10 of the top 15 long-term care insurance carriers. The Guidelines data

distinguish between individual and worksite-sold business, and are comprised of comprehensive long term care (“LTC”) policies with similar benefits, and sold in a similar manner, to LifeSecure’s.

The morbidity assumption includes Milliman consultant adjustments to reflect the policy benefits and the expected policyholder behavior based on the degree of underwriting, the distribution method, and other factors. LifeSecure’s morbidity experience is not credible, and we believe the Guidelines data is the most relevant data available. The Milliman consultant adjustments customize the morbidity assumption to LifeSecure’s inforce policies. Although this is a unisex policy form, the morbidity assumption is sex-distinct.

The original morbidity assumption for this policy form was the 2002 Milliman Long-Term Care Guidelines. The 2011 Milliman Long-Term Care Guidelines were used to price our second generation LTC product. The previous rate increase request was based on the 2014 Milliman Long-Term Care Guidelines.

Sample incidence and continuance rates are included to illustrate the relationships between the Milliman LTC Guidelines:

<b>Incidence Rate Assumption Comparison</b>					
Attained Age	Sex	2002 Guidelines	2011 Guidelines	2014 Guidelines	2017 Guidelines
67	F	0.4%	0.3%	0.3%	0.3%
72	F	0.8%	0.7%	0.6%	0.6%
77	F	2.0%	1.5%	1.5%	1.4%
82	F	3.7%	3.1%	3.1%	3.0%
67	M	0.4%	0.3%	0.3%	0.3%
72	M	0.7%	0.6%	0.6%	0.5%
77	M	1.9%	1.4%	1.3%	1.2%
82	M	3.3%	2.4%	2.6%	2.5%

<b>Ratio of Incidence to the 2017 Milliman Guidelines</b>					
Attained Age	Sex	2002 Guidelines	2011 Guidelines	2014 Guidelines	2017 Guidelines
67	F	133%	100%	100%	100%
72	F	133%	117%	100%	100%
77	F	143%	107%	107%	100%
82	F	123%	103%	103%	100%
67	M	133%	100%	100%	100%
72	M	140%	120%	120%	100%
77	M	133%	100%	100%	100%
82	M	133%	117%	100%	100%

<b>Length of Stay (Years) Assumption Comparison</b>					
Attained Age	Sex	2002 Guidelines	2011 Guidelines	2014 Guidelines	2017 Guidelines
67	F	1.33	1.75	1.98	2.00
72	F	1.15	1.83	1.96	2.06
77	F	1.22	1.93	2.02	2.12
82	F	1.33	1.94	2.07	2.14
67	M	1.20	1.58	1.80	1.76
72	M	1.11	1.69	1.77	1.76
77	M	1.03	1.60	1.70	1.74
82	M	0.98	1.57	1.68	1.71

<b>Ratio of Length of Stay to the 2017 Milliman Guidelines</b>					
Attained Age	Sex	2002 Guidelines	2011 Guidelines	2014 Guidelines	2017 Guidelines
67	F	67%	88%	99%	100%
72	F	56%	89%	95%	100%
77	F	58%	91%	95%	100%
82	F	62%	91%	97%	100%
67	M	68%	90%	102%	100%
72	M	63%	96%	101%	100%
77	M	67%	88%	99%	100%
82	M	56%	89%	95%	100%

Claim Cost Assumption Comparison					
Attained Age	Sex	2002 Guidelines	2011 Guidelines	2014 Guidelines	2017 Guidelines
67	F	\$196.33	\$189.92	\$202.21	\$191.06
72	F	\$338.98	\$401.01	\$429.39	\$435.59
77	F	\$891.52	\$1,010.50	\$1,030.74	\$1,017.12
82	F	\$1,861.12	\$2,143.18	\$2,268.93	\$2342.48
67	M	\$173.36	\$177.33	\$179.93	\$164.63
72	M	\$290.31	\$338.77	\$334.52	\$322.43
77	M	\$693.93	\$750.79	\$752.86	\$725.43
82	M	\$1,201.31	\$1,337.46	\$1,504.74	\$1,546.43

Ratio of Claim Costs to the 2017 Milliman Guidelines					
Attained Age	Sex	2002 Guidelines	2011 Guidelines	2014 Guidelines	2017 Guidelines
67	F	103%	99%	106%	100%
72	F	78%	92%	99%	100%
77	F	88%	99%	101%	100%
82	F	79%	91%	97%	100%
67	M	105%	108%	109%	100%
72	M	90%	105%	104%	100%
77	M	103%	99%	106%	100%
82	M	78%	92%	99%	100%

## B. Mortality and Interest

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 for the tenth and later years. The mortality of claimant lives was assumed to be equal to four times the 1979 – 1981 US Life Mortality Table.

Mortality Assumption Summary			
<u>AOM Assumption</u>	<u>Product Version</u>	<u>Non-Claimant Mortality</u>	<u>Claimant Mortality</u>
Original	LTC 1.0	1994 GAM (no selection)	4x 1979-1981 US Life Table
<b>Current</b>	<b>All Products</b>	<b>1994 GAM with Selection</b>	<b>4x 1979-1981 US Life Table</b>

The present value of future projected benefits is discounted at a weighted-average interest rate based on the statutory valuation interest rates in effect at the time the policies were issued, which is calculated as 3.7% for this policy form.

## C. Lapse Rates

For purposes of projecting future earned premium and incurred claims, the voluntary lapse rates and a summary of original lapse assumptions are presented here:

Voluntary Lapse Assumption Summary		
<u>AOM Assumption</u>	<u>Product Version</u>	<u>Lapse Assumption</u>
Original	LTC 1.0	2006 Version; Ultimate 1.5% Lapse
<b>Current</b>	<b>All Products</b>	<b>2011 Update; Ultimate 1.0% Lapse</b>

The 2011 updated voluntary lapse assumptions were derived from total termination studies on the LTC 1.0 policy form and Milliman industry lapse data. The 2006 version was based solely Milliman industry lapse data.

<b>2006 Version Voluntary Lapse</b>		
<u>Policy Duration</u>	<u>Lapse Rates (Lifetime Pay)</u>	<u>Lapse Rates (Limited Pay)</u>
1	8.0%	4.00%
2	5.0%	2.50%
3	3.5%	1.75%
4	2.5%	1.25%
5	2.0%	1.00%
6+	1.5%	0.75%
Paid-Up Period	n/a	0.00%

<b>2011 Update Voluntary Lapse Rates</b>			
<u>Lifetime Pay</u>			
Individuals and Employee-paid Members of Groups			
<u>Policy Duration</u>	<u>Issue Ages &lt;50</u>	<u>Issue Ages 50-64</u>	<u>Issue Ages 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

<b>2011 Update Voluntary Lapse Rates</b>			
<u>Limited Pay</u>			
Individuals and Employee-paid Members of Groups			
<u>Policy Duration</u>	<u>Issue Ages &lt;50</u>	<u>Issue Ages 50-64</u>	<u>Issue Ages 65+</u>
1	4.00%	2.75%	2.00%
2	3.00	1.88	1.50
3	2.00	1.25	1.00
4	1.50	0.88	0.88
5	1.25	0.75	0.75
6	1.00	0.63	0.63
7	0.75	0.63	0.63
8+	0.50	0.50	0.50
Paid-Up Period	0.00	0.00	0.00

<b>2011 Update Voluntary Lapse Rates</b>		
Individuals where Employer is Contributing		
<u>Policy Duration</u>	<u>Lapse Rates (Lifetime Pay)</u>	<u>Lapse Rates (Limited Pay)</u>
1	8.0%	4.00%
2	5.0%	2.50%
3	5.0%	2.50%
4	4.0%	2.00%
5	3.5%	1.75%
6+	3.0%	1.50%
Attained Ages 65+	1.0%	0.50%
Paid-Up Period	n/a	0.00%

**17. Historical Experience**

The historical experience for the nationwide business since inception through 2020 is shown in Exhibit I. The following table summarizes the historical loss ratio:

Earned Premium	Incurred Claims*	Actual Loss Ratio	Expected Loss Ratio	A/E Loss Ratio
143,787,636	10,164,614	7.1%	8.5%	0.83

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 12/31/2020.

**18. Projected Future Experience**

Future experience which has been projected 60 years using the assumptions described in section 6 is shown in Exhibit II. These are the company’s best estimate assumptions without any additional margin for moderately adverse experience included. The following summarizes the nationwide anticipated future loss ratio without the requested rate increase:

Earned Premium	Incurred Claims	Actual Loss Ratio	Expected Loss Ratio	A/E Loss Ratio
168,443,553	211,268,352	125.4%	116.8%	1.07

**19. 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. The nationwide value, without the requested rate increase or any factors for moderately adverse experience applied, is summarized below:

Earned Premium	Incurred Claims	Actual Loss Ratio	Expected Loss Ratio	A/E Loss Ratio
312,231,189	221,432,966	70.9%	59.9%	1.18

Exhibit III shows the actual historical and projected future lifetime loss ratio exhibit with the requested rate increases.

**20. Rate Stability 58/85 Regulation Test**

The loss ratio standard on rate stability policies is 58% of the original premium schedule, plus 85% of the premium increase and is summarized in the following table. This table is used for the rate stability analysis. These values include the currently requested rate increase and any previously approved rate increases applied to the policy form and demonstrates that the combined rate increase does fall within the rate stability guidelines.

Total Policies With Requested Rate Increase 58/85 Test		
(1)	Accumulated Total Past Premiums (Including Rate Increases)	143,787,636
(2)	Accumulated Past Premiums on an Original Basis	134,773,372
(3)	Accumulated Past Premiums Attributable to Rate Increases (1) minus (2)	9,014,264
(4)	PV Total Future Premiums (Including Rate Increases)	202,592,566
(5)	PV Future Premiums on an Original Basis	135,853,499
(6)	PV Future Premiums Attributable to Rate Increases (4) minus (5)	66,739,067
(7)	Accumulated Past Incurred Claims	10,164,614
(8)	PV Future Incurred Claims	211,268,352
(9)	Total Incurred Claims (7) + (8)	221,432,966
(10)	$0.58*[(2)+(5)]+0.85*[(3)+(6)]$	221,353,916
(11)	Test: Is (9)>(10)?	TRUE

## 21. Actuarial Certification

I, Jason B. Bushey, 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 Pennsylvania, and Actuarial Standard of Practice Number 8, "Regulatory Filings for Rates and Financial Projections for Health Plans," as adopted by the Actuarial Standards Board.

In my opinion, if the requested rate increase is implemented and the underlying assumptions emerge as expected, then the revised premium rate schedule is sufficient to cover anticipated costs under normal and moderately adverse experience. This would make the premium rates reasonably expected to be sustainable over the life of the forms without further rate increases being necessary or anticipated. The margin for moderately adverse experience defined for this form is an increase in the lifetime loss ratio of 10%.

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 that the information in this actuarial memorandum applies to is included in the filing and named "Exhibit V and VI Pennsylvania Proposed Rate Sheets LS-0002 2021.08.12.pdf".

The premium rate schedules cap rate increases at currently marketed premium levels. Policies originally paying less than currently marketed premiums will receive a rate increase resulting in premiums that are not greater than the rate schedules for similar products currently being marketed.

The benefits are reasonable in relation to the premiums.

In forming my opinion, I have used actuarial assumptions, actuarial methods, and such tests of the actuarial calculations as I considered necessary. The assumptions present my best judgment and are consistent with LifeSecure's business plan at the time of the filing.

Respectfully Submitted,



Jason B. Bushey, FSA, MAAA  
Senior Director of Actuarial & Risk Management  
LifeSecure Insurance Company  
8/12/2021

**Actual Historical Experience  
As of December 31, 2020**

**Exhibit I**

**Total Nationwide Policies**

**Policy Form LS-0002**

Incurring Year	Earned Premium	Incurred Claims	Actual Loss Ratio
2007	68,675	2,578	3.8%
2008	245,040	12,371	5.0%
2009	649,515	37,184	5.7%
2010	1,233,120	35,012	2.8%
2011	2,183,973	91,836	4.2%
2012	4,208,132	376,030	8.9%
2013	7,804,139	683,395	8.8%
2014	14,266,100	834,634	5.9%
2015	15,885,831	456,653	2.9%
2016	15,170,387	379,791	2.5%
2017	14,697,013	1,155,553	7.9%
2018	13,309,340	802,817	6.0%
2019	12,607,266	1,767,901	14.0%
2020	12,285,396	2,331,028	19.0%
Total	114,613,926	8,966,784	7.8%
<b>Total w/Interest</b>	<b>134,773,372</b>	<b>10,164,614</b>	<b>7.5%</b>

**Exhibit II**  
**LifeSecure Insurance Company**  
**Actual Historical Experience and Future Best Estimate Projections**  
**With Prior Pennsylvania Approved Rate Increases Applied Nationwide**  
**Total LTC 1.0 Nationwide Policies**

	Earned Premium	Incurred Claims	Loss Ratio	Discount Rate at 3.7%
2007	68,675	2,578	3.8%	16331
2008	245,040	12,371	5.0%	15748
2009	649,515	37,184	5.7%	15186
2010	1,233,120	35,012	2.8%	14645
2011	2,183,973	91,836	4.2%	14122
2012	4,208,132	376,030	8.9%	13618
2013	7,804,139	683,395	8.8%	13132
2014	14,266,100	834,634	5.9%	12664
2015	15,885,831	456,653	2.9%	12212
2016	15,170,387	379,791	2.5%	11776
2017	14,697,013	1,155,553	7.9%	11356
2018	15,801,304	802,817	5.1%	10951
2019	15,681,005	1,767,901	11.3%	10560
2020	15,270,138	2,331,028	15.3%	10183
2021	16,285,778	2,908,016	17.9%	0.9820
2022	15,684,603	3,462,705	22.1%	0.9470
2023	14,900,868	4,053,595	27.2%	0.9132
2024	13,474,687	4,651,321	34.5%	0.8806
2025	12,849,151	5,281,719	41.1%	0.8492
2026	12,374,326	5,950,886	48.1%	0.8189
2027	11,886,320	6,666,558	56.1%	0.7897
2028	11,386,418	7,432,777	65.3%	0.7615
2029	10,871,537	8,235,401	75.8%	0.7343
2030	10,346,064	9,066,893	87.6%	0.7081
2031	9,802,229	9,921,796	101.2%	0.6828
2032	9,256,085	10,797,419	116.7%	0.6585
2033	8,712,819	11,667,971	133.9%	0.6350
2034	8,165,834	12,531,222	153.5%	0.6123
2035	7,617,274	13,364,013	175.4%	0.5905
2036	7,070,227	14,144,596	200.1%	0.5694
2037	6,532,098	14,835,672	227.1%	0.5491
2038	6,003,267	15,413,278	256.7%	0.5295
2039	5,488,399	15,870,210	289.2%	0.5106
2040	4,991,055	16,188,941	324.4%	0.4924
2041	4,512,013	16,368,472	362.8%	0.4748
2042	4,047,938	16,372,383	404.5%	0.4579
2043	3,615,144	16,220,310	448.7%	0.4415
2044	3,212,699	15,920,965	495.6%	0.4258
2045	2,838,961	15,489,626	545.6%	0.4106
2046	2,494,793	14,938,127	598.8%	0.3960
2047	2,180,542	14,273,714	654.6%	0.3818
2048	1,895,958	13,523,102	713.3%	0.3682
2049	1,640,280	12,704,109	774.5%	0.3551
2050	1,412,321	11,856,347	839.5%	0.3424
2051	1,210,601	10,975,367	906.6%	0.3302
2052	1,033,338	10,086,508	976.1%	0.3184
2053	878,639	9,220,774	1049.4%	0.3070
2054	744,468	8,384,989	1126.3%	0.2961
2055	628,771	7,594,471	1207.8%	0.2855
2056	529,538	6,855,855	1294.7%	0.2753
2057	444,817	6,162,923	1385.5%	0.2655
2058	372,758	5,532,051	1484.1%	0.2560
2059	311,668	4,951,611	1588.7%	0.2469
2060	260,015	4,415,167	1698.0%	0.2381
2061	216,448	3,918,353	1810.3%	0.2296
2062	179,771	3,459,707	1924.5%	0.2214
2063	148,950	3,049,498	2047.3%	0.2135
2064	123,103	2,668,956	2168.1%	0.2059
2065	101,476	2,327,187	2293.3%	0.1985
2066	83,424	2,014,287	2414.5%	0.1915
2067	68,380	1,731,770	2532.6%	0.1846
2068	55,865	1,482,757	2654.2%	0.1780
2069	45,472	1,259,062	2768.8%	0.1717
2070	36,855	1,060,005	2876.2%	0.1656
2071	29,726	883,308	2971.5%	0.1597
2072	23,848	727,434	3050.3%	0.1540
2073	19,027	591,441	3108.5%	0.1485
2074	15,091	475,300	3149.5%	0.1432
2075	11,895	380,241	3196.6%	0.1381
2076	9,314	302,256	3245.0%	0.1331
2077	7,245	238,412	3290.7%	0.1284
2078	5,597	187,685	3353.1%	0.1238
2079	4,294	144,639	3368.7%	0.1194
2080	3,269	112,690	3447.4%	0.1151
<b>Accumulated and Present Values as of 12/31/2020:</b>				
<b>Historical</b>	143,787,636	10,164,614	7.1%	
<b>Projected</b>	168,443,553	211,268,352	125.4%	
<b>Lifetime</b>	312,231,189	221,432,966	70.9%	



**Exhibit III**  
**LifeSecure Insurance Company**  
**Actual Historical Experience and Future Best Estimate Projections**  
**With 22.4% Rate Increase**  
**Total LTC 1.0 Nationwide Policies**

	Earned Premium	Incurred Claims	Loss Ratio	Discount Rate at 3.7%
2007	68,675	2,578	3.8%	16331
2008	245,040	12,371	5.0%	15748
2009	649,515	37,184	5.7%	15186
2010	1,233,120	35,012	2.8%	14645
2011	2,183,973	91,836	4.2%	14122
2012	4,208,132	376,030	8.9%	13618
2013	7,804,139	683,395	8.8%	13132
2014	14,266,100	834,634	5.9%	12664
2015	15,885,831	456,653	2.9%	12212
2016	15,170,387	379,791	2.5%	11776
2017	14,697,013	1,155,553	7.9%	11356
2018	15,801,304	802,817	5.1%	10951
2019	15,681,005	1,767,901	11.3%	10560
2020	15,270,138	2,331,028	15.3%	10183
2021	16,285,778	2,908,016	17.9%	0.9820
2022	19,197,954	3,462,705	18.0%	0.9470
2023	18,238,662	4,053,595	22.2%	0.9132
2024	16,493,017	4,651,321	28.2%	0.8806
2025	15,727,361	5,281,719	33.6%	0.8492
2026	15,146,175	5,950,886	39.3%	0.8189
2027	14,548,855	6,666,558	45.8%	0.7897
2028	13,936,976	7,432,777	53.3%	0.7615
2029	13,306,762	8,235,401	61.9%	0.7343
2030	12,663,582	9,066,893	71.6%	0.7081
2031	11,997,929	9,921,796	82.7%	0.6828
2032	11,329,448	10,797,419	95.3%	0.6585
2033	10,664,490	11,667,971	109.4%	0.6350
2034	9,994,981	12,531,222	125.4%	0.6123
2035	9,323,544	13,364,013	143.3%	0.5905
2036	8,653,958	14,144,596	163.4%	0.5694
2037	7,995,288	14,835,672	185.6%	0.5491
2038	7,347,998	15,413,278	209.8%	0.5295
2039	6,717,801	15,870,210	236.2%	0.5106
2040	6,109,051	16,188,941	265.0%	0.4924
2041	5,522,704	16,368,472	296.4%	0.4748
2042	4,954,676	16,372,383	330.4%	0.4579
2043	4,424,936	16,220,310	366.6%	0.4415
2044	3,932,343	15,920,965	404.9%	0.4258
2045	3,474,889	15,489,626	445.8%	0.4106
2046	3,053,627	14,938,127	489.2%	0.3960
2047	2,668,983	14,273,714	534.8%	0.3818
2048	2,320,652	13,523,102	582.7%	0.3682
2049	2,007,703	12,704,109	632.8%	0.3551
2050	1,728,681	11,856,347	685.9%	0.3424
2051	1,481,776	10,975,367	740.7%	0.3302
2052	1,264,805	10,086,508	797.5%	0.3184
2053	1,075,455	9,220,774	857.4%	0.3070
2054	911,229	8,384,989	920.2%	0.2961
2055	769,615	7,594,471	986.8%	0.2855
2056	648,154	6,855,855	1057.8%	0.2753
2057	544,456	6,162,923	1131.9%	0.2655
2058	456,256	5,532,051	1212.5%	0.2560
2059	381,482	4,951,611	1298.0%	0.2469
2060	318,259	4,415,167	1387.3%	0.2381
2061	264,933	3,918,353	1479.0%	0.2296
2062	220,040	3,459,707	1572.3%	0.2214
2063	182,314	3,049,498	1672.7%	0.2135
2064	150,679	2,668,956	1771.3%	0.2059
2065	124,206	2,327,187	1873.7%	0.1985
2066	102,111	2,014,287	1972.7%	0.1915
2067	83,697	1,731,770	2069.1%	0.1846
2068	68,379	1,482,757	2168.4%	0.1780
2069	55,658	1,259,062	2262.1%	0.1717
2070	45,110	1,060,005	2349.8%	0.1656
2071	36,384	883,308	2427.7%	0.1597
2072	29,190	727,434	2492.1%	0.1540
2073	23,289	591,441	2539.6%	0.1485
2074	18,472	475,300	2573.1%	0.1432
2075	14,560	380,241	2611.6%	0.1381
2076	11,401	302,256	2651.2%	0.1331
2077	8,868	238,412	2688.5%	0.1284
2078	6,851	187,685	2739.5%	0.1238
2079	5,255	144,639	2752.2%	0.1194
2080	4,001	112,690	2816.5%	0.1151
<b>Accumulated and Present Values as of 12/31/2020:</b>				
<b>Historical</b>	143,787,636	10,164,614	7.1%	
<b>Projected</b>	202,592,566	211,268,352	104.3%	
<b>Lifetime</b>	346,380,202	221,432,966	63.9%	

**Exhibit IV – Projection Assumptions**

1. Interest

A 3.7% effective annual rate of interest for this policy form 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 Duration</u>	<u>Issue Ages &lt;50</u>	<u>Issue Ages 50-64</u>	<u>Issue Ages 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 (All Issue Ages)</u>
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 2017 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.



LifeSecure Insurance Company  
 Policyholder Support  
 P.O. Box 1019 Brighton, MI 48116  
 Fax: 877.226.0925

[Mailing Date]

**Important Notice:  
 Upcoming Long Term Care  
 Premium Rate Increase**

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

Policy Number: [       ]

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

Dear [Policyholder Name]:

We are grateful to have earned your trust in us over the years, and we are committed to providing you with quality long term care coverage as cost-effectively as possible. This means ensuring the benefits will be there for claims that arise for our policyholders. As such, LifeSecure regularly reviews its long term care insurance policies to ensure that it has the ability to administer future claims. Our recent review confirmed it is necessary to increase premiums on certain policy series to reflect the future claims expected on these policies.

This increase was a difficult decision and one we do not take lightly. **Please be assured this premium increase impacts a broad group of policyholders in the state that your policy was issued and is not due to changes in your age, personal health or claims history.** We also want to assure you this premium adjustment was not caused by the COVID-19 pandemic. Implementing this increase now will allow us to deliver strong protection you and all our policyholders need today and in the future.

Premium increases have occurred industry wide and are not isolated to LifeSecure. You can rest assured LifeSecure is strong and financially viable. We are a majority-owned subsidiary of the largest health insurance company in Michigan and market long term care insurance nationally in 45 states (plus D.C.). The rate increase was filed in accordance with the laws and regulations of the state in which your policy was issued. We maintain the right to raise premiums in the future as stated in your policy, and any such increase would be in accordance with applicable laws and regulations.

**What this means to you:**

- The following chart represents the upcoming change to your premium. The rate increase will go into effect on the Increase Effective Date shown below.
- The enclosed Selection Option Form outlines options that are available to you. If you decide not to choose an option by the effective date shown below, your new premium shown below will go into effect. [Additional options may also be available to you to reduce premium, and we encourage you to call us to discuss these options or any questions you may have.]

If your premium is currently being waived because of your claim status, you will not be affected by this rate increase until your premium is no longer being waived.

If you have received, recently accepted, or are expecting to receive a Guaranteed Future Purchase Offer or made any other changes to your policy, the new premium shown below may not reflect the recent changes.

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



LifeSecure Insurance Company  
Policyholder Support  
P.O. Box 1019 Brighton, MI 48116  
Fax: 877.226.0925

If your current plan meets the requirements for Partnership Plan Certification in your state, reducing coverage may disqualify your eligibility.

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 are happy to answer any questions you might have. Please call our Policyholder Support team at 888.575.8246 or e-mail us at [phs@yourlifesecond.com](mailto:phs@yourlifesecond.com).

Sincerely,

LifeSecure Policyholder Support

January 4, 2022

RE: LifeSecure Insurance Company  
Individual Long Term Care Rate Increase Filing  
Pennsylvania Objection Response

Dear Mr. Lavery:

The following are LifeSecure's responses to your objections sent on September 6, 2021:

- 1. It appears that LS-0002 PA 07/07 policyholders who do not purchase the 3% or 5% compound inflation options will automatically be given the GPO option. This means that all PA policyholders fall into one of three inflation indexing options: (i) GPO, (ii) 3% compound, or (iii) 5% compound. Please confirm if my impression is correct.**

That is correct. All policies either have 3% compound inflation, 5% compound inflation, or receive guaranteed purchase offers (GPO).

- 2. On Dec 6, 2017, the Department approved rate increases of 17%, 29%, and 29% for GPO, 3% Compound Inflation, and 5% Compound Inflation policies, respectively.**

**How many current PA policies in force with the GPO option received a 17% increase?**

**How many current PA policies in force with 3% compound inflation received a 29% increase?**

**How many current PA policies in force with 5% compound inflation received a 29% increase?**

Using inforce policies as of 12/31/2020, 47 out of 61 total policies inforce with the GPO option received the full 17% rate increase. Out of the 14 remaining GPO policies, 2 received an 11.9% rate increase, 1 received a 5.4% rate increase, 1 received a 3.5% rate increase, 1 received a 1.7% rate increase, and the remaining 9 received no rate increase.

For the PA policies inforce as of 12/31/2020 with 3% compound inflation, all 100 of them received the full 29% rate increase. The 8 PA policies with 5% compound inflation all received the full 29% rate increase as well.

- 3. Is the 90-day elimination period the only choice available?**

Yes, the 90-day elimination period is the only choice available.

- 4. Please provide the rate increase history by state on this series (include a column that shows the cumulative increase) in an Excel spreadsheet.**

The rate increase history by state is included in Attachment I in the spreadsheet "PA Objection Exhibits 2022.01.04.xlsx".

- 5. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit II) for this nationwide block of policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the current Pennsylvania rate level.**

Since Pennsylvania approved a previous rate increase of 17% for GPO policies and 29% for compound inflation policies, the current Pennsylvania rate level includes those. Thus, Attachment IIa in the spreadsheet "PA Objection Exhibits 2022.01.04.xlsx" is the lifetime loss ratio exhibit for all nationwide policies with the prior approved Pennsylvania rate increase applied since inception.

6. **Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit II) for this nationwide block of policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the original rate level. The original rate level is the rate level that would have existed if no increase was ever granted on any policy nationwide.**

Attachment IIb in the spreadsheet "PA Objection Exhibits 2022.01.04.xlsx" is the lifetime loss ratio exhibit with all nationwide policies at the original rate level and no rate increases applied.

7. **Please provide the percent of active policyholders remaining on this block on a nationwide basis. How many policies were issued nationwide? How many policies remain in force nationwide?**

Nationwide there were 14,616 policies issued. This excludes policies that canceled during their free look period, policies that converted from a previous policy number, and other things like that, in order to avoid double counting. As of 12/31/2020, there were 8,895 policies inforce nationwide. Thus, the percent of active policyholders remaining on this block is approximately 60.86%.

8. **What is the weighted average increase experienced by the LS-0002 PA 07/07 policies currently in force in PA?**

As of 12/31/2020, the weighted average increase experienced by policies inforce in Pennsylvania was approximately 25.9%.

9. **Please provide Exhibits II and III in Excel.**

Exhibits II and III are included in the attached spreadsheet "PA Objection Exhibits 2022.01.04.xlsx".

Thank you for your time and consideration of this filing.

Sincerely,



Jodi McAllister  
Senior Actuarial Analyst  
LifeSecure Insurance Company  
Brighton, MI

January 13, 2022

RE: LifeSecure Insurance Company  
Individual Long Term Care Rate Increase Filing  
Pennsylvania Objection Response

Dear Sean Carmody:

The following are LifeSecure's responses to your objections sent on January 5, 2022:

- 1. The captioned filing has been reviewed by the Pennsylvania Insurance Department. It has been determined that the filing fails to meet the requirements of our Insurance Company Laws or regulations and is therefore disapproved pursuant to the authority granted under Section 304(a) of Act 134, the Accident and Health Filing Reform Act. In the event you have any questions regarding the stated concerns, please feel free to contact the Department for further clarification.**

**The disapproved filing may be resubmitted within 120 days of the date of disapproval. If the Department does not hear from you within 120 days, the subject filing will be permanently closed. Such filings resubmitted after 120 days must be submitted as a new filing, inclusive of appropriate filing fees and disclosure of the closed filing SERFF tracking number.**

**The Department cannot approve this filing as submitted but we can offer a 20% increase on the above captioned form.**

**If LifeSecure would like to accept our offer, then please respond with an acceptance letter.**

LifeSecure is willing to accept the offer of a 20% rate increase on this policy form in Pennsylvania.

Thank you for your time and consideration of this filing.

Sincerely,



Jodi McAllister  
Senior Actuarial Analyst  
LifeSecure Insurance Company  
Brighton, MI