

State: Pennsylvania **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Individual Long Ter Care Insurance
Project Name/Number: ILTC-2 Re-Rate/6I-2017

Filing at a Glance

Company: The Prudential Insurance Company of America
Product Name: Individual Long Ter Care Insurance
State: Pennsylvania
TOI: LTC03I Individual Long Term Care
Sub-TOI: LTC03I.001 Qualified
Filing Type: Rate - G.I. (Guaranteed Issue)
Date Submitted: 07/29/2017
SERFF Tr Num: PRUD-131133056
SERFF Status: Assigned
State Tr Num: PRUD-131133056
State Status: Received Review in Progress
Co Tr Num: IIGHILTC2RERATE-RP-PA

Implementation: On Approval
Date Requested:
Author(s): Laura Hughes, Raenonna Prince, Hina Ahmad, Ritu Jain
Reviewer(s): Jim Laverty (primary)
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

Proposed aggregate 1.3% increase on 374 policyholders of Prudential forms GRP 112687 and GRP 112685.

State: Pennsylvania **Filing Company:** The Prudential Insurance Company of America
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Individual Long Ter Care Insurance
Project Name/Number: ILTC-2 Re-Rate/6I-2017

General Information

Project Name: ILTC-2 Re-Rate	Status of Filing in Domicile: Not Filed
Project Number: 6I-2017	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact:	Filing Status Changed: 07/31/2017
	State Status Changed: 07/31/2017
Deemer Date:	Created By: Raenonna Prince
Submitted By: Raenonna Prince	Corresponding Filing Tracking Number:
	State TOI: LTC03I Individual Long Term Care

Filing Description:

Please refer to the Filing Cover Letter attached to the Supporting Documentation Tab of this filing.

Company and Contact

Filing Contact Information

Keith Burns, Vice President and Actuary keith.burns@prudential.com
 Long Term Care Unit 402-715-4861 [Phone]
 100 Mulberry Street
 Gateway Center 2, 11th Floor
 Newark, NJ 07102

Filing Company Information

The Prudential Insurance Company of America	CoCode: 68241	State of Domicile: New Jersey
751 Broad Street	Group Code: 304	Company Type: Life
Newark, NJ 07102-3777	Group Name:	State ID Number:
(973) 802-6000 ext. [Phone]	FEIN Number: 22-1211670	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

PRUD-131133056

State Tracking #:

PRUD-131133056

Company Tracking #:

IIGHILTC2RERATE-RP-PA

State:

Pennsylvania

Filing Company:

The Prudential Insurance Company of America

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

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Individual Long Ter Care Insurance

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ILTC-2 Re-Rate/6I-2017

Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

11.900%

Effective Date of Last Rate Revision:

10/01/2016

Filing Method of Last Filing:

SERFF

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):
The Prudential Insurance Company of America	1.300%	1.300%	\$12,820	374	\$1,018,132	7.700%	0.000%

SERFF Tracking #:

PRUD-131133056

State Tracking #:

PRUD-131133056

Company Tracking #:

IIGHILTC2RERATE-RP-PA

State:

Pennsylvania

Filing Company:

The Prudential Insurance Company of America

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

Individual Long Ter Care Insurance

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ILTC-2 Re-Rate/6I-2017

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Appendix F - Rate Pages	GRP 112687, GRP 112685	Revised	Previous State Filing Number: PRUD-130397957 Percent Rate Change Request: 1.3	Appendix F - Rate Pages (PA ILTC2).pdf,

Appendix F
The Prudential Insurance Company of America
Individual Long Term Care Insurance Plan
Base Rates and Adjustment Factors

GRP 112687 & GRP 112685

Page 1 of 3

PENNSYLVANIA BASE RATES BEFORE ADJUSTMENTS					
Gross Annual Standard Unmarried (Single) Premium Per \$10.00 of Institutional Care Daily Benefit					
Home Care Daily Benefit: 100% of Institutional Care Daily Benefit					
\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)					
90 Day Elimination Period					
Lifetime Premium Payment Option					
Inflation Option					
Issue Age	None	Guaranteed Purchase Option	5% Automatic Simple	5% Automatic Compound (2x Maximum)	5% Automatic Compound (No Maximum)
18-30	54.85	58.97	89.96	56.05	127.63
31	55.46	59.63	90.96	58.38	129.05
32	56.05	60.29	91.97	60.73	130.47
33	56.67	60.93	92.96	63.06	131.88
34	57.28	61.59	93.97	65.40	133.30
35	57.89	62.24	94.97	67.73	134.72
36	58.49	62.90	95.96	70.06	136.14
37	59.11	63.57	96.95	72.40	137.56
38	59.71	64.21	97.96	74.73	138.96
39	60.31	64.87	98.96	77.06	140.38
40	60.93	65.52	99.97	79.40	141.80
41	62.48	67.20	103.67	83.34	147.35
42	64.04	68.87	107.44	87.36	153.02
43	65.59	70.55	111.25	91.42	158.75
44	67.16	72.22	115.10	95.57	164.63
45	68.71	73.89	119.02	99.77	170.59
46	70.28	75.57	123.01	104.01	176.68
47	71.83	77.24	127.03	108.33	182.87
48	73.40	78.92	131.11	112.73	189.15
49	74.95	80.58	135.24	117.17	195.54
50	76.51	82.28	139.45	121.68	202.05
51	81.91	88.08	147.90	130.65	210.26
52	87.32	93.90	156.30	139.54	218.37
53	92.71	99.70	164.62	148.35	226.32
54	98.11	105.51	172.83	157.06	234.15
55	103.52	111.31	180.98	165.70	241.87
56	108.92	117.13	189.04	174.25	249.45
57	114.31	122.93	197.01	182.72	256.89
58	119.73	128.74	204.92	191.09	264.18
59	125.12	134.54	212.71	199.37	271.36
60	130.54	140.36	220.44	207.56	278.41
61	141.62	152.28	236.68	226.62	296.12
62	152.71	164.22	250.25	243.51	310.38
63	163.80	176.14	263.51	260.07	324.37
64	174.90	188.06	274.22	274.56	335.04
65	186.00	200.00	298.09	298.79	363.13
66	208.08	223.74	331.41	332.48	394.53
67	230.17	247.49	364.73	366.20	425.31
68	252.25	271.23	398.06	399.91	455.38
69	274.32	294.98	431.37	433.61	484.79
70	296.42	318.72	464.69	467.32	513.53
71	337.32	362.72	523.14	529.61	572.24
72	378.23	406.71	581.58	591.92	630.95
73	419.14	450.69	640.03	654.23	689.67
74	460.06	494.69	698.45	716.53	748.37
75	500.97	538.68	756.90	778.83	807.09
76	570.12	613.05	852.10	876.76	899.36
77	639.28	687.41	947.30	974.69	991.64
78	708.43	761.77	1,042.48	1,072.61	1,083.90
79	777.59	836.12	1,137.68	1,170.54	1,176.18
80	846.73	910.48	1,232.89	1,268.46	1,268.46
81	963.61	1,036.14	1,385.02	1,413.49	1,413.49
82	1,080.49	1,161.82	1,537.17	1,558.51	1,558.51
83	1,197.36	1,287.49	1,689.31	1,703.54	1,703.54
84	1,314.23	1,413.17	1,841.46	1,848.57	1,848.57

Appendix F
The Prudential Insurance Company of America
Individual Long Term Care Insurance Plan
Base Rates and Adjustment Factors

GRP 112687 & GRP 112685
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Adjustment Factors - Policy Benefit Options						
Lifetime Maximum (Benefit Period)		Elimination Period			Home and Community Based Care Daily Benefit	
Benefit Period		Elimination Period	Service Day Definition	Calendar Day Definition	HHC % of Institutional Benefit	
2 YEAR	0.73	30 DAY*	1.14	1.15		
3 YEAR	0.82	60 DAY	1.08	1.10	50%	0.93
4 YEAR*	0.91	90 DAY	1.00	1.04	75%	0.97
5 YEAR*	1.00	180 DAY	0.91	0.93	100%	1.00
UNLIMITED*	1.48					

* Note available for issue ages 80 - 84

Adjustment Factors - Monthly Benefit Rider					
HHC % of Institutional Benefit	Inflation Option				
	None	Guaranteed Purchase Option	5% Automatic Simple	5% Automatic Compound (2x Maximum)	5% Automatic Compound (No Maximum)
50%	1.070	1.070	1.075	1.100	1.100
75%	1.053	1.053	1.058	1.088	1.088
100%	1.035	1.035	1.040	1.075	1.075

Adjustment factors - Cash Benefit Rider							
Issue Ages	HHC % of Institutional Benefit	Benefit Period	Inflation Option				
			None	Guaranteed Purchase Option	5% Automatic Simple	5% Automatic Compound (2x Maximum)	5% Automatic Compound (No Maximum)
18 - 64	50%	2	1.378	1.378	1.400	1.464	1.464
		3	1.464	1.464	1.486	1.550	1.550
		4	1.550	1.550	1.572	1.636	1.636
		5	1.636	1.636	1.658	1.712	1.712
		Unlimited	1.807	1.807	1.838	1.890	1.890
	75%	2	1.550	1.550	1.583	1.679	1.679
		3	1.636	1.636	1.669	1.766	1.766
		4	1.712	1.712	1.755	1.852	1.852
		5	1.798	1.798	1.841	1.938	1.938
		Unlimited	1.983	1.983	2.024	2.128	2.128
	100%	2	1.701	1.701	1.766	1.884	1.884
		3	1.787	1.787	1.852	1.970	1.970
		4	1.873	1.873	1.938	2.056	2.056
		5	1.959	1.959	2.024	2.142	2.142
		Unlimited	2.148	2.148	2.210	2.334	2.334
65+	50%	2	1.249	1.249	1.281	1.335	1.335
		3	1.335	1.335	1.367	1.421	1.421
		4	1.421	1.421	1.453	1.507	1.507
		5	1.507	1.507	1.529	1.593	1.593
		Unlimited	1.683	1.683	1.704	1.776	1.776
	75%	2	1.421	1.421	1.464	1.561	1.561
		3	1.507	1.507	1.550	1.647	1.647
		4	1.593	1.593	1.636	1.733	1.733
		5	1.679	1.679	1.712	1.819	1.819
		Unlimited	1.859	1.859	1.890	1.993	1.993
	100%	2	1.583	1.583	1.647	1.766	1.766
		3	1.669	1.669	1.733	1.852	1.852
		4	1.755	1.755	1.819	1.938	1.938
		5	1.841	1.841	1.895	2.024	2.024
		Unlimited	2.024	2.024	2.086	2.210	2.210

Adjustment factors - Cash Indemnity Rider							
Issue Ages	HHC % of Institutional	Benefit Period	Inflation Option				
			None	Guaranteed Purchase	5% Automatic Simple	5% Automatic Compound	5% Automatic Compound
18 - 64	50%	2	1.208	1.208	1.220	1.255	1.255
		3	1.255	1.255	1.267	1.303	1.303
		4	1.303	1.303	1.315	1.350	1.350
		5	1.350	1.350	1.362	1.392	1.392
		Unlimited	1.444	1.444	1.461	1.490	1.490
	75%	2	1.303	1.303	1.321	1.373	1.373
		3	1.350	1.350	1.368	1.421	1.421
		4	1.392	1.392	1.415	1.469	1.469
		5	1.439	1.439	1.463	1.516	1.516
		Unlimited	1.541	1.541	1.563	1.620	1.620
	100%	2	1.386	1.386	1.421	1.486	1.486
		3	1.433	1.433	1.469	1.534	1.534
		4	1.480	1.480	1.516	1.581	1.581
		5	1.527	1.527	1.563	1.628	1.628
		Unlimited	1.631	1.631	1.666	1.734	1.734
65+	50%	2	1.137	1.137	1.155	1.184	1.184
		3	1.184	1.184	1.202	1.232	1.232
		4	1.232	1.232	1.249	1.279	1.279
		5	1.279	1.279	1.291	1.326	1.326
		Unlimited	1.376	1.376	1.387	1.427	1.427
	75%	2	1.232	1.232	1.255	1.309	1.309
		3	1.279	1.279	1.303	1.356	1.356
		4	1.326	1.326	1.350	1.403	1.403
		5	1.373	1.373	1.392	1.450	1.450
		Unlimited	1.472	1.472	1.490	1.546	1.546
	100%	2	1.321	1.321	1.356	1.421	1.421
		3	1.368	1.368	1.403	1.469	1.469
		4	1.415	1.415	1.450	1.516	1.516
		5	1.463	1.463	1.492	1.563	1.563
		Unlimited	1.563	1.563	1.597	1.666	1.666

Appendix F
The Prudential Insurance Company of America
Individual Long Term Care Insurance Plan
Base Rates and Adjustment Factors

GRP 112687 & GRP 112685
Page 3 of 3

Adjustment Factors - Additional Riders						
Restoration of Benefits Rider		Issue Age	Joint Waiver Rider	Survivor Benefit Rider	Shortened Benefit Period Nonforfeiture Rider	
Benefit Period					Included	
2 YEAR	1.03	18 - 55	1.01	1.12		
3 YEAR	1.02	56 - 67	1.02	1.12	Yes	1.11
4 YEAR*	1.01	68 - 72	1.05	1.12	No	1.00
5 YEAR*	1.01	73 - 77	1.11	1.10		
UNLIMITED*	1.00	78 +	1.20	1.05		

Adjustment Factors - Underwriting Class	
Underwriting Class	
Standard	1.00
Rated	1.25

Adjustment Factors - Marital / Caregiver Status			
Marital/Caregiver Status	Without Select Health Discount	With Select Health Discount	Minimum Discount Factor
Married Single	0.90	0.75	0.70
Married Joint	0.80	0.70	0.70
Qualified Adult	0.85	0.70	0.70
Single (Not Married)	1.00	0.85	0.70

Adjustment Factors - Premium Payment Mode	
Premium Payment Mode	
Annual	1.000
Semi-Annual	0.515
Quarterly	0.265
Auto-Monthly	0.085

Pennsylvania Rates
December 1, 2017

SERFF Tracking #:

PRUD-131133056

State Tracking #:

PRUD-131133056

Company Tracking #:

IIGHILTC2RERATE-RP-PA

State: Pennsylvania

Filing Company:

The Prudential Insurance Company of America

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

Product Name: Individual Long Ter Care Insurance

Project Name/Number: ILTC-2 Re-Rate/6I-2017

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	PA - Filing Cover Letter - 7-28-2017.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Certification (A&H)
Bypass Reason:	N/A - This is a rate increase filing for an existing approved product. There are no new forms included with the filing material.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Explanatory Information (A&H)
Comments:	
Attachment(s):	Act Memo - Revised Rates ILTC2.pdf PA ILTC2 - Appendices A,B and G.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Advertisements (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Authorization to File (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Insert Page Explanation (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	

SERFF Tracking #:

PRUD-131133056

State Tracking #:

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Company Tracking #:

IIGHILTC2RERATE-RP-PA

State: Pennsylvania

Filing Company:

The Prudential Insurance Company of America

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

Product Name: Individual Long Ter Care Insurance

Project Name/Number: ILTC-2 Re-Rate/6I-2017

Status Date:	
Bypassed - Item:	Rate Table (A&H)
Bypass Reason:	Please refer to Appendix F attached to the Rate Schedule Tab of this filing.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Replacement Form with Highlighted Changes (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Reserve Calculation (A&H)
Bypass Reason:	Please refer to the Actuarial Memorandum and corresponding appendices attached to the Supporting Documentation Tab of this filing.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Variability Explanation (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Appendix C - Exhibit 1 - Mortality Details - ILTC-2
Comments:	
Attachment(s):	Appendix C - Exhibit 1 - Mortality Details - ILTC2.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Appendix C - Exhibit 2 - Lapse Analysis Details - ILTC-2
Comments:	
Attachment(s):	Appendix C - Exhibit 2 - Lapse Analysis Details - ILTC2.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

PRUD-131133056

State Tracking #:

PRUD-131133056

Company Tracking #:

IIGHILTC2RERATE-RP-PA

State:

Pennsylvania

Filing Company:

The Prudential Insurance Company of America

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

Individual Long Ter Care Insurance

Project Name/Number:

ILTC-2 Re-Rate/6I-2017

Satisfied - Item:	Appendix C - Exhibit 3 - Morbidity Details - ILTC-2
Comments:	
Attachment(s):	Appendix C - Exhibit 3 - Morbidity Details - ILTC2.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Appendix D - Persistency - ILTC-2
Comments:	
Attachment(s):	Appendix D - Persistency - ILTC2.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Appendix E - DOB - ILTC-2
Comments:	
Attachment(s):	Appendix E - DOB - ILTC2.pdf
Item Status:	
Status Date:	



Keith Burns, ASA, MAAA
 Vice President and Actuary
 Financial Management

The Prudential Insurance Company of America
 Long Term Care Unit
 100 Mulberry Street
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July 28, 2017

The Honorable Teresa D. Miller
 Commissioner of Insurance
 Pennsylvania Insurance Department
 1326 Strawberry Square
 Harrisburg, PA 17120

Re: The Prudential Insurance Company of America
 NAIC #304-68241
 Individual Long Term Care Insurance
 Form Numbers: GRP 112687, et al and GRP 112685, et al

Dear Commissioner Miller:

We enclose for your review a long-term care insurance rate schedule change. We are requesting the approval of a premium rate increase for the above referenced forms. This rate revision is a follow-up request meant to recover rate revisions that were not fully approved in Pennsylvania. Approval of this request would bring Pennsylvania's premiums in line with states that have approved full amounts in the past.

Form GRP 112687 (ILTC 2) was previously approved by the Department on March 11, 2004 and Form GRP 112685 (ILTC-2 Franchise) was previously approved by the Department on February 9, 2004. These policies were sold nationwide during the period of 2002 through 2009. These products are currently not being marketed in any state.

Some of Prudential's pricing assumptions for this series of forms, although based on the best information then available, were not consistent with our emerging experience. In view of these results, we are requesting proposing an average rate increase of 1.3% for the forms GRP 112687, et al and GRP 112685 et al, in the state of Pennsylvania.

Policy	No Cash Rider	No Cash Rider w/Unlimited Lifetime Maximum	Cash Rider	Cash Rider w/ Unlimited Lifetime Maximum
GRP 112687	0.0%	4.2%	0.0%	7.7%
GRP 112685	0.0%	4.2%	0.0%	7.7%

The rate increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims. We have tried to keep these increases as low as reasonably possible in the hope of minimizing the impact on our policyholders. We will continue to monitor the performance of this block of business after this rate action. It is likely that as we continue to regularly review the experience of these policies, another increase may be needed in the future.

The deterioration of experience relative to pricing has contributed to the need to strengthen Prudential's reserves depleting surplus. On a statutory basis, the LTC business holds \$1.6 billion in Asset Adequacy Testing reserves as of December 31, 2014. In addition, in 2012, Prudential's LTC business went into GAAP loss recognition incurring a pre-tax charge of \$639 million.

The requested rate increases will not restore original profit margins, but will help Prudential avoid additional losses as well as further depletion of its surplus. The increases will also help maintain equity within Prudential's policyholder population as deferring rate increases will only increase the size of needed future rate increases.

The proposed premium rates will be effective on each policy's first modal premium due date that is on or after the state increase effective date established by Prudential following state approval. The earliest increase, once approval is provided, will be no earlier than 60 days from the date of approval, so that Prudential can provide sixty days advance notice of the rate increase to insureds.

We understand that a premium increase may be difficult for our policyholders to absorb. Consequently, Prudential is prepared to offer a number of options to enable the premium an insured is paying to remain the same such as reducing their benefit period, decreasing their Daily Benefit Maximum, or dropping rider(s) (e.g. optional coverage). Additionally, as an alternative, the Contingent Non-forfeiture benefit will be made available to all impacted policyholders whose plan design does not include the Non-forfeiture Benefit Rider.

Furthermore, if not already exercised during the previous rate increase, policyholders with the Cash Benefit Rider will be given the opportunity to convert to a Cash Indemnity Rider. These policy amendments (GRP 114976) and (GRP 114977) were previously approved by the Department on September 26, 2013, under SERFF Filing Numbers PRUD-129012172 and PRUD-129012411.

The following items are included with this submission:

- All Actuarial Material
- All Required Certifications
- State transmittal and checklists (If applicable)

Correspondence: Please correspond directly with my associate concerning this filing.

Raenonna Prince, CLTC, LTCP
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Philadelphia, PA 19101-7907

Voice: (800) 732-0416 or (215) 658-6281
Fax: (888) 294-6332
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Very truly yours,



Keith Burns, ASA, MAAA
Vice President and Actuary

Enclosures

July 28, 2017
Actuarial Memorandum Supporting Rate Revision for
The Prudential Insurance Company of America
Individual Long-Term Care Insurance Plan
Pennsylvania

1. Scope and Purpose

The purpose of this memorandum is to provide actuarial information supporting a rate revision to premiums for the following The Prudential Insurance Company of America's Tax-Qualified individual long-term care Forms and their associated riders:

<u>Product Name</u>	<u>Form Number</u>	<u>Issue Dates in Pennsylvania</u>
LTC By Design (ILTC2)	GRP112687	5/2004 - 6/2006
LTC By Design (ILTC2) Franchise	GRP112685	5/2004 - 6/2006

Some riders may not be available in all states. This rate filing is not intended to be used for other purposes.

The rate revision is a follow-up request meant to recover rate revisions that were not fully approved in Pennsylvania. The rate increases continue to be actuarially justified and are consistent with requests in other states nationwide. Given additional deterioration to experience, Prudential anticipates the need to file for additional rate increases in the future.

Upon approval of this rate revision, Prudential will communicate to policyholders their options to reduce the impact of the rate increase. There will also be opportunities for almost all policyholders to keep the premium at or below the same level they were paying prior to the rate revision. These options will include reducing the lifetime maximum, reducing the daily benefit, eliminating optional riders, opting into the cash indemnity rider from the cash benefit rider, and a contingent non-forfeiture option that we will be offering to all policyholders regardless of their age or rate increase amount.

These revisions are necessary because the current best estimate projections of the nationwide lifetime loss ratios are significantly worse than the expected loss ratios. The higher lifetime loss ratios are due to adverse morbidity and persistency experience.

Please refer to Section 22 for a description of the information contained in each Appendix.

2. Description of Benefits

The policies issued on this form are referred as the "LTC By Design" product series. This product was individually underwritten and provides comprehensive long-term care coverage for care received in a nursing home, assisted living facility, or hospice in addition to home and

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community-based care. This product is intended to be Tax Qualified Long Term Care Insurance Contracts as defined by the internal revenue code section 7702B(b).

This product reimburses covered long-term care expenses subject to the amount of coverage purchased. A waiting period, institutional daily benefit amount, home and community care percentage, maximum lifetime benefit amount and inflation protection option are selected at issue. The available choices can be found in the attached premium rate tables.

The benefit eligibility criteria is based on the insured's loss of the ability to perform two of the six activities of daily living (ADLs) or having a severe cognitive impairment. Activities of Daily Living are bathing, continence, dressing, eating, toileting, and transferring. Premiums will be waived beginning the first day of the next month following when LTC benefits are payable.

There are several optional riders that were sold with this product, including a cash benefit option and a monthly benefit option. The cash benefit option allows the insured to choose to receive benefits for Home and Community-Based Care as a cash benefit rather than as reimbursement. No formal services are required to receive a cash benefit. Policies with the cash benefit option are referred to as "Cash Plans" and plans without the cash benefit option are referred to as "Reimbursement Plans". The monthly benefit option provides benefits for Home and Community-Based Care on a monthly basis such that any or all of the benefits for Home and Community-Based Care can be used within the time frames that meet the insured's needs.

3. Renewability Clause

This product is a Guaranteed Renewable, Individual Long Term Care policy.

4. Marketing Method

This plan was marketed to individuals by licensed agents.

5. Applicability

The revised rates contained in this memorandum will be applicable to in-force policies, as these policy forms are no longer sold in the market, and all future periodic inflation protection offers. The revised premium rate schedules can be found in Appendix F.

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6. Actuarial Assumptions

The actuarial assumptions used to project the future premiums and claims are described in this section. Appendix C provides further details of the experience studies conducted that were used to develop the actuarial assumptions. These assumptions were developed to represent Prudential's 2016 best estimate expectations of future experience and do not include any provisions for adverse experience. These assumptions are the basis for the assumptions being used in the company's internal cash flow testing.

Morbidity

The 2016 best estimate morbidity assumptions were developed based on a combination of the Prudential's historical claim experience, the Milliman 2014 *Long Term Care Guidelines (Guidelines)* and judgment. The *Guidelines* reflect over 29 million life years of exposure and \$25 billion of incurred claims and the experience and judgment of Milliman actuaries. The policy design and coverages, the underwriting applied at the time, and the claim adjudication process were all considered when setting the claim cost assumptions. The claim cost assumptions reflect Prudential's 2016 best estimate of future morbidity, including morbidity improvement of 1% per year through 2036. The assumptions do not include any adverse selection from the rate increase or loads for moderately adverse experience.

Mortality

The mortality assumptions were developed from a mortality study conducted on the Prudential's experience and judgment. The 2016 best estimate mortality assumption is the 2012 IAM Basic Table on an Age Last Birthday basis with mortality selection factors and mortality improvement. The mortality selection factors vary by issue age and duration and start at 0.38 in duration 1 and grade up to an ultimate factor of 1 by duration 30. Mortality improvement of 0.6% per year through 2036 is assumed. The assumptions do not include any loads for moderately adverse experience.

Lapses

The voluntary lapse assumptions were developed from a policy persistency study conducted on the Company's experience and judgment. The voluntary lapse assumptions are our expectations for policy terminations, by duration, for reasons other than death, benefit exhaust or benefit buy-downs. These are separate from our shock lapse assumptions which we define as terminations due to rate increases. We assumed all remaining policies would terminate at attained age 120.

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The lapse assumptions represent the 2016 best estimate expectations of future experience and do not include any provisions for adverse experience. Voluntary lapse rates are shown below and vary by policy duration.

Voluntary Lapse Rates - Lifetime Pay								
Duration	Cash				Reimbursement			
	Inflation		No Inflation		Inflation		No Inflation	
	Single	Married	Single	Married	Single	Married	Single	Married
1	5.45%	2.85%	7.15%	3.85%	8.35%	4.35%	11.00%	5.90%
2	3.70%	2.05%	4.30%	2.75%	5.70%	3.15%	6.65%	4.20%
3	2.90%	1.60%	3.60%	2.35%	4.45%	2.45%	5.50%	3.65%
4	2.20%	1.50%	3.30%	2.05%	3.40%	2.30%	5.10%	3.15%
5	2.10%	1.15%	3.05%	1.75%	3.25%	1.80%	4.70%	2.50%
6	1.80%	0.95%	2.75%	1.75%	2.80%	1.45%	3.45%	2.10%
7	1.80%	0.90%	2.75%	1.75%	2.75%	1.35%	2.85%	1.85%
8	1.75%	0.75%	2.75%	1.75%	1.95%	1.15%	2.75%	1.75%
9	1.75%	0.75%	2.75%	1.75%	1.75%	0.95%	2.75%	1.75%
10	1.75%	0.75%	2.75%	1.75%	1.75%	0.80%	2.75%	1.75%
11-20	1.75%	0.75%	2.75%	1.75%	1.75%	0.75%	2.75%	1.75%
21+	1.50%	0.50%	2.50%	1.50%	1.50%	0.50%	2.50%	1.50%

NOTE: No inflation includes plans without inflation and GPO.

Voluntary Lapse Rates - Limited Pay			
Duration	10 Pay	Premium Reduction at Age 65	Paid Up at Age 65
1	3.50%	4.50%	5.00%
2	2.50%	3.50%	4.50%
3	1.50%	3.00%	3.50%
4	1.00%	2.50%	2.50%
5	0.50%	2.00%	2.00%
6	0.50%	2.00%	2.00%
7	0.50%	1.50%	1.50%
8	0.50%	1.50%	1.50%
9	0.00%	1.50%	1.50%
10-20	0.00%	1.50%	1.25%
21+	0.00%	1.25%*	1.00%**

* Starting at age 55, grade into 1.0% ultimate lapse rate by attained age 65.

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** Starting at age 55, grade into 0.0% ultimate lapse rate by attained age 65.

Appendix D contains a comparison of the actual total termination rates to both the original pricing assumptions and current assumptions.

Interest Rate

An annual interest rate of 4.5% was used to calculate the lifetime loss ratio in the supporting appendices. This was determined based on the predominant number of certificates issued in years that the maximum statutory valuation rate was 4.5%.

Expenses

The need for a rate increase is based on the lifetime loss ratio being in excess of the minimum loss ratio. Expenses do not directly impact the lifetime loss ratio and therefore are not used as justification for the rate increase. As such, expenses are not being projected and are not included in this filing.

7. Premium Classes

The Company used several premium classes based on the underwriting assessment of the potential policyholder at time of issue. These premium classes are shown in the premium rate schedules included in Appendix F.

8. Issue Age Range

This product was available for issue ages up to 84. Premiums are based on issue age.

9. Area Factors

The Company did not use area factors within the state in the premium scale for this product.

10. Average Annual Premium

The average annual premium for this product for both prior to the impact of the requested rate increase, and after, is indicated in Appendix A to this memorandum.

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11. Modal Premium Factors

Modal loads are required because of the varied expenses incurred by the Company and the effect of interest and persistency. The modal premium factors will remain unchanged from the current factors.

12. Claim Liability and Reserve

Claim reserves were calculated using appropriate actuarial methods for IBNR and for open claims on a disabled life basis. The claim reserves were discounted to the date of incurral for each claim and have been included in the historical incurred claims. An annual interest rate of 4.5% was used to calculate the present value of future claims in the supporting exhibits.

13. Active Life Reserves

We have provided supporting evidence for the justification of the proposed increase based on the relationship of incurred claims divided by earned premium compared to the minimum required loss ratios. Incurred claims exclude any change in active life reserves.

14. Trend Assumption

Benefits payable are equal to or less than the daily or monthly benefit limit. We have not included any medical trend in the projections.

15. Requested Rate Increase and Demonstration of Satisfaction of Loss Ratio Requirements

Prudential is requesting an average premium increase of 1.3%. These rate increases vary depending on whether the policyholder has benefit periods that are limited (2, 3, 4 or 5 years) or unlimited as well as if the policyholder has reimbursement benefits or cash rider.

Policy Type	ILTC2
Limited Benefit / Reimbursement	0.0%
Limited Lifetime Max / Cash	0.0%
Unlimited Lifetime Max / Reimbursement	4.2%
Unlimited Lifetime Max / Cash	7.7%
Average	1.3%

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Satisfaction of the loss ratio requirement is demonstrated in Appendix A. The demonstration is based on a 58% loss ratio on the initial premium and an 85% loss ratio on the increased premium. This approach requires that the sum of the historical and projected future incurred claims must exceed the sum of 58% of the initial premium and 85% of the increased premium.

16. Distribution of Business

The historical experience reflects the actual distribution of policies during the experience period. We used the current distribution of business as of June 30, 2016 to project future experience. Appendix E contains the distribution of the inforce policies by key demographic and benefit characteristics.

17. Experience – Past and Future

The historical and projected nationwide and state-specific experience, both with and without the rate increase, is contained in Appendix B.

Historical experience is shown by claim incurral year.

18. Lifetime Loss Ratio

The anticipated nationwide lifetime loss ratios, both without a rate increase and with the requested rate increase, are shown in Appendix A. The development of these nationwide lifetime loss ratios, are shown in Appendix B and Appendix G.

The rate increase is assumed effective December 1, 2017 in our projections.

19. History of Rate Adjustments

See Appendix A for a history of rate increases on inforce policyholders with this policy form in this state.

20. Number of Policyholders

The current number of policyholders as of June 30, 2016 can be found in Appendix A.

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21. Proposed Effective Date

This rate revision will be implemented following state approval and a minimum of a 60 day notification to the certificate holder. Implementation will be no earlier than December 1, 2017.

22. Summary of Appendices

Appendix A contains information that is specific to the state in which this filing is made. Examples of some items include are the requested rate increase, the average annual premium, demonstration of meeting required minimum loss ratio standards, the number of policyholders inforce, etc.

Appendix B contains historical and projected nationwide experience for all policies issued under this form. The appendix also includes the projected lifetime loss ratios both without and with the proposed increase.

Appendix C contains three exhibits that show our actual to expected lapse, mortality and morbidity experience.

Appendix D contains a breakdown of our current persistency assumptions.

Appendix E contains the distribution of the inforce policies by key demographic and benefit characteristics.

Appendix F contains the premium rate pages associated with this filing.

Appendix G contains the same information as Appendix B except it contains only state specific experience and projections.

23. Relationship of Renewal Premium to New Business Premium.

Prudential is no longer selling any new Long-Term Care business. Therefore, the comparison of renewal premium rates after the rate increase to the Company's current new business premium rate schedule is not applicable.

24. Actuarial Certification

I am a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long term

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care insurance premiums.

To the best of my knowledge and judgment this rate filing is in compliance with the applicable laws and regulations of this State as they relate to premium rate developments and revisions, with the exception that Prudential is not currently providing a certification that no future increases are anticipated under moderately adverse experience.

The policy design and coverages, the underwriting used at the time of issue, and the claim adjudication process were all considered when setting the actuarial assumptions.

In forming my opinion, I have used actuarial assumptions and actuarial methods as I considered necessary. The pricing assumptions are consistent with Prudential's 2016 best estimates and do not include a margin for adverse experience.

The premium rates are not excessive or unfairly discriminatory. Due to additional deterioration in experience, Prudential anticipates the need to file for additional in-force premium increases on these forms in the future.

Michael Zilberman

Michael Zilberman, ASA, MAAA
Associate Actuary
Prudential Long Term Care
July 28, 2017

Appendix A
The Prudential Insurance Company of America
ILTC2

Pennsylvania

<u>Benefit Type</u>	<u>Requested Rate Increase</u>	<u>Requested Amount</u>
Cash/Unlimited		7.7%
Cash/Limited		0.0%
Reimbursement/Unlimited		4.2%
Reimbursement/Limited		0.0%

10. Average Annual Premium

<u>Rate Basis</u>	<u>Pennsylvania</u>	<u>Nationwide</u>
Without Increase	\$2,722	\$2,821
With Increase	\$2,757	\$2,883

15. Satisfaction of Loss Ratio Requirements

Rate Stability Requirement:

1) Total Incurred Claims	\$1,210,260,030
58% of initial premium	\$508,516,016
85% of increased premium	\$201,164,024
2) Sum of 58%/85% premium	\$709,680,041
Is 1 greater than 2?	Yes

18. Lifetime Loss Ratio

<u>Policy type</u>	<u>Without Increase</u>	<u>With Increase</u>
All	110%	109%
Cash/Unlimited	144%	139%
Cash/Limited	113%	113%
Reimbursement/Unlimited	119%	117%
Reimbursement/Limited	95%	95%

19. History of Rate Adjustments

Cash / Unlimited Benefit Period Policies:

- 14% Implemented on 4/25/2012
- 14% Implemented on 4/25/2013
- 20% Implemented on 5/1/2014
- 20% Implemented on 10/1/2016

Cash / Limited Benefit Period Policies:

- 14% Implemented on 4/25/2012
- 14% Implemented on 4/25/2013
- 20% Implemented on 5/1/2014
- 16.4% Implemented on 10/1/2016

Reimbursement / Unlimited Benefit Period Policies:

- 7.2% Implemented on 4/25/2012
- 7.2% Implemented on 4/25/2013
- 20% Implemented on 5/1/2014
- 15% Implemented on 10/1/2016
- 20% Implemented on 10/1/2016

Reimbursement / Limited Benefit Period Policies:

- 7.2% Implemented on 4/25/2012
- 7.2% Implemented on 4/25/2013
- 20% Implemented on 5/1/2014
- 8.4% Implemented on 10/1/2016

20. Number of Policyholders and Annualized Premium as of June 30, 2016

<u>Policy type</u>	<u>Policies Inforce</u>		<u>Premium Inforce</u>	
	<u>Pennsylvania</u>	<u>Nationwide</u>	<u>Pennsylvania</u>	<u>Nationwide</u>
All	374	13,651	\$1,018,132	\$38,505,415
Cash/Unlimited	3	712	\$21,180	\$3,667,759
Cash/Limited	9	953	\$30,264	\$2,848,907
Reimbursement/Unlimited	75	4,273	\$266,403	\$13,494,685

Reimbursement/Limited

287

7,713

\$700,285

\$18,494,064

Appendix B
The Prudential Insurance Company of America
Historical and Projected Experience
Nationwide Experience
Pennsylvania Premium Rate Basis
ILTC2

Historical

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
2002	4,208	0	0	0	0%
2003	1,660,611	4,401	0	4,401	0%
2004	12,460,009	10,129	0	10,129	0%
2005	25,865,418	1,673,493	0	1,673,493	6%
2006	33,688,223	4,784,744	1,368,292	6,153,036	18%
2007	39,753,916	7,000,465	1,648,076	8,648,541	22%
2008	40,161,219	5,796,058	390,693	6,186,750	15%
2009	39,208,531	9,919,154	2,075,900	11,995,054	31%
2010	39,748,839	7,415,784	3,397,192	10,812,976	27%
2011	39,180,015	10,409,407	4,635,217	15,044,623	38%
2012	38,789,184	9,161,088	4,627,844	13,788,932	36%
2013	39,742,977	5,889,796	6,104,876	11,994,672	30%
2014	42,989,914	6,380,472	10,108,454	16,488,926	38%
2015	44,969,825	2,704,905	14,190,783	16,895,688	38%
2016*	21,853,464	128,896	9,576,089	9,704,985	44%
Active Life Reserve Balance as of 06/30/2016:			367,752,970		

Projection without Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2016**	21,609,622	10,732,531	50%
2017	45,601,986	23,319,194	51%
2018	44,946,096	25,888,921	58%
2019	43,473,926	28,645,523	66%
2020	41,908,817	31,619,813	75%
2021	40,416,550	34,818,351	86%
2022	38,924,333	38,247,697	98%
2023	37,429,792	41,866,179	112%
2024	35,914,993	45,655,187	127%
2025	34,407,633	49,644,825	144%
2026	32,887,845	53,770,002	163%
2027	31,331,949	57,975,240	185%
2028	29,796,069	62,206,085	209%
2029	28,266,797	66,375,264	235%
2030	26,724,849	70,368,627	263%
2031	25,179,322	74,058,423	294%
2032	23,626,535	77,367,133	327%
2033	22,078,384	80,234,166	363%
2034	20,541,588	82,590,620	402%
2035	19,024,639	84,347,856	443%
2036	17,544,041	85,437,423	487%
2037	16,099,463	86,363,375	536%
2038	14,684,782	87,020,565	593%
2039	13,340,485	87,016,446	652%
2040	12,055,951	86,310,963	716%
2041	10,836,779	84,874,117	783%
2042	9,687,789	82,766,951	854%
2043	8,612,995	80,047,745	929%
2044	7,615,511	76,759,314	1008%
2045	6,696,459	72,940,508	1089%
2046	5,855,695	68,694,595	1173%
2047	5,092,176	64,102,000	1259%
2048	4,403,943	59,316,313	1347%
2049	3,788,500	54,454,835	1437%
2050	3,242,225	49,556,121	1528%
2051	2,760,695	44,735,803	1620%
2052	2,339,132	40,101,521	1714%
2053	1,972,586	35,767,429	1813%
2054	1,656,308	31,974,935	1930%
2055+	7,856,256	241,111,693	3069%

* Historical 2016 Experience - 1/1/2016 through 6/30/2016

** Projected 2016 Experience - 7/1/2016 through 12/31/2016

Projection with Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2016**	21,609,622	10,732,531	50%
2017	45,638,036	23,316,161	51%
2018	45,615,629	25,823,060	57%
2019	44,235,951	28,556,700	65%
2020	42,649,039	31,518,123	74%
2021	41,135,222	34,702,441	84%
2022	39,621,522	38,116,132	96%
2023	38,105,622	41,717,628	109%
2024	36,568,512	45,488,296	124%
2025	35,039,363	49,458,122	141%
2026	33,497,204	53,562,173	160%
2027	31,917,011	57,745,102	181%
2028	30,358,341	61,952,632	204%
2029	28,806,086	66,097,944	229%
2030	27,240,693	70,067,403	257%
2031	25,671,320	73,733,493	287%
2032	24,094,118	77,019,070	320%
2033	22,521,144	79,863,875	355%
2034	20,959,270	82,199,575	392%
2035	19,417,220	83,938,046	432%
2036	17,911,613	85,011,047	475%
2037	16,442,102	85,920,338	523%
2038	15,002,566	86,561,584	577%
2039	13,634,105	86,544,739	635%
2040	12,325,969	85,830,361	696%
2041	11,083,889	84,388,504	761%
2042	9,912,811	82,280,472	830%
2043	8,816,862	79,564,849	902%
2044	7,799,256	76,284,604	978%
2045	6,861,202	72,478,909	1056%
2046	6,002,618	68,249,933	1137%
2047	5,222,509	63,677,777	1219%
2048	4,518,939	58,915,095	1304%
2049	3,889,423	54,078,353	1390%
2050	3,330,331	49,206,441	1478%
2051	2,837,214	44,413,706	1565%
2052	2,405,248	39,806,952	1655%
2053	2,029,427	35,499,319	1749%
2054	1,704,938	31,729,806	1861%
2055+	8,104,644	239,024,915	2949%

Loss Ratio Summaries

Accumulated Value of Historical to 6/30/2016	596,156,480	158,706,436	27%	596,156,480	158,706,436	27%
Present Value of Future to 6/30/2016	508,951,449	1,056,543,687	208%	517,258,831	1,051,553,594	203%
Total Values	1,105,107,929	1,215,250,123	110%	1,113,415,310	1,210,260,030	109%
(Discounted at 4.5%)						

Minimum Lifetime Loss Ratio

60%

Appendix G
The Prudential Insurance Company of America
Historical and Projected Experience
Pennsylvania Experience
Pennsylvania Premium Rate Basis
ILTC2

Historical

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
2002	0	0	0	0	0%
2003	0	0	0	0	0%
2004	142,044	0	0	0	0%
2005	841,936	19,493	0	19,493	2%
2006	1,067,145	16,056	0	16,056	2%
2007	1,043,781	86,043	0	86,043	8%
2008	1,014,412	0	0	0	0%
2009	997,070	228,720	0	228,720	23%
2010	1,024,871	253,295	101,897	355,192	35%
2011	1,006,807	0	0	0	0%
2012	976,920	392,627	0	392,627	40%
2013	944,986	23,859	102,287	126,146	13%
2014	1,020,125	216,194	194,658	410,852	40%
2015	1,029,621	103,668	555,420	659,087	64%
2016*	500,712	0	304,695	304,695	61%
Active Life Reserve Balance as of 06/30/2016:			7,308,978		

Projection without Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2016**	495,438	272,039	55%
2017	1,048,791	587,955	56%
2018	1,032,890	650,225	63%
2019	996,626	714,018	72%
2020	959,660	779,648	81%
2021	922,044	843,674	92%
2022	883,809	912,909	103%
2023	845,036	985,662	117%
2024	805,703	1,058,042	131%
2025	766,387	1,130,721	148%
2026	727,751	1,204,310	165%
2027	689,059	1,278,248	186%
2028	650,102	1,348,554	207%
2029	611,001	1,414,614	232%
2030	571,921	1,474,687	258%
2031	533,005	1,523,930	286%
2032	494,412	1,561,907	316%
2033	456,411	1,584,068	347%
2034	419,202	1,592,055	380%
2035	383,040	1,589,967	415%
2036	348,265	1,574,612	452%
2037	315,025	1,555,672	494%
2038	283,409	1,531,486	540%
2039	253,541	1,494,277	589%
2040	225,493	1,448,367	642%
2041	199,335	1,393,534	699%
2042	175,153	1,329,928	759%
2043	152,976	1,259,614	823%
2044	132,786	1,180,907	889%
2045	114,530	1,098,153	959%
2046	98,120	1,011,589	1031%
2047	83,490	920,711	1103%
2048	70,563	832,358	1180%
2049	59,245	749,174	1265%
2050	49,415	669,011	1354%
2051	40,931	588,454	1438%
2052	33,673	512,527	1522%
2053	27,515	444,609	1616%
2054	22,344	386,346	1729%
2055+	84,527	2,174,049	2572%

* Historical 2016 Experience - 1/1/2016 through 6/30/2016

** Projected 2016 Experience - 7/1/2016 through 12/31/2016

Projection with Rate Increase

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2016**	495,438	272,039	55%
2017	1,049,292	587,915	56%
2018	1,042,329	649,346	62%
2019	1,007,311	712,840	71%
2020	969,988	778,310	80%
2021	932,008	842,171	90%
2022	893,403	911,230	102%
2023	854,255	983,799	115%
2024	814,540	1,055,989	130%
2025	774,844	1,128,476	146%
2026	735,834	1,201,866	163%
2027	696,769	1,275,605	183%
2028	657,435	1,345,723	205%
2029	617,955	1,411,599	228%
2030	578,497	1,471,494	254%
2031	539,203	1,520,569	282%
2032	500,236	1,558,403	312%
2033	461,864	1,580,456	342%
2034	424,290	1,588,344	374%
2035	387,771	1,586,153	409%
2036	352,650	1,570,706	445%
2037	319,075	1,551,680	486%
2038	287,137	1,527,422	532%
2039	256,958	1,490,167	580%
2040	228,615	1,444,240	632%
2041	202,176	1,389,402	687%
2042	177,728	1,325,805	746%
2043	155,300	1,255,530	808%
2044	134,876	1,176,890	873%
2045	116,401	1,094,236	940%
2046	99,787	1,007,786	1010%
2047	84,968	917,043	1079%
2048	71,868	828,819	1153%
2049	60,391	745,754	1235%
2050	50,416	665,744	1321%
2051	41,800	585,395	1400%
2052	34,422	509,696	1481%
2053	28,157	441,998	1570%
2054	22,890	383,934	1677%
2055+	86,953	2,157,607	2481%

Loss Ratio Summaries

Accumulated Value of Historical to 6/30/2016	15,144,003	3,015,888	20%	15,144,003	3,015,888	20%
Present Value of Future to 6/30/2016	11,176,292	20,557,378	184%	11,285,600	20,507,894	182%
Total Values	26,320,295	23,573,266	90%	26,429,604	23,523,782	89%

(Discounted at 4.5%)

Appendix C
Exhibit 1
The Prudential Insurance Company of America
Mortality Study
Experience by Policy Duration
ILTC2

Policy Duration	Total Lives	Total Terminations	Actual Deaths	Expected Deaths	Mortality Rate		A:E
					Actual	Expected	
1 - 3	56,397	3,067	146	154	0.26%	0.27%	95%
4 - 6	49,282	1,666	225	221	0.46%	0.45%	102%
7 - 9	43,456	1,229	321	324	0.74%	0.75%	99%
10+	22,047	666	226	250	1.03%	1.13%	91%
Total	171,182	6,628	918	948	0.54%	0.55%	97%

Notes:

- 1) Experience is through June 30, 2016.
- 2) Expected Mortality Rate is based on the current assumption and uses the IAM 2012 ALB Table, with selection factors and 0.6% improvement per year.
- 3) Total Terminations include Actual Deaths, Actual Lapses, and Actual Benefit Exhausts

Appendix C
Exhibit 1
The Prudential Insurance Company of America
Mortality Study
Experience by Attained Age
ILTC2

Attained Age	Total Lives	Total Terminations	Actual Deaths	Expected Deaths	Mortality Rate		A:E
					Actual	Expected	
<50	14,536	1,071	8	7	0.06%	0.05%	112%
50-54	17,678	742	21	18	0.12%	0.10%	117%
55-59	29,783	1,041	43	50	0.14%	0.17%	86%
60-64	38,288	1,216	106	113	0.28%	0.29%	94%
65-69	34,821	1,075	183	177	0.53%	0.51%	103%
70-74	21,633	746	205	205	0.95%	0.95%	100%
75-79	9,663	421	174	175	1.80%	1.81%	100%
80-84	3,726	203	102	128	2.74%	3.45%	79%
85-89	959	99	67	63	6.99%	6.61%	106%
90+	95	14	9	12	9.51%	12.18%	78%
Total	171,182	6,628	918	948	0.54%	0.55%	97%

Notes:

- 1) Experience is through June 30, 2016.
- 2) Expected Mortality Rate is based on the current assumption and uses the IAM 2012 ALB Table, with selection factors and 0.6% improvement per year.
- 3) Total Terminations include Actual Deaths, Actual Lapses, and Actual Benefit Exhausts

Appendix C
Exhibit 2
Voluntary Lapse Study
The Prudential Insurance Company of America
Experience by Policy Duration
ILTC2

Policy Duration	Total Lives	Total Terminations		Mortality Rate		Voluntary Lapse Rate		
		Count	Rate	Actual	Expected	Actual	Implied	"Current"
1	19,412	1,363	7.02%	0.16%	0.25%	6.9%	6.8%	5.6%
2	18,144	939	5.18%	0.28%	0.28%	4.9%	4.9%	3.9%
3	17,289	709	4.10%	0.36%	0.30%	3.7%	3.8%	3.1%
4	16,574	662	3.99%	0.38%	0.37%	3.6%	3.6%	2.7%
5	15,941	505	3.17%	0.46%	0.45%	2.7%	2.7%	2.3%
6	15,340	470	3.06%	0.56%	0.54%	2.5%	2.5%	1.9%
7	14,782	400	2.71%	0.69%	0.64%	2.0%	2.0%	1.7%
8	14,217	451	3.17%	0.77%	0.76%	2.3%	2.3%	1.5%
9	13,153	366	2.78%	0.79%	0.88%	1.9%	1.9%	1.3%
10	10,695	320	2.99%	0.98%	1.04%	1.9%	1.8%	1.2%
11	7,648	235	3.07%	0.93%	1.18%	2.0%	1.8%	1.2%
12	3,174	100	3.15%	1.32%	1.39%	1.7%	1.6%	1.2%
13	106	4	3.77%	1.88%	1.37%	1.9%	2.4%	1.1%
Total	166,475	6,524	3.92%	0.54%	0.56%	3.3%	3.3%	2.6%

Notes:

- 1) Experience is through June 30, 2016, and only includes lifetime pay policies (excludes limited pay policies).
- 2) Expected Mortality Rate is based on the current assumption and uses the IAM 2012 ALB Table, with selection factors and 0.6% improvement per year.
- 3) Actual Voluntary Lapse Rate is the Total Termination Rate minus the Actual Mortality Rate minus the Actual Benefit Exhaust Rate.
- 4) Implied Voluntary Lapse Rate is the Total Termination Rate minus the Expected Mortality Rate minus the Actual Benefit Exhaust Rate.
- 5) Current Voluntary Lapse Rate is the current projection assumption.

The ultimate lapse rates vary between 0.5% to 2.5% depending on benefit type, inflation, and marital status.

Appendix C
Exhibit 3
The Prudential Insurance Company of America
Claim Study
Experience by Calendar Year
ILTC2

Calendar Year	Total Lives	Actual Claims					Expected Claims			Actual to Expected		
		Count	Paid	Reserve	Severity	Incurred	Count	Severity	Incurred	Incidence	Severity	Incurred
2002	1	0	-	-	-	-	0	111,934	160	0%	0%	0%
2003	907	1	4,094	-	4,094	4,094	1	86,034	102,110	84%	5%	4%
2004	5,959	4	9,423	-	2,356	9,423	8	95,039	787,491	48%	2%	1%
2005	11,936	18	1,556,737	-	86,485	1,556,737	20	99,730	1,976,820	91%	87%	79%
2006	14,942	35	4,450,925	1,272,829	163,536	5,723,754	31	106,191	3,264,592	114%	154%	175%
2007	17,000	58	6,512,061	1,533,094	138,710	8,045,154	41	113,559	4,606,735	143%	122%	175%
2008	17,026	56	5,391,682	363,435	102,770	5,755,117	49	120,156	5,929,934	113%	86%	97%
2009	16,342	66	9,227,120	1,931,070	169,063	11,158,190	58	126,132	7,263,520	115%	134%	154%
2010	15,879	70	6,898,403	3,160,179	143,694	10,058,582	67	132,272	8,866,304	104%	109%	113%
2011	15,507	92	9,683,169	4,311,829	152,120	13,994,998	77	138,140	10,663,270	119%	110%	131%
2012	14,905	93	8,521,943	4,304,971	137,924	12,826,914	81	142,111	11,559,189	114%	97%	111%
2013	14,419	98	5,478,880	5,678,955	113,855	11,157,835	90	146,870	13,186,691	109%	78%	85%
2014	13,837	115	5,935,322	9,403,213	133,379	15,338,536	96	152,822	14,722,276	119%	87%	104%
2015	13,276	132	2,516,191	13,200,728	119,068	15,716,919	104	158,574	16,466,992	127%	75%	95%
2016	6,469	69	119,903	8,907,990	130,839	9,027,893	56	163,312	9,085,511	124%	80%	99%
Total	178,404	907	66,305,853	54,068,293	132,717	120,374,146	779	139,311	108,481,595	116%	95%	111%

Notes:

- 1) Experience is through June 30, 2016, with claim run-out through June 30, 2016.
- 2) Paid claims represent the present value of paid claims discounted to the claim incurred date.
- 3) Reserve amounts represent the present value of the remaining claim reserve (including IBNR) discounted to the claim incurred date.
- 4) Severity is defined as incurred claims divided by the count of claims.
- 5) Expected Claims are the current best estimate assumptions used in the projections and are based on the Milliman 2014 Long-Term Care Guidelines including fitting factors.
- 6) Claim dollar amounts are discounted using a 4.5% interest rate (both actual and expected).
- 7) This exhibit excludes waiver of premium and return of premium benefits in both actual and expected results.

Appendix C
Exhibit 3
The Prudential Insurance Company of America
Claim Study
Experience by Policy Duration
ILTC2

Policy Duration	Total Lives	Actual Claims				Expected Claims			Actual to Expected			
		Count	Paid	Reserve	Severity	Incurred	Count	Severity	Incurred	Incidence	Severity	Incurred
1 - 3	56,323	117	13,078,069	2,448,658	132,707	15,526,727	98	111,635	10,906,709	120%	119%	142%
4 - 6	49,038	183	21,171,754	5,897,006	147,917	27,068,759	175	129,072	22,532,318	105%	115%	120%
7 - 9	43,609	305	23,869,432	17,871,430	136,855	41,740,862	250	144,698	36,182,070	122%	95%	115%
10 - 12	27,563	274	8,121,087	24,302,710	118,335	32,423,797	234	151,366	35,430,109	117%	78%	92%
13 - 14	1,871	28	65,511	3,548,489	129,071	3,614,001	22	153,762	3,430,389	126%	84%	105%
Total	178,404	907	66,305,853	54,068,293	132,717	120,374,146	779	139,311	108,481,595	116%	95%	111%

Notes:

- 1) Experience is through June 30, 2016, with claim run-out through June 30, 2016.
- 2) Paid claims represent the present value of paid claims discounted to the claim incurred date.
- 3) Reserve amounts represent the present value of the remaining claim reserve (including IBNR) discounted to the claim incurred date.
- 4) Severity is defined as incurred claims divided by the count of claims.
- 5) Expected Claims are the current best estimate assumptions used in the projections and are based on the Milliman 2014 Long-Term Care Guidelines including fitting factors.
- 6) Claim dollar amounts are discounted using a 4.5% interest rate (both actual and expected).
- 7) This exhibit excludes waiver of premium and return of premium benefits in both actual and expected results.

Appendix C
Exhibit 3
The Prudential Insurance Company of America
Claim Study
Experience by Attained Age
ILTC2

Attained Age	Total Lives	Count	Actual Claims			Expected Claims			Actual to Expected			
			Paid	Reserve	Severity	Incurred	Count	Severity	Incurred	Incidence	Severity	Incurred
<=59	63,185	60	8,905,622	6,192,400	251,634	15,098,022	31	227,514	7,059,094	193%	111%	214%
60-64	39,700	77	8,152,268	5,474,398	176,970	13,626,665	51	182,210	9,329,157	150%	97%	146%
65-69	36,734	124	10,103,540	9,104,328	154,902	19,207,868	106	165,489	17,520,625	117%	94%	110%
70-74	23,334	196	16,373,636	12,691,062	148,289	29,064,698	163	151,859	24,797,105	120%	98%	117%
75-79	10,478	186	11,238,431	10,343,410	116,031	21,581,841	182	130,194	23,758,430	102%	89%	91%
80-84	3,940	150	7,327,561	5,895,949	88,157	13,223,511	156	111,901	17,433,094	96%	79%	76%
85-89	951	96	3,557,772	3,851,064	77,175	7,408,836	78	99,719	7,794,232	123%	77%	95%
90+	82	18	647,022	515,683	64,595	1,162,705	11	72,612	789,857	165%	89%	147%
Total	178,404	907	66,305,853	54,068,293	132,717	120,374,146	779	139,311	108,481,595	116%	95%	111%

Notes:

- 1) Experience is through June 30, 2016, with claim run-out through June 30, 2016.
- 2) Paid claims represent the present value of paid claims discounted to the claim incurred date.
- 3) Reserve amounts represent the present value of the remaining claim reserve (including IBNR) discounted to the claim incurred date.
- 4) Severity is defined as incurred claims divided by the count of claims.
- 5) Expected Claims are the current best estimate assumptions used in the projections and are based on the Milliman 2014 Long-Term Care Guidelines including fitting factors.
- 6) Claim dollar amounts are discounted using a 4.5% interest rate (both actual and expected).
- 7) This exhibit excludes waiver of premium and return of premium benefits in both actual and expected results.

**Appendix D
Prudential
Policy Persistency Comparison
Nationwide Experience
Product Series ILTC2**

Policy Duration	Total Lives	Actual Results			Original Pricing Assumptions			Current Assumptions		
		Total Terminations			Lapse	Mortality	Total Terminations	Lapse	Mortality	Total Terminations
1	19,412		7.0%		8.0%	0.8%	8.8%	5.6%	0.3%	5.9%
2	18,144		5.2%		5.0%	0.9%	5.9%	3.9%	0.3%	4.2%
3	17,289		4.1%		5.0%	1.0%	6.0%	3.1%	0.3%	3.4%
4	16,574		4.0%		5.0%	1.1%	6.1%	2.7%	0.4%	3.1%
5	15,941		3.2%		5.0%	1.2%	6.2%	2.3%	0.5%	2.7%
6	15,340		3.1%		3.0%	1.3%	4.3%	1.9%	0.5%	2.4%
7	14,782		2.7%		3.0%	1.5%	4.5%	1.7%	0.6%	2.4%
8	14,217		3.2%		3.0%	1.6%	4.6%	1.5%	0.8%	2.2%
9	13,153		2.8%		3.0%	1.8%	4.8%	1.3%	0.9%	2.2%
10	10,695		3.0%		3.0%	2.0%	5.0%	1.2%	1.0%	2.3%
11	7,648		3.1%		3.0%	2.2%	5.2%	1.2%	1.2%	2.4%
12	3,174		3.2%		3.0%	2.5%	5.5%	1.2%	1.4%	2.6%
13	106		3.8%		3.0%	2.5%	5.5%	1.1%	1.4%	2.5%
Total	166,475		3.9%		4.4%	1.3%	5.7%	2.6%	0.6%	3.2%

Notes:

- 1) The "Actual Results" are the historical total policy termination rates observed by the Company.
- 2) The "Original Pricing Assumptions" are those assumptions originally used to price the product.
The mortality assumptions are based on the 1983 GAM Table.
The lapse assumptions vary by premium payment period. The original ultimate lapse rate starting in duration 6 were 3.0% for lifetime policies.
- 3) The "Current Assumptions" are those used in the projection for the current rate filing.
The mortality assumptions are based on the IAM 2012 ALB table, with selection factors and 0.6% improvement per year.
The lapse assumptions vary by premium payment option, benefit type, inflation, and marital status. The current ultimate lapse rate starting in duration 21 ranges from 0.5% to 2.5%.
- 4) Experience is through June 30, 2016 and only includes lifetime pay policies (excludes limited pay policies).

Attained Age

<30	5	0.0%	7,900	0.0%
30-34	12	0.1%	21,925	0.1%
35-39	28	0.2%	40,444	0.1%
40-44	87	0.6%	130,907	0.3%
45-49	198	1.5%	334,875	0.9%
50-54	428	3.1%	924,267	2.4%
55-59	1,049	7.7%	2,517,554	6.5%
60-64	2,213	16.2%	5,634,079	14.6%
65-69	3,222	23.6%	8,411,991	21.8%
70-74	3,188	23.4%	9,074,739	23.6%
75-79	2,006	14.7%	6,447,091	16.7%
80+	1,215	8.9%	4,959,642	12.9%
Total	13,651	100.0%	38,505,415	100.0%

Average Attained Age 68.6

Gender

Male	5,497	40.3%	16,040,290	41.7%
Female	8,154	59.7%	22,465,125	58.3%
Total	13,651	100.0%	38,505,415	100.0%

Inflation Option

None	1,385	10.1%	3,361,888	8.7%
GPO	1,455	10.7%	4,391,765	11.4%
5% Simple Lifetime	3,882	28.4%	10,024,280	26.0%
2% Compound Lifetime	0	0.0%	0	0.0%
3% Compound Lifetime	0	0.0%	0	0.0%
4% Compound Lifetime	0	0.0%	0	0.0%
5% Compound - Double (14 years)	1,252	9.2%	3,110,057	8.1%
5% Compound Lifetime	5,677	41.6%	17,617,425	45.8%
Total	13,651	100.0%	38,505,415	100.0%

Elimination Period

0-Day	35	0.3%	88,090	0.2%
30-Day	3,436	25.2%	10,092,563	26.2%
60-Day	1,583	11.6%	4,403,814	11.4%
90-Day	7,566	55.4%	21,354,065	55.5%
100-Day	0	0.0%	0	0.0%
120-Day	0	0.0%	0	0.0%
180-Day	1,031	7.6%	2,566,882	6.7%
365-Day	0	0.0%	0	0.0%
Total	13,651	100.0%	38,505,415	100.0%

Benefit Period*

0 Year	0	0.0%	0	0.0%
1 Year	0	0.0%	0	0.0%
2 Years	446	3.3%	872,055	2.3%
3 Years	2,636	19.3%	5,676,213	14.7%
5 Years	5,584	40.9%	14,794,704	38.4%
7 Years	0	0.0%	0	0.0%
8 Years	0	0.0%	0	0.0%
9 Years	0	0.0%	0	0.0%
10 Years	0	0.0%	0	0.0%
Lifetime	4,985	36.5%	17,162,444	44.6%
Total	13,651	100.0%	38,505,415	100.0%

*Benefit Period grouped to nearest primary election

Premium Period

Lifetime	13,205	96.7%	35,388,256	91.9%
Premium Paid-Up at Age 65	89	0.7%	381,365	1.0%
Premium Reduction at Age 65	0	0.0%	0	0.0%
10-Pay	357	2.6%	2,735,794	7.1%
Total	13,651	100.0%	38,505,415	100.0%

Home Health Reimbursement Level

50%	365	2.7%	871,752	2.3%
75%	394	2.9%	969,014	2.5%
100%	12,892	94.4%	36,664,649	95.2%
150%	0	0.0%	0	0.0%
Total	13,651	100.0%	38,505,415	100.0%

Spousal Discount Status

Single	2,983	21.9%	9,560,166	24.8%
Married - 1 Buy	2,919	21.4%	8,893,340	23.1%
Married - 2 Buy	7,749	56.8%	20,051,908	52.1%
Total	13,651	100.0%	38,505,415	100.0%

Spousal Discount

0%	2,983	21.9%	9,560,166	24.8%
5%	0	0.0%	0	0.0%
10%	2,659	19.5%	8,088,878	21.0%
15%	260	1.9%	804,463	2.1%
20%	7,724	56.6%	20,000,298	51.9%
25%	3	0.0%	11,463	0.0%
30%	22	0.2%	40,147	0.1%
Total	13,651	100.0%	38,505,415	100.0%

Issue State

AL	37	0.3%	141,659	0.4%
AK	4	0.0%	46,404	0.1%
AZ	96	0.7%	273,927	0.7%
AR	39	0.3%	73,522	0.2%
CA	3,232	23.7%	8,339,667	21.7%
CO	129	0.9%	357,146	0.9%
CT	105	0.8%	344,521	0.9%
DC	20	0.1%	82,527	0.2%
DE	35	0.3%	130,612	0.3%
FL	675	4.9%	1,755,170	4.6%
GA	199	1.5%	574,340	1.5%
GU	1	0.0%	1,160	0.0%
HI	443	3.2%	1,188,911	3.1%
ID	24	0.2%	63,625	0.2%
IL	876	6.4%	2,168,960	5.6%
IN	102	0.7%	259,951	0.7%
IA	262	1.9%	567,338	1.5%
KS	128	0.9%	259,933	0.7%
KY	78	0.6%	195,966	0.5%
LA	113	0.8%	247,629	0.6%
ME	42	0.3%	149,212	0.4%
MD	235	1.7%	722,027	1.9%
MA	261	1.9%	803,708	2.1%
MI	145	1.1%	476,792	1.2%
MN	297	2.2%	612,706	1.6%
MS	34	0.2%	79,133	0.2%
MO	219	1.6%	461,088	1.2%
MT	74	0.5%	206,063	0.5%
NE	87	0.6%	255,278	0.7%
NV	25	0.2%	64,309	0.2%
NH	35	0.3%	89,986	0.2%
NJ	1,075	7.9%	3,436,591	8.9%
NM	77	0.6%	193,754	0.5%
NY	1,774	13.0%	6,684,294	17.4%
NC	461	3.4%	1,231,724	3.2%
ND	51	0.4%	95,990	0.2%
OH	433	3.2%	1,247,413	3.2%
OK	126	0.9%	269,801	0.7%
OR	60	0.4%	169,995	0.4%
PA	374	2.7%	1,018,132	2.6%
RI	38	0.3%	81,597	0.2%
SC	144	1.1%	354,262	0.9%
SD	46	0.3%	134,475	0.3%
TN	109	0.8%	319,200	0.8%
TX	217	1.6%	451,173	1.2%
UT	47	0.3%	89,782	0.2%
VT	13	0.1%	33,913	0.1%
VA	125	0.9%	346,706	0.9%
WA	219	1.6%	661,626	1.7%
WV	49	0.4%	119,067	0.3%
WI	126	0.9%	448,696	1.2%
WY	35	0.3%	123,951	0.3%
Total	13,651	100.0%	38,505,415	100.0%

Risk Class

Preferred	12,802	93.8%	35,621,573	92.5%
Standard	849	6.2%	2,883,842	7.5%
Standard 1	0	0.0%	0	0.0%
Standard 2	0	0.0%	0	0.0%
Standard 3	0	0.0%	0	0.0%
Total	13,651	100.0%	38,505,415	100.0%

Cash Benefit Option

Cash	1,665	12.2%	6,516,666	16.9%
Reimbursement	11,986	87.8%	31,988,749	83.1%
Flex	0	0.0%	0	0.0%
Total	13,651	100.0%	38,505,415	100.0%

Benefit Measure

Daily	3,220	23.6%	8,218,714	21.3%
Monthly	10,431	76.4%	30,286,701	78.7%
Total	13,651	100.0%	38,505,415	100.0%

Non-Forfeiture Option

Yes	484	3.5%	1,388,150	3.6%
No	13,167	96.5%	37,117,265	96.4%
Total	13,651	100.0%	38,505,415	100.0%

Shared Care Rider

Yes	0	0.0%	0	0.0%
No	13,651	100.0%	38,505,415	100.0%
Total	13,651	100.0%	38,505,415	100.0%

Survivorship Rider

Yes	459	3.4%	1,201,134	3.1%
No	13,192	96.6%	37,304,281	96.9%
Total	13,651	100.0%	38,505,415	100.0%

Dual Waiver of Premium Rider

Yes	2,117	15.5%	5,547,431	14.4%
No	11,534	84.5%	32,957,984	85.6%
Total	13,651	100.0%	38,505,415	100.0%

Home Health EP Waiver Rider

Yes	0	0.0%	0	0.0%
No	13,651	100.0%	38,505,415	100.0%
Total	13,651	100.0%	38,505,415	100.0%