

**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-1 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-131133082  
SERFF Status: Submitted to State  
State Tr Num: PRUD-131133082  
State Status: Received Review in Progress  
Co Tr Num: IIGHILTC1RERATE-RP-PA

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

State Filing Description:  
Proposed aggregate 1.8% increase on 2,394 policyholders of Prudential forms GRP 98720, GRP 98721, and GRP 98722.

**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-1 Re-Rate/6I-2017

### General Information

Project Name: ILTC-1 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: 1.8%	Filing Status Changed: 07/29/2017
	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-131133082

State Tracking #:

PRUD-131133082

Company Tracking #:

IIGHILTC1RERATE-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-1 Re-Rate/6I-2017

### Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

15.800%

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	1.800%	1.800%	\$119,817	2,394	\$6,476,998	7.700%	0.000%

**SERFF Tracking #:**

PRUD-131133082

**State Tracking #:**

PRUD-131133082

**Company Tracking #:**

IIGHILTC1RERATE-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-1 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 (PA ILTC-1)	GRP 98720, GRP 98721, GRP 98722	Revised	Previous State Filing Number: PRUD-130397950 Percent Rate Change Request: 1.8	Appendix F - Rate Pages (PA ILTC1).pdf,

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

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<b>PENNSYLVANIA BASE RATES BEFORE ADJUSTMENTS</b>			
Gross Annual Preferred Single Premium Per \$10.00 of Institutional Care Daily Benefit Home & Community-Based Care Daily Benefit: 75% of Institutional Care Daily Benefit \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) 100-Day Calendar Day Benefit Waiting Period			
Age	Automatic Simple Inflation GRP 98720	Automatic Compound Inflation GRP 98721	Periodic Inflation GRP 98722
18-30	54.01	71.21	36.72
31	56.77	74.54	38.36
32	59.67	78.03	40.05
33	62.72	81.70	41.83
34	65.93	85.52	43.68
35	69.29	89.52	45.61
36	72.83	93.71	47.64
37	76.55	98.11	49.75
38	80.46	102.69	51.94
39	84.57	107.50	54.26
40	88.90	112.54	56.66
41	92.13	116.15	58.48
42	95.50	119.87	60.35
43	98.98	123.70	62.28
44	102.58	127.65	64.27
45	106.32	131.75	66.34
46	110.19	135.95	68.47
47	114.21	140.32	70.67
48	118.39	144.81	72.92
49	122.69	149.43	75.27
50	127.16	154.23	77.67
51	134.77	163.28	82.19
52	142.86	172.89	86.96
53	151.42	183.05	91.99
54	160.50	193.83	97.33
55	170.10	205.21	103.00
56	180.32	217.28	108.97
57	191.12	230.06	115.28
58	202.57	243.58	121.98
59	214.71	257.90	129.06
60	227.58	273.07	136.54
61	241.75	287.23	146.28
62	256.81	302.14	156.68
63	272.80	317.81	167.88
64	289.81	334.31	179.82
65	307.85	351.66	192.65
66	336.66	382.24	213.24
67	368.16	415.45	236.05
68	402.61	451.57	261.30
69	440.28	490.83	289.25
70	481.48	533.50	320.18
71	531.45	584.80	357.64
72	586.61	641.08	399.46
73	647.48	702.74	446.18
74	714.67	770.32	498.37
75	788.85	844.43	556.65
76	874.63	930.47	624.50
77	969.74	1,025.29	700.60
78	1,075.21	1,129.75	785.98
79	1,192.13	1,244.86	881.76
80	1,321.77	1,371.70	989.22
81	1,427.07	1,475.35	1,075.80
82	1,540.78	1,586.86	1,169.98
83	1,663.53	1,706.77	1,272.39
84	1,796.06	1,835.75	1,383.79
85	1,939.16	1,974.47	1,504.92

<b>ADJUSTMENT FACTORS – UNDERWRITING CLASS</b>	
Underwriting Class	All Ages
Preferred	1.000
Standard	1.250

<b>ADJUSTMENT FACTORS – PREMIUM PAYMENT MODE</b>	
Premium Payment Mode	All Ages
Annual	1.000
Semi-Annual	0.510
Quarterly	0.265
Monthly	0.090
Auto-Monthly	0.085

<b>ADJUSTMENT FACTORS – MARITAL STATUS</b>			
Marital Status	All Ages		Minimum Factor for all Discounts combined
	Without Good Health Discount	With Good Health Discount	
Married Joint	0.80	0.70	0.70
Married Single	0.90	0.75	0.75
Single (Not Married)	1.00	0.85	0.75

**Appendix F**  
**The Prudential Insurance Company of America**  
**Individual Long Term Care Insurance Plan**  
**Automatic Simple Interest Inflation Protection**  
**Base Rates and Adjustment Factors**

GRP 98720  
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ADJUSTMENT FACTORS – LIFETIME MAXIMUM (BENEFIT PERIOD)						
Benefit Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
3 YEAR	0.856	0.840	0.833	0.831	0.824	0.813
4 YEAR	0.940	0.934	0.931	0.930	0.927	0.922
5 YEAR	1.000	1.000	1.000	1.000	1.000	1.000
Unlimited	1.478	1.512	1.510	1.492	1.495	1.520

ADJUSTMENT FACTORS – BENEFIT WAITING PERIOD						
Benefit Waiting Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
0 DAY	1.105	1.134	1.165	1.191	1.225	1.269
30 DAY	1.078	1.101	1.126	1.145	1.165	1.187
60 DAY	1.045	1.058	1.071	1.080	1.092	1.105
100 DAY	1.000	1.000	1.000	1.000	1.000	1.000

ADJUSTMENT FACTORS – HOME & COMMUNITY-BASED CARE DAILY BENEFIT						
% of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	1.000	1.000	1.000	1.000	1.000	1.000
50%	0.926	0.924	0.926	0.935	0.941	0.941
100%	1.057	1.062	1.065	1.058	1.042	1.033

Select only one (if any) of the following three Home & Community Based Care Options: Monthly, Cash, or Cash Indemnity Rider

ADJUSTMENT FACTORS – MONTHLY BENEFIT RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	0.060	0.071	0.082	0.077	0.057	0.051
50%	0.094	0.100	0.100	0.090	0.082	0.082
100%	0.034	0.047	0.059	0.056	0.045	0.051

ADJUSTMENT FACTORS – CASH BENEFIT RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Benefit Period	Ages				
		18-39	40-49	50-59	60-69	70-79
75%	3 YEAR	0.678	0.678	0.643	0.582	0.553
	4 YEAR	0.678	0.678	0.643	0.582	0.553
	5 YEAR	0.678	0.678	0.643	0.582	0.553
	Unlimited	0.614	0.614	0.580	0.521	0.493
50%	3 YEAR	0.617	0.607	0.569	0.507	0.477
	4 YEAR	0.617	0.607	0.569	0.507	0.477
	5 YEAR	0.617	0.607	0.569	0.507	0.477
	Unlimited	0.555	0.546	0.509	0.450	0.421
100%	3 YEAR	0.710	0.716	0.685	0.632	0.630
	4 YEAR	0.710	0.716	0.685	0.632	0.630
	5 YEAR	0.710	0.716	0.685	0.632	0.630
	Unlimited	0.645	0.650	0.620	0.570	0.568

ADJUSTMENT FACTORS – CASH INDEMNITY RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Benefit Period	Ages				
		18-39	40-49	50-59	60-69	70-79
75%	3 YEAR	0.373	0.373	0.354	0.320	0.304
	4 YEAR	0.373	0.373	0.354	0.320	0.304
	5 YEAR	0.373	0.373	0.354	0.320	0.304
	Unlimited	0.338	0.338	0.319	0.287	0.271
50%	3 YEAR	0.339	0.334	0.313	0.279	0.262
	4 YEAR	0.339	0.334	0.313	0.279	0.262
	5 YEAR	0.339	0.334	0.313	0.279	0.262
	Unlimited	0.305	0.300	0.280	0.248	0.232
100%	3 YEAR	0.391	0.394	0.377	0.348	0.347
	4 YEAR	0.391	0.394	0.377	0.348	0.347
	5 YEAR	0.391	0.394	0.377	0.348	0.347
	Unlimited	0.355	0.358	0.341	0.314	0.312

ADJUSTMENT FACTORS - SHORTENED BENEFIT PERIOD NONFORFEITURE (RIDER ONLY) (applies to base plan and rider premiums)						
Included	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
NO	0.000	0.000	0.000	0.000	0.000	0.000
YES	0.197	0.185	0.161	0.152	0.180	0.190

**Appendix F**  
**The Prudential Insurance Company of America**  
**Individual Long Term Care Insurance Plan**  
**Automatic Compound Interest Inflation Protection**  
**Base Rates and Adjustment Factors**

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ADJUSTMENT FACTORS – LIFETIME MAXIMUM (BENEFIT PERIOD)						
Benefit Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
3 YEAR	0.844	0.837	0.832	0.832	0.825	0.815
4 YEAR	0.935	0.933	0.931	0.931	0.928	0.923
5 YEAR	1.000	1.000	1.000	1.000	1.000	1.000
Unlimited	1.491	1.510	1.504	1.487	1.490	1.515

ADJUSTMENT FACTORS – BENEFIT WAITING PERIOD						
Benefit Waiting Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
0 DAY	1.137	1.144	1.171	1.196	1.226	1.270
30 DAY	1.102	1.109	1.130	1.147	1.166	1.187
60 DAY	1.057	1.063	1.073	1.081	1.092	1.105
100 DAY	1.000	1.000	1.000	1.000	1.000	1.000

ADJUSTMENT FACTORS – HOME & COMMUNITY-BASED CARE DAILY BENEFIT						
% of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	1.000	1.000	1.000	1.000	1.000	1.000
50%	0.927	0.925	0.928	0.936	0.942	0.942
100%	1.057	1.056	1.057	1.049	1.034	

Select only one (if any) of the following three Home & Community Based Care Options: Monthly, Cash, or Cash Indemnity Rider

ADJUSTMENT FACTORS – MONTHLY BENEFIT RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	0.065	0.062	0.069	0.062	0.046	0.046
50%	0.094	0.099	0.097	0.089	0.082	0.080
100%	0.042	0.033	0.039	0.040	0.041	0.052

ADJUSTMENT FACTORS – CASH BENEFIT RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Benefit Period	Ages				
		18-39	40-49	50-59	60-69	70-79
75%	3 YEAR	0.651	0.666	0.627	0.571	0.552
	4 YEAR	0.651	0.666	0.627	0.571	0.552
	5 YEAR	0.651	0.666	0.627	0.571	0.552
	Unlimited	0.588	0.603	0.565	0.511	0.492
50%	3 YEAR	0.588	0.596	0.553	0.498	0.474
	4 YEAR	0.588	0.596	0.553	0.498	0.474
	5 YEAR	0.588	0.596	0.553	0.498	0.474
	Unlimited	0.527	0.535	0.493	0.441	0.418
100%	3 YEAR	0.690	0.716	0.680	0.636	0.638
	4 YEAR	0.690	0.716	0.680	0.636	0.638
	5 YEAR	0.690	0.716	0.680	0.636	0.638
	Unlimited	0.626	0.650	0.616	0.574	0.576

ADJUSTMENT FACTORS – CASH INDEMNITY RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Benefit Period	Ages				
		18-39	40-49	50-59	60-69	70-79
75%	3 YEAR	0.358	0.366	0.345	0.314	0.304
	4 YEAR	0.358	0.366	0.345	0.314	0.304
	5 YEAR	0.358	0.366	0.345	0.314	0.304
	Unlimited	0.323	0.332	0.311	0.281	0.271
50%	3 YEAR	0.323	0.328	0.304	0.274	0.261
	4 YEAR	0.323	0.328	0.304	0.274	0.261
	5 YEAR	0.323	0.328	0.304	0.274	0.261
	Unlimited	0.290	0.294	0.271	0.243	0.230
100%	3 YEAR	0.380	0.394	0.374	0.350	0.351
	4 YEAR	0.380	0.394	0.374	0.350	0.351
	5 YEAR	0.380	0.394	0.374	0.350	0.351
	Unlimited	0.344	0.358	0.339	0.316	0.317

ADJUSTMENT FACTORS - SHORTENED BENEFIT PERIOD NONFORFEITURE (RIDER ONLY)						
(applies to base plan and rider premiums)						
Included	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
NO	0.000	0.000	0.000	0.000	0.000	0.000
YES	0.266	0.230	0.183	0.164	0.176	0.186

**Appendix F**  
**The Prudential Insurance Company of America**  
**Individual Long Term Care Insurance Plan**  
**Periodic Inflation Protection Offers**  
**Base Rates and Adjustment Factors**

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ADJUSTMENT FACTORS – LIFETIME MAXIMUM (BENEFIT PERIOD)						
Benefit Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
3 YEAR	0.896	0.875	0.863	0.857	0.845	0.835
4 YEAR	0.959	0.950	0.945	0.942	0.938	0.934
5 YEAR	1.000	1.000	1.000	1.000	1.000	1.000
Unlimited	1.352	1.402	1.425	1.429	1.450	1.477

ADJUSTMENT FACTORS – BENEFIT WAITING PERIOD						
Benefit Waiting Period	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
0 DAY	1.085	1.118	1.156	1.190	1.231	1.277
30 DAY	1.063	1.090	1.121	1.147	1.172	1.193
60 DAY	1.037	1.053	1.069	1.081	1.096	1.108
100 DAY	1.000	1.000	1.000	1.000	1.000	1.000

ADJUSTMENT FACTORS – HOME & COMMUNITY-BASED CARE DAILY BENEFIT						
% of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	1.000	1.000	1.000	1.000	1.000	1.000
50%	0.928	0.921	0.922	0.930	0.936	0.937
100%	1.067	1.076	1.081	1.074	1.059	1.048

Select only one (if any) of the following three Home & Community Based Care Options: Monthly, Cash, or Cash Indemnity Rider						
ADJUSTMENT FACTORS – MONTHLY BENEFIT RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
75%	0.077	0.092	0.107	0.108	0.084	0.071
50%	0.089	0.101	0.104	0.097	0.089	0.088
100%	0.053	0.069	0.088	0.092	0.071	0.062

ADJUSTMENT FACTORS – CASH BENEFIT RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Benefit Period	Ages				
		18-39	40-49	50-59	60-69	70-79
75%	3 YEAR	0.625	0.645	0.630	0.576	0.544
	4 YEAR	0.625	0.645	0.630	0.576	0.544
	5 YEAR	0.625	0.645	0.630	0.576	0.544
	Unlimited	0.563	0.582	0.568	0.516	0.485
50%	3 YEAR	0.562	0.574	0.552	0.501	0.467
	4 YEAR	0.562	0.574	0.552	0.501	0.467
	5 YEAR	0.562	0.574	0.552	0.501	0.467
	Unlimited	0.503	0.514	0.492	0.444	0.411
100%	3 YEAR	0.644	0.670	0.660	0.614	0.602
	4 YEAR	0.644	0.670	0.660	0.614	0.602
	5 YEAR	0.644	0.670	0.660	0.614	0.602
	Unlimited	0.581	0.606	0.597	0.552	0.541

ADJUSTMENT FACTORS – CASH INDEMNITY RIDER (RIDER ONLY)						
HHC % of Institutional Benefit	Benefit Period	Ages				
		18-39	40-49	50-59	60-69	70-79
75%	3 YEAR	0.344	0.355	0.347	0.317	0.299
	4 YEAR	0.344	0.355	0.347	0.317	0.299
	5 YEAR	0.344	0.355	0.347	0.317	0.299
	Unlimited	0.310	0.320	0.312	0.284	0.267
50%	3 YEAR	0.309	0.316	0.304	0.276	0.257
	4 YEAR	0.309	0.316	0.304	0.276	0.257
	5 YEAR	0.309	0.316	0.304	0.276	0.257
	Unlimited	0.277	0.283	0.271	0.244	0.226
100%	3 YEAR	0.354	0.369	0.363	0.338	0.331
	4 YEAR	0.354	0.369	0.363	0.338	0.331
	5 YEAR	0.354	0.369	0.363	0.338	0.331
	Unlimited	0.320	0.333	0.328	0.304	0.298

ADJUSTMENT FACTORS - SHORTENED BENEFIT PERIOD NONFORFEITURE (RIDER ONLY)						
(applies to base plan and rider premiums)						
Included	Ages					
	18-39	40-49	50-59	60-69	70-79	80+
NO	0.000	0.000	0.000	0.000	0.000	0.000
YES	0.172	0.181	0.173	0.168	0.200	0.203





<b>80+</b>
0.540
0.540
0.540
0.481
0.459
0.459
0.459
0.404
0.642
0.642
0.642
0.579
<b>80+</b>
0.297
0.297
0.297
0.265
0.252
0.252
0.252
0.222
0.353
0.353
0.353
0.318

||

<b>80+</b>
0.542
0.542
0.542
0.483
0.458
0.458
0.458
0.403
0.649
0.649
0.649
0.586
<b>80+</b>
0.298
0.298
0.298
0.266
0.252
0.252
0.252
0.222
0.357
0.357
0.357
0.322

||

<b>80+</b>
0.521
0.521
0.521
0.463
0.442
0.442
0.442
0.387
0.605
0.605
0.605
0.544
<b>80+</b>
0.287
0.287
0.287
0.255
0.243
0.243
0.243
0.213
0.333
0.333
0.333
0.299

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SERFF Tracking #:

PRUD-131133082

State Tracking #:

PRUD-131133082

Company Tracking #:

IIGHILTC1RERATE-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-1 Re-Rate/6I-2017

## Supporting Document Schedules

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

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

<b>Satisfied - Item:</b>	Actuarial Memorandum and Explanatory Information (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	Act Memo - Revised Rates ILTC1.pdf PA ILTC1 - Appendices A,B and G.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

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

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

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

SERFF Tracking #:

PRUD-131133082

State Tracking #:

PRUD-131133082

Company Tracking #:

IIGHILTC1RERATE-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-1 Re-Rate/6I-2017

<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Rate Table (A&H)
<b>Bypass Reason:</b>	Please refer to Appendix F - Located on the Rate Schedule Tab of this filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Replacement Form with Highlighted Changes (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Reserve Calculation (A&H)
<b>Bypass Reason:</b>	Please refer to the Actuarial Memorandum and corresponding appendices attached to the Supporting Documentation Tab of this filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Variability Explanation (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Appendix C - Exhibit 1 - Mortality Details - ILTC-1
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Exhibit 1 - Mortality Details - ILTC1.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Appendix C - Exhibit 2 - Lapse Analysis Details - ILTC-1
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Exhibit 2 - Lapse Analysis Details - ILTC1.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

PRUD-131133082

State Tracking #:

PRUD-131133082

Company Tracking #:

IIGHILTC1RERATE-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-1 Re-Rate/6I-2017

<b>Satisfied - Item:</b>	Appendix C - Exhibit 3 - Morbidity Details - ILTC-1
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Exhibit 3 - Morbidity Details - ILTC1.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Appendix D - Persistency - ILTC-1
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix D - Persistency - ILTC1.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Appendix E - DOB - ILTC-1
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix E - DOB - ILTC1.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



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

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 Long Term Care Unit  
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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 98720, GRP 98721 & GRP 98722

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.

Forms GRP 98720, GRP 98721 and GRP 98722 (ILTC 1) were previously approved by the Department on April 12, 1999 and were sold nationwide during the period of 1998 through 2004. This product is 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 1.8% for the forms GRP 98720, GRP 98721 & GRP 98722, 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 98720	0.0%	4.3%	0.7%	7.7%
GRP 98721	0.0%	4.3%	0.7%	7.7%
GRP 98722	0.0%	4.3%	0.7%	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, our policyholders may also exercise their rights under a non-forfeiture benefit rider or the policy's contingent non-forfeiture provision.

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. This policy amendment (GRP 114975) was previously approved by the Department on September 26, 2013, under SERFF Filing Number PRUD-129012172.

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  
Lead Analyst  
The Prudential Insurance Company of America  
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Voice: (800) 732-0416 or (215) 658-6282  
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e-mail: raenonna.prince@prudential.com

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>
ILTC1, Simple Inflation	GRP 98720	08/1999 - 12/2008
ILTC1, Compound Inflation	GRP 98721	08/1999 - 12/2008
ILTC1, Periodic Inflation Option	GRP 98722	08/1999 - 12/2008

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. Please recognize that additional delay in approval may result in larger requests in the future to recoup the premium lost due to the time value of money. 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 2016 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.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
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## **2. Description of Benefits**

The policies issued on these forms are referred as the “ILTC1” 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 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

**Actuarial Memorandum Supporting Rate Revisions for  
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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.

## **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

**Actuarial Memorandum Supporting Rate Revisions for  
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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. 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%

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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.

\*\* 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.

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## **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.

## **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 1.8%. 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.

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Policy Type	ILTC1
Limited Benefit / Reimbursement	0.0%
Limited Lifetime Max / Cash	0.7%
Unlimited Lifetime Max / Reimbursement	4.3%
Unlimited Lifetime Max / Cash	7.7%
Average	1.8%

Because policies were sold both prior to and after the state’s rate stability date, satisfaction of loss ratio requirements are demonstrated two different ways in Appendix A.

The first approach applies to policies sold prior to the rate stabilization date and is based on the minimum required loss ratio. This approach shows that with the requested rate increase the expected lifetime loss ratio exceeds the minimum loss ratio requirement.

The second approach applies to policies sold on or after the rate stabilization date and 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.

The requested rate increase satisfies the loss ratio requirements under either approach.

## **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.



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## **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 is 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.

## **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

**Actuarial Memorandum Supporting Rate Revisions for  
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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 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

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deterioration in experience, Prudential anticipates the need to file for additional in-force premium increases on these forms in the future.

A handwritten signature in cursive script that reads "Michael Zilberman".

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

Appendix A  
The Prudential Insurance Company of America  
ILTC1

Pennsylvania

<u>Benefit Type</u>	<u>Requested Rate Increase</u>	<u>Requested Amount</u>
Cash/Unlimited		7.7%
Cash/Limited		0.7%
Reimbursement/Unlimited		4.3%
Reimbursement/Limited		0.0%

**10. Average Annual Premium**

<u>Rate Basis</u>	<u>Pennsylvania</u>	<u>Nationwide</u>
Without Increase	\$2,706	\$2,541
With Increase	\$2,756	\$2,621

**15. Satisfaction of Loss Ratio Requirements**

Loss Ratio Requirement:

1) Expected Lifetime Loss Ratio with Rate Increase	143%
2) Minimum Required Loss Ratio	60%
Is 1 greater than 2?	Yes

Rate Stability Requirement:

1) Total Incurred Claims	\$3,079,365,807
58% of initial premium	\$893,152,463
85% of increased premium	\$523,015,788
2) Sum of 58%/85% premium	\$1,416,168,250
Is 1 greater than 2?	Yes

**18. Lifetime Loss Ratio**

<u>Policy type</u>	<u>Without Increase</u>	<u>With Increase</u>
All	145%	143%
Cash/Unlimited	227%	219%
Cash/Limited	146%	146%
Reimbursement/Unlimited	124%	122%
Reimbursement/Limited	97%	97%

**19. History of Rate Adjustments**

Cash / Unlimited Benefit Period Policies:

14% Implemented on 10/1/2009  
 14% Implemented on 10/1/2010  
 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 10/1/2009  
 14% Implemented on 10/1/2010  
 14% Implemented on 4/25/2012  
 14% Implemented on 4/25/2013  
 20% Implemented on 5/1/2014  
 20% Implemented on 10/1/2016

Reimbursement / Unlimited Benefit Period Policies:

9% Implemented on 10/1/2009  
 9% Implemented on 10/1/2010  
 8.2% Implemented on 4/25/2012  
 8.2% Implemented on 4/25/2013  
 20% Implemented on 5/1/2014  
 20% Implemented on 10/1/2016

Reimbursement / Limited Benefit Period Policies:

9% Implemented on 10/1/2009  
 9% Implemented on 10/1/2010  
 8.2% Implemented on 4/25/2012  
 8.2% Implemented on 4/25/2013  
 20% Implemented on 5/1/2014  
 12.6% 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	2,394	23,852	\$6,476,998	\$60,613,131
Cash/Unlimited	150	4,778	\$630,078	\$15,078,019
Cash/Limited	189	2,880	\$563,695	\$7,625,822
Reimbursement/Unlimited	528	6,326	\$1,566,409	\$16,143,536
Reimbursement/Limited	1,527	9,868	\$3,716,817	\$21,765,754

Appendix B  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Nationwide Experience  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	475,419	0	0	0	0%
2000	7,398,762	55,446	0	55,446	1%
2001	19,078,637	1,034,876	0	1,034,876	5%
2002	36,819,195	4,088,346	391,094	4,479,440	12%
2003	59,262,994	6,391,551	565,311	6,956,861	12%
2004	65,977,799	8,717,461	246,683	8,964,144	14%
2005	63,562,504	10,646,985	498,349	11,145,333	18%
2006	61,848,346	13,188,437	512,254	13,700,691	22%
2007	60,426,389	20,394,496	2,124,951	22,519,447	37%
2008	58,586,772	25,603,768	2,173,506	27,777,273	47%
2009	57,551,929	27,591,301	3,167,836	30,759,137	53%
2010	63,365,814	24,817,373	5,510,451	30,327,824	48%
2011	64,108,070	27,985,812	8,423,210	36,409,022	57%
2012	62,739,125	31,219,715	16,024,921	47,244,636	75%
2013	63,875,533	24,223,277	15,560,772	39,784,049	62%
2014	69,774,961	19,157,628	27,682,500	46,840,129	67%
2015	74,523,497	9,748,419	48,121,340	57,869,759	78%
2016*	36,533,760	426,339	30,999,166	31,425,505	86%
Active Life Reserve Balance as of 06/30/2016:			1,020,364,235		

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2016**	36,256,506	29,260,908	81%
2017	78,954,048	63,084,278	80%
2018	78,227,105	69,312,571	89%
2019	75,322,971	75,882,537	101%
2020	72,385,851	82,846,244	114%
2021	69,428,543	90,197,130	130%
2022	66,465,700	97,882,732	147%
2023	63,523,942	105,990,698	167%
2024	60,610,690	114,511,358	189%
2025	57,686,803	123,225,332	214%
2026	54,745,668	131,952,864	241%
2027	51,792,792	140,608,787	271%
2028	48,834,468	149,108,855	305%
2029	45,879,155	157,343,276	343%
2030	42,937,192	165,158,860	385%
2031	40,024,679	172,264,903	430%
2032	37,157,448	178,544,804	481%
2033	34,353,681	184,024,215	536%
2034	31,633,509	188,715,133	597%
2035	29,009,588	192,459,243	663%
2036	26,491,398	195,012,371	736%
2037	24,081,108	197,157,861	819%
2038	21,780,424	198,594,081	912%
2039	19,597,955	198,570,128	1013%
2040	17,542,137	196,986,325	1123%
2041	15,619,250	193,645,034	1240%
2042	13,832,977	188,745,075	1364%
2043	12,184,502	182,501,344	1498%
2044	10,673,775	175,260,284	1642%
2045	9,299,836	167,091,989	1797%
2046	8,059,968	158,142,192	1962%
2047	6,949,373	148,698,247	2140%
2048	5,961,180	139,032,874	2332%
2049	5,087,923	129,571,479	2547%
2050	4,322,074	120,258,325	2782%
2051	3,655,583	111,460,735	3049%
2052	3,079,597	103,785,988	3370%
2053	2,585,031	98,215,903	3799%
2054	2,162,875	93,035,257	4301%
2055+	10,058,982	917,721,860	9123%

\* 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**	36,256,506	29,260,908	81%
2017	79,042,869	63,070,810	80%
2018	79,986,590	69,004,990	86%
2019	77,347,001	75,465,579	98%
2020	74,350,076	82,372,545	111%
2021	71,331,701	89,661,023	126%
2022	68,306,851	97,278,509	142%
2023	65,302,905	105,311,748	161%
2024	62,327,339	113,750,931	183%
2025	59,339,586	122,378,235	206%
2026	56,332,826	131,014,881	233%
2027	53,312,634	139,576,338	262%
2028	50,285,389	147,978,839	294%
2029	47,259,670	156,113,484	330%
2030	44,246,003	163,828,421	370%
2031	41,260,874	170,835,757	414%
2032	38,320,536	177,020,349	462%
2033	35,443,728	182,408,478	515%
2034	32,651,185	187,013,061	573%
2035	29,955,935	190,677,869	637%
2036	27,367,790	193,161,828	706%
2037	24,889,084	195,241,372	784%
2038	22,521,706	196,619,355	873%
2039	20,274,641	196,553,254	969%
2040	18,156,686	194,944,608	1074%
2041	16,174,440	191,598,869	1185%
2042	14,331,855	186,712,956	1303%
2043	12,630,344	180,499,991	1429%
2044	11,070,039	173,302,641	1566%
2045	9,650,105	165,191,545	1712%
2046	8,367,889	156,311,915	1868%
2047	7,218,600	146,947,260	2036%
2048	6,195,320	137,367,009	2217%
2049	5,290,487	127,991,320	2419%
2050	4,496,444	118,767,189	2641%
2051	3,804,968	110,057,178	2892%
2052	3,206,997	102,458,456	3195%
2053	2,693,217	96,938,145	3599%
2054	2,254,374	91,806,532	4072%
2055+	10,503,098	904,621,724	8613%

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2016	1,289,761,005	522,137,696	40%	1,289,761,005	522,137,696	40%
Present Value of Future to 6/30/2016	844,309,020	2,579,526,867	306%	865,469,726	2,557,228,111	295%
Total Values (Discounted at 4.5%)	2,134,070,025	3,101,664,563	145%	2,155,230,731	3,079,365,807	143%

Minimum Lifetime Loss Ratio

60%

Appendix G  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Pennsylvania Experience  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	35,691	0	0	0	0%
2000	922,945	0	0	0	0%
2001	2,347,556	0	0	0	0%
2002	4,043,428	389,313	0	389,313	10%
2003	5,887,239	599,944	0	599,944	10%
2004	7,076,872	298,292	0	298,292	4%
2005	6,908,593	594,657	0	594,657	9%
2006	6,698,783	1,800,946	0	1,800,946	27%
2007	6,500,056	2,187,577	0	2,187,577	34%
2008	6,269,798	1,720,537	0	1,720,537	27%
2009	6,143,883	2,415,394	303,259	2,718,653	44%
2010	6,020,642	2,254,855	345,952	2,600,807	43%
2011	6,228,581	2,817,443	471,638	3,289,081	53%
2012	5,968,615	3,527,547	1,205,660	4,733,208	79%
2013	5,824,486	2,130,330	1,112,044	3,242,375	56%
2014	6,104,896	1,428,092	1,789,088	3,217,180	53%
2015	6,221,797	724,072	3,835,694	4,559,766	73%
2016*	3,010,430	27,276	1,972,174	1,999,449	66%
Active Life Reserve Balance as of 06/30/2016:			78,443,214		

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2016**	2,958,744	2,430,645	82%
2017	6,372,727	5,137,368	81%
2018	6,261,975	5,553,345	89%
2019	5,986,058	5,984,495	100%
2020	5,709,130	6,421,740	112%
2021	5,432,973	6,869,486	126%
2022	5,158,686	7,320,966	142%
2023	4,888,245	7,782,424	159%
2024	4,622,314	8,256,461	179%
2025	4,359,657	8,728,669	200%
2026	4,099,101	9,189,929	224%
2027	3,841,124	9,639,356	251%
2028	3,586,592	10,069,412	281%
2029	3,336,309	10,468,162	314%
2030	3,090,993	10,823,381	350%
2031	2,851,820	11,125,458	390%
2032	2,619,872	11,360,736	434%
2033	2,396,326	11,537,915	481%
2034	2,182,469	11,660,728	534%
2035	1,979,062	11,724,724	592%
2036	1,786,573	11,716,722	656%
2037	1,604,907	11,685,066	728%
2038	1,433,981	11,618,149	810%
2039	1,274,254	11,484,669	901%
2040	1,126,113	11,281,200	1002%
2041	989,682	10,987,365	1110%
2042	864,864	10,605,136	1226%
2043	751,517	10,158,056	1352%
2044	649,402	9,658,585	1487%
2045	558,111	9,108,598	1632%
2046	477,121	8,525,256	1787%
2047	405,800	7,913,094	1950%
2048	343,441	7,297,641	2125%
2049	289,288	6,690,687	2313%
2050	242,578	6,106,842	2517%
2051	202,588	5,561,417	2745%
2052	168,576	5,078,590	3013%
2053	139,828	4,698,740	3360%
2054	115,664	4,366,798	3775%
2055+	503,258	36,630,156	7279%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2016**	2,958,744	2,430,645	82%
2017	6,377,004	5,136,783	81%
2018	6,347,022	5,539,876	87%
2019	6,083,845	5,966,308	98%
2020	5,803,920	6,401,197	110%
2021	5,524,703	6,846,385	124%
2022	5,247,299	7,295,086	139%
2023	4,973,707	7,753,508	156%
2024	4,704,596	8,224,211	175%
2025	4,438,693	8,692,910	196%
2026	4,174,799	9,150,554	219%
2027	3,913,395	9,596,199	245%
2028	3,655,359	10,022,352	274%
2029	3,401,502	10,417,173	306%
2030	3,152,558	10,768,502	342%
2031	2,909,726	11,066,828	380%
2032	2,674,113	11,298,579	423%
2033	2,446,924	11,472,418	469%
2034	2,229,477	11,592,115	520%
2035	2,022,554	11,653,286	576%
2036	1,826,644	11,642,869	637%
2037	1,641,658	11,608,890	707%
2038	1,467,523	11,539,834	786%
2039	1,304,713	11,404,674	874%
2040	1,153,633	11,200,019	971%
2041	1,014,421	10,905,770	1075%
2042	886,988	10,523,970	1186%
2043	771,198	10,077,914	1307%
2044	666,819	9,580,004	1437%
2045	573,447	9,032,158	1575%
2046	490,555	8,451,442	1723%
2047	417,509	7,842,467	1878%
2048	353,597	7,230,473	2045%
2049	298,054	6,627,169	2223%
2050	250,108	6,047,183	2418%
2051	209,024	5,505,605	2634%
2052	174,053	5,026,230	2888%
2053	144,467	4,648,789	3218%
2054	119,576	4,319,077	3612%
2055+	521,454	36,177,023	6938%

\* Historical 2016 Experience - 1/1/2016 through 6/30/2016  
\*\* Projected 2016 Experience - 7/1/2016 through 12/31/2016

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2016	130,538,824	42,579,380	33%	130,538,824	42,579,380	33%
Present Value of Future to 6/30/2016	63,907,262	163,915,011	256%	64,909,495	163,014,407	251%
Total Values	194,446,086	206,494,391	106%	195,448,319	205,593,787	105%
(Discounted at 4.5%)						

**Appendix C**  
**Exhibit 1**  
**The Prudential Insurance Company of America**  
**Mortality Study**  
**Experience by Policy Duration**  
**ILTC1**

Policy Duration	Total Lives	Total Terminations	Actual Deaths	Expected Deaths	Mortality Rate		A:E
					Actual	Expected	
1 - 3	107,037	5,353	324	336	0.30%	0.31%	96%
4 - 6	95,729	2,474	531	485	0.55%	0.51%	110%
7 - 9	87,917	2,765	718	729	0.82%	0.83%	98%
10+	115,777	3,720	1,713	1,578	1.48%	1.36%	109%
<b>Total</b>	<b>406,459</b>	<b>14,312</b>	<b>3,286</b>	<b>3,129</b>	<b>0.81%</b>	<b>0.77%</b>	<b>105%</b>

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**  
**ILTC1**

Attained Age	Total Lives	Total Terminations	Actual Deaths	Expected Deaths	Mortality Rate		A:E
					Actual	Expected	
<50	35,616	1,784	22	19	0.06%	0.05%	119%
50-54	38,094	1,276	50	41	0.13%	0.11%	121%
55-59	61,901	1,711	116	113	0.19%	0.18%	103%
60-64	77,886	2,063	261	255	0.34%	0.33%	102%
65-69	76,615	2,117	451	420	0.59%	0.55%	107%
70-74	59,686	2,036	606	598	1.02%	1.00%	101%
75-79	35,777	1,583	707	689	1.98%	1.93%	103%
80-84	15,660	1,143	675	581	4.31%	3.71%	116%
85-89	4,518	460	306	321	6.77%	7.10%	95%
90+	708	139	92	92	13.00%	12.98%	100%
<b>Total</b>	<b>406,459</b>	<b>14,312</b>	<b>3,286</b>	<b>3,129</b>	<b>0.81%</b>	<b>0.77%</b>	<b>105%</b>

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**  
**ILTC1**

Policy Duration	Total Lives	Total Terminations		Mortality Rate		Voluntary Lapse Rate		
		Count	Rate	Actual	Expected	Actual	Implied	"Current"
1	37,728	2,452	6.50%	0.19%	0.29%	6.3%	6.2%	5.1%
2	35,429	1,664	4.70%	0.30%	0.31%	4.4%	4.4%	3.6%
3	33,880	1,237	3.65%	0.43%	0.34%	3.2%	3.3%	2.8%
4	32,753	899	2.74%	0.45%	0.42%	2.3%	2.3%	2.5%
5	31,884	800	2.51%	0.62%	0.50%	1.9%	2.0%	2.1%
6	31,092	775	2.49%	0.60%	0.60%	1.9%	1.9%	1.7%
7	30,248	964	3.19%	0.69%	0.71%	2.4%	2.4%	1.6%
8	29,280	893	3.05%	0.86%	0.84%	2.1%	2.1%	1.4%
9	28,389	908	3.20%	0.91%	0.95%	2.2%	2.2%	1.3%
10	27,420	919	3.35%	1.13%	1.07%	2.1%	2.2%	1.2%
11	26,434	774	2.93%	1.37%	1.19%	1.4%	1.6%	1.2%
12	25,297	794	3.14%	1.50%	1.33%	1.5%	1.7%	1.1%
13	20,594	683	3.32%	1.59%	1.52%	1.6%	1.7%	1.1%
14	10,190	338	3.32%	1.99%	1.86%	1.1%	1.3%	1.2%
15	4,392	165	3.76%	2.37%	2.15%	1.2%	1.4%	1.2%
16	1,430	47	3.29%	2.03%	2.45%	1.2%	0.8%	1.2%
17	21	0	0.00%	0.00%	3.64%	0.0%	-3.6%	1.2%
Total	406,459	14,312	3.52%	0.81%	0.77%	2.7%	2.7%	2.2%

**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**  
**ILTC1**

Calendar Year	Total Lives	Actual Claims					Expected Claims			Actual to Expected		
		Count	Paid	Reserve	Severity	Incurred	Count	Severity	Incurred	Incidence	Severity	Incurred
1999	422	0	-	-	-	-	1	65,948	66,880	0%	0%	0%
2000	3,675	2	51,578	-	25,789	51,578	9	70,051	610,928	23%	37%	8%
2001	9,329	23	962,676	-	41,855	962,676	25	75,248	1,883,174	92%	56%	51%
2002	18,345	47	3,803,113	363,808	88,658	4,166,921	50	83,768	4,221,821	93%	106%	99%
2003	30,831	60	5,945,628	525,870	107,858	6,471,499	83	91,163	7,569,325	72%	118%	85%
2004	33,916	91	8,109,266	229,472	91,634	8,338,739	112	96,299	10,737,425	82%	95%	78%
2005	32,879	112	9,904,172	463,580	92,569	10,367,752	134	100,372	13,438,688	84%	92%	77%
2006	31,919	145	12,268,314	476,515	87,895	12,744,829	156	104,871	16,343,668	93%	84%	78%
2007	31,091	204	18,971,624	1,976,698	102,688	20,948,323	178	109,133	19,407,701	115%	94%	108%
2008	30,260	214	23,817,458	2,021,866	120,745	25,839,324	200	114,415	22,887,873	107%	106%	113%
2009	29,228	243	25,666,326	2,946,824	117,750	28,613,151	220	121,490	26,752,847	110%	97%	107%
2010	27,969	233	23,085,929	5,126,001	121,081	28,211,929	236	130,676	30,867,273	99%	93%	91%
2011	27,092	268	26,033,313	7,835,544	126,376	33,868,858	255	142,201	36,231,840	105%	89%	93%
2012	25,944	302	29,041,595	14,906,904	145,525	43,948,499	251	144,260	36,171,514	120%	101%	122%
2013	24,973	296	22,533,281	14,475,137	125,028	37,008,418	261	151,112	39,403,102	114%	83%	94%
2014	23,931	334	17,821,050	25,751,163	130,456	43,572,213	270	158,109	42,737,788	124%	83%	102%
2015	22,958	385	9,068,297	44,764,037	139,824	53,832,334	282	166,622	46,952,629	137%	84%	115%
2016	11,222	216	396,594	28,836,434	135,338	29,233,028	150	172,197	25,766,553	144%	79%	113%
<b>Total</b>	<b>415,983</b>	<b>3,175</b>	<b>237,480,214</b>	<b>150,699,854</b>	<b>122,261</b>	<b>388,180,068</b>	<b>2,872</b>	<b>133,038</b>	<b>382,051,029</b>	<b>111%</b>	<b>92%</b>	<b>102%</b>

**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  
ILTC1

Policy Duration	Total Lives	Count	Actual Claims				Expected Claims			Actual to Expected		
			Paid	Reserve	Severity	Incurred	Count	Severity	Incurred	Incidence	Severity	Incurred
1 - 3	106,935	200	17,872,478	1,106,652	94,896	18,979,130	268	94,306	25,250,678	75%	101%	75%
4 - 6	95,151	462	43,022,311	4,351,708	102,541	47,374,019	469	107,716	50,479,781	99%	95%	94%
7 - 9	86,612	724	74,086,226	11,693,148	118,480	85,779,374	665	123,413	82,021,064	109%	96%	105%
10 - 12	77,379	884	73,096,501	42,670,458	130,958	115,766,958	781	148,489	116,040,918	113%	88%	100%
13 - 15	46,032	780	28,129,755	76,413,797	134,030	104,543,552	610	159,175	97,172,267	128%	84%	108%
16 - 18	3,875	125	1,272,944	14,464,091	125,896	15,737,034	79	140,707	11,086,321	159%	89%	142%
Total	415,983	3,175	237,480,214	150,699,854	122,261	388,180,068	2,872	133,038	382,051,029	111%	92%	102%

**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  
ILTC1

Attained Age	Total Lives	Count	Actual Claims				Expected Claims			Actual to Expected		
			Paid	Reserve	Severity	Incurred	Count	Severity	Incurred	Incidence	Severity	Incurred
<=59	137,065	147	19,304,884	12,112,225	213,722	31,417,109	92	247,610	22,759,186	160%	86%	138%
60-64	79,693	150	14,902,951	8,709,576	157,417	23,612,527	135	211,780	28,591,951	111%	74%	83%
65-69	79,415	280	24,418,722	16,823,130	147,292	41,241,852	277	176,476	48,841,687	101%	83%	84%
70-74	62,135	493	45,518,386	28,118,925	149,366	73,637,312	503	149,003	74,880,156	98%	100%	98%
75-79	37,256	781	56,767,427	34,952,801	117,439	91,720,228	728	126,782	92,349,329	107%	93%	99%
80-84	15,673	762	48,519,904	30,110,999	103,190	78,630,904	677	108,926	73,694,703	113%	95%	107%
85-89	4,193	442	24,079,728	16,641,655	92,130	40,721,383	376	92,162	34,610,779	118%	100%	118%
90+	553	120	3,968,211	3,230,543	133,994	7,198,753	85	74,388	6,323,238	141%	180%	114%
Total	415,983	3,175	237,480,214	150,699,854	122,261	388,180,068	2,872	133,038	382,051,029	111%	92%	102%

**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 ILTC1**

Policy Duration	Total Lives	Actual Results			Original Pricing Assumptions			Current Assumptions		
		Total Terminations			Lapse	Mortality	Total Terminations	Lapse	Mortality	Total Terminations
1	37,728		6.5%		12.2%	0.9%	13.1%	5.1%	0.3%	5.4%
2	35,429		4.7%		10.2%	1.0%	11.1%	3.6%	0.3%	3.9%
3	33,880		3.7%		8.5%	1.1%	9.6%	2.8%	0.3%	3.2%
4	32,753		2.7%		7.3%	1.2%	8.5%	2.5%	0.4%	2.9%
5	31,884		2.5%		6.0%	1.3%	7.3%	2.1%	0.5%	2.6%
6	31,092		2.5%		5.7%	1.4%	7.1%	1.7%	0.6%	2.3%
7	30,248		3.2%		5.0%	1.6%	6.5%	1.6%	0.7%	2.3%
8	29,280		3.0%		5.0%	1.7%	6.7%	1.4%	0.8%	2.2%
9	28,389		3.2%		5.0%	1.9%	6.8%	1.3%	0.9%	2.2%
10	27,420		3.4%		5.0%	2.0%	7.0%	1.2%	1.1%	2.3%
11	26,434		2.9%		5.0%	2.2%	7.2%	1.2%	1.2%	2.3%
12	25,297		3.1%		5.0%	2.4%	7.4%	1.1%	1.3%	2.5%
13	20,594		3.3%		5.0%	2.6%	7.6%	1.1%	1.5%	2.7%
14	10,190		3.3%		4.9%	3.2%	8.1%	1.2%	1.9%	3.0%
15	4,392		3.8%		4.9%	3.6%	8.5%	1.2%	2.2%	3.3%
16	1,430		3.3%		4.8%	4.1%	8.9%	1.2%	2.5%	3.7%
17	21		0.0%		4.7%	5.9%	10.7%	1.2%	3.6%	4.9%
Total	406,459		3.5%		6.7%	1.6%	8.3%	2.2%	0.8%	2.9%

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 inflation type and issue age. The original ultimate lapse rate starting in duration 8 ranged from 4.0% to 6.0% (for lifetime pay).
- 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	-	0.0%	0	0.0%
30-34	23	0.1%	22,673	0.0%
35-39	46	0.2%	50,513	0.1%
40-44	118	0.5%	110,423	0.2%
45-49	311	1.3%	381,360	0.6%
50-54	622	2.6%	962,529	1.6%
55-59	1,314	5.5%	2,380,927	3.9%
60-64	2,876	12.1%	5,668,922	9.4%
65-69	4,934	20.7%	11,180,207	18.4%
70-74	5,058	21.2%	12,946,584	21.4%
75-79	4,476	18.8%	12,596,299	20.8%
80+	4,074	17.1%	14,312,694	23.6%
Total	23,852	100.0%	60,613,131	100.0%

Average Attained Age 70.9

**Gender**

Male	9,829	41.2%	25,444,233	42.0%
Female	14,023	58.8%	35,168,898	58.0%
Total	23,852	100.0%	60,613,131	100.0%

**Inflation Option**

None	167	0.7%	394,491	0.7%
GPO	4,312	18.1%	12,644,354	20.9%
5% Simple Lifetime	5,470	22.9%	13,254,216	21.9%
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)	0	0.0%	0	0.0%
5% Compound Lifetime	13,903	58.3%	34,320,069	56.6%
Total	23,852	100.0%	60,613,131	100.0%

**Elimination Period**

0-Day	3,359	14.1%	9,322,161	15.4%
30-Day	3,223	13.5%	8,596,144	14.2%
60-Day	3,452	14.5%	8,595,772	14.2%
90-Day	0	0.0%	0	0.0%
100-Day	13,818	57.9%	34,099,053	56.3%
120-Day	0	0.0%	0	0.0%
180-Day	0	0.0%	0	0.0%
365-Day	0	0.0%	0	0.0%
Total	23,852	100.0%	60,613,131	100.0%

**Benefit Period\***

0 Year	0	0.0%	0	0.0%
1 Year	0	0.0%	0	0.0%
2 Years	0	0.0%	0	0.0%
3 Years	4,959	20.8%	10,695,331	17.6%
5 Years	7,789	32.7%	18,696,245	30.8%
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	11,104	46.6%	31,221,554	51.5%
Total	23,852	100.0%	60,613,131	100.0%

\*Benefit Period grouped to nearest primary election

**Premium Period**

Lifetime	23,852	100.0%	60,613,131	100.0%
Premium Paid-Up at Age 65	0	0.0%	0	0.0%
Premium Reduction at Age 65	0	0.0%	0	0.0%
10-Pay	0	0.0%	0	0.0%
Total	23,852	100.0%	60,613,131	100.0%

**Home Health Reimbursement Level**

50%	1,247	5.2%	2,805,448	4.6%
75%	2,393	10.0%	5,645,584	9.3%
100%	20,212	84.7%	52,162,098	86.1%
150%	0	0.0%	0	0.0%
Total	23,852	100.0%	60,613,131	100.0%

**Spousal Discount Status**

Single	4,636	19.4%	13,721,680	22.6%
Married - 1 Buy	3,483	14.6%	9,654,033	15.9%
Married - 2 Buy	15,733	66.0%	37,237,418	61.4%
Total	23,852	100.0%	60,613,131	100.0%

**Spousal Discount**

0%	4,636	19.4%	13,721,680	22.6%
5%	1	0.0%	2,008	0.0%
10%	3,463	14.5%	9,611,041	15.9%
15%	19	0.1%	40,985	0.1%
20%	15,705	65.8%	37,180,030	61.3%
25%	5	0.0%	10,919	0.0%
30%	23	0.1%	46,469	0.1%
Total	23,852	100.0%	60,613,131	100.0%



**Issue State**

AL	64	0.3%	217,824	0.4%
AK	4	0.0%	14,408	0.0%
AZ	187	0.8%	514,196	0.8%
AR	37	0.2%	62,722	0.1%
CA	3,145	13.2%	6,411,864	10.6%
CO	163	0.7%	341,217	0.6%
CT	369	1.5%	867,639	1.4%
DC	30	0.1%	87,154	0.1%
DE	31	0.1%	82,735	0.1%
FL	1,240	5.2%	3,442,766	5.7%
GA	318	1.3%	710,408	1.2%
GU	-	0.0%	0	0.0%
HI	205	0.9%	594,185	1.0%
ID	46	0.2%	114,328	0.2%
IL	1,330	5.6%	3,058,814	5.0%
IN	329	1.4%	850,205	1.4%
IA	485	2.0%	1,086,363	1.8%
KS	243	1.0%	476,594	0.8%
KY	132	0.6%	329,247	0.5%
LA	195	0.8%	378,563	0.6%
ME	185	0.8%	547,439	0.9%
MD	653	2.7%	1,921,162	3.2%
MA	436	1.8%	1,080,823	1.8%
MI	521	2.2%	1,653,544	2.7%
MN	1,074	4.5%	1,984,966	3.3%
MS	91	0.4%	229,423	0.4%
MO	515	2.2%	1,254,385	2.1%
MT	129	0.5%	357,835	0.6%
NE	156	0.7%	418,296	0.7%
NV	66	0.3%	209,314	0.3%
NH	118	0.5%	302,229	0.5%
NJ	1,455	6.1%	5,315,959	8.8%
NM	133	0.6%	277,012	0.5%
NY	2,388	10.0%	6,966,691	11.5%
NC	364	1.5%	866,857	1.4%
ND	80	0.3%	144,871	0.2%
OH	768	3.2%	2,140,961	3.5%
OK	254	1.1%	515,038	0.8%
OR	128	0.5%	308,327	0.5%
PA	2,394	10.0%	6,476,998	10.7%
RI	22	0.1%	51,243	0.1%
SC	253	1.1%	793,423	1.3%
SD	60	0.3%	163,903	0.3%
TN	191	0.8%	594,179	1.0%
TX	1,267	5.3%	2,422,877	4.0%
UT	99	0.4%	183,330	0.3%
VT	32	0.1%	45,483	0.1%
VA	685	2.9%	1,411,192	2.3%
WA	246	1.0%	773,725	1.3%
WV	101	0.4%	309,164	0.5%
WI	366	1.5%	1,051,568	1.7%
WY	69	0.3%	199,683	0.3%
Total	23,852	100.0%	60,613,131	100.0%

**Risk Class**

Preferred	22,383	93.8%	56,197,403	92.7%
Standard	1,469	6.2%	4,415,728	7.3%
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	23,852	100.0%	60,613,131	100.0%

**Cash Benefit Option**

Cash	7,658	32.1%	22,703,841	37.5%
Reimbursement	16,194	67.9%	37,909,290	62.5%
Flex	0	0.0%	0	0.0%
Total	23,852	100.0%	60,613,131	100.0%

**Benefit Measure**

Daily	4,860	20.4%	11,198,811	18.5%
Monthly	18,992	79.6%	49,414,320	81.5%
Total	23,852	100.0%	60,613,131	100.0%

**Non-Forfeiture Option**

Yes	493	2.1%	1,382,692	2.3%
No	23,359	97.9%	59,230,439	97.7%
Total	23,852	100.0%	60,613,131	100.0%

**Shared Care Rider**

Yes	0	0.0%	0	0.0%
No	23,852	100.0%	60,613,131	100.0%
Total	23,852	100.0%	60,613,131	100.0%

**Survivorship Rider**

Yes	0	0.0%	0	0.0%
No	23,852	100.0%	60,613,131	100.0%
Total	23,852	100.0%	60,613,131	100.0%

**Dual Waiver of Premium Rider**

Yes	0	0.0%	0	0.0%
No	23,852	100.0%	60,613,131	100.0%
Total	23,852	100.0%	60,613,131	100.0%

**Home Health EP Waiver Rider**

Yes	0	0.0%	0	0.0%
No	23,852	100.0%	60,613,131	100.0%
Total	23,852	100.0%	60,613,131	100.0%