

**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 Term Care Insurance  
**Project Name/Number:** ILTC-1 Re-rate /7I-2018

## Filing at a Glance

Company: The Prudential Insurance Company of America  
Product Name: Individual Long Term Care Insurance  
State: Pennsylvania  
TOI: LTC03I Individual Long Term Care  
Sub-TOI: LTC03I.001 Qualified  
Filing Type: Rate - G.I. (Guaranteed Issue)  
Date Submitted: 06/25/2018  
SERFF Tr Num: PRUD-131555425  
SERFF Status: Assigned  
State Tr Num: PRUD-131555425  
State Status: Received Review in Progress  
Co Tr Num: IIGHILTC1RATE-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 20% increase on 2,307 policyholders of Prudential forms GRP 98720, GRP 98721, and GRP 98722 (the ILTC 1 series).

**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 Term Care Insurance  
**Project Name/Number:** ILTC-1 Re-rate /71-2018

## General Information

Project Name: ILTC-1 Re-rate	Status of Filing in Domicile: Not Filed
Project Number: 71-2018	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: 20%	Filing Status Changed: 06/25/2018
	State Status Changed: 06/26/2018
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:

**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 Term Care Insurance  
**Project Name/Number:** ILTC-1 Re-rate /7I-2018

### Rate Information

Rate data applies to filing.

**Filing Method:** SERFF  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 1.800%  
**Effective Date of Last Rate Revision:** 05/01/2018  
**Filing Method of Last Filing:** SERFF  
**SERFF Tracking Number of Last Filing:** PRUD-131133082

### 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	20.000%	20.000%	\$1,363,622	2,307	\$6,818,108	20.000%	20.000%

**SERFF Tracking #:**

PRUD-131555425

**State Tracking #:**

PRUD-131555425

**Company Tracking #:**

IIGHILTC1RATE-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 Term Care Insurance

**Project Name/Number:**

ILTC-1 Re-rate /7I-2018

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Appendix D - Rate Pages (PA ILTC-1)	GRP 98720, GRP 98721, GRP 98722	Revised	Previous State Filing Number: PRUD-131133082 Percent Rate Change Request: 20	Appendix D - Rate Pages (PA ILTC 1).pdf,

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

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PENNSYLVANIA BASE RATES BEFORE ADJUSTMENTS			
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	64.81	85.45	44.06
31	68.14	89.45	46.03
32	71.60	93.64	48.06
33	75.26	98.04	50.21
34	79.12	102.61	52.42
35	83.15	107.42	54.73
36	87.40	112.45	57.17
37	91.86	117.73	59.70
38	96.55	123.23	62.34
39	101.48	129.00	65.11
40	106.68	135.05	67.99
41	110.56	139.38	70.19
42	114.59	143.84	72.42
43	118.76	148.44	74.74
44	123.10	153.18	77.14
45	127.58	158.10	79.61
46	132.23	163.15	82.16
47	137.05	168.38	84.80
48	142.07	173.77	87.50
49	147.23	179.32	90.32
50	152.59	185.08	93.22
51	161.72	195.95	98.63
52	171.43	207.47	104.35
53	181.72	219.67	110.40
54	192.60	232.60	116.81
55	204.13	246.26	123.59
56	216.37	260.74	130.76
57	229.34	276.07	138.34
58	243.08	292.28	146.38
59	257.65	309.48	154.87
60	273.10	327.67	163.85
61	290.10	344.68	175.54
62	308.17	362.57	188.03
63	327.36	381.37	201.44
64	347.77	401.17	215.78
65	369.42	421.99	231.17
66	403.99	458.69	255.89
67	441.79	498.54	283.27
68	483.13	541.88	313.56
69	528.34	589.00	347.09
70	577.76	640.20	384.22
71	637.74	701.76	429.17
72	703.93	769.30	479.34
73	776.98	843.29	535.42
74	857.60	924.38	598.04
75	946.62	1,013.32	667.98
76	1,049.56	1,116.56	749.40
77	1,163.70	1,230.35	840.72
78	1,290.25	1,355.70	943.18
79	1,430.56	1,493.83	1,058.11
80	1,586.12	1,646.05	1,187.06
81	1,712.48	1,770.43	1,290.97
82	1,848.94	1,904.23	1,403.99
83	1,996.22	2,048.12	1,526.88
84	2,155.27	2,202.91	1,660.55
85	2,326.99	2,369.38	1,805.90

ADJUSTMENT FACTORS – UNDERWRITING CLASS	
Underwriting Class	All Ages
Preferred	1.000
Standard	1.250

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

ADJUSTMENT FACTORS – MARITAL STATUS			
Marital Status	All Ages		
	Without Good Health Discount	With Good Health Discount	Minimum Factor for all Discounts combined
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 D**  
**The Prudential Insurance Company of America**  
**Individual Long Term Care Insurance Plan**  
**Automatic Simple Interest Inflation Protection**  
**Base Rates and Adjustment Factors**

**GRP 98720**  
**Page 2 of 4**

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	1.513	1.511	1.493	1.496	1.521

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	80+
75%	3 YEAR	0.677	0.677	0.642	0.581	0.552	0.539
	4 YEAR	0.677	0.677	0.642	0.581	0.552	0.539
	5 YEAR	0.677	0.677	0.642	0.581	0.552	0.539
	Unlimited	0.614	0.614	0.580	0.521	0.493	0.481
50%	3 YEAR	0.616	0.607	0.568	0.506	0.476	0.458
	4 YEAR	0.616	0.607	0.568	0.506	0.476	0.458
	5 YEAR	0.616	0.607	0.568	0.506	0.476	0.458
	Unlimited	0.555	0.546	0.508	0.449	0.421	0.403
100%	3 YEAR	0.710	0.715	0.684	0.632	0.629	0.641
	4 YEAR	0.710	0.715	0.684	0.632	0.629	0.641
	5 YEAR	0.710	0.715	0.684	0.632	0.629	0.641
	Unlimited	0.645	0.650	0.620	0.570	0.567	0.579

ADJUSTMENT FACTORS – CASH INDEMNITY RIDER (RIDER ONLY)							
HHC % of Institutional Benefit	Benefit Period	Ages					
		18-39	40-49	50-59	60-69	70-79	80+
75%	3 YEAR	0.372	0.372	0.353	0.320	0.304	0.296
	4 YEAR	0.372	0.372	0.353	0.320	0.304	0.296
	5 YEAR	0.372	0.372	0.353	0.320	0.304	0.296
	Unlimited	0.338	0.338	0.319	0.287	0.271	0.265
50%	3 YEAR	0.339	0.334	0.312	0.278	0.262	0.252
	4 YEAR	0.339	0.334	0.312	0.278	0.262	0.252
	5 YEAR	0.339	0.334	0.312	0.278	0.262	0.252
	Unlimited	0.305	0.300	0.279	0.247	0.232	0.222
100%	3 YEAR	0.391	0.393	0.376	0.348	0.346	0.353
	4 YEAR	0.391	0.393	0.376	0.348	0.346	0.353
	5 YEAR	0.391	0.393	0.376	0.348	0.346	0.353
	Unlimited	0.355	0.358	0.341	0.314	0.312	0.318

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

Pennsylvania Rates  
May 1, 2019

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

GRP 98721  
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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	1.492	1.511	1.505	1.487	1.491	1.516

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	0.943
100%	1.057	1.056	1.057	1.049	1.034	1.029

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	80+
75%	3 YEAR	0.651	0.665	0.626	0.570	0.551	0.542
	4 YEAR	0.651	0.665	0.626	0.570	0.551	0.542
	5 YEAR	0.651	0.665	0.626	0.570	0.551	0.542
	Unlimited	0.589	0.602	0.565	0.511	0.492	0.483
50%	3 YEAR	0.587	0.595	0.552	0.497	0.474	0.457
	4 YEAR	0.587	0.595	0.552	0.497	0.474	0.457
	5 YEAR	0.587	0.595	0.552	0.497	0.474	0.457
	Unlimited	0.527	0.535	0.493	0.441	0.418	0.402
100%	3 YEAR	0.689	0.715	0.680	0.635	0.638	0.648
	4 YEAR	0.689	0.715	0.680	0.635	0.638	0.648
	5 YEAR	0.689	0.715	0.680	0.635	0.638	0.648
	Unlimited	0.625	0.650	0.616	0.574	0.576	0.586

ADJUSTMENT FACTORS – CASH INDEMNITY RIDER (RIDER ONLY)							
HHC % of Institutional Benefit	Benefit Period	Ages					
		18-39	40-49	50-59	60-69	70-79	80+
75%	3 YEAR	0.358	0.366	0.344	0.314	0.303	0.298
	4 YEAR	0.358	0.366	0.344	0.314	0.303	0.298
	5 YEAR	0.358	0.366	0.344	0.314	0.303	0.298
	Unlimited	0.324	0.331	0.311	0.281	0.271	0.266
50%	3 YEAR	0.323	0.327	0.304	0.273	0.261	0.251
	4 YEAR	0.323	0.327	0.304	0.273	0.261	0.251
	5 YEAR	0.323	0.327	0.304	0.273	0.261	0.251
	Unlimited	0.290	0.294	0.271	0.243	0.230	0.221
100%	3 YEAR	0.379	0.393	0.374	0.349	0.351	0.356
	4 YEAR	0.379	0.393	0.374	0.349	0.351	0.356
	5 YEAR	0.379	0.393	0.374	0.349	0.351	0.356
	Unlimited	0.344	0.358	0.339	0.316	0.317	0.322

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

Pennsylvania Rates  
May 1, 2019

**Appendix D**  
**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	1.353	1.403	1.426	1.429	1.451	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	80+
75%	3 YEAR	0.624	0.645	0.629	0.575	0.543	0.521
	4 YEAR	0.624	0.645	0.629	0.575	0.543	0.521
	5 YEAR	0.624	0.645	0.629	0.575	0.543	0.521
	Unlimited	0.562	0.582	0.567	0.516	0.485	0.463
50%	3 YEAR	0.561	0.573	0.551	0.500	0.466	0.441
	4 YEAR	0.561	0.573	0.551	0.500	0.466	0.441
	5 YEAR	0.561	0.573	0.551	0.500	0.466	0.441
	Unlimited	0.502	0.513	0.492	0.443	0.411	0.387
100%	3 YEAR	0.643	0.669	0.659	0.613	0.602	0.604
	4 YEAR	0.643	0.669	0.659	0.613	0.602	0.604
	5 YEAR	0.643	0.669	0.659	0.613	0.602	0.604
	Unlimited	0.581	0.606	0.596	0.552	0.541	0.543

ADJUSTMENT FACTORS – CASH INDEMNITY RIDER (RIDER ONLY)							
HHC % of Institutional Benefit	Benefit Period	Ages					
		18-39	40-49	50-59	60-69	70-79	80+
75%	3 YEAR	0.343	0.355	0.346	0.316	0.299	0.287
	4 YEAR	0.343	0.355	0.346	0.316	0.299	0.287
	5 YEAR	0.343	0.355	0.346	0.316	0.299	0.287
	Unlimited	0.309	0.320	0.312	0.284	0.267	0.255
50%	3 YEAR	0.309	0.315	0.303	0.275	0.256	0.243
	4 YEAR	0.309	0.315	0.303	0.275	0.256	0.243
	5 YEAR	0.309	0.315	0.303	0.275	0.256	0.243
	Unlimited	0.276	0.282	0.271	0.244	0.226	0.213
100%	3 YEAR	0.354	0.368	0.362	0.337	0.331	0.332
	4 YEAR	0.354	0.368	0.362	0.337	0.331	0.332
	5 YEAR	0.354	0.368	0.362	0.337	0.331	0.332
	Unlimited	0.320	0.333	0.328	0.304	0.298	0.299

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



SERFF Tracking #:

PRUD-131555425

State Tracking #:

PRUD-131555425

Company Tracking #:

IIGHILTC1RATE-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 Term Care Insurance

Project Name/Number: ILTC-1 Re-rate /7I-2018

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA - Filing Letter (ILTC-1) - 6-22-2018.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Certification (A&H)
<b>Bypass Reason:</b>	Please refer to Section 24, pages 8 and 9 of the Actuarial Memorandum.
<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 - PA (Public Version).pdf PA Appendices - ILTC1.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-131555425

**State Tracking #:**

PRUD-131555425

**Company Tracking #:**

IIGHILTC1RATE-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 Term Care Insurance

**Project Name/Number:**

ILTC-1 Re-rate /7I-2018

<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Rate Table (A&H)
<b>Bypass Reason:</b>	N/A
<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 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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June 22, 2018

The Honorable Jessica Altman  
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 Altman:

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.

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.

A previous rate schedule change under this series of forms was reviewed and approved by the Department under SERFF tracking number PRUD-131133082 on December 7, 2017.

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 a rate increase of 20% for the forms GRP 98720, GRP 98721 and GRP 98722, et al in the state of Pennsylvania.

The rate increase is needed to help ensure that future premiums, in combination with existing reserves, will be adequate to fund anticipated claims. We will continue to monitor the performance of this block of business after this rate action. We anticipate there will be future rate increase filings.

For policies issued on or after September 16, 2002, we consider this rate increase filing to satisfy the regulatory requirement to provide an annual filing for the three years following a prior rate increase.

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 Honorable Jessica Altman  
June 22, 2018  
Page TWO

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 help mitigate or eliminate the impact of the higher premium an insured is paying 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. 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)

Given the proprietary nature of the assumptions, Prudential is requesting Appendix C not be allowed for public viewing. In addition, it is Prudential's request to replace the Actuarial Memorandum with the modified public viewing Actuarial Memorandum.

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

Raenonna Prince, CLTC, LTCP  
Lead Analyst  
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Very truly yours,



Keith Burns, ASA, MAAA  
Vice President and Actuary

Enclosures

**June 15, 2018**  
**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.

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 2017 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. Given additional deterioration to experience, Prudential anticipates the need to file for additional rate increases in the future.

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

**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 a Tax Qualified Long Term Care Insurance Contract as defined by the internal revenue code section 7702B(b).

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
«SignDate»**

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 D.

### **6. Actuarial Assumptions**

This section contains proprietary information that was redacted prior to being made publicly available.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
«SignDate»**

**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 D.

**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.

**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.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
«SignDate»**

#### **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 a premium increase of 20.0%.

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, 2017 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 and Appendix F.

Historical experience is shown by claim incurral year.



**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
«SignDate»**

## **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. This compares to a target loss ratio of 63.9% that was anticipated at the time of original filing. The development of these nationwide lifetime loss ratios is shown in Appendix B and Appendix F.

The rate increase is assumed effective May 1, 2019 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, 2017 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 May 1, 2019.

## **22. Summary of Appendices**

Appendix A primarily 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 proprietary information that was redacted prior to being made publicly available.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
«SignDate»**

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

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

Appendix F 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 2017 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.



**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
«SignDate»**

Keith Burns, ASA, MAAA  
Vice President and Actuary  
Prudential Long Term Care  
June 15, 2018

Appendix A  
The Prudential Insurance Company of America  
ILTC1

**Pennsylvania**

**Requested Rate Increase**

<u>Benefit Type</u>	<u>Requested Amount</u>
Cash/Unlimited	20.0%
Cash/Limited	20.0%
Reimbursement/Unlimited	20.0%
Reimbursement/Limited	20.0%

**10. Average Annual Premium**

<u>Rate Basis</u>	<u>Pennsylvania</u>	<u>Nationwide</u>
Without Increase	\$2,955	\$2,692
With Increase	\$3,546	\$3,231

**15. Satisfaction of Loss Ratio Requirements**

Loss Ratio Requirement:

1) Expected Lifetime Loss Ratio with Rate Increase	137%
2) Minimum Required Loss Ratio	60%
Is 1 greater than 2?	Yes

Rate Stability Requirement:

1) Total Incurred Claims	\$3,233,390,437
58% of initial premium	\$917,144,077
85% of increased premium	\$659,218,063
2) Sum of 58%/85% premium	\$1,576,362,140
Is 1 greater than 2?	Yes

**18. Lifetime Loss Ratio**

<u>Policy type</u>	<u>Without Increase</u>	<u>With Increase</u>
All	149%	137%
Cash/Unlimited	226%	205%
Cash/Limited	150%	139%
Reimbursement/Unlimited	128%	117%
Reimbursement/Limited	102%	96%

**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  
7.7% Implemented on 5/1/2018

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  
0.7% Implemented on 5/1/2018

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  
4.3% Implemented on 5/1/2018

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, 2017**

<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	2,307	23,205	\$6,818,108	\$62,477,166
Cash/Unlimited	132	4,631	\$637,754	\$15,605,986
Cash/Limited	163	2,790	\$534,655	\$7,694,938
Reimbursement/Unlimit	501	6,075	\$1,737,568	\$16,767,281
Reimbursement/Limite	1,511	9,709	\$3,908,130	\$22,408,961

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

**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	1,034,869	0	1,034,869	5%
2002	36,819,195	4,452,607	484,350	4,936,956	13%
2003	59,262,994	6,666,412	424,467	7,090,878	12%
2004	65,977,799	8,851,648	250,179	9,101,827	14%
2005	63,562,504	11,077,020	1,072,618	12,149,638	19%
2006	61,848,346	13,515,336	534,309	14,049,644	23%
2007	60,426,389	20,588,727	1,545,821	22,134,548	37%
2008	58,586,772	26,370,771	2,277,191	28,647,962	49%
2009	57,551,929	28,534,444	2,689,875	31,224,318	54%
2010	63,365,814	26,755,108	5,681,463	32,436,571	51%
2011	64,108,070	29,427,367	7,522,718	36,950,084	58%
2012	62,739,125	34,468,471	12,564,253	47,032,724	75%
2013	63,875,533	29,718,226	11,116,724	40,834,951	64%
2014	69,774,961	26,924,136	20,668,653	47,592,789	68%
2015	74,523,497	21,338,665	39,024,875	60,363,540	81%
2016	82,406,889	10,283,383	52,800,575	63,083,958	77%
2017*	42,535,134	469,193	45,142,391	45,611,585	107%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2017**	39,397,725	33,149,676	84%
2018	78,960,117	71,085,682	90%
2019	76,948,525	77,669,007	101%
2020	75,247,738	84,945,813	113%
2021	72,203,940	92,563,226	128%
2022	69,156,399	100,560,865	145%
2023	66,130,901	109,050,151	165%
2024	63,134,742	118,014,933	187%
2025	60,127,065	127,226,624	212%
2026	57,099,072	136,479,058	239%
2027	54,056,310	145,681,215	269%
2028	51,005,920	154,770,657	303%
2029	47,957,482	163,643,786	341%
2030	44,921,541	172,119,041	383%
2031	41,912,016	179,867,238	429%
2032	38,945,541	186,754,081	480%
2033	36,043,805	192,841,137	535%
2034	33,231,203	198,133,190	596%
2035	30,520,746	202,456,030	663%
2036	27,921,374	205,461,233	736%
2037	25,440,540	207,261,332	815%
2038	23,075,617	209,016,553	906%
2039	20,822,844	209,386,003	1006%
2040	18,691,516	208,096,912	1113%
2041	16,689,510	204,918,947	1228%
2042	14,821,971	200,047,946	1350%
2043	13,091,313	193,721,008	1480%
2044	11,498,733	186,276,488	1620%
2045	10,044,543	177,796,979	1770%
2046	8,727,168	168,417,115	1930%
2047	7,542,767	158,448,744	2101%
2048	6,485,126	148,212,992	2285%
2049	5,547,189	138,156,383	2491%
2050	4,721,893	128,230,274	2716%
2051	4,001,355	118,816,408	2969%
2052	3,376,826	110,559,772	3274%
2053	2,839,107	104,516,754	3681%
2054	2,378,911	98,890,938	4157%
2055	1,986,846	93,283,349	4695%
2056+	9,118,851	868,441,037	9524%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2017**	39,397,725	33,149,676	84%
2018	78,960,117	71,085,682	90%
2019	81,704,592	75,671,101	93%
2020	84,211,777	80,428,971	96%
2021	80,926,175	87,502,194	108%
2022	77,510,492	94,998,259	123%
2023	74,119,514	102,950,286	139%
2024	70,761,419	111,343,404	157%
2025	67,390,415	119,962,274	178%
2026	63,996,640	128,612,968	201%
2027	60,586,312	137,209,418	226%
2028	57,167,435	145,693,949	255%
2029	53,750,746	153,970,384	286%
2030	50,348,063	161,869,290	322%
2031	46,974,988	169,081,988	360%
2032	43,650,162	175,482,462	402%
2033	40,397,896	181,129,905	448%
2034	37,245,532	186,030,369	499%
2035	34,207,652	190,022,125	555%
2036	31,294,276	192,780,095	616%
2037	28,513,758	194,409,898	682%
2038	25,863,151	196,000,046	758%
2039	23,338,244	196,293,570	841%
2040	20,949,451	195,035,928	931%
2041	18,705,602	192,012,391	1026%
2042	16,612,466	187,406,691	1128%
2043	14,672,744	181,441,669	1237%
2044	12,887,780	174,434,971	1353%
2045	11,257,924	166,464,069	1479%
2046	9,781,410	157,655,414	1612%
2047	8,453,934	148,300,543	1754%
2048	7,268,529	138,699,809	1908%
2049	6,217,290	129,270,880	2079%
2050	5,292,297	119,967,656	2267%
2051	4,484,718	111,146,996	2478%
2052	3,784,746	103,411,669	2732%
2053	3,182,071	97,749,076	3072%
2054	2,666,283	92,478,478	3468%
2055	2,226,857	87,226,537	3917%
2056+	10,220,409	811,695,837	7942%

\* Historical 2017 Experience - 1/1/2017 through 6/30/2017  
\*\* Projected 2017 Experience - 7/1/2017 through 12/31/2017

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2017	1,438,321,018	637,620,328	44%	1,438,321,018	637,620,328	44%
Present Value of Future to 6/30/2017	835,665,984	2,753,892,280	330%	918,512,536	2,595,770,108	283%
Total Values (Discounted at 4.5%)	2,273,987,002	3,391,512,609	149%	2,356,833,553	3,233,390,437	137%

**Projected Loss Ratio**

Overall	Without Increase	149%	With Increase	137%
Cash/Unlimited		226%		205%
Cash/Limited		150%		139%
Reimbursement/Unlimited		128%		117%
Reimbursement/Limited		102%		96%

Minimum Lifetime Loss Ratio 60%

Appendix F  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Pennsylvania Experience  
Pennsylvania Premium Rate Basis  
ILTCI

**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	612,720	0	612,720	10%
2004	7,076,872	284,373	0	284,373	4%
2005	6,908,593	594,657	0	594,657	9%
2006	6,698,783	1,938,675	0	1,938,675	29%
2007	6,500,056	2,255,776	0	2,255,776	35%
2008	6,269,798	1,652,001	0	1,652,001	26%
2009	6,143,883	2,483,389	83,708	2,567,097	42%
2010	6,020,642	2,540,617	262,986	2,803,603	47%
2011	6,228,581	2,844,377	602,167	3,446,544	55%
2012	5,968,615	3,795,143	676,884	4,472,027	75%
2013	5,824,486	2,576,335	808,594	3,384,929	58%
2014	6,104,896	2,232,124	1,466,698	3,698,822	61%
2015	6,221,797	1,609,748	2,329,471	3,939,219	63%
2016	6,522,675	808,561	2,967,838	3,776,399	58%
2017*	3,437,154	74,372	4,412,699	4,487,070	131%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2017**	3,043,205	2,414,899	79%
2018	5,932,230	5,122,140	86%
2019	5,713,287	5,534,121	97%
2020	5,452,510	5,964,348	109%
2021	5,191,081	6,407,982	123%
2022	4,931,508	6,861,961	139%
2023	4,675,632	7,332,324	157%
2024	4,424,006	7,819,635	177%
2025	4,175,299	8,306,753	199%
2026	3,928,243	8,784,212	224%
2027	3,683,343	9,249,797	251%
2028	3,441,425	9,697,166	282%
2029	3,203,373	10,117,135	316%
2030	2,969,845	10,496,561	353%
2031	2,741,905	10,821,980	395%
2032	2,520,559	11,080,493	440%
2033	2,307,130	11,282,717	489%
2034	2,103,094	11,436,045	544%
2035	1,909,244	11,532,288	604%
2036	1,726,027	11,552,948	669%
2037	1,553,653	11,507,496	741%
2038	1,391,719	11,463,516	824%
2039	1,239,790	11,360,735	916%
2040	1,098,297	11,184,826	1018%
2041	967,485	10,918,557	1129%
2042	847,538	10,565,618	1247%
2043	737,785	10,146,318	1375%
2044	638,743	9,670,447	1514%
2045	549,911	9,138,217	1662%
2046	470,862	8,567,490	1820%
2047	401,058	7,963,520	1986%
2048	339,852	7,348,174	2162%
2049	286,568	6,734,828	2350%
2050	240,501	6,138,832	2553%
2051	200,967	5,577,471	2775%
2052	167,268	5,070,067	3031%
2053	138,729	4,661,463	3360%
2054	114,704	4,299,677	3749%
2055	94,547	3,953,155	4181%
2056+	397,929	28,486,945	7159%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2017**	3,043,205	2,414,899	79%
2018	5,932,230	5,122,140	86%
2019	6,066,416	5,391,247	89%
2020	6,102,051	5,644,772	93%
2021	5,818,164	6,054,829	104%
2022	5,527,234	6,479,309	117%
2023	5,240,449	6,918,874	132%
2024	4,958,425	7,374,071	149%
2025	4,679,675	7,828,758	167%
2026	4,402,775	8,274,058	188%
2027	4,128,291	8,707,913	211%
2028	3,857,149	9,124,439	237%
2029	3,590,341	9,515,031	265%
2030	3,328,602	9,867,395	296%
2031	3,073,127	10,168,954	331%
2032	2,825,043	10,407,606	368%
2033	2,585,831	10,593,416	410%
2034	2,357,147	10,733,411	455%
2035	2,139,881	10,820,001	506%
2036	1,934,531	10,835,914	560%
2037	1,741,335	10,790,059	620%
2038	1,559,839	10,745,814	689%
2039	1,389,556	10,646,705	766%
2040	1,230,971	10,479,345	851%
2041	1,084,357	10,227,616	943%
2042	949,697	9,894,980	1042%
2043	826,909	9,500,466	1149%
2044	715,903	9,053,274	1265%
2045	616,340	8,553,613	1388%
2046	527,742	8,018,208	1519%
2047	449,505	7,451,950	1658%
2048	380,906	6,875,268	1805%
2049	321,185	6,300,661	1962%
2050	269,553	5,742,470	2130%
2051	225,244	5,216,842	2316%
2052	187,474	4,741,818	2529%
2053	155,488	4,359,297	2804%
2054	128,560	4,020,647	3127%
2055	105,968	3,696,342	3488%
2056+	445,999	26,627,528	5970%

\* Historical 2017 Experience - 1/1/2017 through 6/30/2017  
\*\* Projected 2017 Experience - 7/1/2017 through 12/31/2017

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2017	143,523,744	51,074,537	36%	143,523,744	51,074,537	36%
Present Value of Future to 6/30/2017	57,952,880	160,506,393	277%	63,587,610	151,418,930	238%
Total Values (Discounted at 4.5%)	201,476,623	211,580,930	105%	207,111,354	202,493,467	98%

**Projected Loss Ratio**

Overall	Without Increase	With Increase
Cash/Unlimited	105%	98%
Cash/Limited	178%	164%
Reimbursement/Unlimited	107%	101%
Reimbursement/Limited	115%	106%
	87%	82%

**Appendix E**  
**The Prudential Insurance Company of America**  
**Pennsylvania Distribution of Inforce Business as of June 30, 2017**  
**ILTC1**

	Count	% of Count	Premium	% of Premium
<b>Issue Year</b>				
1999	80	3.5%	217,072	3.2%
2000	316	13.7%	964,763	14.2%
2001	374	16.2%	1,091,387	16.0%
2002	733	31.8%	2,110,680	31.0%
2003	570	24.7%	1,695,230	24.9%
2004+	234	10.1%	738,975	32031.9%
<b>Total</b>	<b>2,307</b>	<b>100.0%</b>	<b>6,818,108</b>	<b>100.0%</b>

<b>Issue Age</b>				
<30	4	0.2%	4,451	0.1%
30-34	13	0.6%	17,301	0.3%
35-39	32	1.4%	61,610	0.9%
40-44	64	2.8%	149,475	2.2%
45-49	184	8.0%	403,411	5.9%
50-54	375	16.3%	856,283	12.6%
55-59	537	23.3%	1,498,936	22.0%
60-64	512	22.2%	1,584,643	23.2%
65-69	356	15.4%	1,231,392	18.1%
70-74	187	8.1%	773,590	11.3%
75-79	40	1.7%	228,840	3.4%
80+	3	0.1%	8,175	0.1%
<b>Total</b>	<b>2,307</b>	<b>100.0%</b>	<b>6,818,108</b>	<b>100.0%</b>

Average Issue Age 60.6

<b>Attained Age</b>				
<30	0	0.0%	0	0.0%
30-34	-	0.0%	0	0.0%
35-39	1	0.0%	1,468	0.0%
40-44	5	0.2%	5,159	0.1%
45-49	16	0.7%	24,922	0.4%
50-54	35	1.5%	74,925	1.1%
55-59	72	3.1%	159,213	2.3%
60-64	204	8.8%	462,044	6.8%
65-69	413	17.9%	983,988	14.4%
70-74	506	21.9%	1,411,880	20.7%
75-79	483	20.9%	1,522,372	22.3%
80+	572	24.8%	2,172,136	31.9%
<b>Total</b>	<b>2,307</b>	<b>100.0%</b>	<b>6,818,108</b>	<b>100.0%</b>

Average Attained Age 75.1

**Gender**

Male	928	40.2%	2,713,953	39.8%
Female	1,379	59.8%	4,104,155	60.2%
Total	2,307	100.0%	6,818,108	100.0%

**Inflation Option**

No Inflation	0	0.0%	0	0.0%
GPO	557	24.1%	1,835,049	26.9%
5% Simple Lifetime	721	31.3%	2,027,350	29.7%
5% Compound Lifetime	1,029	44.6%	2,955,708	43.4%
Total	2,307	100.0%	6,818,108	100.0%

**Elimination Period**

0-Day	367	15.9%	1,173,169	17.2%
30-Day	313	13.6%	905,902	13.3%
60-Day	282	12.2%	841,841	12.3%
100-Day	1,345	58.3%	3,897,195	57.2%
Total	2,307	100.0%	6,818,108	100.0%

**Benefit Period\***

3 Years	936	40.6%	2,266,098	33.2%
4 Years	252	10.9%	723,680	10.6%
5 Years	486	21.1%	1,453,007	21.3%
Lifetime	633	27.4%	2,375,323	34.8%
Total	2,307	100.0%	6,818,108	100.0%

\*Benefit Period grouped to nearest primary election

**Premium Period**

Lifetime	2,307	100.0%	6,818,108	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	2,307	100.0%	6,818,108	100.0%

**Home Health Reimbursement Level**

50%	218	9.4%	555,305	8.1%
75%	363	15.7%	1,051,224	15.4%
100%	1,726	74.8%	5,211,579	76.4%
Total	2,307	100.0%	6,818,108	100.0%



**Risk Class**

Preferred	2,128	92.2%	6,227,034	91.3%
Standard	179	7.8%	591,073	8.7%
Total	2,307	100.0%	6,818,108	100.0%

**Cash Benefit Option**

Cash	295	12.8%	1,172,409	17.2%
Reimbursement	2,012	87.2%	5,645,699	82.8%
Total	2,307	100.0%	6,818,108	100.0%

**Benefit Measure**

Daily	1,084	47.0%	3,307,180	48.5%
Monthly	1,223	53.0%	3,510,928	51.5%
Total	2,307	100.0%	6,818,108	100.0%

**Non-Forfeiture Option**

Yes	52	2.3%	145,975	2.1%
No	2,255	97.7%	6,672,133	97.9%
Total	2,307	100.0%	6,818,108	100.0%