

**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-2 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-13155517  
SERFF Status: Assigned  
State Tr Num: PRUD-13155517  
State Status: Received Review in Progress  
Co Tr Num: IIGHILTC2RATE-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 20% increase on 358 policyholders of Prudential forms GRP 112687 and GRP 112685 (known as Series ILTC-2).

**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-2 Re-rate /71-2018

### General Information

Project Name: ILTC-2 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-2 Re-rate /7I-2018

**Rate Information**

Rate data applies to filing.

Filing Method: SERFF  
 Rate Change Type: Increase  
 Overall Percentage of Last Rate Revision: 1.300%  
 Effective Date of Last Rate Revision: 05/01/2018  
 Filing Method of Last Filing: SERFF  
 SERFF Tracking Number of Last Filing: PRUD-131133056

**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%	\$208,926	358	\$1,044,632	20.000%	20.000%

**SERFF Tracking #:**

PRUD-13155517

**State Tracking #:**

PRUD-13155517

**Company Tracking #:**

IIGHILTC2RATE-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-2 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-2)	GRP 112687 and GRP 112685	Revised	Previous State Filing Number: PRUD-131133056 Percent Rate Change Request: 20	Appendix D - Rate Pages (PA ILTC 2).pdf,

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

**GRP 112687 & GRP 112685**  
**Page 1 of 3**

<b>PENNSYLVANIA BASE RATES BEFORE ADJUSTMENTS</b>					
<b>Gross Annual Standard Unmarried (Single) Premium Per \$10.00 of Institutional Care Daily Benefit</b>					
<b>Home Care Daily Benefit: 100% of Institutional Care Daily Benefit</b>					
<b>\$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period)</b>					
<b>90 Day Elimination Period</b>					
<b>Lifetime Premium Payment Option</b>					
<b>Inflation Option</b>					
<b>Issue Age</b>	<b>None</b>	<b>Guaranteed Purchase Option</b>	<b>5% Automatic Simple</b>	<b>5% Automatic Compound (2x Maximum)</b>	<b>5% Automatic Compound (No Maximum)</b>
18-30	65.82	70.76	107.95	67.27	153.16
31	66.55	71.56	109.15	70.07	154.86
32	67.27	72.35	110.35	72.86	156.56
33	68.00	73.12	111.56	75.66	158.26
34	68.74	73.91	112.76	78.48	159.96
35	69.46	74.70	113.96	81.28	161.66
36	70.19	75.48	115.14	84.07	163.37
37	70.93	76.27	116.35	86.88	165.07
38	71.64	77.04	117.55	89.68	166.75
39	72.38	77.83	118.75	92.47	168.46
40	73.12	78.62	119.95	95.29	170.16
41	74.99	80.63	124.40	100.01	176.82
42	76.85	82.64	128.93	104.83	183.61
43	78.71	84.65	133.50	109.72	190.50
44	80.59	86.66	138.12	114.68	197.56
45	82.46	88.67	142.82	119.72	204.71
46	84.32	90.68	147.61	124.81	212.02
47	86.20	92.69	152.44	130.00	219.44
48	88.08	94.69	157.33	135.28	226.97
49	89.94	96.71	162.29	140.60	234.65
50	91.81	98.74	167.33	146.02	242.46
51	93.68	100.77	172.44	151.53	250.39
52	95.55	102.80	177.61	157.13	258.44
53	97.42	104.83	182.84	162.81	266.61
54	99.29	106.86	188.13	168.57	274.90
55	101.16	108.89	193.48	174.41	283.31
56	103.03	110.92	198.89	180.32	291.84
57	104.90	112.95	204.36	186.31	300.49
58	106.77	114.98	209.89	192.37	309.26
59	108.64	117.01	215.48	198.50	318.15
60	110.51	119.04	221.13	204.71	327.16
61	112.38	121.07	226.84	211.00	336.29
62	114.25	123.10	232.61	217.37	345.54
63	116.12	125.13	238.44	223.82	354.91
64	117.99	127.16	244.33	230.35	364.40
65	119.86	129.19	250.28	236.96	374.01
66	121.73	131.22	256.29	243.65	383.74
67	123.60	133.25	262.36	250.42	393.59
68	125.47	135.28	268.49	257.27	403.56
69	127.34	137.31	274.68	264.20	413.65
70	129.21	139.34	280.93	271.21	423.86
71	131.08	141.37	287.24	278.30	434.19
72	132.95	143.40	293.61	285.47	444.64
73	134.82	145.43	300.04	292.72	455.21
74	136.69	147.46	306.53	300.05	465.90
75	138.56	149.49	313.08	307.46	476.71
76	140.43	151.52	319.69	314.95	487.64
77	142.30	153.55	326.36	322.52	498.69
78	144.17	155.58	333.09	330.17	509.86
79	146.04	157.61	339.88	337.90	521.15
80	147.91	159.64	346.73	345.71	532.56
81	149.78	161.67	353.64	353.60	544.09
82	151.65	163.70	360.61	361.57	555.74
83	153.52	165.73	367.64	369.62	567.51
84	155.39	167.76	374.73	377.75	579.40

Pennsylvania Rates  
May 1, 2019

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

**GRP 112687 & GRP 112685**  
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Adjustment Factors - Policy Benefit Options						
Lifetime Maximum (Benefit Period)		Elimination Period			Home and Community Based Care Daily Benefit	
Benefit Period		Elimination Period	Service Day Definition	Calendar Day Definition	HHC % of Institutional Benefit	
2 YEAR	0.73	30 DAY*	1.14	1.15		
3 YEAR	0.82	60 DAY	1.08	1.10	50%	0.93
4 YEAR*	0.91	90 DAY	1.00	1.04	75%	0.97
5 YEAR*	1.00	180 DAY	0.91	0.93	100%	1.00
UNLIMITED*	1.87					

\* Note available for issue ages 80 - 84

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

Adjustment factors - Cash Benefit Rider							
Issue Ages	HHC % of Institutional Benefit	Benefit Period	Inflation Option				
			None	Guaranteed Purchase Option	5% Automatic Simple	5% Automatic Compound (2x Maximum)	5% Automatic Compound (No Maximum)
18 - 64	50%	2	1.380	1.380	1.400	1.460	1.460
		3	1.460	1.460	1.490	1.550	1.550
		4	1.550	1.550	1.570	1.630	1.630
		5	1.630	1.630	1.660	1.720	1.720
		Unlimited	1.810	1.810	1.840	1.890	1.890
	75%	2	1.550	1.550	1.580	1.680	1.680
		3	1.630	1.630	1.670	1.770	1.770
		4	1.720	1.720	1.750	1.850	1.850
		5	1.800	1.800	1.840	1.940	1.940
		Unlimited	1.990	1.990	2.020	2.130	2.130
	100%	2	1.700	1.700	1.770	1.890	1.890
		3	1.790	1.790	1.850	1.970	1.970
		4	1.870	1.870	1.940	2.060	2.060
		5	1.960	1.960	2.020	2.140	2.140
		Unlimited	2.150	2.150	2.210	2.340	2.340
65+	50%	2	1.250	1.250	1.280	1.340	1.340
		3	1.340	1.340	1.360	1.420	1.420
		4	1.420	1.420	1.450	1.510	1.510
		5	1.510	1.510	1.530	1.590	1.590
		Unlimited	1.680	1.680	1.710	1.780	1.780
	75%	2	1.420	1.420	1.460	1.560	1.560
		3	1.510	1.510	1.550	1.640	1.640
		4	1.590	1.590	1.630	1.730	1.730
		5	1.680	1.680	1.720	1.810	1.810
		Unlimited	1.860	1.860	1.890	2.000	2.000
	100%	2	1.580	1.580	1.640	1.770	1.770
		3	1.670	1.670	1.730	1.850	1.850
		4	1.750	1.750	1.810	1.940	1.940
		5	1.840	1.840	1.900	2.020	2.020
		Unlimited	2.020	2.020	2.090	2.210	2.210

Adjustment factors - Cash Indemnity Rider							
Issue Ages	HHC % of Institutional Benefit	Benefit Period	Inflation Option				
			None	Guaranteed Purchase Option	5% Automatic Simple	5% Automatic Compound (2x Maximum)	5% Automatic Compound (No Maximum)
18 - 64	50%	2	1.209	1.209	1.220	1.253	1.253
		3	1.253	1.253	1.270	1.303	1.303
		4	1.303	1.303	1.314	1.347	1.347
		5	1.347	1.347	1.363	1.396	1.396
		Unlimited	1.446	1.446	1.462	1.490	1.490
	75%	2	1.303	1.303	1.319	1.374	1.374
		3	1.347	1.347	1.369	1.424	1.424
		4	1.396	1.396	1.413	1.468	1.468
		5	1.440	1.440	1.462	1.517	1.517
		Unlimited	1.545	1.545	1.561	1.622	1.622
	100%	2	1.385	1.385	1.424	1.490	1.490
		3	1.435	1.435	1.468	1.534	1.534
		4	1.479	1.479	1.517	1.583	1.583
		5	1.528	1.528	1.561	1.627	1.627
		Unlimited	1.633	1.633	1.666	1.737	1.737
65+	50%	2	1.138	1.138	1.154	1.187	1.187
		3	1.187	1.187	1.198	1.231	1.231
		4	1.231	1.231	1.248	1.281	1.281
		5	1.281	1.281	1.292	1.325	1.325
		Unlimited	1.374	1.374	1.391	1.429	1.429
	75%	2	1.231	1.231	1.253	1.308	1.308
		3	1.281	1.281	1.303	1.352	1.352
		4	1.325	1.325	1.347	1.402	1.402
		5	1.374	1.374	1.396	1.446	1.446
		Unlimited	1.473	1.473	1.490	1.550	1.550
	100%	2	1.319	1.319	1.352	1.424	1.424
		3	1.369	1.369	1.402	1.468	1.468
		4	1.413	1.413	1.446	1.517	1.517
		5	1.462	1.462	1.495	1.561	1.561
		Unlimited	1.561	1.561	1.600	1.666	1.666

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

**GRP 112687 & GRP 112685**  
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Adjustment Factors - Additional Riders						
Restoration of Benefits Rider		Issue Age	Joint Waiver Rider	Survivor Benefit Rider	Shortened Benefit Period Nonforfeiture Rider	
Benefit Period					Included	
2 YEAR	1.03	18 - 55	1.01	1.12		
3 YEAR	1.02	56 - 67	1.02	1.12	Yes	1.11
4 YEAR*	1.01	68 - 72	1.05	1.12	No	1.00
5 YEAR*	1.01	73 - 77	1.11	1.10		
UNLIMITED*	1.00	78 +	1.20	1.05		

Adjustment Factors - Underwriting Class	
Underwriting Class	
Standard	1.00
Rated	1.25

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

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

Pennsylvania Rates  
May 1, 2019

SERFF Tracking #:

PRUD-13155517

State Tracking #:

PRUD-13155517

Company Tracking #:

IIGHILTC2RATE-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-2 Re-rate /7I-2018

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA - Filing Cover Letter - 6-25-2018.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, page 6, 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 ILTC2 - PA (Confidential).pdf PA Appendices - ILTC2.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-13155517

State Tracking #:

PRUD-13155517

Company Tracking #:

IIGHILTC2RATE-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-2 Re-rate /7I-2018

<b>Status Date:</b>	
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<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 enclosed Actuarial Memorandum and corresponding Appendices.
<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-2
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix E - DOB - ILTC2.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



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

The Prudential Insurance Company of America  
Long Term Care Unit  
100 Mulberry Street  
Gateway Center 2, 11<sup>th</sup> Floor  
Newark, NJ 07102  
Tel 402 715-4861  
[keith.burns@prudential.com](mailto:keith.burns@prudential.com)

June 25, 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 112687, et al and GRP 112685, et al

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

Form GRP 112687 (ILTC 2) was previously approved by the Department on March 11, 2004 and Form GRP 112685 (ILTC-2 Franchise) was previously approved by the Department on February 9, 2004 and were sold nationwide during the period of 1998 through 2006. These products are 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-131133056 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 forms GRP 112687, et al and GRP 112685, 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 Honorable Jessica Altman  
June 25, 2018  
Page TWO

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 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. These policy amendments (GRP 114976) and (GRP 114977) were previously approved by the Department on September 26, 2013, under SERFF Filing Numbers PRUD-129012172 and PRUD-129012411.

The following items are included with this submission:

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

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  
The Prudential Insurance Company of America  
P. O. Box 7907  
Philadelphia, PA 19101-7907

Voice: (800) 732-0416 or (215) 658-6281  
Fax: (888) 294-6332  
e-mail: raenonna.prince@prudential.com

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>
LTC By Design (ILTC2)	GRP112687	05/2004 - 06/2006
LTC By Design (ILTC2) Franchise	GRP112685	05/2004 - 06/2006

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 “LTC By Design” product series. This product was individually underwritten and provides comprehensive long-term care coverage for care received in a nursing home, assisted living facility, or hospice in addition to home and 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).

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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**

The actuarial assumptions used to project the future premiums and claims are described in this section. Appendix C provides further details of how the experience studies were conducted that were used to develop the actuarial assumptions. These assumptions were developed to represent

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Prudential's 2017 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 2017 best estimate morbidity assumptions were developed based on a combination of 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 2017 best estimate of future morbidity, including morbidity improvement of 1% per year through 2037. 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 Prudential's experience and judgment. The 2017 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 as low as 0.38 in duration 1 and grade up to an ultimate factor of 1.05 by duration 30. Mortality improvement of 1% per year through 2037 is assumed. We assumed all remaining policies would terminate at attained age 120. 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 Prudential's experience and judgment. The voluntary lapse assumptions are our expectations for policy terminations, by duration, for reasons other than death, benefit exhaust or benefit buy-downs. These are separate from our shock lapse assumptions which we define as terminations due to rate increases. The lapse assumptions represent the 2017 best estimate expectations of future experience and do not include any provisions for adverse experience. Lastly, the projections include an annual shock lapse rate of 3.3% assumed over the first two years of implementation. This annual shock lapse rate represents the estimated impact of policyholders lapsing their policy due to the rate increase but maintaining a nonforfeiture benefit as well as

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policyholders electing benefit reductions. Voluntary lapse rates are shown below and vary by policy duration.

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

NOTE: No inflation includes plans without inflation and GPO.

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

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

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

## **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 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



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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 a premium increase of 20.0%.

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

## **16. Distribution of Business**

The historical experience reflects the actual distribution of policies during the experience period. We used the current distribution of business as of June 30, 2017 to project future experience. Appendix E contains the distribution of the inforce policies by key demographic and benefit

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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.

## **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 68.7% 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.

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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 describes the development of the best estimate morbidity, mortality and voluntary lapse assumptions.

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.

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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.

A handwritten signature in black ink that reads "Keith Burns". The signature is written in a cursive style with a large initial "K".

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

**Appendix A**  
**The Prudential Insurance Company of America**  
**ILTC2**

**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	\$2,918	\$2,953
With Increase	\$3,502	\$3,544

**15. Satisfaction of Loss Ratio Requirements**

Rate Stability Requirement:

1) Total Incurred Claims	\$1,401,142,817
58% of initial premium	\$517,961,427
85% of increased premium	\$274,476,284
2) Sum of 58%/85% premium	\$792,437,711
Is 1 greater than 2?	Yes

**18. Lifetime Loss Ratio**

<u>Policy type</u>	<u>Without Increase</u>	<u>With Increase</u>
All	126%	115%
Cash/Unlimited	163%	148%
Cash/Limited	129%	118%
Reimbursement/Unlimited	134%	122%
Reimbursement/Limited	112%	102%

**19. History of Rate Adjustments**

Cash / Unlimited Benefit Period Policies:

- 14% Implemented on 4/25/2012
- 14% Implemented on 4/25/2013
- 20% Implemented on 5/1/2014
- 20% Implemented on 12/1/2016
- 7.7% Implemented on 5/1/2018

Cash / Limited Benefit Period Policies:

- 14% Implemented on 4/25/2012
- 14% Implemented on 4/25/2013
- 20% Implemented on 5/1/2014
- 16.7% Implemented on 12/1/2016

Reimbursement / Unlimited Benefit Period Policies:

- 7.2% Implemented on 4/25/2012
- 7.2% Implemented on 4/25/2013
- 20% Implemented on 5/1/2014
- 20% Implemented on 12/1/2016
- 4.2% Implemented on 5/1/2018

Reimbursement / Limited Benefit Period Policies:

- 7.2% Implemented on 4/25/2012
- 7.2% Implemented on 4/25/2013
- 20% Implemented on 5/1/2014
- 8.4% Implemented on 12/1/2016

**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	358	13,315	\$1,044,632	\$39,321,790
Cash/Unlimited	3	683	\$25,416	\$3,579,006
Cash/Limited	9	910	\$33,988	\$2,863,517
Reimbursement/Unlimited	65	4,085	\$264,109	\$13,770,959
Reimbursement/Limited	281	7,637	\$721,118	\$19,108,308

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

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
2002	4,208	0	0	0	0%
2003	1,660,611	4,401	0	4,401	0%
2004	12,460,009	148,339	0	148,339	1%
2005	25,865,418	1,532,768	0	1,532,768	6%
2006	33,688,223	5,131,481	1,517,914	6,649,395	20%
2007	39,753,916	7,557,776	1,729,405	9,287,181	23%
2008	40,161,219	6,458,498	315,891	6,774,389	17%
2009	39,208,531	9,903,925	2,122,835	12,026,759	31%
2010	39,748,839	8,243,564	3,412,855	11,656,019	29%
2011	39,180,015	11,318,359	4,311,813	15,630,172	40%
2012	38,789,184	10,457,360	3,297,713	13,755,073	35%
2013	39,742,977	7,246,891	4,744,584	11,991,474	30%
2014	42,989,914	9,027,828	7,552,514	16,580,342	39%
2015	44,969,825	6,188,148	10,268,918	16,457,066	37%
2016	47,040,568	3,095,691	18,230,451	21,326,142	45%
2017*	23,512,601	163,183	12,816,725	12,979,909	55%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2017**	22,385,427	13,763,150	61%
2018	44,421,579	29,839,374	67%
2019	43,322,359	33,061,711	76%
2020	42,580,681	36,613,896	86%
2021	41,074,650	40,373,052	98%
2022	39,570,343	44,401,194	112%
2023	38,067,448	48,656,492	128%
2024	36,540,738	53,127,154	145%
2025	35,025,458	57,861,061	165%
2026	33,498,205	62,777,090	187%
2027	31,931,297	67,806,338	212%
2028	30,386,443	72,891,055	240%
2029	28,847,627	77,910,375	270%
2030	27,296,114	82,740,411	303%
2031	25,740,206	87,249,080	339%
2032	24,176,493	91,338,707	378%
2033	22,615,192	94,933,763	420%
2034	21,063,597	97,929,556	465%
2035	19,530,805	100,231,610	513%
2036	18,034,549	101,728,720	564%
2037	16,578,810	102,664,739	619%
2038	15,156,610	103,641,244	684%
2039	13,799,834	103,890,067	753%
2040	12,498,979	103,267,091	826%
2041	11,259,947	101,721,823	903%
2042	10,088,156	99,339,065	985%
2043	8,988,185	96,211,142	1070%
2044	7,963,906	92,386,301	1160%
2045	7,017,026	87,907,437	1253%
2046	6,147,945	82,878,531	1348%
2047	5,356,248	77,400,224	1445%
2048	4,640,389	71,668,513	1544%
2049	3,998,405	65,824,852	1646%
2050	3,427,009	59,918,711	1748%
2051	2,921,959	54,090,796	1851%
2052	2,478,738	48,478,841	1956%
2053	2,092,429	43,226,564	2066%
2054	1,758,354	38,622,922	2197%
2055	1,471,674	34,589,514	2350%
2056+	6,867,329	253,406,549	3690%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2017**	22,385,427	13,763,150	61%
2018	44,421,579	29,839,374	67%
2019	46,067,328	32,200,599	70%
2020	47,657,221	34,691,925	73%
2021	46,036,468	38,196,095	83%
2022	44,350,441	41,980,151	95%
2023	42,665,995	45,975,534	108%
2024	40,954,859	50,170,291	123%
2025	39,256,533	54,609,551	139%
2026	37,544,788	59,216,647	158%
2027	35,788,598	63,927,078	179%
2028	34,057,126	68,687,004	202%
2029	32,332,420	73,382,247	227%
2030	30,593,485	77,896,525	255%
2031	28,849,623	82,105,979	285%
2032	27,097,013	85,919,597	317%
2033	25,347,107	89,267,273	352%
2034	23,608,079	92,050,834	390%
2035	21,890,126	94,182,222	430%
2036	20,213,122	95,557,312	473%
2037	18,581,531	96,406,220	519%
2038	16,987,528	97,294,555	573%
2039	15,466,854	97,501,049	630%
2040	14,008,855	96,891,074	692%
2041	12,620,149	95,417,725	756%
2042	11,306,805	93,161,184	824%
2043	10,073,957	90,208,347	895%
2044	8,925,946	86,604,466	970%
2045	7,864,682	82,389,986	1048%
2046	6,890,617	77,662,323	1127%
2047	6,003,282	72,516,586	1208%
2048	5,200,948	67,135,941	1291%
2049	4,481,412	61,652,799	1376%
2050	3,840,991	56,113,372	1461%
2051	3,274,931	50,649,142	1547%
2052	2,778,170	45,388,858	1634%
2053	2,345,194	40,466,896	1726%
2054	1,970,763	36,153,379	1834%
2055	1,649,453	32,374,733	1963%
2056+	7,696,902	237,067,098	3080%

\* 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	672,824,122	195,214,740	29%	672,824,122	195,214,740	29%
Present Value of Future to 6/30/2017	493,641,400	1,278,567,802	259%	543,126,097	1,205,928,077	222%
Total Values (Discounted at 4.5%)	1,166,465,522	1,473,782,543	126%	1,215,950,219	1,401,142,817	115%

**Projected Loss Ratio**

	Without Increase	With Increase
Overall	126%	115%
Cash/Unlimited	163%	148%
Cash/Limited	129%	118%
Reimbursement/Unlimited	134%	122%
Reimbursement/Limited	112%	102%

Minimum Lifetime Loss Ratio 60%

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

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
2002	0	0	0	0	0%
2003	0	0	0	0	0%
2004	142,044	0	0	0	0%
2005	841,936	19,493	0	19,493	2%
2006	1,067,145	16,056	0	16,056	2%
2007	1,043,781	86,043	0	86,043	8%
2008	1,014,412	0	0	0	0%
2009	997,070	447,553	0	447,553	45%
2010	1,024,871	298,455	117,909	416,364	41%
2011	1,006,807	0	0	0	0%
2012	976,920	146,540	0	146,540	15%
2013	944,986	23,859	0	23,859	3%
2014	1,020,125	339,361	35,586	374,947	37%
2015	1,029,621	215,435	481,467	696,902	68%
2016	1,062,088	65,600	635,973	701,573	66%
2017*	519,065	0	130,997	130,997	25%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2017**	501,642	314,494	63%
2018	983,259	684,043	70%
2019	953,897	757,679	79%
2020	919,525	835,020	91%
2021	884,241	912,203	103%
2022	848,434	994,477	117%
2023	811,888	1,081,014	133%
2024	774,730	1,167,256	151%
2025	737,484	1,254,112	170%
2026	700,762	1,342,598	192%
2027	663,922	1,431,145	216%
2028	626,745	1,516,714	242%
2029	589,320	1,596,876	271%
2030	551,840	1,669,400	303%
2031	514,465	1,729,397	336%
2032	477,424	1,776,042	372%
2033	440,911	1,804,914	409%
2034	405,077	1,816,250	448%
2035	370,203	1,814,677	490%
2036	336,691	1,796,096	533%
2037	304,785	1,766,707	580%
2038	274,517	1,736,987	633%
2039	245,854	1,694,004	689%
2040	218,873	1,641,944	750%
2041	193,646	1,578,791	815%
2042	170,285	1,506,029	884%
2043	148,823	1,426,028	958%
2044	129,256	1,337,742	1035%
2045	111,555	1,246,909	1118%
2046	95,628	1,150,755	1203%
2047	81,418	1,049,471	1289%
2048	68,854	950,349	1380%
2049	57,841	856,938	1482%
2050	48,268	766,846	1589%
2051	39,989	675,196	1688%
2052	32,898	588,394	1789%
2053	26,869	510,445	1900%
2054	21,792	443,434	2035%
2055	17,559	390,806	2226%
2056+	63,105	2,060,094	3265%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2017**	501,642	314,494	63%
2018	983,259	684,043	70%
2019	1,014,337	738,114	73%
2020	1,029,152	791,323	77%
2021	991,169	863,088	87%
2022	950,925	940,247	99%
2023	909,964	1,021,368	112%
2024	868,317	1,102,142	127%
2025	826,572	1,183,407	143%
2026	785,414	1,266,119	161%
2027	744,123	1,348,853	181%
2028	702,456	1,428,773	203%
2029	660,510	1,503,590	228%
2030	618,502	1,571,183	254%
2031	576,613	1,626,974	282%
2032	535,097	1,670,202	312%
2033	494,173	1,696,748	343%
2034	454,010	1,706,838	376%
2035	414,923	1,704,818	411%
2036	377,364	1,686,853	447%
2037	341,603	1,658,783	486%
2038	307,679	1,630,458	530%
2039	275,553	1,589,730	577%
2040	245,313	1,540,521	628%
2041	217,039	1,480,949	682%
2042	190,856	1,412,411	740%
2043	166,801	1,337,133	802%
2044	144,870	1,254,126	866%
2045	125,031	1,168,767	935%
2046	107,180	1,078,460	1006%
2047	91,253	983,381	1078%
2048	77,172	890,370	1154%
2049	64,829	802,744	1238%
2050	54,099	718,254	1328%
2051	44,820	632,331	1411%
2052	36,872	550,969	1494%
2053	30,115	477,920	1587%
2054	24,425	415,132	1700%
2055	19,680	365,822	1859%
2056+	70,728	1,927,551	2725%

\* 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	16,931,140	3,661,384	22%	16,931,140	3,661,384	22%
Present Value of Future to 6/30/2017	10,223,897	23,395,475	229%	11,233,901	22,092,188	197%
Total Values (Discounted at 4.5%)	27,155,037	27,056,859	100%	28,165,041	25,753,572	91%

**Projected Loss Ratio**

	Without Increase	With Increase
Overall	100%	91%
Cash/Unlimited	51%	46%
Cash/Limited	65%	60%
Reimbursement/Unlimited	117%	107%
Reimbursement/Limited	97%	89%

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2017**  
**ILTC2**

	<b>Count</b>	<b>% of Count</b>	<b>Premium</b>	<b>% of Premium</b>
<b>Issue Year</b>				
2002	11	0.1%	32,714	0.1%
2003	1,798	13.5%	5,176,038	13.2%
2004	4,173	31.3%	12,158,593	30.9%
2005	3,621	27.2%	10,912,406	27.8%
2006	1,887	14.2%	5,642,599	14.3%
2007	1,368	10.3%	4,074,054	10.4%
2008	214	1.6%	620,347	1.6%
2009	141	1.1%	398,748	1.0%
2010	60	0.5%	187,469	0.5%
2011	42	0.3%	118,820	0.3%
<b>Total</b>	<b>13,315</b>	<b>100.0%</b>	<b>39,321,790</b>	<b>100.0%</b>

	<b>Count</b>	<b>% of Count</b>	<b>Premium</b>	<b>% of Premium</b>
<b>Issue Age</b>				
<30	41	0.3%	64,001	0.2%
30-34	92	0.7%	150,031	0.4%
35-39	208	1.6%	402,199	1.0%
40-44	514	3.9%	1,170,751	3.0%
45-49	1,197	9.0%	3,053,325	7.8%
50-54	2,432	18.3%	6,292,728	16.0%
55-59	3,345	25.1%	9,315,992	23.7%
60-64	3,078	23.1%	9,458,177	24.1%
65-69	1,571	11.8%	5,618,337	14.3%
70-74	625	4.7%	2,710,661	6.9%
75-79	188	1.4%	985,390	2.5%
80+	24	0.2%	100,199	0.3%
<b>Total</b>	<b>13,315</b>	<b>100.0%</b>	<b>39,321,790</b>	<b>100.0%</b>

Average Issue Age 58.8

	<b>Count</b>	<b>% of Count</b>	<b>Premium</b>	<b>% of Premium</b>
<b>Attained Age</b>				
<30	4	0.0%	3,105	0.0%
30-34	11	0.1%	24,225	0.1%
35-39	20	0.2%	24,064	0.1%
40-44	81	0.6%	122,973	0.3%
45-49	175	1.3%	309,278	0.8%
50-54	379	2.8%	847,287	2.2%
55-59	939	7.1%	2,287,201	5.8%
60-64	2,043	15.3%	5,462,842	13.9%
65-69	3,088	23.2%	8,338,769	21.2%
70-74	3,192	24.0%	9,454,975	24.0%
75-79	2,130	16.0%	7,137,482	18.2%
80+	1,253	9.4%	5,309,589	13.5%
<b>Total</b>	<b>13,315</b>	<b>100.0%</b>	<b>39,321,790</b>	<b>100.0%</b>

Average Attained Age 70.5



**Gender**

Male	5,350	40.2%	16,228,224	41.3%
Female	7,965	59.8%	23,093,565	58.7%
Total	13,315	100.0%	39,321,790	100.0%

**Inflation Option**

No Inflation	1,319	9.9%	3,264,806	8.3%
GPO	1,395	10.5%	4,631,199	11.8%
5% Simple Lifetime	3,801	28.5%	10,360,971	26.3%
5% Compound - Double (14 years)	1,222	9.2%	3,143,106	8.0%
5% Compound Lifetime	5,578	41.9%	17,921,708	45.6%
Total	13,315	100.0%	39,321,790	100.0%

**Elimination Period**

0-Day	33	0.2%	83,136	0.2%
30-Day	3,342	25.1%	10,370,988	26.4%
60-Day	1,541	11.6%	4,492,805	11.4%
90-Day	7,393	55.5%	21,761,442	55.3%
180-Day	1,006	7.6%	2,613,419	6.6%
Total	13,315	100.0%	39,321,790	100.0%

**Benefit Period\***

2 Years	457	3.4%	915,940	2.3%
3 Years	2,586	19.4%	5,853,176	14.9%
4 Years	1,516	11.4%	3,919,730	10.0%
5 Years	3,988	30.0%	11,282,979	28.7%
Lifetime	4,768	35.8%	17,349,965	44.1%
Total	13,315	100.0%	39,321,790	100.0%

\*Benefit Period grouped to nearest primary election

**Premium Period**

Lifetime	12,871	96.7%	36,166,230	92.0%
Premium Paid-Up at Age 65	89	0.7%	422,996	1.1%
Premium Reduction at Age 65	0	0.0%	0	0.0%
10-Pay	355	2.7%	2,732,564	6.9%
Total	13,315	100.0%	39,321,790	100.0%

**Home Health Reimbursement Level**

50%	356	2.7%	880,401	2.2%
75%	381	2.9%	1,011,902	2.6%
100%	12,578	94.5%	37,429,487	95.2%
Total	13,315	100.0%	39,321,790	100.0%

**Issue State**

AL	36	0.3%	128,137	0.3%
AK	4	0.0%	46,404	0.1%
AZ	91	0.7%	259,019	0.7%
AR	38	0.3%	82,317	0.2%
CA	3,183	23.9%	8,204,434	20.9%
CO	127	1.0%	347,336	0.9%
CT	103	0.8%	367,146	0.9%
DC	20	0.2%	88,464	0.2%
DE	34	0.3%	134,805	0.3%
FL	643	4.8%	1,639,285	4.2%
GA	196	1.5%	596,974	1.5%
GU	-	0.0%	0	0.0%
HI	433	3.3%	1,155,535	2.9%
ID	24	0.2%	68,692	0.2%
IL	855	6.4%	2,881,627	7.3%
IN	97	0.7%	253,160	0.6%
IA	261	2.0%	648,797	1.6%
KS	115	0.9%	374,473	1.0%
KY	77	0.6%	222,061	0.6%
LA	111	0.8%	287,986	0.7%
ME	42	0.3%	150,405	0.4%
MD	230	1.7%	710,430	1.8%
MA	257	1.9%	781,856	2.0%
MI	138	1.0%	466,278	1.2%
MN	294	2.2%	679,640	1.7%
MS	34	0.3%	85,543	0.2%
MO	212	1.6%	471,261	1.2%
MT	74	0.6%	232,296	0.6%
NE	85	0.6%	247,882	0.6%
NV	22	0.2%	59,672	0.2%
NH	33	0.2%	113,937	0.3%
NJ	1,044	7.8%	3,426,095	8.7%
NM	75	0.6%	205,585	0.5%
NY	1,734	13.0%	6,567,436	16.7%
NC	457	3.4%	1,287,571	3.3%
ND	50	0.4%	98,136	0.2%
OH	415	3.1%	1,234,451	3.1%
OK	120	0.9%	267,259	0.7%
OR	56	0.4%	171,097	0.4%
PA	358	2.7%	1,044,632	2.7%
RI	38	0.3%	81,597	0.2%
SC	141	1.1%	382,128	1.0%
SD	43	0.3%	123,884	0.3%
TN	103	0.8%	304,867	0.8%
TX	213	1.6%	492,107	1.3%
UT	47	0.4%	116,226	0.3%
VT	13	0.1%	33,913	0.1%
VA	125	0.9%	391,182	1.0%
WA	211	1.6%	640,427	1.6%
WV	48	0.4%	117,024	0.3%
WI	123	0.9%	433,437	1.1%
WY	32	0.2%	116,886	0.3%
Total	13,315	100.0%	39,321,790	100.0%

**Risk Class**

Preferred	12,497	93.9%	36,416,103	92.6%
Standard	818	6.1%	2,905,687	7.4%
Total	13,315	100.0%	39,321,790	100.0%

**Cash Benefit Option**

Cash	1,593	12.0%	6,442,523	16.4%
Reimbursement	11,722	88.0%	32,879,266	83.6%
Total	13,315	100.0%	39,321,790	100.0%

**Benefit Measure**

Daily	4,777	35.9%	14,897,648	37.9%
Monthly	8,538	64.1%	24,424,142	62.1%
Total	13,315	100.0%	39,321,790	100.0%

**Non-Forfeiture Option**

Yes	477	3.6%	1,438,191	3.7%
No	12,838	96.4%	37,883,599	96.3%
Total	13,315	100.0%	39,321,790	100.0%

**Survivorship Rider**

Yes	445	3.3%	1,203,778	3.1%
No	12,870	96.7%	38,118,012	96.9%
Total	13,315	100.0%	39,321,790	100.0%

**Appendix E**  
**The Prudential Insurance Company of America**  
**Pennsylvania Distribution of Inforce Business as of June 30, 2017**  
**ILTC2**

	<b>Count</b>	<b>% of Count</b>	<b>Premium</b>	<b>% of Premium</b>
<b>Issue Year</b>				
2002	0	0.0%	0	0.0%
2003	0	0.0%	0	0.0%
2004	145	40.5%	394,132	37.7%
2005	206	57.5%	629,461	60.3%
2006	7	2.0%	21,039	2.0%
2007	0	0.0%	0	0.0%
2008	0	0.0%	0	0.0%
2009	0	0.0%	0	0.0%
2010	0	0.0%	0	0.0%
2011	0	0.0%	0	0.0%
<b>Total</b>	<b>358</b>	<b>100.0%</b>	<b>1,044,632</b>	<b>100.0%</b>

	<b>Count</b>	<b>% of Count</b>	<b>Premium</b>	<b>% of Premium</b>
<b>Issue Age</b>				
<30	0	0.0%	0	0.0%
30-34	1	0.3%	1,960	0.2%
35-39	1	0.3%	1,911	0.2%
40-44	11	3.1%	33,271	3.2%
45-49	22	6.1%	49,221	4.7%
50-54	70	19.6%	154,424	14.8%
55-59	80	22.3%	196,963	18.9%
60-64	93	26.0%	282,715	27.1%
65-69	54	15.1%	193,969	18.6%
70-74	20	5.6%	107,875	10.3%
75-79	6	1.7%	22,322	2.1%
80+	-	0.0%	0	0.0%
<b>Total</b>	<b>358</b>	<b>100.0%</b>	<b>1,044,632</b>	<b>100.0%</b>

Average Issue Age 60.4

	<b>Count</b>	<b>% of Count</b>	<b>Premium</b>	<b>% of Premium</b>
<b>Attained Age</b>				
<30	0	0.0%	0	0.0%
30-34	-	0.0%	0	0.0%
35-39	-	0.0%	0	0.0%
40-44	-	0.0%	0	0.0%
45-49	2	0.6%	3,871	0.4%
50-54	7	2.0%	28,985	2.8%
55-59	16	4.5%	33,567	3.2%
60-64	52	14.5%	115,320	11.0%
65-69	78	21.8%	185,678	17.8%
70-74	97	27.1%	263,672	25.2%
75-79	67	18.7%	233,565	22.4%
80+	39	10.9%	179,974	17.2%
<b>Total</b>	<b>358</b>	<b>100.0%</b>	<b>1,044,632</b>	<b>100.0%</b>

Average Attained Age 75.1

**Gender**

Male	150	41.9%	437,117	41.8%
Female	208	58.1%	607,514	58.2%
Total	358	100.0%	1,044,632	100.0%

**Inflation Option**

No Inflation	36	10.1%	114,045	10.9%
GPO	43	12.0%	124,882	12.0%
5% Simple Lifetime	148	41.3%	382,600	36.6%
5% Compound - Double (14 years)	35	9.8%	86,145	8.2%
5% Compound Lifetime	96	26.8%	336,958	32.3%
Total	358	100.0%	1,044,632	100.0%

**Elimination Period**

0-Day	0	0.0%	0	0.0%
30-Day	129	36.0%	375,835	36.0%
60-Day	38	10.6%	129,670	12.4%
90-Day	156	43.6%	450,852	43.2%
180-Day	35	9.8%	88,275	8.5%
Total	358	100.0%	1,044,632	100.0%

**Benefit Period\***

2 Years	30	8.4%	57,046	5.5%
3 Years	114	31.8%	309,695	29.6%
4 Years	54	15.1%	137,485	13.2%
5 Years	92	25.7%	250,880	24.0%
Lifetime	68	19.0%	289,525	27.7%
Total	358	100.0%	1,044,632	100.0%

\*Benefit Period grouped to nearest primary election

**Premium Period**

Lifetime	358	100.0%	1,044,632	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	358	100.0%	1,044,632	100.0%

**Home Health Reimbursement Level**

50%	8	2.2%	25,785	2.5%
75%	13	3.6%	33,064	3.2%
100%	337	94.1%	985,782	94.4%
Total	358	100.0%	1,044,632	100.0%

**Risk Class**

Preferred	330	92.2%	942,923	90.3%
Standard	28	7.8%	101,708	9.7%
Total	358	100.0%	1,044,632	100.0%

**Cash Benefit Option**

Cash	12	3.4%	59,405	5.7%
Reimbursement	346	96.6%	985,227	94.3%
Total	358	100.0%	1,044,632	100.0%

**Benefit Measure**

Daily	78	21.8%	241,244	23.1%
Monthly	280	78.2%	803,387	76.9%
Total	358	100.0%	1,044,632	100.0%

**Non-Forfeiture Option**

Yes	8	2.2%	20,816	2.0%
No	350	97.8%	1,023,816	98.0%
Total	358	100.0%	1,044,632	100.0%

**Survivorship Rider**

Yes	3	0.8%	6,301	0.6%
No	355	99.2%	1,038,330	99.4%
Total	358	100.0%	1,044,632	100.0%