

**State:** Pennsylvania **Filing Company:** The Prudential Insurance Company of America  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Individual LongTerm Care Insurance  
**Project Name/Number:** ILTC-1 Re-Rate LS/8I-2019

### Filing at a Glance

Company: The Prudential Insurance Company of America  
 Product Name: Individual LongTerm Care Insurance  
 State: Pennsylvania  
 TOI: LTC03I Individual Long Term Care  
 Sub-TOI: LTC03I.001 Qualified  
 Filing Type: Rate - G.I. (Guaranteed Issue)  
 Date Submitted: 06/19/2019  
 SERFF Tr Num: PRUD-131979968  
 SERFF Status: Assigned  
 State Tr Num: PRUD-131979968  
 State Status: Received Review in Progress  
 Co Tr Num: IIGHILTC1RATE-LS-RP-PA  
  
 Implementation: 05/01/2020  
 Date Requested:  
 Author(s): Laura Hughes, Raenonna Prince, Hina Ahmad, Ritu Jain, Arun Paul, John Timmerberg, Meong Kwak  
 Reviewer(s): Jim Laverty (primary), Benjamin Irwin  
 Disposition Date:  
 Disposition Status:  
 Implementation Date:

**State Filing Description:**

Proposed aggregate 69.1% increase on 1,969 PA policyholders of Prudential LTC forms GRP 98720, GRP 98721, and GRP 98722 (i.e. forms known as ILTC-1).

**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 LS/8I-2019

### General Information

Project Name: ILTC-1 Re-Rate LS	Status of Filing in Domicile: Pending
Project Number: 8I-2019	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments: File Concurrently.
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact: 69.1%	Filing Status Changed: 06/20/2019
	State Status Changed: 06/25/2019
Deemer Date:	Created By: Raenonna Prince
Submitted By: Raenonna Prince	Corresponding Filing Tracking Number: PRUD-131980360
	State TOI: LTC03I Individual Long Term Care

Filing Description:  
Please refer to the Filing Cover Letter attached to the Supporting Documentation Tab.

### Company and Contact

#### Filing Contact Information

John Timmerberg, Vice President and Actuary  
 john.timmerberg@prudential.com  
 751 Broad Street  
 11th Floor, Plaza  
 Newark, NJ 07102  
 973-802-6596 [Phone]

#### Filing Company Information

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

### Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

SERFF Tracking #:

PRUD-131979968

State Tracking #:

PRUD-131979968

Company Tracking #:

IIGHILTC1RATE-LS-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 LongTerm Care Insurance

Project Name/Number:

ILTC-1 Re-Rate LS/8I-2019

## Correspondence Summary

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Excel	Note To Filer	Jim Laverty	06/25/2019	06/25/2019

---

**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 LS/8I-2019

## Note To Filer

**Created By:**

Jim Laverty on 06/25/2019 06:49 AM

**Last Edited By:**

Jim Laverty

**Submitted On:**

06/25/2019 06:49 AM

**Subject:**

Excel

**Comments:**

Please provide Appendix A through F in an Excel workbook.

**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 LS/8I-2019

## Post Submission Update Request Processed On 06/25/2019

Status: Allowed  
Created By: Raenonna Prince  
Processed By: Jim Laverty  
Comments:

### General Information:

Field Name	Requested Change	Prior Value
Implementation Date Requested	05/01/2020	

SERFF Tracking #:

PRUD-131979968

State Tracking #:

PRUD-131979968

Company Tracking #:

IIGHILTC1RATE-LS-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 LongTerm Care Insurance

Project Name/Number:

ILTC-1 Re-Rate LS/8I-2019

### Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

10.000%

Effective Date of Last Rate Revision:

05/01/2019

Filing Method of Last Filing:

SERFF

SERFF Tracking Number of Last Filing:

PRUD-131555425

### 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	69.100%	69.100%	\$3,965,569	1,969	\$5,738,385	118.100%	9.100%

**SERFF Tracking #:**

PRUD-131979968

**State Tracking #:**

PRUD-131979968

**Company Tracking #:**

IIGHILTC1RATE-LS-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 LongTerm Care Insurance

**Project Name/Number:**

ILTC-1 Re-Rate LS/8I-2019

## 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 All)	GRP 98720, GRP 98721, GRP 98722	Revised	Previous State Filing Number: PRUD-131555425 Percent Rate Change Request: 69.1	Appendix D - Rate Pages (PA ILTC1 All).pdf,

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

**GRP 98720, GRP 98721, GRP 98722**  
**Page 1 of 5**

Pennsylvania 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	5% Automatic Simple Inflation	5% Automatic Compound Inflation	Periodic Inflation	5% Automatic Simple Reduced to 2.5% Automatic Simple	5% Automatic Compound Reduced to 2.5% Automatic Compound
18-30	94.00	123.92	44.08	59.42	78.33
31	98.81	129.71	46.04	62.46	81.99
32	103.84	135.80	48.07	65.64	85.84
33	109.14	142.17	50.21	68.99	89.87
34	114.73	148.82	52.42	72.52	94.07
35	120.58	155.78	54.75	76.22	98.47
36	126.73	163.07	57.18	80.11	103.08
37	133.20	170.73	59.70	84.20	107.92
38	140.01	178.70	62.34	88.50	112.96
39	147.17	187.07	65.12	93.03	118.25
40	154.70	195.84	68.00	97.79	123.79
41	160.32	202.12	70.19	101.34	127.76
42	166.17	208.60	72.42	105.04	131.86
43	172.23	215.26	74.74	108.87	136.07
44	178.51	222.14	77.13	112.84	140.42
45	185.01	229.26	79.62	116.95	144.92
46	191.75	236.59	82.16	121.21	149.55
47	198.75	244.18	84.80	125.63	154.35
48	206.01	252.00	87.51	130.22	159.29
49	213.51	260.05	90.33	134.96	164.38
50	221.29	268.39	93.22	139.88	169.65
51	234.53	284.14	98.64	148.25	179.61
52	248.60	300.86	104.37	157.14	190.18
53	263.51	318.55	110.41	166.57	201.36
54	279.30	337.30	116.81	176.55	213.21
55	296.02	357.12	123.60	187.12	225.74
56	313.77	378.11	130.78	198.34	239.01
57	332.58	400.36	138.35	210.23	253.07
58	352.50	423.87	146.38	222.82	267.93
59	373.64	448.80	154.89	236.18	283.69
60	396.04	475.19	163.86	250.34	300.37
61	420.70	499.85	175.54	265.93	315.96
62	446.90	525.78	188.04	282.49	332.35
63	474.73	553.05	201.46	300.08	349.59
64	504.33	581.78	215.81	318.79	367.75
65	535.73	611.97	231.19	338.64	386.83
66	585.86	665.17	255.90	370.33	420.46
67	640.68	722.96	283.29	404.98	456.99
68	700.62	785.83	313.59	442.87	496.73
69	766.16	854.15	347.12	484.30	539.92
70	837.86	928.40	384.25	529.62	586.85
71	924.82	1,017.68	429.20	584.59	643.29
72	1,020.82	1,115.59	479.39	645.27	705.18
73	1,126.75	1,222.90	535.46	712.23	773.01
74	1,243.67	1,340.52	598.10	786.14	847.36
75	1,372.76	1,469.47	668.04	867.74	928.87
76	1,522.04	1,619.21	749.46	962.10	1,023.52
77	1,687.57	1,784.21	840.79	1,066.73	1,127.82
78	1,871.08	1,965.98	943.26	1,182.73	1,242.72
79	2,074.54	2,166.31	1,058.19	1,311.34	1,369.35
80	2,300.15	2,387.05	1,187.16	1,453.95	1,508.88
81	2,483.39	2,567.41	1,291.08	1,569.78	1,622.89
82	2,681.27	2,761.46	1,404.10	1,694.86	1,745.55
83	2,894.87	2,970.13	1,527.01	1,829.88	1,877.45
84	3,125.51	3,194.58	1,660.69	1,975.67	2,019.33
85	3,374.53	3,435.99	1,806.05	2,133.08	2,171.93

Due to variations in rounding, actual premium may vary.

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**  
**Base Rates and Adjustment Factors**

**GRP 98720, GRP 98721, GRP 98722**  
**Page 2 of 5**

Pennsylvania 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 Unlimited Daily Benefit Lifetime Maximum Benefit 100-Day Calendar Day Benefit Waiting Period					
Age	5% Automatic Simple Inflation	5% Automatic Compound Inflation	Periodic Inflation	5% Automatic Simple Reduced to 2.0% Automatic Simple	5% Automatic Compound Reduced to 2.0% Automatic Compound
18-30	191.59	254.84	86.46	87.84	116.84
31	201.39	266.74	90.31	92.34	122.30
32	211.64	279.27	94.29	97.04	128.05
33	222.44	292.38	98.49	101.99	134.06
34	233.83	306.05	102.83	107.21	140.32
35	245.76	320.36	107.39	112.68	146.89
36	258.30	335.36	112.16	118.43	153.76
37	271.49	351.11	117.10	124.48	160.98
38	285.35	367.50	122.28	130.83	168.50
39	299.96	384.71	127.74	137.53	176.39
40	322.65	407.84	138.32	147.94	187.00
41	334.37	420.92	142.78	153.31	192.99
42	346.57	434.43	147.31	158.91	199.19
43	359.21	448.30	152.04	164.70	205.55
44	372.31	462.63	156.90	170.71	212.12
45	385.87	477.45	161.96	176.92	218.91
46	399.93	492.71	167.13	183.37	225.91
47	414.51	508.52	172.50	190.05	233.16
48	429.65	524.80	178.00	197.00	240.62
49	445.29	541.57	183.75	204.17	248.31
50	460.85	556.87	192.76	211.30	255.33
51	488.42	589.57	203.97	223.94	270.32
52	517.71	624.26	215.82	237.37	286.23
53	548.78	660.96	228.32	251.62	303.05
54	581.66	699.86	241.56	266.69	320.89
55	616.48	740.99	255.59	282.66	339.75
56	653.45	784.54	270.44	299.61	359.72
57	692.62	830.70	286.10	317.57	380.88
58	734.10	879.47	302.70	336.59	403.24
59	778.12	931.21	320.30	356.77	426.96
60	815.06	974.31	339.64	373.71	446.72
61	865.82	1,024.88	363.86	396.98	469.91
62	919.73	1,078.04	389.77	421.70	494.29
63	977.00	1,133.96	417.59	447.96	519.93
64	1,037.92	1,192.87	447.32	475.89	546.94
65	1,102.55	1,254.76	479.21	505.52	575.31
66	1,205.72	1,363.84	530.43	552.83	625.33
67	1,318.54	1,482.33	587.19	604.56	679.66
68	1,441.90	1,611.24	649.99	661.12	738.76
69	1,576.79	1,751.33	719.51	722.97	802.99
70	1,728.19	1,907.83	808.23	792.39	874.75
71	1,907.56	2,091.31	902.77	874.63	958.88
72	2,105.57	2,292.51	1,008.33	965.41	1,051.13
73	2,324.06	2,513.02	1,126.29	1,065.60	1,152.23
74	2,565.24	2,754.73	1,258.03	1,176.18	1,263.06
75	2,831.51	3,019.72	1,405.15	1,298.26	1,384.56
76	3,139.41	3,327.42	1,576.41	1,439.44	1,525.64
77	3,480.83	3,666.50	1,768.51	1,595.98	1,681.11
78	3,859.34	4,040.03	1,984.04	1,769.53	1,852.38
79	4,279.01	4,451.70	2,225.79	1,961.95	2,041.13
80	4,821.90	4,989.44	2,542.98	2,210.87	2,287.69
81	5,206.04	5,366.44	2,765.58	2,387.00	2,460.54
82	5,620.86	5,772.04	3,007.67	2,577.19	2,646.51
83	6,068.64	6,208.20	3,270.96	2,782.50	2,846.49
84	6,552.14	6,677.36	3,557.31	3,004.19	3,061.60
85	7,074.18	7,181.96	3,868.69	3,243.55	3,292.97

Due to variations in rounding, actual premium may vary.

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 3 of 5

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

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

**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  
Page 4 of 5

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

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

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

GRP 98722  
Page 5 of 5

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

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-131979968

State Tracking #:

PRUD-131979968

Company Tracking #:

IIGHILTC1RATE-LS-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 LongTerm Care Insurance

Project Name/Number: ILTC-1 Re-Rate LS/8I-2019

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA - Filing Cover Letter - 6-19-2019.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 22, pages of 11 and 12 of the enclosed 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>	PA - Act Memo - Revised Rates ILTC1.pdf PA - All ILTC1 Rate Increase.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-131979968

**State Tracking #:**

PRUD-131979968

**Company Tracking #:**

IIGHILTC1RATE-LS-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 LongTerm Care Insurance

**Project Name/Number:**

ILTC-1 Re-Rate LS/8I-2019

<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Rate Table (A&H)
<b>Bypass Reason:</b>	Please refer to Appendix D, Rate Pages attached to the Rate Schedule Tab of this filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Replacement Form with Highlighted Changes (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Advertisement Compliance Certification
<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.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Bypassed - Item:</b>	Variability Explanation (A&H)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Appendix C - Description of Experience Analysis and Assumption Setting
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Description of Experience Analysis and Assumption Setting.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**SERFF Tracking #:**

PRUD-131979968

**State Tracking #:**

PRUD-131979968

**Company Tracking #:**

IIGHILTC1RATE-LS-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 LongTerm Care Insurance

**Project Name/Number:**

ILTC-1 Re-Rate LS/8I-2019

<b>Satisfied - Item:</b>	Appendix C - Exhibit 1 - Mortality Details
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Exhibit 1 - Mortality Details - ILTC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Appendix C - Exhibit 2- Lapse Details
<b>Comments:</b>	
<b>Attachment(s):</b>	Appendix C - Exhibit 2 - Lapse Details - ILTC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

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

<b>Satisfied - Item:</b>	Notification Letter Package
<b>Comments:</b>	
<b>Attachment(s):</b>	LTC-Policyholder Notification Letter Round 8 (ILTC-1) - File Copy.pdf LTC-Coverage Options Round 8 (ILTC-1) - File Copy.pdf LTC-Change Request Form Round 8 (ILTC-1) - File Copy.pdf Frequently Asked Questions Relating to Premium Increase Round 8 (ILTC-1) - File Copy.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



John L. Timmerberg, ASA, MAAA  
Vice President and Actuary  
Financial Management

The Prudential Insurance Company of America  
Long Term Care Unit  
751 Broad Street  
Plaza, 11<sup>th</sup> Floor  
Newark, NJ 07102  
Tel 973-802-6596  
[john.timmerberg@prudential.com](mailto:john.timmerberg@prudential.com)

June 19, 2019

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, et al

Dear Commissioner Altman:

Enclosed for your review is support for a requested increase to our long-term care insurance premium rate schedule, for the above referenced forms. In addition, we are requesting approval of riders that will allow eligible policyholders to reduce or eliminate the future rate at which their benefits inflate.

Form GRP 98720, GRP 98721, GRP 98722 were previously approved by the Department on December 23, 2002, and its form series were sold nationwide during the period of 1999 through 2012. This product is no longer 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-131555425 on September 14, 2018.

While Prudential's pricing assumptions for this series of forms were based on the best information then available, our actual experience has emerged worse than expected. In second quarter of 2018, we strengthened our statutory reserves by \$0.6 billion following the completion of our annual review and update of actuarial assumptions. In particular, we updated our morbidity assumptions to reflect more adverse expectations of future experience than previously anticipated. In view of this, we are requesting a rate increase for the above referenced policy series of the following amounts:

Inflation Type	Benefit Period	Requested Rate Increase
No Inflation	Lifetime or 10 year	58.2%
No Inflation	less than 10 year	9.1%
Auto Inflation	Lifetime or 10 year	118.1%
Auto Inflation	less than 10 year	58.2%

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. As explained in more detail in the Actuarial Memorandum, if the full increase is approved, we commit to not request an additional increase in the future unless our experience deteriorates further.



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. Approval of the requested rate increase will also help maintain equity amongst the states. Deferring rate increases will only increase the size of needed future rate increases.

The proposed premium rates will be effective on each policy's first modal premium due date that is on or after the effective date, which Prudential will establish following state authorization. Prudential will provide all policyholders at least 60 days advance notice of the rate increase.

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 already include a Non-forfeiture Benefit Rider.

[In addition, upon approval of the applicable rider, Prudential will offer eligible insureds a new voluntary option that will completely offset the rate increase. This option will be made available to policyholders with an unlimited automatic inflation option and will result in a reduction to or elimination of the future inflation growth factor applicable to their coverage. Note that policyholders would retain any inflation increases that have accrued to date.

Accordingly, copies of the Optional Inflation Rider(s) have been submitted under our corresponding SERFF filing, PRUD-131980360.

The following items are included with this submission:

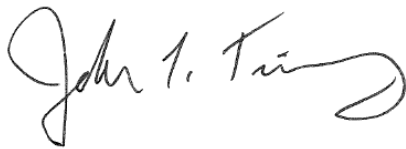
- All Actuarial Material
- All Required Certifications
- State transmittal and checklists (If applicable)
- Optional Rider[s] (Please refer to SERFF Filing PRUD-1319800360)

**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) 294-6335  
e-mail: [raenonna.prince@prudential.com](mailto:raenonna.prince@prudential.com)

The Honorable Jessica Altman  
June 19, 2019  
Page 2

Very truly yours,

A handwritten signature in black ink, reading "John L. Timmerberg". The signature is written in a cursive style with a large, sweeping flourish at the end.

John L. Timmerberg, ASA, MAAA  
Vice President & Actuary

Enclosures

Attachment

The Prudential Insurance Company of America  
Individual Long Term Care Insurance Forms

<b>FORM NUMBER</b>	<b>DESCRIPTION</b>
GRP 115391	AUTOMATIC COMPOUND INFLATION BENEFIT – NO MAXIMUM (2%)
GRP 115392	AUTOMATIC SIMPLE INFLATION BENEFIT (2%)
GRP 115468	AUTOMATIC COMPOUND INFLATION BENEFIT – NO MAXIMUM (2.5%)
GRP 115469	AUTOMATIC SIMPLE INFLATION BENEFIT (2.5%)]

June 10, 2019  
**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.

This rate filing is a request for a rate increase in premium varying by Inflation Type and Benefit Period (see table below), effective upon approval by the state, on the base contract and all associated riders. References to policyholders with No Inflation in this actuarial memorandum and appendices is intended to be our classification for those policyholders that didn't elect an automatic inflation option, which includes those without an inflation rider and those with the Guaranteed Purchase Option (GPO).

<b>Inflation Type</b>	<b>Benefit Period</b>	<b>Requested Rate Increase</b>
No Inflation	Lifetime or 10 year	58.2%
No Inflation	less than 10 year	9.1%
Auto Inflation	Lifetime or 10 year	118.1%
Auto Inflation	less than 10 year	58.2%

These revisions are necessary because the current best estimate projections of the nationwide lifetime loss ratios are higher than the originally priced expected lifetime loss ratios. The higher lifetime loss ratios are due to adverse morbidity and persistency experience. If the requested rate increase is approved and implemented as proposed, the company does not expect to request additional rate increases based on current expectations of future experience. However, if actual future experience were to deteriorate further, additional rate action may become necessary even if the requested rate increase is approved and implemented as proposed.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

This filing is also a request to allow the company to offer a new voluntary benefit reduction option to policies with automatic inflation benefits. This option, which would reduce the rate of future inflation increases, would be applied via a rider to the policy, and would offset a substantial portion or the entire amount of the rate increase requested above, for policyholders who elect it. If elected, the reduced inflation growth factor would begin to apply at the first anniversary date following the effective date of the rider, which would coincide with the effective date of the rate increase. Once applicable, the reduced inflation factor would remain in effect in accordance with the current contract. Note that policyholders would retain any inflation increases that have accrued to date. Insureds eligible for this option would be limited to those who currently have lifetime premium and premium reduction at age 65 premium payment options, and automatic inflation where benefit growth is unlimited. Policyholders that have the automatic inflation rider where the facility care benefit and the lifetime maximum benefit are capped once they have doubled will not be eligible for the new benefit reduction option. The reduced future inflation growth factors associated with this option are as follows:

<b>Inflation Type</b>	<b>Benefit Period</b>	<b>Current Inflation Rate</b>	<b>Landing Spot Inflation Rate</b>
Auto Inflation	Lifetime or 10 year	5%	2.0%
Auto Inflation	less than 10 year	5%	2.5%

This inflation offer would only affect the rate increase request related to this filing. Insureds who elect this option may still be subject to additional future rate action, were it to become justified due to further deterioration of experience not currently anticipated, as mentioned above.

For policies with auto inflation, actuarial equivalence is determined by equating the lifetime anticipated loss ratios under two scenarios. The first scenario assumes that the full premium rate increase is applied to all policies with auto inflation. The second scenario assumes that all policies with auto inflation opt to accept a revised inflation rider with a reduced inflation rate (the Landing Spot Inflation Rate). The first table below shows that for policies with auto inflation and lifetime or 10-year benefit periods, the lifetime anticipated loss ratio under the first scenario is 219.8% and under the second scenario it is 219.9%.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

**Nationwide Experience - Policies with Auto Inflation, Lifetime or 10 Year Benefit Periods**

<b>Loss Ratio Summaries</b>		<b>Earned Premium</b>	<b>Incurred Claims</b>	<b>Incurred Ratio</b>
<b>With Requested Increase</b>	Accumulated Value of Historical to 6/30/2018	633,053,006	338,599,483	53.5%
	Present Value of Future to 6/30/2018	751,392,428	2,704,230,631	359.9%
	<b>Total Values</b>	<b>1,384,445,434</b>	<b>3,042,830,113</b>	<b>219.8%</b>
<b>With Landing Spot</b>	Accumulated Value of Historical to 6/30/2018	633,053,006	338,599,483	53.5%
	Present Value of Future to 6/30/2018	433,146,532	2,006,424,937	463.2%
	<b>Total Values</b>	<b>1,066,199,538</b>	<b>2,345,024,420</b>	<b>219.9%</b>

The table directly below shows that for policies with auto inflation and benefit periods less than 10 years, the lifetime anticipated loss ratio under the first scenario is 117.7% and under the second scenario it is 117.9%.

**Nationwide Experience - Policies with Auto-Inflation, Less Than 10 Year Benefit Periods**

<b>Loss Ratio Summaries</b>		<b>Earned Premium</b>	<b>Incurred Claims</b>	<b>Incurred Ratio</b>
<b>With Requested Increase</b>	Accumulated Value of Historical to 6/30/2018	583,952,713	209,462,591	35.9%
	Present Value of Future to 6/30/2018	338,922,813	876,667,640	258.7%
	<b>Total Values</b>	<b>922,875,526</b>	<b>1,086,130,231</b>	<b>117.7%</b>
<b>With Landing Spot</b>	Accumulated Value of Historical to 6/30/2018	583,952,713	788,271,953	35.9%
	Present Value of Future to 6/30/2018	262,442,587	788,271,953	300.4%
	<b>Total Values</b>	<b>846,395,300</b>	<b>997,734,544</b>	<b>117.9%</b>

Prudential is filing for premium rate increases in each state where policies of these forms were issued.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

Upon approval of this rate revision, Prudential will communicate to policyholders their options to reduce the impact of the rate increase. For those with Auto Inflation and unlimited benefit growth, the option is described above. For other policies, there will also be opportunities for almost all policyholders to keep the premium at or below the premium they were paying prior to the rate revision. These options may include reducing the lifetime maximum, reducing the daily benefit, and eliminating optional riders. In addition to what is included in the policyholder notification letter, policyholders will be notified that they can call our customer service representatives to work out a benefit reduction that best works for their situation.

In addition, the contingent non-forfeiture benefit will be available for all policyholders, regardless of their age or rate increase amount.

Please refer to Section 20 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).

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

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

“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. Applicability**

The premium increase contained in this memorandum will be applicable to all active policy holders of the policy form and riders described in Section 1, as these policy forms are no longer sold in the market. The revised premium rate schedules can be found in Appendix D.

### **5. 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. The assumptions used in this filing are Prudential’s best estimate expectations, developed in 2018, 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 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 and the underwriting applied at the time of issue were all considered when setting the claim cost assumptions. The claim cost assumptions reflect Prudential’s current best estimate of future morbidity. The best estimate assumptions do not include an assumption for morbidity improvement. The assumptions do not include any adverse selection from the rate increase or loads for moderately adverse experience.



**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

## **Mortality**

The mortality assumptions were developed from a mortality study conducted on Prudential's experience and judgment. The current 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. The factors are generally below 1 in the early durations and grade to 1.05 in the ultimate (dur 30+) period. Future mortality improvement of 1% per year for 20 years (2018 through 2038) 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 long-term care policy experience. The voluntary lapse assumptions are our expectations for policy terminations, by duration, for reasons other than death, benefit exhaustion or benefit buy-downs. The lapse assumptions represent the current best estimate expectations of future experience and do not include any provisions for adverse experience. At time of premium rate increase notification, policyholders may elect a nonforfeiture benefit or an optional benefit reduction and the impact of these policyholder elections is modelled in our projections. Voluntary lapse rates are shown below and vary by policy duration and attained age.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

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%	6.20%	3.15%	6.65%	4.20%
3	1.10%	6.30%	2.10%	5.80%	6.20%	1.70%	2.40%	4.10%
4	1.10%	6.30%	2.10%	5.80%	1.50%	1.70%	2.40%	4.10%
5	1.10%	6.30%	2.10%	5.80%	1.50%	1.70%	2.40%	2.30%
6	1.10%	2.40%	2.10%	2.50%	1.50%	1.70%	2.40%	2.30%
7	1.10%	2.40%	2.10%	2.50%	1.50%	1.00%	2.40%	2.00%
8	1.10%	2.40%	2.10%	2.50%	1.50%	1.00%	2.40%	2.00%
9	1.10%	2.40%	2.10%	2.50%	1.50%	1.00%	2.40%	1.30%
10	1.10%	1.30%	2.10%	2.10%	1.50%	0.76%	2.40%	1.30%
11	1.10%	1.30%	2.10%	2.10%	1.50%	0.76%	2.40%	1.30%
12	1.10%	1.30%	2.10%	2.10%	1.50%	0.76%	2.40%	1.30%
13	1.10%	1.10%	2.10%	2.01%	1.50%	0.76%	2.40%	1.30%
14	1.10%	0.60%	2.10%	1.75%	1.50%	0.76%	2.40%	1.30%
15-20	1.10%	0.60%	2.10%	1.75%	1.50%	0.50%	2.40%	1.30%
21+	1.10%	0.50%	2.10%	1.50%	1.25%	0.50%	2.40%	1.30%

NOTE: No inflation includes plans without inflation and GPO.

### Interest Rate

An annual interest rate of 4.5% was used to calculate the lifetime loss ratio in the supporting appendices.

### 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.

## 6. Issue Age Range

This product was available for issue ages 18 - 84. Premiums are based on issue age.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

**7. Area Factors**

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

**8. 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.

**9. 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.

**10. 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 incurred 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.

**11. 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  
June 10, 2019**

## **12. 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.

## **13. Requested Rate Increase and Demonstration of Satisfaction of Loss Ratio Requirements**

Prudential is requesting a premium increase varying by inflation type and benefit period, to be applied to all ILTC1 active policies.

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. The state's rate stabilization date and minimum loss ratio are also shown in Appendix A.

## **14. 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, 2018 to project future experience. Appendix E contains the distribution of the active policies by key demographic and benefit characteristics.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

**15. Experience – Past and Future**

The historical and projected nationwide experience, both with and without the rate increase, is contained in Appendix B. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix B. Additionally, the historical and projected nationwide experience is on a Pennsylvania rate basis.

The historical and projected experience for this state, both with and without the rate increase, is contained in Appendix F. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix F.

Historical experience is shown by claim incurred year.

**16. Lifetime Loss Ratio**

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

The rate increase is assumed effective May 1, 2020 in our projections.

**17. History of Rate Adjustments**

See Appendix A for a history of previous rate adjustments on this policy form.

**18. Number of Policyholders**

The current number of policyholders as of June 30, 2018 can be found in Appendix A.

**19. 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, 2020.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

## **20. Summary of Appendices**

Appendix A contains state-specific information, indexed to the section numbers applied in this memorandum.

Appendix B contains historical and projected nationwide experience for all policies as well as by inflation type and benefit period issued under this form on a Pennsylvania state rate basis. The appendix also includes the projected lifetime loss ratios both without and with the proposed increase. Note that there is no margin for adverse deviation in the future incurred claim projections in Appendix B.

Appendix C describes the development of the best estimate morbidity, mortality and voluntary lapse assumptions and contains three exhibits that show actual experience to projected best estimate experience. The best estimate values in these exhibits reflect Prudential's assumptions developed in 2018. Actual to expected results close to 100% demonstrates that the current assumptions are reasonable compared to the actual results.

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

Appendix E contains the distribution of the active 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.

## **21. 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.

## **22. 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.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 10, 2019**

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.

The policy design and coverages, the underwriting used at the time of issue, and the claim adjudication process were all taken into consideration.

In forming my opinion, I have used actuarial assumptions and actuarial methods as I considered necessary. The pricing assumptions are consistent with Prudential's current best estimates and do not include a margin for adverse experience. These assumptions are used to calculate the new target lifetime loss ratio as shown in Appendix A, Section 22a.

The premium rates are not excessive or unfairly discriminatory. If the requested premium increase is implemented and the underlying assumptions with a 10% load for moderately adverse conditions are realized, no further premium rate schedule increases are anticipated.

If the future experience deteriorates beyond the 10% moderately adverse load to future incurred claims, and exceeds the lifetime ratio shown in Appendix A, Section 22b, Prudential may need to file for additional in-force premium increases on these forms. If that were to occur, the requested increase would be calculated to manage the block to the target lifetime loss ratio as shown in Appendix A, Section 22a.



John L. Timmerberg, ASA, MAAA  
Vice President & Actuary  
Prudential Long Term Care  
June 10, 2019

**Appendix A**  
**The Prudential Insurance Company of America**  
**ILTC1**

**Pennsylvania**

**Requested Rate Increase**

<u>Benefit Type</u>	<u>Requested Amount</u>
No Inflation/Unlimited	58.2%
No Inflation/Limited	9.1%
Auto Inflation/Unlimited	118.1%
Auto Inflation/Limited	58.2%

**8. Average Annual Premium**

<u>Rate Basis</u>	<u>Pennsylvania</u>	<u>Nationwide</u>
Without Increase	\$2,914	\$2,740
With Increase	\$4,928	\$4,927

**13. Satisfaction of Loss Ratio Requirements**

Loss Ratio Requirement:

1) Projected Lifetime Loss Ratio with Rate Increase	160%
2) Minimum Required Loss Ratio	60%
Is 1 greater than 2?	Yes

Rate Stability Requirement:

1) Total Incurred Claims	\$4,598,547,397
58% of initial premium	\$943,664,296
85% of increased premium	\$1,055,662,607
2) Sum of 58%/85% premium	\$1,999,326,903
Is 1 greater than 2?	Yes

**16. Lifetime Loss Ratio**

<u>Policy type</u>	<u>Without Increase</u>	<u>With Increase</u>
All	207%	160%
No Inflation/Unlimited	136%	116%
No Inflation/Limited	64%	63%
Auto Inflation/Unlimited	318%	220%
Auto Inflation/Limited	143%	118%

**17. History of Rate Adjustments**

Cash Benefit Policies with Unlimited Benefit Period

14% implemented on 10/01/2009  
14% implemented on 10/01/2010  
14% implemented on 04/25/2012  
14% implemented on 04/25/2013  
20% implemented on 05/01/2014  
20% implemented on 10/01/2016  
7.7% implemented on 05/01/2018  
10% implemented on 05/01/2019

Cash Benefit Policies with Limited Benefit Period

14% implemented on 10/01/2009  
14% implemented on 10/01/2010  
14% implemented on 04/25/2012  
14% implemented on 04/25/2013  
20% implemented on 05/01/2014  
20% implemented on 10/01/2016  
0.7% implemented on 05/01/2018  
10% implemented on 05/01/2019

Reimbursement Benefit Policies with Unlimited Benefit Period

9% implemented on 10/01/2009  
9% implemented on 10/01/2010  
8.2% implemented on 04/25/2012  
8.2% implemented on 04/25/2013  
20% implemented on 05/01/2014  
20% implemented on 10/01/2016  
4.3% implemented on 05/01/2018  
10% implemented on 05/01/2019

Reimbursement Benefit Policies with Limited Benefit Period

9% implemented on 10/01/2009  
9% implemented on 10/01/2010  
8.2% implemented on 04/25/2012  
8.2% implemented on 04/25/2013  
20% implemented on 05/01/2014  
12.6% implemented on 10/01/2016  
10% implemented on 05/01/2019

**18. Number of Policyholders and Annualized Premium as of June 30, 2018**

<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	1,969	21,178	\$5,738,385	\$58,033,426
No Inflation/Unlimited	89	1,411	\$383,670	\$5,191,697
No Inflation/Limited	319	2,104	\$924,923	\$5,925,824
Auto Inflation/Unlimited	482	8,497	\$1,802,949	\$25,790,964
Auto Inflation/Limited	1,079	9,166	\$2,626,842	\$21,124,941

**22. Projected Loss Ratio**

(a) Projected target lifetime loss ratio with rate increase	160%
(b) Lifetime loss ratio with rate increase and 10% moderately adverse load to future incurred claims	174%



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

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	877,437	0	0	0	0%
2000	7,228,344	0	0	0	0%
2001	18,471,956	83,499	0	83,499	0%
2002	36,585,023	3,240,617	682,125	3,922,742	11%
2003	60,022,490	6,462,542	685,924	7,148,466	12%
2004	66,123,527	6,531,094	99,934	6,631,028	10%
2005	64,671,454	10,090,570	1,263,279	11,353,849	18%
2006	63,011,698	13,602,130	412,834	14,014,964	22%
2007	62,164,322	21,316,257	2,328,574	23,644,831	38%
2008	60,645,980	27,701,061	2,685,250	30,386,311	50%
2009	60,888,127	27,522,291	2,046,508	29,568,799	49%
2010	63,705,951	27,380,377	5,857,047	33,237,425	52%
2011	65,106,217	31,952,817	6,701,365	38,654,182	59%
2012	67,377,561	38,990,001	13,554,756	52,544,757	78%
2013	70,645,376	33,987,952	10,788,704	44,776,656	63%
2014	78,383,162	33,363,273	17,743,447	51,106,720	65%
2015	78,914,514	30,987,969	36,448,508	67,436,477	85%
2016	83,663,591	21,950,020	43,217,562	65,167,582	78%
2017	84,581,898	13,479,433	79,497,307	92,976,740	110%
2018*	41,056,760	476,113	37,069,131	37,545,244	91%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	38,213,541	43,190,556	113%
2019	77,159,913	93,031,431	121%
2020	76,870,094	102,604,373	133%
2021	74,058,017	114,013,754	154%
2022	71,125,168	126,340,451	178%
2023	68,160,042	139,708,347	205%
2024	65,168,582	154,126,111	237%
2025	62,141,920	169,383,129	273%
2026	59,083,428	185,278,118	314%
2027	55,999,444	201,699,163	360%
2028	52,897,761	218,579,803	413%
2029	49,788,595	235,758,471	474%
2030	46,683,750	252,955,165	542%
2031	43,598,247	269,630,217	618%
2032	40,549,823	285,450,114	704%
2033	37,561,567	300,392,209	800%
2034	34,659,539	314,359,459	907%
2035	31,857,971	326,944,646	1026%
2036	29,166,762	337,443,261	1157%
2037	26,594,030	345,371,259	1299%
2038	24,145,648	350,612,399	1452%
2039	21,820,182	353,053,562	1618%
2040	19,615,054	352,483,991	1797%
2041	17,538,627	348,513,857	1987%
2042	15,597,080	341,463,328	2189%
2043	13,793,689	331,744,338	2405%
2044	12,130,432	319,996,184	2638%
2045	10,608,395	306,352,409	2888%
2046	9,226,750	291,035,174	3154%
2047	7,982,254	274,595,323	3440%
2048	6,868,971	257,610,235	3750%
2049	5,880,047	240,871,958	4096%
2050	5,008,618	224,224,885	4477%
2051	4,246,861	208,378,507	4907%
2052	3,585,949	194,568,898	5426%
2053	3,016,487	184,709,644	6123%
2054	2,528,872	175,455,774	6938%
2055	2,113,278	166,135,073	7861%
2056	1,760,613	156,859,638	8909%
2057+	8,013,986	1,440,278,535	17972%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	38,213,541	43,190,556	113%
2019	77,159,913	93,031,431	121%
2020	100,769,797	98,371,178	98%
2021	116,901,130	103,803,905	89%
2022	113,134,581	114,517,658	101%
2023	108,757,267	126,290,818	116%
2024	104,316,814	138,957,381	133%
2025	99,796,861	152,325,126	153%
2026	95,200,465	166,213,442	175%
2027	90,536,381	180,517,239	199%
2028	85,815,634	195,179,222	227%
2029	81,053,004	210,060,940	259%
2030	76,266,195	224,918,410	295%
2031	71,478,311	239,276,045	335%
2032	66,717,974	252,836,945	379%
2033	62,023,255	265,587,920	428%
2034	57,437,169	277,454,711	483%
2035	52,983,922	288,090,570	544%
2036	48,681,266	296,888,017	610%
2037	44,544,638	303,423,907	681%
2038	40,586,530	307,604,488	758%
2039	36,807,100	309,342,576	840%
2040	33,204,078	308,463,593	929%
2041	29,793,258	304,636,866	1023%
2042	26,587,321	298,145,181	1121%
2043	23,594,591	289,354,414	1226%
2044	20,821,069	278,829,308	1339%
2045	18,270,818	266,688,950	1460%
2046	15,944,619	253,131,605	1588%
2047	13,839,459	238,634,204	1724%
2048	11,947,854	223,697,295	1872%
2049	10,260,394	209,007,866	2037%
2050	8,767,155	194,427,188	2218%
2051	7,456,274	180,568,267	2422%
2052	6,314,134	168,497,612	2669%
2053	5,325,950	159,866,079	3002%
2054	4,476,336	151,773,779	3391%
2055	3,749,523	143,637,718	3831%
2056	3,130,662	135,554,520	4330%
2057+	14,373,901	1,241,824,436	8639%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	1,636,420,994	775,901,117	47%	1,636,420,994	775,901,117	47%
Present Value of Future to 6/30/2018	815,313,257	4,307,363,974	528%	1,232,542,420	3,822,646,280	310%
Total Values (Discounted at 4.5%)	2,451,734,252	5,083,265,091	207%	2,868,963,415	4,598,547,397	160%

Minimum Lifetime Loss Ratio 60%

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

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	67,303	0	0	0	0%
2000	892,771	0	0	0	0%
2001	2,234,865	0	0	0	0%
2002	3,903,668	190	0	190	0%
2003	5,802,027	536,185	0	536,185	9%
2004	6,846,616	122,059	0	122,059	2%
2005	6,770,009	425,477	0	425,477	6%
2006	6,634,115	1,768,684	0	1,768,684	27%
2007	6,457,888	2,183,484	0	2,183,484	34%
2008	6,159,869	1,719,081	0	1,719,081	28%
2009	6,187,541	2,556,033	101,968	2,658,002	43%
2010	6,228,297	2,605,110	314,232	2,919,343	47%
2011	6,261,767	2,949,410	381,192	3,330,603	53%
2012	6,338,170	4,390,701	267,026	4,657,728	73%
2013	6,270,656	2,839,516	720,812	3,560,327	57%
2014	6,558,260	2,894,501	1,310,448	4,204,949	64%
2015	6,487,519	2,170,634	1,291,127	3,461,761	53%
2016	6,577,769	1,554,963	2,149,806	3,704,769	56%
2017	6,867,629	1,612,604	8,770,223	10,382,826	151%
2018*	3,133,688	59,345	3,861,027	3,920,373	125%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	2,886,205	2,903,853	101%
2019	5,798,687	6,190,854	107%
2020	5,744,169	6,743,523	117%
2021	5,498,042	7,395,888	135%
2022	5,243,710	8,084,117	154%
2023	4,988,036	8,812,370	177%
2024	4,731,819	9,582,274	203%
2025	4,475,362	10,375,304	232%
2026	4,219,019	11,184,033	265%
2027	3,963,747	12,007,994	303%
2028	3,710,501	12,837,065	346%
2029	3,460,263	13,655,239	395%
2030	3,213,929	14,445,914	449%
2031	2,972,696	15,186,506	511%
2032	2,737,724	15,851,591	579%
2033	2,510,448	16,447,633	655%
2034	2,292,534	16,979,203	741%
2035	2,084,908	17,428,017	836%
2036	1,888,124	17,755,622	940%
2037	1,702,450	17,944,922	1054%
2038	1,528,052	17,997,393	1178%
2039	1,364,694	17,932,787	1314%
2040	1,211,990	17,741,556	1464%
2041	1,070,270	17,393,940	1625%
2042	939,618	16,894,919	1798%
2043	820,050	16,279,779	1985%
2044	711,577	15,571,499	2188%
2045	613,953	14,772,853	2406%
2046	526,799	13,911,620	2641%
2047	449,604	12,991,502	2890%
2048	381,730	12,046,453	3156%
2049	322,495	11,100,296	3442%
2050	271,158	10,174,395	3752%
2051	226,996	9,295,212	4095%
2052	189,260	8,499,806	4491%
2053	157,237	7,872,348	5007%
2054	130,227	7,317,418	5619%
2055	107,524	6,776,512	6302%
2056	88,498	6,233,795	7044%
2057+	368,125	43,980,558	11947%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	2,886,205	2,903,853	101%
2019	5,798,687	6,190,854	107%
2020	7,236,704	6,470,070	89%
2021	8,160,441	6,745,210	83%
2022	7,843,452	7,337,809	94%
2023	7,489,314	7,974,449	106%
2024	7,132,503	8,646,013	121%
2025	6,773,258	9,335,637	138%
2026	6,411,865	10,036,794	157%
2027	6,049,581	10,749,370	178%
2028	5,687,657	11,464,476	202%
2029	5,327,452	12,168,029	228%
2030	4,970,256	12,845,350	258%
2031	4,617,878	13,476,840	292%
2032	4,272,168	14,039,951	329%
2033	3,935,411	14,540,971	369%
2034	3,610,307	14,984,461	415%
2035	3,298,487	15,354,848	466%
2036	3,000,990	15,618,809	520%
2037	2,718,468	15,761,567	580%
2038	2,451,431	15,785,202	644%
2039	2,199,724	15,707,745	714%
2040	1,962,951	15,521,217	791%
2041	1,741,841	15,199,728	873%
2042	1,536,748	14,747,643	960%
2043	1,347,901	14,196,059	1053%
2044	1,175,516	13,565,417	1154%
2045	1,019,415	12,858,259	1261%
2046	879,208	12,098,859	1376%
2047	754,284	11,290,225	1497%
2048	643,800	10,461,606	1625%
2049	546,805	9,633,586	1762%
2050	462,231	8,824,627	1909%
2051	389,018	8,057,554	2071%
2052	326,055	7,364,229	2259%
2053	272,269	6,817,217	2504%
2054	226,594	6,333,706	2795%
2055	187,950	5,862,931	3119%
2056	155,359	5,391,197	3470%
2057+	656,734	37,963,277	5781%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	157,342,199	62,191,714	40%	157,342,199	62,191,714	40%
Present Value of Future to 6/30/2018	57,837,357	230,240,544	398%	82,769,791	205,021,025	248%
Total Values (Discounted at 4.5%)	215,179,556	292,432,258	136%	240,111,991	267,212,738	111%

Appendix B  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Nationwide Experience - Policies with Auto Inflation and Lifetime Benefits  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	266,746	0	0	0	0%
2000	2,035,241	0	0	0	0%
2001	5,627,137	0	0	0	0%
2002	12,519,528	1,380,691	371,961	1,752,652	14%
2003	22,166,525	3,881,086	490,405	4,371,490	20%
2004	24,524,292	3,365,647	99,934	3,465,582	14%
2005	24,039,349	5,205,323	1,263,279	6,468,602	27%
2006	23,353,770	4,628,565	412,834	5,041,399	22%
2007	23,181,544	7,304,000	1,911,093	9,215,093	40%
2008	22,830,642	10,774,000	2,554,340	13,328,341	58%
2009	22,704,333	5,792,851	1,453,703	7,246,554	32%
2010	24,403,286	9,289,816	4,450,211	13,740,027	56%
2011	25,239,192	11,144,517	5,945,057	17,089,574	68%
2012	26,909,030	16,203,025	10,776,714	26,979,739	100%
2013	27,996,694	8,761,400	6,623,328	15,384,729	55%
2014	31,788,031	8,612,586	10,104,116	18,716,702	59%
2015	33,133,483	10,225,884	21,663,869	31,889,752	96%
2016	36,313,060	7,383,704	23,756,787	31,140,490	86%
2017	37,949,552	5,102,731	40,019,107	45,121,838	119%
2018*	19,165,853	160,858	16,423,812	16,584,670	87%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	17,906,786	22,049,845	123%
2019	36,507,027	48,383,339	133%
2020	36,856,985	54,620,509	148%
2021	35,999,199	62,142,558	173%
2022	35,067,016	70,490,784	201%
2023	34,098,982	79,744,532	234%
2024	33,094,238	89,951,517	272%
2025	32,044,647	101,003,640	315%
2026	30,947,801	112,821,187	365%
2027	29,803,763	125,344,777	421%
2028	28,613,380	138,514,174	484%
2029	27,378,344	152,243,233	556%
2030	26,101,715	166,373,535	637%
2031	24,788,523	180,511,882	728%
2032	23,446,852	194,406,046	829%
2033	22,088,996	207,957,520	941%
2034	20,729,226	221,041,856	1066%
2035	19,376,063	233,356,846	1204%
2036	18,036,741	244,302,164	1354%
2037	16,718,578	253,486,978	1516%
2038	15,429,044	260,662,965	1689%
2039	14,171,055	265,662,257	1875%
2040	12,945,929	268,336,236	2073%
2041	11,761,459	268,261,256	2281%
2042	10,625,142	265,680,694	2500%
2043	9,543,699	260,829,321	2733%
2044	8,522,879	254,180,537	2982%
2045	7,567,078	245,806,443	3248%
2046	6,679,427	235,801,131	3530%
2047	5,862,079	224,675,504	3833%
2048	5,115,667	212,869,359	4161%
2049	4,439,610	200,998,958	4527%
2050	3,832,414	188,837,046	4927%
2051	3,291,394	177,028,957	5379%
2052	2,813,135	166,810,435	5930%
2053	2,393,494	159,856,008	6679%
2054	2,027,742	153,143,294	7552%
2055	1,711,008	146,119,845	8540%
2056	1,438,323	138,921,332	9659%
2057+	6,780,259	1,319,527,938	19461%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	17,906,786	22,049,845	123%
2019	36,507,027	48,383,339	133%
2020	54,017,027	52,467,559	97%
2021	67,048,143	56,748,986	85%
2022	65,697,319	64,090,882	98%
2023	63,883,726	72,307,661	113%
2024	62,001,359	81,346,542	131%
2025	60,034,974	91,106,374	152%
2026	57,980,055	101,513,076	175%
2027	55,836,724	112,507,553	201%
2028	53,606,567	124,033,888	231%
2029	51,292,753	136,017,159	265%
2030	48,901,014	148,318,393	303%
2031	46,440,777	160,588,495	346%
2032	43,927,185	172,600,604	393%
2033	41,383,269	184,271,400	445%
2034	38,835,770	195,498,787	503%
2035	36,300,648	206,024,953	568%
2036	33,791,455	215,330,467	637%
2037	31,321,905	223,073,364	712%
2038	28,905,990	229,042,949	792%
2039	26,549,174	233,102,525	878%
2040	24,253,925	235,131,483	969%
2041	22,034,847	234,768,182	1065%
2042	19,905,980	232,229,017	1167%
2043	17,879,919	227,725,971	1274%
2044	15,967,436	221,678,933	1388%
2045	14,176,761	214,154,609	1511%
2046	12,513,766	205,240,317	1640%
2047	10,982,482	195,379,611	1779%
2048	9,584,094	184,954,710	1930%
2049	8,317,516	174,500,711	2098%
2050	7,179,947	163,818,392	2282%
2051	6,166,357	153,466,212	2489%
2052	5,270,349	144,511,399	2742%
2053	4,484,161	138,399,513	3086%
2054	3,798,933	132,510,210	3488%
2055	3,205,537	126,364,349	3942%
2056	2,694,668	120,079,161	4456%
2057+	12,702,673	1,137,809,071	8957%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	633,053,006	338,599,483	53%	633,053,006	338,599,483	53%
Present Value of Future to 6/30/2018	433,146,532	3,052,362,123	705%	751,392,428	2,704,230,631	360%
Total Values (Discounted at 4.5%)	1,066,199,538	3,390,961,606	318%	1,384,445,434	3,042,830,113	220%

Minimum Lifetime Loss Ratio 60%

Appendix F  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Pennsylvania Experience - Policies with Auto Inflation and Lifetime Benefits  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	10,070	0	0	0	0%
2000	146,018	0	0	0	0%
2001	378,778	0	0	0	0%
2002	708,126	0	0	0	0%
2003	1,145,372	0	0	0	0%
2004	1,438,615	0	0	0	0%
2005	1,434,269	525	0	525	0%
2006	1,390,746	0	0	0	0%
2007	1,367,324	86,497	0	86,497	6%
2008	1,330,271	200,334	0	200,334	15%
2009	1,337,270	176,592	101,968	278,560	21%
2010	1,429,208	569,662	283,127	852,789	60%
2011	1,482,378	790,516	357,657	1,148,173	77%
2012	1,461,615	585,143	0	585,143	40%
2013	1,568,857	832,426	706,018	1,538,444	98%
2014	1,695,795	652,117	1,023,848	1,675,965	99%
2015	1,722,027	569,462	515,783	1,085,245	63%
2016	1,787,380	159,894	434,186	594,080	33%
2017	2,140,169	569,982	4,176,690	4,746,672	222%
2018*	925,916	32,661	603,867	636,529	69%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	912,417	991,984	109%
2019	1,859,193	2,172,947	117%
2020	1,875,976	2,444,474	130%
2021	1,831,179	2,770,532	151%
2022	1,782,599	3,131,816	176%
2023	1,732,054	3,531,334	204%
2024	1,679,587	3,972,555	237%
2025	1,624,968	4,446,615	274%
2026	1,567,946	4,947,020	316%
2027	1,508,504	5,477,789	363%
2028	1,446,676	6,034,524	417%
2029	1,382,553	6,608,233	478%
2030	1,316,298	7,193,678	547%
2031	1,248,227	7,770,837	623%
2032	1,178,754	8,323,258	706%
2033	1,108,430	8,853,146	799%
2034	1,038,018	9,360,508	902%
2035	968,112	9,830,571	1015%
2036	899,093	10,229,295	1138%
2037	831,331	10,549,211	1269%
2038	765,200	10,786,090	1410%
2039	700,870	10,956,751	1563%
2040	638,443	11,054,067	1731%
2041	578,346	11,043,123	1909%
2042	520,918	10,922,778	2097%
2043	466,470	10,718,462	2298%
2044	415,296	10,447,382	2516%
2045	367,621	10,110,279	2750%
2046	323,602	9,724,439	3005%
2047	283,329	9,279,645	3275%
2048	246,786	8,796,147	3564%
2049	213,871	8,281,671	3872%
2050	184,425	7,746,518	4200%
2051	158,260	7,220,462	4562%
2052	135,161	6,734,758	4983%
2053	114,904	6,369,663	5543%
2054	97,239	6,035,061	6206%
2055	81,918	5,684,106	6939%
2056	68,693	5,308,355	7728%
2057+	305,830	40,004,776	13081%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	912,417	991,984	109%
2019	1,859,193	2,172,947	117%
2020	2,749,401	2,349,489	85%
2021	3,410,552	2,532,340	74%
2022	3,339,662	2,849,499	85%
2023	3,244,966	3,203,877	99%
2024	3,146,671	3,594,400	114%
2025	3,044,343	4,012,919	132%
2026	2,937,514	4,453,431	152%
2027	2,826,150	4,919,536	174%
2028	2,710,317	5,407,248	200%
2029	2,590,185	5,908,326	228%
2030	2,466,057	6,418,179	260%
2031	2,338,528	6,919,161	296%
2032	2,208,371	7,396,530	335%
2033	2,076,620	7,852,511	378%
2034	1,944,706	8,287,285	426%
2035	1,813,737	8,688,090	479%
2036	1,684,432	9,025,308	536%
2037	1,557,480	9,292,534	597%
2038	1,433,587	9,486,473	662%
2039	1,313,064	9,622,486	733%
2040	1,196,109	9,694,679	811%
2041	1,083,519	9,672,601	893%
2042	975,930	9,555,390	979%
2043	873,922	9,365,533	1072%
2044	778,048	9,118,436	1172%
2045	688,730	8,814,966	1280%
2046	606,262	8,470,325	1397%
2047	530,811	8,075,568	1521%
2048	462,349	7,648,230	1654%
2049	400,683	7,195,067	1796%
2050	345,516	6,725,076	1946%
2051	296,497	6,264,038	2113%
2052	253,222	5,838,899	2306%
2053	215,269	5,518,945	2564%
2054	182,175	5,226,046	2869%
2055	153,471	4,919,533	3206%
2056	128,696	4,592,115	3568%
2057+	572,966	34,531,608	6027%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	35,651,818	15,810,487	44%	35,651,818	15,810,487	44%
Present Value of Future to 6/30/2018	21,857,468	127,037,702	581%	37,888,868	112,757,265	298%
Total Values (Discounted at 4.5%)	57,509,286	142,848,189	248%	73,540,686	128,567,751	175%

Appendix B  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Nationwide Experience - Policies with No Inflation and Lifetime Benefits  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	48,645	0	0	0	0%
2000	555,772	0	0	0	0%
2001	1,481,142	14,705	0	14,705	1%
2002	2,958,616	1,398,360	310,164	1,708,524	58%
2003	4,604,860	923,781	37,657	961,438	21%
2004	4,812,248	336,857	0	336,857	7%
2005	4,731,076	1,274,131	0	1,274,131	27%
2006	4,611,296	1,923,835	0	1,923,835	42%
2007	4,583,141	3,225,030	402,439	3,627,469	79%
2008	4,258,579	1,358,342	104,191	1,462,532	34%
2009	4,646,705	4,734,919	532,288	5,267,207	113%
2010	4,850,136	3,761,682	910,469	4,672,151	96%
2011	4,861,817	4,312,306	145,065	4,457,371	92%
2012	5,117,375	3,770,781	1,073,538	4,844,318	95%
2013	5,602,548	3,969,178	1,737,936	5,707,114	102%
2014	6,341,671	3,163,867	1,931,429	5,095,296	80%
2015	6,818,961	4,225,220	5,784,760	10,009,980	147%
2016	7,153,540	1,883,663	4,129,668	6,013,331	84%
2017	7,364,958	1,105,193	8,274,818	9,380,010	127%
2018*	3,831,723	74,153	4,383,164	4,457,317	116%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	3,578,745	4,641,138	130%
2019	7,168,753	9,598,720	134%
2020	7,052,800	9,999,703	142%
2021	6,707,460	10,444,859	156%
2022	6,353,495	10,839,565	171%
2023	6,000,704	11,213,957	187%
2024	5,650,429	11,558,179	205%
2025	5,301,232	11,841,995	223%
2026	4,954,384	12,047,930	243%
2027	4,611,356	12,165,869	264%
2028	4,273,652	12,227,217	286%
2029	3,942,826	12,224,394	310%
2030	3,620,545	12,150,865	336%
2031	3,308,796	11,993,405	362%
2032	3,009,489	11,747,293	390%
2033	2,724,895	11,448,379	420%
2034	2,456,902	11,092,915	452%
2035	2,206,017	10,681,012	484%
2036	1,972,481	10,220,441	518%
2037	1,756,279	9,706,654	553%
2038	1,557,211	9,152,350	588%
2039	1,374,329	8,569,437	624%
2040	1,206,584	7,956,105	659%
2041	1,053,741	7,308,741	694%
2042	915,309	6,636,053	725%
2043	790,712	5,965,254	754%
2044	679,258	5,331,737	785%
2045	580,237	4,726,423	815%
2046	492,867	4,151,949	842%
2047	416,234	3,607,483	867%
2048	349,460	3,111,817	890%
2049	291,655	2,685,068	921%
2050	242,006	2,304,519	952%
2051	199,691	1,972,775	988%
2052	163,888	1,696,667	1035%
2053	133,831	1,480,096	1106%
2054	108,789	1,290,065	1186%
2055	88,073	1,120,646	1272%
2056	71,064	973,297	1370%
2057+	284,713	5,691,226	1999%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	3,578,745	4,641,138	130%
2019	7,168,753	9,598,720	134%
2020	8,426,176	9,602,824	114%
2021	9,086,128	9,548,970	105%
2022	8,634,006	9,882,412	114%
2023	8,154,585	10,211,560	125%
2024	7,678,583	10,512,273	137%
2025	7,204,045	10,756,916	149%
2026	6,732,701	10,929,642	162%
2027	6,266,546	11,021,513	176%
2028	5,807,629	11,061,625	190%
2029	5,358,056	11,043,636	206%
2030	4,920,096	10,962,212	223%
2031	4,496,449	10,805,306	240%
2032	4,089,709	10,568,976	258%
2033	3,702,964	10,286,032	278%
2034	3,338,778	9,953,471	298%
2035	2,997,841	9,571,637	319%
2036	2,680,480	9,147,833	341%
2037	2,386,675	8,677,874	364%
2038	2,116,153	8,173,188	386%
2039	1,867,629	7,644,433	409%
2040	1,639,673	7,089,934	432%
2041	1,431,969	6,506,393	454%
2042	1,243,848	5,901,781	474%
2043	1,074,528	5,300,274	493%
2044	923,069	4,733,192	513%
2045	788,507	4,192,189	532%
2046	669,775	3,679,455	549%
2047	565,636	3,194,208	565%
2048	474,895	2,753,000	580%
2049	396,341	2,373,563	599%
2050	328,872	2,035,528	619%
2051	271,368	1,741,078	642%
2052	222,713	1,496,121	672%
2053	181,868	1,304,040	717%
2054	147,837	1,135,659	768%
2055	119,686	985,698	824%
2056	96,571	855,387	886%
2057+	386,908	4,981,339	1287%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	127,324,349	91,982,674	72%	127,324,349	91,982,674	72%
Present Value of Future to 6/30/2018	67,531,642	172,639,893	256%	86,952,627	157,582,827	181%
Total Values (Discounted at 4.5%)	194,855,992	264,622,568	136%	214,276,976	249,565,501	116%

Minimum Lifetime Loss Ratio 60%

Appendix F  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Pennsylvania Experience - Policies with No Inflation and Lifetime Benefits  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	2,887	0	0	0	0%
2000	64,589	0	0	0	0%
2001	164,425	0	0	0	0%
2002	261,647	0	0	0	0%
2003	394,786	516,594	0	516,594	131%
2004	371,088	0	0	0	0%
2005	362,640	123,118	0	123,118	34%
2006	342,291	0	0	0	0%
2007	341,439	236,710	0	236,710	69%
2008	309,412	1,490	0	1,490	0%
2009	344,439	406,291	0	406,291	118%
2010	297,859	0	0	0	0%
2011	277,104	3,446	0	3,446	1%
2012	297,790	335,261	0	335,261	113%
2013	314,427	306,159	0	306,159	97%
2014	320,082	6,143	0	6,143	2%
2015	344,704	0	0	0	0%
2016	358,840	32,334	115,411	147,745	41%
2017	404,360	50,957	498,108	549,066	136%
2018*	206,863	0	331,593	331,593	160%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	192,986	234,973	122%
2019	387,270	496,243	128%
2020	382,985	529,309	138%
2021	365,636	566,018	155%
2022	347,580	599,440	172%
2023	329,236	631,702	192%
2024	310,599	662,492	213%
2025	291,639	687,504	236%
2026	272,438	707,175	260%
2027	253,102	719,831	284%
2028	233,751	723,925	310%
2029	214,521	718,675	335%
2030	195,564	703,260	360%
2031	177,092	679,942	384%
2032	159,278	647,099	406%
2033	142,283	607,655	427%
2034	126,244	563,952	447%
2035	111,259	517,478	465%
2036	97,394	470,807	483%
2037	84,688	424,543	501%
2038	73,168	380,081	519%
2039	62,790	338,375	539%
2040	53,497	299,575	560%
2041	45,280	264,778	585%
2042	38,096	232,968	612%
2043	31,890	203,186	637%
2044	26,590	176,764	665%
2045	22,107	153,446	694%
2046	18,343	132,997	725%
2047	15,203	114,941	756%
2048	12,591	99,249	788%
2049	10,420	86,476	830%
2050	8,619	76,422	887%
2051	7,119	68,186	958%
2052	5,873	61,669	1050%
2053	4,837	55,876	1155%
2054	3,979	50,408	1267%
2055	3,267	45,604	1396%
2056	2,677	41,307	1543%
2057+	10,452	210,898	2018%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	192,986	234,973	122%
2019	387,270	496,243	128%
2020	457,563	507,867	111%
2021	495,301	516,558	104%
2022	472,339	545,534	115%
2023	447,412	574,289	128%
2024	422,085	601,709	143%
2025	396,320	623,800	157%
2026	370,226	641,029	173%
2027	343,950	651,857	190%
2028	317,653	654,891	206%
2029	291,521	649,447	223%
2030	265,759	634,819	239%
2031	240,657	613,092	255%
2032	216,449	582,798	269%
2033	193,354	546,636	283%
2034	171,557	506,719	295%
2035	151,194	464,410	307%
2036	132,352	422,021	319%
2037	115,085	380,124	330%
2038	99,430	339,939	342%
2039	85,328	302,295	354%
2040	72,700	267,325	368%
2041	61,532	236,002	384%
2042	51,770	207,407	401%
2043	43,337	180,678	417%
2044	36,134	156,997	434%
2045	30,043	136,114	453%
2046	24,927	117,827	473%
2047	20,660	101,702	492%
2048	17,110	87,702	513%
2049	14,160	76,318	539%
2050	11,713	67,358	575%
2051	9,674	60,021	620%
2052	7,981	54,218	679%
2053	6,573	49,074	747%
2054	5,408	44,232	818%
2055	4,440	39,984	901%
2056	3,638	36,192	995%
2057+	14,204	184,495	1299%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	8,625,801	4,108,709	48%	8,625,801	4,108,709	48%
Present Value of Future to 6/30/2018	3,612,707	8,977,727	249%	4,648,943	8,201,475	176%
Total Values (Discounted at 4.5%)	12,238,508	13,086,436	107%	13,274,744	12,310,184	93%

Appendix B  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Nationwide Experience - Policies with Auto Inflation and Non-Lifetime Benefits  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	338,987	0	0	0	0%
2000	2,829,419	0	0	0	0%
2001	6,892,772	4,841	0	4,841	0%
2002	12,976,169	360,336	0	360,336	3%
2003	21,131,862	964,925	157,863	1,122,788	5%
2004	23,733,663	1,674,007	0	1,674,007	7%
2005	23,129,092	1,100,087	0	1,100,087	5%
2006	22,666,641	3,039,381	0	3,039,381	13%
2007	22,354,837	5,105,379	15,042	5,120,421	23%
2008	21,946,924	7,563,300	26,719	7,590,019	35%
2009	22,118,615	8,754,658	14,919	8,769,577	40%
2010	22,995,320	8,701,121	465,261	9,166,382	40%
2011	23,366,644	8,803,729	468,181	9,271,910	40%
2012	23,901,515	10,874,962	1,286,395	12,161,358	51%
2013	25,298,117	12,930,968	2,184,885	15,115,853	60%
2014	27,992,662	13,590,606	4,561,791	18,152,397	65%
2015	27,651,856	10,389,039	6,305,813	16,694,852	60%
2016	28,984,548	8,095,895	11,002,383	19,098,279	66%
2017	29,412,192	5,243,963	22,942,189	28,186,152	96%
2018*	13,969,589	178,174	11,572,510	11,750,684	84%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	13,060,793	12,749,109	98%
2019	26,344,433	27,563,277	105%
2020	26,200,431	30,546,471	117%
2021	25,177,174	34,029,666	135%
2022	24,097,552	37,708,143	156%
2023	22,991,902	41,581,221	181%
2024	21,863,761	45,618,702	209%
2025	20,713,387	49,752,889	240%
2026	19,544,266	53,877,469	276%
2027	18,361,602	57,948,138	316%
2028	17,170,827	61,912,660	361%
2029	15,979,009	65,695,365	411%
2030	14,793,540	69,184,644	468%
2031	13,622,793	72,243,932	530%
2032	12,475,796	74,793,940	600%
2033	11,362,405	76,864,259	676%
2034	10,293,443	78,471,873	762%
2035	9,275,831	79,508,927	857%
2036	8,314,077	79,863,734	961%
2037	7,411,281	79,449,681	1072%
2038	6,568,448	78,378,543	1193%
2039	5,784,341	76,688,685	1326%
2040	5,058,110	74,327,185	1469%
2041	4,392,058	71,325,839	1624%
2042	3,786,895	67,753,746	1789%
2043	3,241,233	63,762,078	1967%
2044	2,753,267	59,478,901	2160%
2045	2,321,562	54,977,619	2368%
2046	1,943,996	50,382,727	2592%
2047	1,617,119	45,737,940	2828%
2048	1,336,168	41,163,878	3081%
2049	1,096,471	36,814,484	3358%
2050	894,103	32,784,878	3667%
2051	725,277	29,139,149	4018%
2052	585,897	25,873,091	4416%
2053	471,877	23,222,773	4921%
2054	379,430	20,902,034	5509%
2055	304,604	18,798,555	6171%
2056	244,130	16,888,378	6918%
2057+	929,899	114,788,380	12344%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	13,060,793	12,749,109	98%
2019	26,344,433	27,563,277	105%
2020	31,302,383	28,867,283	92%
2021	34,105,758	30,120,002	88%
2022	32,747,080	33,255,243	102%
2023	31,244,569	36,617,619	117%
2024	29,711,495	40,117,151	135%
2025	28,148,209	43,694,902	155%
2026	26,559,446	47,257,920	178%
2027	24,952,279	50,767,285	203%
2028	23,334,089	54,177,941	232%
2029	21,714,482	57,424,876	264%
2030	20,103,504	60,411,840	301%
2031	18,512,531	63,021,072	340%
2032	16,953,833	65,183,780	384%
2033	15,440,804	66,926,930	433%
2034	13,988,151	68,267,239	488%
2035	12,605,279	69,112,719	548%
2036	11,298,316	69,368,283	614%
2037	10,071,471	68,959,022	685%
2038	8,926,114	67,982,900	762%
2039	7,860,561	66,474,332	846%
2040	6,873,658	64,388,408	937%
2041	5,968,534	61,753,801	1035%
2042	5,146,156	58,629,957	1139%
2043	4,404,634	55,147,823	1252%
2044	3,741,519	51,418,520	1374%
2045	3,154,858	47,505,655	1506%
2046	2,641,770	43,517,061	1647%
2047	2,197,565	39,489,830	1797%
2048	1,815,769	35,527,566	1957%
2049	1,490,036	31,762,725	2132%
2050	1,215,031	28,276,922	2327%
2051	985,607	25,125,045	2549%
2052	796,197	22,302,751	2801%
2053	641,252	20,012,866	3121%
2054	515,622	18,008,423	3493%
2055	413,938	16,192,367	3912%
2056	331,758	14,543,926	4384%
2057+	1,263,675	98,765,177	7816%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	583,952,713	209,462,591	36%	583,952,713	209,462,591	36%
Present Value of Future to 6/30/2018	262,442,587	997,978,274	380%	338,922,813	876,667,640	259%
Total Values (Discounted at 4.5%)	846,395,300	1,207,440,865	143%	922,875,526	1,086,130,231	118%

Minimum Lifetime Loss Ratio 60%

Appendix F  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Pennsylvania Experience - Policies with Auto Inflation and Non-Lifetime Benefits  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	38,436	0	0	0	0%
2000	427,047	0	0	0	0%
2001	971,791	0	0	0	0%
2002	1,656,457	0	0	0	0%
2003	2,429,053	0	0	0	0%
2004	2,921,406	17,935	0	17,935	1%
2005	2,888,752	141,742	0	141,742	5%
2006	2,810,540	565,265	0	565,265	20%
2007	2,743,412	625,218	0	625,218	23%
2008	2,662,718	745,310	0	745,310	28%
2009	2,648,893	849,621	0	849,621	32%
2010	2,648,597	1,230,376	0	1,230,376	46%
2011	2,624,336	841,138	0	841,138	32%
2012	2,717,126	2,016,353	267,026	2,283,379	84%
2013	2,601,614	1,099,983	14,793	1,114,776	43%
2014	2,740,184	850,361	178,195	1,028,556	38%
2015	2,828,744	811,162	615,882	1,427,043	50%
2016	2,929,147	888,522	1,338,979	2,227,501	76%
2017	3,015,877	622,339	2,839,300	3,461,639	115%
2018*	1,479,681	22,481	2,286,194	2,308,676	156%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	1,314,928	1,219,147	93%
2019	2,644,471	2,609,185	99%
2020	2,623,294	2,863,639	109%
2021	2,513,045	3,158,760	126%
2022	2,397,569	3,465,837	145%
2023	2,280,050	3,783,426	166%
2024	2,160,809	4,107,809	190%
2025	2,040,215	4,434,638	217%
2026	1,918,552	4,760,632	248%
2027	1,796,574	5,080,875	283%
2028	1,674,835	5,390,657	322%
2029	1,554,017	5,682,180	366%
2030	1,434,667	5,946,650	414%
2031	1,317,516	6,178,420	469%
2032	1,203,362	6,370,088	529%
2033	1,093,105	6,521,973	597%
2034	987,665	6,634,657	672%
2035	887,529	6,702,826	755%
2036	793,112	6,719,986	847%
2037	704,632	6,677,027	948%
2038	622,179	6,575,222	1057%
2039	545,676	6,416,327	1176%
2040	474,958	6,198,336	1305%
2041	410,165	5,925,341	1445%
2042	351,309	5,604,867	1595%
2043	298,329	5,246,718	1759%
2044	251,185	4,855,503	1933%
2045	209,646	4,434,082	2115%
2046	173,428	3,993,359	2303%
2047	142,162	3,547,877	2496%
2048	115,437	3,111,781	2696%
2049	92,855	2,700,852	2909%
2050	73,988	2,326,419	3144%
2051	58,436	1,986,365	3399%
2052	45,775	1,686,848	3685%
2053	35,602	1,432,971	4025%
2054	27,540	1,220,218	4431%
2055	21,196	1,036,796	4892%
2056	16,232	875,522	5394%
2057+	48,663	3,722,738	7650%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	1,314,928	1,219,147	93%
2019	2,644,471	2,609,185	99%
2020	3,134,122	2,707,353	86%
2021	3,404,247	2,797,459	82%
2022	3,258,147	3,057,691	94%
2023	3,098,447	3,332,486	108%
2024	2,936,405	3,612,746	123%
2025	2,772,526	3,894,746	140%
2026	2,607,193	4,175,579	160%
2027	2,441,432	4,450,977	182%
2028	2,275,996	4,716,897	207%
2029	2,111,813	4,966,622	235%
2030	1,949,624	5,192,503	266%
2031	1,790,422	5,389,690	301%
2032	1,635,294	5,551,795	339%
2033	1,485,462	5,679,169	382%
2034	1,342,175	5,772,444	430%
2035	1,206,097	5,827,136	483%
2036	1,077,790	5,837,722	542%
2037	957,551	5,796,372	605%
2038	845,503	5,704,226	675%
2039	741,540	5,562,907	750%
2040	645,439	5,370,757	832%
2041	557,389	5,131,402	921%
2042	477,407	4,851,372	1016%
2043	405,411	4,539,141	1120%
2044	341,345	4,198,729	1230%
2045	284,896	3,832,628	1345%
2046	235,678	3,450,293	1464%
2047	193,189	3,064,253	1586%
2048	156,871	2,686,672	1713%
2049	126,185	2,331,126	1847%
2050	100,545	2,007,339	1996%
2051	79,412	1,713,445	2158%
2052	62,205	1,454,704	2339%
2053	48,381	1,235,463	2554%
2054	37,426	1,051,787	2810%
2055	28,804	893,485	3102%
2056	22,058	754,346	3420%
2057+	66,130	3,205,357	4847%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	67,416,858	23,174,074	34%	67,416,858	23,174,074	34%
Present Value of Future to 6/30/2018	25,789,246	84,339,866	327%	33,266,890	74,204,567	223%
Total Values (Discounted at 4.5%)	93,206,104	107,513,940	115%	100,683,749	97,378,641	97%



Appendix B  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Nationwide Experience - Policies with No Inflation and Non-Lifetime Benefits  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	223,059	0	0	0	0%
2000	1,807,912	0	0	0	0%
2001	4,470,906	63,952	0	63,952	1%
2002	8,130,710	101,231	0	101,231	1%
2003	12,119,243	692,750	0	692,750	6%
2004	13,053,323	1,154,582	0	1,154,582	9%
2005	12,771,937	2,511,029	0	2,511,029	20%
2006	12,379,990	4,010,349	0	4,010,349	32%
2007	12,044,801	5,681,848	0	5,681,848	47%
2008	11,609,836	8,005,419	0	8,005,419	69%
2009	11,418,475	8,239,862	45,598	8,285,460	73%
2010	11,457,209	5,627,759	31,106	5,658,865	49%
2011	11,638,563	7,692,264	143,062	7,835,326	67%
2012	11,449,642	8,141,233	418,109	8,559,342	75%
2013	11,748,017	8,326,406	242,554	8,568,960	73%
2014	12,260,798	7,996,214	1,146,111	9,142,325	75%
2015	11,310,215	6,147,827	2,694,066	8,841,893	78%
2016	11,212,442	4,586,758	4,328,724	8,915,482	80%
2017	9,855,197	2,027,547	8,261,193	10,288,740	104%
2018*	4,089,595	62,927	4,689,646	4,752,572	116%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	3,667,218	3,750,463	102%
2019	7,139,700	7,486,096	105%
2020	6,759,878	7,437,690	110%
2021	6,174,184	7,396,670	120%
2022	5,607,104	7,301,958	130%
2023	5,068,454	7,168,637	141%
2024	4,560,154	6,997,712	153%
2025	4,082,654	6,784,605	166%
2026	3,636,977	6,531,532	180%
2027	3,222,724	6,240,379	194%
2028	2,839,902	5,925,753	209%
2029	2,488,416	5,595,479	225%
2030	2,167,950	5,246,121	242%
2031	1,878,135	4,880,998	260%
2032	1,617,686	4,502,836	278%
2033	1,385,271	4,122,052	298%
2034	1,179,967	3,752,815	318%
2035	1,000,059	3,397,861	340%
2036	843,463	3,056,922	362%
2037	707,891	2,727,945	385%
2038	590,944	2,418,542	409%
2039	490,456	2,133,184	435%
2040	404,431	1,864,465	461%
2041	331,368	1,618,020	488%
2042	269,734	1,392,835	516%
2043	218,046	1,187,686	545%
2044	175,028	1,005,010	574%
2045	139,518	841,924	603%
2046	110,461	699,367	633%
2047	86,822	574,396	662%
2048	67,676	465,182	687%
2049	52,310	373,447	714%
2050	40,095	298,441	744%
2051	30,498	237,626	779%
2052	23,030	188,705	819%
2053	17,285	150,766	872%
2054	12,910	120,381	932%
2055	9,593	96,026	1001%
2056	7,096	76,631	1080%
2057+	19,115	270,992	1418%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	3,667,218	3,750,463	102%
2019	7,139,700	7,486,096	105%
2020	7,024,212	7,433,512	106%
2021	6,661,101	7,385,946	111%
2022	6,056,177	7,289,120	120%
2023	5,474,387	7,153,977	131%
2024	4,925,377	6,981,415	142%
2025	4,409,633	6,766,934	153%
2026	3,928,263	6,512,804	166%
2027	3,480,832	6,220,888	179%
2028	3,067,349	5,905,768	193%
2029	2,687,713	5,575,270	207%
2030	2,341,581	5,225,965	223%
2031	2,028,555	4,861,173	240%
2032	1,747,247	4,483,585	257%
2033	1,496,217	4,103,559	274%
2034	1,274,471	3,735,213	293%
2035	1,080,154	3,381,260	313%
2036	911,016	3,041,434	334%
2037	764,586	2,713,647	355%
2038	638,273	2,405,451	377%
2039	529,737	2,121,286	400%
2040	436,822	1,853,768	424%
2041	357,907	1,608,490	449%
2042	291,337	1,384,426	475%
2043	235,509	1,180,346	501%
2044	189,046	998,663	528%
2045	150,692	836,497	555%
2046	119,307	694,772	582%
2047	93,775	570,555	608%
2048	73,096	462,019	632%
2049	56,500	370,867	656%
2050	43,306	296,346	684%
2051	32,941	235,932	716%
2052	24,874	187,341	753%
2053	18,669	149,661	802%
2054	13,944	119,487	857%
2055	10,361	95,303	920%
2056	7,664	76,047	992%
2057+	20,646	268,850	1302%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	292,090,926	135,856,369	47%	292,090,926	135,856,369	47%
Present Value of Future to 6/30/2018	52,192,496	84,383,683	162%	55,274,552	84,165,182	152%
Total Values (Discounted at 4.5%)	344,283,422	220,240,052	64%	347,365,478	220,021,551	63%

Minimum Lifetime Loss Ratio 60%

Appendix F  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Pennsylvania Experience - Policies with No Inflation and Non-Lifetime Benefits  
Pennsylvania Premium Rate Basis  
ILTC1

**Historical**

Calendar Year	Earned Premium	Paid Claims	Claim Reserve	Incurred Claims	Incurred Ratio
1999	15,910	0	0	0	0%
2000	255,117	0	0	0	0%
2001	719,870	0	0	0	0%
2002	1,277,437	190	0	190	0%
2003	1,832,816	19,591	0	19,591	1%
2004	2,115,507	104,123	0	104,123	5%
2005	2,084,348	160,092	0	160,092	8%
2006	2,090,538	1,203,419	0	1,203,419	58%
2007	2,005,714	1,235,060	0	1,235,060	62%
2008	1,857,467	771,947	0	771,947	42%
2009	1,856,939	1,123,529	0	1,123,529	61%
2010	1,852,632	805,073	31,106	836,178	45%
2011	1,877,948	1,314,311	23,535	1,337,846	71%
2012	1,861,640	1,453,945	0	1,453,945	78%
2013	1,785,758	600,948	0	600,948	34%
2014	1,802,199	1,385,880	108,405	1,494,285	83%
2015	1,592,044	790,011	159,462	949,473	60%
2016	1,502,402	474,213	261,230	735,444	49%
2017	1,307,224	369,325	1,256,125	1,625,450	124%
2018*	521,228	4,203	639,373	643,576	123%

**Projection without Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	465,874	457,748	98%
2019	907,753	912,479	101%
2020	861,914	906,101	105%
2021	788,183	900,578	114%
2022	715,962	887,024	124%
2023	646,695	865,907	134%
2024	580,824	839,418	145%
2025	518,540	806,547	156%
2026	460,083	769,206	167%
2027	405,567	729,499	180%
2028	355,240	687,959	194%
2029	309,171	646,150	209%
2030	267,400	602,326	225%
2031	229,861	557,307	242%
2032	196,330	511,146	260%
2033	166,630	464,859	279%
2034	140,608	420,086	299%
2035	118,008	377,143	320%
2036	98,526	335,534	341%
2037	81,800	294,141	360%
2038	67,504	256,001	379%
2039	55,358	221,334	400%
2040	45,092	189,578	420%
2041	36,479	160,698	441%
2042	29,295	134,307	458%
2043	23,360	111,413	477%
2044	18,507	91,849	496%
2045	14,579	75,047	515%
2046	11,426	60,824	532%
2047	8,910	49,040	550%
2048	6,916	39,276	568%
2049	5,348	31,298	585%
2050	4,126	25,035	607%
2051	3,180	20,198	635%
2052	2,451	16,531	675%
2053	1,894	13,839	731%
2054	1,469	11,731	799%
2055	1,144	10,006	875%
2056	896	8,611	961%
2057+	3,179	42,147	1326%

**Projection with Rate Increase**

Calendar Year	Earned Premium	Incurred Claims	Incurred Ratio
2018**	465,874	457,748	98%
2019	907,753	912,479	101%
2020	895,618	905,360	101%
2021	850,341	898,853	106%
2022	773,304	885,085	114%
2023	698,489	863,798	124%
2024	627,343	837,158	133%
2025	560,070	804,172	144%
2026	496,931	766,755	154%
2027	438,049	727,000	166%
2028	383,691	685,440	179%
2029	333,933	643,635	193%
2030	288,816	599,850	208%
2031	248,271	554,896	224%
2032	212,054	508,829	240%
2033	179,975	462,656	257%
2034	151,869	418,013	275%
2035	127,459	375,212	294%
2036	106,416	333,759	314%
2037	88,351	292,537	331%
2038	72,911	254,564	349%
2039	59,791	220,057	368%
2040	48,703	188,455	387%
2041	39,401	159,723	405%
2042	31,642	133,473	422%
2043	25,231	110,706	439%
2044	19,989	91,255	457%
2045	15,747	74,551	473%
2046	12,341	60,415	490%
2047	9,623	48,703	506%
2048	7,469	39,001	522%
2049	5,777	31,076	538%
2050	4,457	24,855	558%
2051	3,435	20,050	584%
2052	2,647	16,408	620%
2053	2,045	13,735	672%
2054	1,586	11,641	734%
2055	1,236	9,929	804%
2056	967	8,544	883%
2057+	3,433	41,817	1218%

\* Historical 2018 Experience - 1/1/2018 through 6/30/2018  
\*\* Projected 2018 Experience - 7/1/2018 through 12/31/2018

**Loss Ratio Summaries**

Accumulated Value of Historical to 6/30/2018	45,647,722	19,098,445	42%	45,647,722	19,098,445	42%
Present Value of Future to 6/30/2018	6,577,935	9,885,249	150%	6,965,090	9,857,718	142%
Total Values (Discounted at 4.5%)	52,225,658	28,983,694	55%	52,612,813	28,956,162	55%

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**ILTC1**

	Count	% of Count	Premium	% of Premium
<b>Issue Year</b>				
1999	640	3.0%	1,720,815	3.0%
2000	2,199	10.4%	5,817,705	10.0%
2001	4,081	19.3%	11,044,461	19.0%
2002	7,089	33.5%	19,905,062	34.3%
2003	6,502	30.7%	17,795,577	30.7%
2004	661	3.1%	1,739,700	3.0%
2005	2	0.0%	3,141	0.0%
2007	2	0.0%	5,508	0.0%
2009	1	0.0%	1,457	0.0%
2016	1	0.0%	0	0.0%
<b>Total</b>	<b>21,178</b>	<b>100.0%</b>	<b>58,033,426</b>	<b>100.0%</b>

	Count	% of Count	Premium	% of Premium
<b>Issue Age</b>				
Under 30	137	0.6%	159,059	0.3%
30-34	238	1.1%	306,733	0.5%
35-39	473	2.2%	759,997	1.3%
40-44	1,093	5.2%	2,179,359	3.8%
45-49	2,296	10.8%	4,996,434	8.6%
50-54	4,463	21.1%	10,867,316	18.7%
55-59	4,887	23.1%	13,707,966	23.6%
60-64	4,176	19.7%	13,002,705	22.4%
65-69	2,366	11.2%	7,942,943	13.7%
70-74	876	4.1%	3,398,959	5.9%
75-79	163	0.8%	676,887	1.2%
80+	10	0.0%	35,071	0.1%
<b>Total</b>	<b>21,178</b>	<b>100.0%</b>	<b>58,033,426</b>	<b>100.0%</b>

Average Issue Age 56.1

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**ILTC1**

	Count	% of Count	Premium	% of Premium
<b>Attained Age</b>				
30-34	8	0.0%	11,033	0.0%
35-39	35	0.2%	43,121	0.1%
40-44	77	0.4%	85,319	0.1%
45-49	214	1.0%	266,355	0.5%
50-54	421	2.0%	668,315	1.2%
55-59	980	4.6%	1,899,411	3.3%
60-64	1,908	9.0%	4,095,105	7.1%
65-69	3,914	18.5%	9,406,479	16.2%
70-74	4,791	22.6%	13,084,504	22.5%
75-79	4,389	20.7%	13,260,555	22.8%
80+	4,441	21.0%	15,213,230	26.2%
<b>Total</b>	<b>21,178</b>	<b>100.0%</b>	<b>58,033,426</b>	<b>100.0%</b>

Average Attained Age 71.8

<b>Gender</b>				
Male	8,677	41.0%	24,397,874	42.0%
Female	12,501	59.0%	33,635,552	58.0%
<b>Total</b>	<b>21,178</b>	<b>100.0%</b>	<b>58,033,426</b>	<b>100.0%</b>

<b>Inflation Option</b>				
No Inflation	147	0.7%	311,301	0.5%
GPO	3,368	15.9%	10,806,220	18.6%
5% Simple Lifetime	4,760	22.5%	12,325,362	21.2%
5% Compound Lifetime	12,903	60.9%	34,590,544	59.6%
<b>Total</b>	<b>21,178</b>	<b>100.0%</b>	<b>58,033,426</b>	<b>100.0%</b>

<b>Elimination Period</b>				
0 Day	3,042	14.4%	9,279,140	16.0%
30 Day	2,895	13.7%	8,435,387	14.5%
60 Day	3,067	14.5%	8,323,621	14.3%
100 Day	12,174	57.5%	31,995,278	55.1%
<b>Total</b>	<b>21,178</b>	<b>100.0%</b>	<b>58,033,426</b>	<b>100.0%</b>

<b>Benefit Period</b>				
3 Years	4,191	19.8%	9,154,650	15.8%
5 Years	7,079	33.4%	17,896,115	30.8%
Lifetime	9,908	46.8%	30,982,661	53.4%
<b>Total</b>	<b>21,178</b>	<b>100.0%</b>	<b>58,033,426</b>	<b>100.0%</b>

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**ILTC1**

	Count	% of Count	Premium	% of Premium
<b>Premium Period</b>				
Lifetime	21,178	100.0%	58,033,426	100.0%
Total	21,178	100.0%	58,033,426	100.0%
<b>Marital Status</b>				
Married, both lives insured	14,345	67.7%	37,422,730	64.5%
Married, one life insured	3,009	14.2%	8,769,153	15.1%
Single	3,824	18.1%	11,841,544	20.4%
Total	21,178	100.0%	58,033,426	100.0%
<b>Benefit Measure</b>				
Daily	4,271	20.2%	10,450,924	18.0%
Monthly	16,907	79.8%	47,582,502	82.0%
Total	21,178	100.0%	58,033,426	100.0%
<b>Reimbursement Option</b>				
Cash	6,745	31.8%	21,755,268	37.5%
Reimbursement	14,433	68.2%	36,278,158	62.5%
Total	21,178	100.0%	58,033,426	100.0%

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**ILTC1**

<b>Issue State</b>	<b>Count</b>	<b>% of Count</b>	<b>Premium</b>	<b>% of Premium</b>
AK	4	0.0%	14,408	0.0%
AL	50	0.2%	165,908	0.3%
AR	34	0.2%	60,618	0.1%
AZ	168	0.8%	411,113	0.7%
CA	2,929	13.8%	5,811,428	10.0%
CO	146	0.7%	300,952	0.5%
CT	351	1.7%	928,719	1.6%
DC	27	0.1%	81,137	0.1%
DE	29	0.1%	88,179	0.2%
FL	1,130	5.3%	2,978,938	5.1%
GA	291	1.4%	779,829	1.3%
HI	186	0.9%	599,149	1.0%
IA	437	2.1%	1,265,847	2.2%
ID	39	0.2%	109,278	0.2%
IL	1,093	5.2%	3,384,597	5.8%
IN	292	1.4%	809,992	1.4%
KS	201	0.9%	559,357	1.0%
KY	113	0.5%	317,384	0.5%
LA	178	0.8%	398,909	0.7%
MA	419	2.0%	1,104,824	1.9%
MD	614	2.9%	1,989,825	3.4%
ME	164	0.8%	478,050	0.8%
MI	428	2.0%	1,513,858	2.6%
MN	985	4.7%	2,317,997	4.0%
MO	453	2.1%	1,129,613	1.9%
MS	78	0.4%	230,990	0.4%
MT	123	0.6%	334,641	0.6%
NC	309	1.5%	822,222	1.4%
ND	79	0.4%	167,655	0.3%
NE	135	0.6%	353,605	0.6%
NH	98	0.5%	308,415	0.5%
NJ	1,310	6.2%	4,699,587	8.1%
NM	122	0.6%	299,705	0.5%
NV	53	0.3%	163,000	0.3%
NY	2,207	10.4%	6,968,824	12.0%
OH	631	3.0%	1,907,100	3.3%
OK	211	1.0%	487,271	0.8%
OR	114	0.5%	310,182	0.5%
PA	1,969	9.3%	5,738,385	9.9%
RI	22	0.1%	51,440	0.1%
SC	220	1.0%	803,746	1.4%
SD	46	0.2%	132,537	0.2%
TN	165	0.8%	501,803	0.9%
TX	1,111	5.2%	2,644,665	4.6%
UT	90	0.4%	203,686	0.4%
VA	642	3.0%	1,318,797	2.3%
VT	27	0.1%	40,870	0.1%
WA	207	1.0%	649,044	1.1%
WI	311	1.5%	902,044	1.6%
WV	76	0.4%	198,350	0.3%
WY	61	0.3%	194,953	0.3%
<b>Total</b>	<b>21,178</b>	<b>100.0%</b>	<b>58,033,426</b>	<b>100.0%</b>

**Appendix E**  
**The Prudential Insurance Company of America**  
**Pennsylvania Distribution of Inforce Business as of June 30, 2018**  
**ILTC1**

	Count	% of Count	Premium	% of Premium
<b>Issue Year</b>				
1999	68	3.5%	185,576	3.2%
2000	265	13.5%	768,818	13.4%
2001	309	15.7%	851,604	14.8%
2002	619	31.4%	1,805,466	31.5%
2003	505	25.6%	1,498,842	26.1%
2004	201	10.2%	622,570	10.8%
2005	0	0.0%	0	0.0%
2007	2	0.1%	5,508	0.1%
2009	0	0.0%	0	0.0%
2016	0	0.0%	0	0.0%
<b>Total</b>	<b>1,969</b>	<b>100.0%</b>	<b>5,738,385</b>	<b>100.0%</b>

	Count	% of Count	Premium	% of Premium
<b>Issue Age</b>				
Under 30	4	0.2%	4,692	0.1%
30-34	11	0.6%	14,527	0.3%
35-39	31	1.6%	61,435	1.1%
40-44	61	3.1%	148,528	2.6%
45-49	175	8.9%	400,669	7.0%
50-54	354	18.0%	841,715	14.7%
55-59	488	24.8%	1,400,403	24.4%
60-64	417	21.2%	1,321,294	23.0%
65-69	277	14.1%	912,141	15.9%
70-74	134	6.8%	542,477	9.5%
75-79	17	0.9%	90,504	1.6%
80+	0	0.0%	0	0.0%
<b>Total</b>	<b>1,969</b>	<b>100.0%</b>	<b>5,738,385</b>	<b>100.0%</b>

Average Issue Age 57.9

**Appendix E**  
**The Prudential Insurance Company of America**  
**Pennsylvania Distribution of Inforce Business as of June 30, 2018**  
**ILTC1**

	Count	% of Count	Premium	% of Premium
<b>Attained Age</b>				
30-34	0	0.0%	0	0.0%
35-39	1	0.1%	1,581	0.0%
40-44	3	0.2%	3,111	0.1%
45-49	10	0.5%	14,676	0.3%
50-54	26	1.3%	49,294	0.9%
55-59	55	2.8%	130,045	2.3%
60-64	142	7.2%	334,140	5.8%
65-69	314	15.9%	744,619	13.0%
70-74	452	23.0%	1,237,035	21.6%
75-79	449	22.8%	1,411,683	24.6%
80+	517	26.3%	1,812,201	31.6%
<b>Total</b>	<b>1,969</b>	<b>100.0%</b>	<b>5,738,385</b>	<b>100.0%</b>

Average Attained Age 73.4

<b>Gender</b>				
Male	781	39.7%	2,278,558	39.7%
Female	1,188	60.3%	3,459,827	60.3%
<b>Total</b>	<b>1,969</b>	<b>100.0%</b>	<b>5,738,385</b>	<b>100.0%</b>

<b>Inflation Option</b>				
No Inflation	0	0.0%	0	0.0%
GPO	408	20.7%	1,308,594	22.8%
5% Simple Lifetime	612	31.1%	1,701,918	29.7%
5% Compound Lifetime	949	48.2%	2,727,874	47.5%
<b>Total</b>	<b>1,969</b>	<b>100.0%</b>	<b>5,738,385</b>	<b>100.0%</b>

<b>Elimination Period</b>				
0 Day	326	16.6%	1,043,243	18.2%
30 Day	262	13.3%	761,623	13.3%
60 Day	231	11.7%	662,896	11.6%
100 Day	1,150	58.4%	3,270,623	57.0%
<b>Total</b>	<b>1,969</b>	<b>100.0%</b>	<b>5,738,385</b>	<b>100.0%</b>

<b>Benefit Period</b>				
3 Years	733	37.2%	1,661,995	29.0%
5 Years	665	33.8%	1,889,771	32.9%
Lifetime	571	29.0%	2,186,619	38.1%
<b>Total</b>	<b>1,969</b>	<b>100.0%</b>	<b>5,738,385</b>	<b>100.0%</b>



**Appendix E**  
**The Prudential Insurance Company of America**  
**Pennsylvania Distribution of Inforce Business as of June 30, 2018**  
**ILTC1**

	Count	% of Count	Premium	% of Premium
<b>Premium Period</b>				
Lifetime	1,969	100.0%	5,738,385	100.0%
Total	1,969	100.0%	5,738,385	100.0%
<b>Marital Status</b>				
Married, both lives insured	1,308	66.4%	3,596,028	62.7%
Married, one life insured	288	14.6%	906,178	15.8%
Single	373	18.9%	1,236,178	21.5%
Total	1,969	100.0%	5,738,385	100.0%
<b>Benefit Measure</b>				
Daily	666	33.8%	1,779,937	31.0%
Monthly	1,303	66.2%	3,958,448	69.0%
Total	1,969	100.0%	5,738,385	100.0%
<b>Reimbursement Option</b>				
Cash	245	12.4%	970,395	16.9%
Reimbursement	1,724	87.6%	4,767,990	83.1%
Total	1,969	100.0%	5,738,385	100.0%

Appendix C  
The Prudential Insurance Company of America  
Description of Experience Analysis and Assumption Setting

**Mortality Study**

The total mortality rate assumptions are can be broken into in three distinct parts: (1) a base rate industry mortality table, (2) selection factors created to adjust the table based on Prudential experience, and (3) a mortality improvement factor. The best estimate assumption is applied at the policy level. The industry table rates are attained age and male/female based. The Prudential experience based selection factors vary by issue age, gender and duration of the policy. The improvement assumption varies by calendar year. The selection factor assumptions are developed separately for individual and group products, but base rate table and improvement factors are the same for both products.

The 2Q 2018 best estimate mortality assumption was developed using the most recent 5 years of data and a 95% confidence interval test based on the 2017 Best Estimate assumptions as the expected. The assumption was changed if it falls outside the 95% CI. The test was performed at the product and gender level. The selection factors grade to 105% at duration 30 and later consistent with 2Q 17 best estimate assumptions.

Mortality improvement is a factor that is applied to the mortality rate that has been adjusted by selection factors. It is intended to reflect the notion that the probability of death for a given age will decrease over time, as the population as a whole is living longer, indicating an improvement in mortality. The rate will level out after 20 years into the projection.

The future expected mortality assumptions were developed based on this historical actual experience and judgment. Based on our analysis, the 2012 IAM Basic Table on an ALB basis matched actual experience the closest, with some adjustments, i.e. ultimate selection factors.

**Voluntary Lapse Study**

A voluntary lapse study was also conducted on the Company's actual experience using data through September 30, 2017. Voluntary lapse rates were calculated based on actual lapses using experience in years 7/1/2014 - 6/30/2017 with lapses reported through 9/30/2017. Voluntary lapses are studied using actual terminations. The impact of shock lapses that occur due to rate increases were removed from the voluntary lapse study to ensure that the lapse experience was not overstated. The future expected voluntary lapse assumptions were developed based on the historical actual experience and judgment. The expected lapse rates vary by policy duration, attained age and select business segments.

## Morbidity Study

The morbidity experience on disabled lives (i.e., in claim status) is of critical importance, as it also plays a crucial role in shaping our base morbidity experience on active lives as well as informing our judgment on morbidity improvement. Morbidity is comprised of several assumptions, including utilization, fitting factors, claim cost guidelines, and cost of care inflation.

For 2Q 2018, a deep dive on our disabled life assumptions was performed. For the disabled lives analysis, more granularity has been included for site of care where it now matches the granularity of the active life reserves. Additionally, the analysis has led to the conclusion that there are significant differences in utilization by claim duration. We refined the claim continuance assumptions by claim duration and updated the termination rates by site of care and key benefit plans. We performed an iterative analysis of a claim retrospective test by the different drivers of morbidity and along different slices of the business (active, inactive pending, IBNR/CBER) along with the experience-based study of terminations. In the end we created a curve using actuarial judgment that fit well to our experience and produced a better fit to our retrospective tests.

The morbidity study used for active lives modeling was conducted on the Company's nationwide actual experience on incurred claims through Dec 31, 2017 with claims run out through Dec 31, 2017. The approach used to develop best estimate morbidity assumptions was to start with a set of baseline expected claims and review the experience along several key demographic and benefit characteristics. The primary focus to develop fitting factors was to match historical incurred claims to expected incurred claims.

Actual claim incidence is determined by counting each claim. A claim is considered to have begun as of the date the policyholder was determined to be benefit eligible. Paid claims are discounted back to the claim incurred date. The claim reserves are discounted from valuation date to the claim incurred date. Both paid claims and claim reserves have a 7.5% load applied to reflect waiver of premium. The claim reserves do not include an LAE load or an explicit margin. Actual incurred claims are calculated by adding together the present value of paid claims and claim reserves (including IBNR). In the development of the fitting factors, waiver of premium was excluded from both the actual claims and expected claims.

The baseline expected incurred claims were developed from Milliman's 2014 LTC Guidelines (*Guidelines*). Given the large size of the data supporting the *Guidelines*, it was viewed as a credible starting point for the analysis. Also, a composite factor was developed for the business based on the distribution by state and the area adjustment factors from the *Guidelines*. The best estimate assumptions do not include an assumption for morbidity improvement.

The process of developing fitting factors, starting with the baseline expected, generally followed the following steps:

- Review experience by issue year and product to determine if the baseline selection factors used are appropriate
- Review experience by issue age, gender, marital status and / or underwriting type
- Review experience by key benefit and demographic characteristics

It should be noted that many of the factors are related to each other. The fitting factors are Prudential adjustments to the 2014 Milliman Cost of Care Guidelines. The guidelines are a set of claim costs based on Milliman's slice of industry wide LTC insurance claims of \$25 Billion. The guidelines include base assumptions, but they are customized to a given company based on characteristics such as underwriting and product design.

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

<b>Duration</b>	<b>Actual Exposures</b>	<b>Actual Mortality</b>	<b>Current Best Estimate</b>	<b>Actual/Best Estimate</b>
1-5	120,596	242	338	72%
6-10	150,139	851	978	87%
11-15	138,526	1,981	1,979	100%
16-19	12,171	314	293	107%
<b>Total</b>	<b>421,431</b>	<b>3,388</b>	<b>3,588</b>	<b>94%</b>

**Notes:**

- 1) Prudential's experience study was performed using mortality data from 7/1/2012 – 6/30/2017, with deaths reported through 9/30/2017.
- 2) Best Estimate Mortality Rate uses 2012 IAM Basic Mortality Table, with mortality selection factors, and 1% improvement per year through 2038

**The Prudential Insurance Company of America**  
**Appendix C - Exhibit 2**  
**Lapse Study**  
**Experience by Policy Duration**  
**ILTC**

<b>Duration</b>	<b>Actual Exposures</b>	<b>Number of Lapses</b>	<b>Number of Best Estimate Lapses</b>	<b>Actual Lapse Rate</b>	<b>Best Estimate Lapse Rate</b>	<b>Actual/Best Estimate</b>
1	0	0	0			
2	8	1	0	11.9%	3.6%	333.0%
3	4,865	190	130	3.9%	2.7%	145.8%
4	14,482	312	300	2.2%	2.1%	103.8%
5	20,343	436	374	2.1%	1.8%	116.6%
6	19,538	318	352	1.6%	1.8%	90.4%
7	14,356	174	186	1.2%	1.3%	93.8%
8	12,524	184	163	1.5%	1.3%	112.6%
9	11,997	154	147	1.3%	1.2%	104.9%
10	11,029	98	116	0.9%	1.1%	84.2%
11	10,495	113	114	1.1%	1.1%	99.3%
12	12,670	143	140	1.1%	1.1%	102.3%
13	15,503	168	171	1.1%	1.1%	98.2%
14	14,304	114	140	0.8%	1.0%	81.6%
15	10,219	94	90	0.9%	0.9%	104.3%
16	5,293	41	48	0.8%	0.9%	86.2%
17	2,013	17	18	0.8%	0.9%	93.1%
18	530	3	5	0.6%	0.9%	60.5%
19	4	0	0	0.0%	1.1%	0.0%
<b>Grand Total</b>	<b>180,173</b>	<b>2,560</b>	<b>2,494</b>	<b>1.4%</b>	<b>1.4%</b>	<b>102.6%</b>

**Notes:**

- 1) Actual lapse rates using July 2014 - June 2017 data were observed.
- 2) Shock lapses have been removed from both actual and best estimate values.
- 3) Best Estimate Lapse Rate is the assumption used in the current projection assumption

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

<b>Incurred Yr</b>	<b>Actual Paid Claims (in \$MM)</b>	<b>DLR Reserve (in \$MM)</b>	<b>Actual Incurred Claims (in \$MM)</b>	<b>Best Estimate Incurred Claims (in \$MM)</b>	<b>Actual to Best Estimate</b>
<=2005	25.18	2.18	27.36	41.31	66.2%
2006	17.12	1.73	18.84	20.59	91.5%
2007	26.88	3.65	30.54	26.01	117.4%
2008	31.95	2.46	34.41	31.88	107.9%
2009	37.61	3.88	41.49	38.21	108.6%
2010	37.26	6.87	44.13	45.07	97.9%
2011	42.34	8.42	50.77	53.49	94.9%
2012	52.02	15.68	67.70	59.49	113.8%
2013	44.41	15.67	60.08	68.57	87.6%
2014	48.77	26.39	75.16	78.45	95.8%
2015	44.00	47.67	91.67	89.36	102.6%
2016	32.18	65.56	97.75	99.83	97.9%
2017	18.86	108.32	127.18	111.70	113.9%
2018	0.63	53.60	54.23	62.33	87.0%
<b>Grand Total</b>	<b>459.21</b>	<b>362.09</b>	<b>821.30</b>	<b>826.28</b>	<b>99.4%</b>

**Notes:**

- 1) Experience is through June 30, 2018
- 2) Paid claims represent the present value of paid claims discounted to the claim incurred date
- 3) Reserve amounts represent the present value of the remaining claim reserve (including IBNR) discounted to the claim incurred date
- 4) Best Estimate Claims is based on Milliman's 2014 LTC Guidelines with 2018 Prudential experience fitting factors
- 5) Claim dollar amounts are discounted using a 4.5% interest rate (both actual and best estimate).
- 6) This exhibit excludes waiver of premium and return of premium benefits in both actual and best estimate results.
- 7) Morbidity improvement has been removed from the Best Estimate Incurred Claims

The Prudential Insurance Company of America  
As Administered by CHCS  
Long-Term Care Customer Service Center  
P.O. Box 8526  
Philadelphia, PA, 19176-8526  
Tel: 1-800-732-0416 Fax: 1-877-773-9515

[DATE]

[FIRST NAME LAST NAME]  
[STREET ADDRESS]  
[CITY, STATE ZIP CODE]

Re: Policy Number: [XXXXXXXXXXXX]  
Prudential Long-Term Care Insurance Policy  
Notice of Premium Increase

Dear [MR/MS LAST NAME]:

**[IF STATE APPROVED AS A SINGLE INCREASE:** We're writing to let you know that the premium for your long-term care insurance policy is increasing. This letter will tell you when your premium will increase and how much more you will pay. In addition, options that are available to you if you don't want to or can't pay the full Premium Rate Increase<sup>1</sup> are provided on the enclosed *Coverage Options* document.

Your current premium is [\$XXXX.XX] paid [monthly, quarterly, semiannually, annually]. The Premium Rate Increase for your policy is [XX%]. Your new premium will be [\$XXXX.XX] paid [monthly, quarterly, semiannually, annually]. This increase will take effect on [MM/DD/YYYY]<sup>2</sup>.

**[IF STATE APPROVED INCREASES OVER MULTIPLE YEARS:**

Your current premium is [\$xxx.xx]. This Premium Rate Increase<sup>1</sup> will be implemented in [X] phases. This chart reflects your increased premiums assuming no benefit changes are made to your policy<sup>2</sup>.

Earliest Effective Date of Premium Rate Increase	Premium Rate Increase Percentage	Premium Rate Increase
[xx/xx/xxxx]	[xx]%	[\$xxxx.xx]
[xx/xx/xxxx]	[xx]%	[\$xxxx.xx]
[xx/xx/xxxx]	[xx]%	[\$xxxx.xx]

]

**[IF DIRECT BILL:** You'll see this increase in the statement you receive before the effective date of the new premium rate.] **[IF EFT:** Since you pay your premium via electronic funds transfer, the withdrawal from your account that occurs before the effective date of the new premium rate will automatically reflect the new amount.]

We have filed this premium rate increase with state insurance regulators and are implementing this premium increase in accordance with the terms and conditions of your policy, and in accordance with applicable laws. Please read this letter carefully and in its entirety.

<sup>1</sup> Premium Rate Increase is the rate increase that is detailed in this Advance Notification packet.

<sup>2</sup> The premium amounts cited in this letter do not reflect any benefit changes that may already be pending at this time or that you elect in the future. Your actual premium may be different due to rounding.



**[IF AT MINIMUM:** Because your policy benefits are already at the lowest level we offer, we are unable to offer you the option of reducing your coverage to offset the amount of your premium increase.]

**[IF NOT AT MINIMUM:** If you continue to pay your premium at the increased rate listed, the coverage provided under your policy will remain the same. If you don't want to or can't pay the full premium increase, please refer to the enclosed *Coverage Options* document, which provides **[IF NO LANDING SPOT OFFER:** information on options to minimize the Premium Rate Increase.] an option to avoid the Premium Rate Increase completely: **[IF INFLATION ONLY LANDING SPOT OFFER:** by reducing future annual inflation rate and keeping all other benefits the same. **[IF INFLATION AND BENEFIT PERIOD LANDING SPOT OFFER:** by a reduction to your future annual inflation rate and reducing your Benefit Period.]

Please also refer to the enclosed *Frequently Asked Questions*, which provide more information about this Premium Rate Increase.

If you would like to make any change, please complete the enclosed *Long-Term Care Insurance Change Request Form*. You can either mail the completed form to the address or fax it to the phone number noted on the *Long-Term Care Insurance Change Request Form*.

We understand this Premium Rate Increase affects you financially, but we hope you will continue to appreciate the value of your long-term care insurance coverage. We decided to increase premium rates after thoroughly evaluating the factors that impact premium rates. The premiums we charge you are affected by several things, including assumptions we make about the amount of claims we expect to pay under policies like yours, as well as other factors. After an extensive review of all these factors, we determined that a Premium Rate Increase is necessary to continue providing the quality insurance coverage you've come to expect.

**[IF ADDITIONAL INCREASE IS CERTAIN:** In addition to the Premium Rate Increase[s] identified in this policyholder notification letter, we anticipate that an additional premium increase will be necessary in the future, but we don't currently know the date or amount of any future increase.]

**[IF ADDITIONAL INCREASE IS POSSIBLE:** In addition to the Premium Rate Increase[s] identified in this policyholder notification letter, it is possible that, as we continue to regularly review the factors that impact premium rates, another increase may be needed in the future.]

If a future increase becomes necessary, you will receive an advance notification of the effective date of any such increase. We will continue to monitor the factors that impact premiums to determine if our assumptions are consistent with actual experience.

If you have questions or concerns after reviewing this letter, **please call our Long-Term Care Customer Service Center at 1-800-732-0416, Monday through Friday, between 8 a.m. and 7 p.m. ET.** Our dedicated customer service team is ready to assist you. We appreciate having you as a customer and look forward to continuing to serve you.

Sincerely,

**Prudential Long-Term Care**

[cc: Insurance Producer FIRST NAME LAST NAME]

## Coverage Option[s]

### [IF LANDING SPOT OFFER: Option to Reduce Coverage and Eliminate the Premium Rate Increase

To eliminate the Premium Rate Increase identified in the attached policyholder notification letter, we are offering [an/a one-time] opportunity to reduce your future annual inflation rate [IF INFLATION AND BENEFIT PERIOD LANDING SPOT OFFER: and reduce your Benefit Period]. The table below shows your current premium and the new premium you will be charged if you keep your current annual inflation rate. The table also shows what your reduced inflation rate [IF INFLATION AND BENEFIT PERIOD LANDING SPOT OFFER: and reduced Benefit Period] will be if you chose the option. The reduced inflation rate will only be applied to future inflation increases that occur after the effective date of the premium rate increase. [IF INFLATION AND BENEFIT PERIOD LANDING SPOT OFFER: All other benefits and the previous inflation increases that have already been applied to your coverage through the effective date of the inflation rate reduction will be maintained.] [IF INFLATION ONLY LANDING SPOT OFFER: Your previous inflation increases that have already been applied to your coverage through the effective date of the inflation rate reduction will be maintained.]

	Keep your current annual inflation rate	Reduce your annual inflation rate [IF INFLATION AND BENEFIT PERIOD LANDING SPOT OFFER: and Benefit Period]
Daily Maximum	[\$XXX]	[\$XXX]
Lifetime Maximum Benefit	[X Years]	[X Years]
Inflation Option	[X% Compound, Simple]	[X% Compound, Simple]
Benefit Waiting Period	[XX Days]	[XX Days]
Optional Riders	[Insert Optional Riders]	[Insert Optional Riders]
Current [premium mode] Premium Rate	[\$XXX.XX]	[\$XXX.XX]
New [premium mode] Premium Rate	[\$XXX.XX]	[\$XXX.XX]

**Please note that the premium charges set forth above relate to your election of the option outlined above. If you wish to consider other options that may be available, please call us at 1-800-732-0416, Monday through Friday, between 8 a.m. and 7 p.m. ET.** Our dedicated Long-Term Care Customer Service Center staff will provide you with information about the complete range of options available. If you would like to make any change, please complete the attached *Long-Term Care Insurance Change Request Form*, and either mail it to the address or fax it to the phone number that are noted on the *Long-Term Care Insurance Change Request Form*.

## **[IF A NON-LANDING SPOT OFFER: Option to Reduce Coverage and Lower Premium Rate Increase**

You may reduce your initial Daily Maximum amount from [\$XXX] to [\$YYY] (because your policy has an inflation protection provision, your corresponding *inflated* Daily Maximum amount will decrease from [\$XXX] to [\$YYY]<sup>1</sup>). This means that the maximum benefit that you could receive under the policy for each day you receive benefits under the policy will be reduced to the amount stated above. This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX]. Please note that by reducing your amount, you will also be reducing the total amount of benefits payable under your policy (Lifetime Maximum), unless your policy has an unlimited Lifetime Maximum. Before making any decision to reduce your Daily Maximum amount, please consider the current and future cost of care in the geographic area where you anticipate receiving care, and the amount you expect to be able to pay for care from your own assets and savings.

You may reduce your Lifetime Maximum benefit amount by changing the number of years used to calculate such benefits from [X years] [unlimited] to [Y] years. This means that your Lifetime Maximum shown in a dollar amount will be recalculated to a lower dollar amount using the number of years shown above. You will be provided with a new Schedule of Policy Benefits page to your policy showing this lower Lifetime Maximum as a dollar amount.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX. XX].

**[IF INSURED UNDER CASH BENEFIT RIDER:** You may drop your Cash Benefit Rider. This means that if you are determined to be eligible to receive benefits under your policy, you will be reimbursed for covered expenses up to the Home and Community-Based Care Benefit rather than receive a monthly cash amount as provided under the Cash Benefit Rider.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX].

OR you may elect to replace your Cash Benefit Rider with the Cash Indemnity Rider. The Cash Indemnity Rider will pay the full daily benefit for Home and Community-Based Care only for the days that **formal** services are received, and proof of having received those services is provided to Prudential. Formal services mean services from a licensed provider. This is different from the Cash Benefit Rider, which permits payment of the full daily benefit for Home and Community-Based Care upon satisfaction of the Benefit Eligibility Criteria, regardless of whether formal or informal services were received. If you elect the Cash Indemnity Rider, your Cash Benefit Rider would terminate. The Cash Indemnity Rider is a less expensive option than the Cash Benefit Rider. If you elect to replace your Cash Benefit Rider with the Cash Indemnity Rider, you will have 30 days to review the new Rider. If you are not satisfied with the terms and conditions of this option, we will reinstate your Cash Benefit Rider if you make a written request within these 30 days.

<sup>1</sup> The Daily Maximum amounts are subject to any applicable state and/or partnership regulatory minimum benefit requirements.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX].]

**[IF INSURED UNDER CASH INDEMNITY BENEFIT RIDER:** You may drop your Cash Indemnity Rider. This means that if you are determined to be eligible to receive benefits under your policy, you will be reimbursed for covered expenses up to the Daily Maximum amount for Home and Community-Based Care rather than receive the full daily benefit for Home and Community-Based Care for the days that formal services are received and proof of having received such services is provided to Prudential.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX].]

**[IF INSURED UNDER MONTHLY BENEFIT RIDER:** You may drop your Monthly Benefit Rider. This means that if you are determined to be eligible to receive benefits under your policy, you will be reimbursed for covered expenses up to the Home and Community-Base Care Daily Benefit rather than up to the monthly maximum amount under the Monthly Benefit Rider.

This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [\$XXXX.XX].]

**[IF NFO:** As an alternative to the options described above, you may exercise a right under your non-forfeiture rider to change your policy to paid-up status. If you elect this option, no further premium payments will be due under the policy, and your Benefit Waiting Period and Daily Maximum will remain the same, but your Lifetime Maximum benefit will be reduced. All riders attached to your policy will also terminate. You can elect this option by checking the appropriate box on the enclosed *Long-Term Care Insurance Change Request Form*. If you do not submit a *Long-Term Care Insurance Change Request Form* or contact our Customer Service Center and coverage lapses because you do not pay the full increased premium, your policy will automatically be converted to paid-up status with reduced benefits.]

**Or, if NFO is not an option,**

**[IF CNFO:** As an alternative to the options described above, you may exercise a contingent non-forfeiture right to change your policy to paid-up status. If you elect this option, no further premium payments will be due under the policy, and your Benefit Waiting Period and Daily Maximum will remain the same, but your Lifetime Maximum benefit will be reduced. All riders attached to your policy will also terminate. You can elect this option within 120 days of the implementation of the premium increase by checking the appropriate box on the enclosed *Long-Term Care Insurance Change Request Form*. If you do not submit a *Long-Term Care Insurance Change Request Form* or contact our Customer Service Center and coverage lapses because you do not pay the full increased premium, your policy will automatically be converted to paid-up status with reduced benefits.]

**Please note that the premium relates to your election of just one option. If you wish to elect more than one option, please call us at 1-800-732-0416 so we can tell you what your new premium will be.** Please also note there may be additional options available to you. Our dedicated Long-Term Care Customer Service Center staff can provide you with information about the complete range of options available and are available to assist you Monday through Friday, from 8 a.m. to 7 p.m., ET. If you would like to make any change, please complete the attached *Long-Term Care Insurance Change Request Form* and you can either mail it to the address or fax it to the phone number that are noted on the *Long-Term Care Insurance Change Request Form*.]

The Prudential Insurance Company of America  
As Administered by CHCS  
Long-Term Care Customer Service Center  
P.O. Box 8526  
Philadelphia, PA, 19176-8526  
Tel: 1-800-732-0416 Fax: 1-877-773-9515

Policy Number: [XXXXXXXXXXXX]  
Policyholder name: [FIRST NAME LAST NAME]

**Please complete this form and return it by mail, or by the fax number shown above.**

## **LONG-TERM CARE INSURANCE CHANGE REQUEST FORM**

Dear Policyholder:

This form can be used to make changes to your Long-Term Care insurance coverage to reduce the impact of your Premium Rate Increase[s] identified in the attached policyholder rate increase notification letter. Before making any changes, we strongly encourage you to review your policy and to call our Long-Term Care Customer Service Center at 1-800-732-0416, Monday through Friday, between 8 a.m. and 7 p.m. ET, to discuss the range of options available to you, and to learn how the selection of each option will affect (1) the amount of premium you will be required to pay, and (2) your coverage.

**Please indicate your change(s) by checking and completing the options below.**  
**NOTE: If you check more than one option, you should call us for the actual new premium amounts since those shown here and in the attached letter will change.**

- Decrease** my future annual inflation rate from [X%] to [Y%] **[IF INFLATION AND BENFEIT PERIOD LANDING SPOT OFFER:** and reduce the Lifetime Maximum Benefit from [X years] to [Y years]. By selecting [this / these] option[s], I will avoid the premium increase and there will be no change to my current premium rate.]
- [Decrease** my Daily Maximum amount from [\$XXX] to [\$YYY] (my corresponding *inflated* Daily Maximum amount would decrease from [\$XXX] to [\$YYY]).]
- [Decrease my Lifetime Maximum** benefit amount by changing the number of years used to calculate such benefits from [X years][unlimited] to [Y] years.]

- [IF INSURED UNDER CASH BENEFIT RIDER: Remove my Cash Benefit Rider** and convert my Policy to a daily reimbursement plan.]
  
  - [Replace my Cash Benefit Rider with the Cash Indemnity Rider.** I understand that by replacing my Cash Benefit Rider with the Cash Indemnity Rider that the Cash Indemnity Rider will pay the full daily benefit for Home and Community-Based Care only for the days that **formal** services are received and proof of such services having been received is provided to Prudential. Formal services mean services from a licensed provider. I will no longer have the option to receive a monthly cash payment of the full daily benefit for Home and Community-Based Care upon satisfaction of the Benefit Eligibility Criteria, regardless of whether formal or informal services were received. Furthermore, I understand that my Cash Benefit Rider will terminate.]
  
  - [IF INSURED UNDER MONTHLY BENEFIT RIDER: Remove my Monthly Benefit Rider** and convert my Policy to a daily reimbursement plan.]
  
  - [IF NFO: I wish to exercise the non-forfeiture option.** I understand that by doing so, no further premium payments will be due under my policy and my Benefit Waiting Period and Home and Community-Based Care benefit will remain the same, but my Lifetime Maximum benefit will be reduced, and I will not be eligible for any additional inflation protection increases because my policy will be on paid-up status. I also understand that if I elect this option, I cannot elect any of the other options shown on this form.]
  
  - [IF CNFO: I wish to exercise the contingent non-forfeiture option.** I understand that I can only make this election within the 120-day period following the due date of my increased premium, and that I must continue paying premiums up until that due date. I also understand that by making this election, no further premium payments will be due under my policy and my Benefit Waiting Period and Home and Community-Based Care benefit will remain the same, but my Lifetime Maximum benefit will be reduced, and I will not be eligible for any additional inflation protection increases because my policy will be on paid-up status. In addition, I understand that if I elect this option, I cannot elect any of the other options shown on this form.]
  
  - I wish to do the following. I understand that someone from the Long-Term Care Customer Service Center may call me to clarify my wishes or explain if the change requested can be made.
- 
-

I understand the policy change(s) that I have selected above will reduce my current benefits, depending upon the option(s) selected. I acknowledge that Prudential has made the Long-Term Care Customer Service Center available for me to discuss these option(s). I affirm that these selection(s) are made voluntarily and that I am under no obligation to make them. I agree that any change(s) will become effective on the date set by The Prudential Insurance Company of America upon receipt of this request.

---

Signature of Policyholder [for policy  
#XXXXXX]

---

Date Signed



## Frequently Asked Questions Relating to Premium Increase

**Question: Why are you raising long-term care insurance premium rates?**

**Answer:**

We continuously review and assess the class of long-term care insurance policies like yours, called ILTC1. Our current projections show that claim payments under all ILTC1 policies will exceed the estimations we made when previously implementing a rate increase on these policies. We've also seen that other assumptions affecting our premium rates continue to be inconsistent with our actual experience. As a result, a premium increase is needed to help ensure that future premiums, in combination with our existing reserves, are sufficient to pay future benefits on all ILTC1 policies.

**Question: What allows you to raise premiums on these policies?**

**Answer:** Each policy describes our right to increase the premium we charge for the insurance. Generally, this information can be found in the "Renewability" and "Changes in Premiums" provisions of your policy.

**Question: Will you raise premiums on these policies again?**

**Answer:** [IF ADDITIONAL INCREASE IS CERTAIN: In addition to the Premium Rate Increase[s] explained in the attached policyholder notification letter, we anticipate that another increase will be necessary in the future, but we currently don't know the date or amount of that future increase.]

[IF ADDITIONAL INCREASE IS POSSIBLE: In addition to the Premium Rate Increase[s] explained in the attached policyholder notification letter, it is possible that, as we continue to regularly review the factors that affect premium rates, another increase may be needed in the future.]

Should a future increase become necessary, you will receive an advance notification of the effective date of the increase. We will continue to monitor the factors that impact premiums to determine if our assumptions are consistent with actual experience.

**Question: Have I been singled out for this rate increase because of my age or health?**

**Answer:** No, you haven't. No individual has been singled out for an increase, nor is the increase due to a policyholder's age or changing health. Also, your state has not been singled out; all states are included in our rate increase process.

**Question: If I no longer live in the state where I purchased my policy, does the increase still apply?**

**Answer:** Your long-term care insurance policy is regulated by the state you lived in when you purchased your plan. That state continues to be the applicable state, even if you now live elsewhere.

**Question: When will this premium increase become effective?**

**Answer:** The increase will become effective on the [first premium due date] [the first anniversary date] following implementation of the rate increase in the state in which your policy was issued. That date is set forth in the letter that was attached to this Frequently Asked Questions form.

**Question: What options do I have to mitigate the impact of the premium increase?**

**Answer:** You may keep the policy you have with all of its current features by paying the new premium rate. If you would like to explore options to reduce or eliminate the impact of the premium increase, among other things you may choose to decrease policy benefits (Lifetime Maximum, Daily Maximum), replace your Cash Benefit Rider with the Cash Indemnity Rider or remove an optional Cash Benefit, Cash Indemnity Benefit or Monthly Benefit rider [IF INFLATION ONLY LANDING SPOT OFFER: or reduce your future annual inflation rate [IF INFLATION AND BENEFIT PERIOD LANDING SPOT OFFER and Lifetime Maximum]]. Our dedicated customer service representatives are available to answer your questions and requests for benefit changes, and to discuss other available options to help reduce your premium. For assistance call 1-800-732-0416, Monday through Friday, between 8 a.m. and 7 p.m. ET. A Change Request Form is also included with this letter in case you'd like to modify your policy.

**Question: What will happen to my premium if I am currently on Waiver of Premium?**

**Answer:** If you are currently not paying premiums under the Waiver of Premium provision in your policy, you will not be immediately affected by this rate increase. Should you cease to be eligible under the Waiver of Premium provision, the rate increase will be effective on your next premium due date.