

**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-3 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: 06/20/2019  
 SERFF Tr Num: PRUD-131980364  
 SERFF Status: Assigned  
 State Tr Num:  
 State Status: Received Review in Progress  
 Co Tr Num: IIGHILTC3RATE-LS-RP-PA

Implementation  
 Date Requested:  
 Author(s): Laura Hughes, Raenonna Prince, Hina Ahmad, Ritu Jain, Arun Paul, John Timmerberg, Meong Kwak  
 Reviewer(s): Jim Lavery (primary), Benjamin Irwin  
 Disposition Date:  
 Disposition Status:  
 Implementation Date:

State Filing Description:

**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-3 Re-Rate LS/8I-2019

### General Information

|                                          |                                                      |
|------------------------------------------|------------------------------------------------------|
| Project Name: ILTC-3 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:                     | 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-131980377 |
|                                          | 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      973-802-6596 [Phone]  
 11th Floor, Plaza  
 Newark, NJ 07102

#### Filing Company Information

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

### Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

SERFF Tracking #:

PRUD-131980364

State Tracking #:

Company Tracking #:

IIGHILTC3RATE-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-3 Re-Rate LS/8I-2019

## Correspondence Summary

### Filing Notes

| Subject | Note Type     | Created By     | Created On | Date Submitted |
|---------|---------------|----------------|------------|----------------|
| Excel   | Note To Filer | Benjamin Irwin | 06/25/2019 | 06/25/2019     |

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**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-3 Re-Rate LS/8I-2019

## Note To Filer

**Created By:**

Benjamin Irwin on 06/25/2019 09:39 AM

**Last Edited By:**

Benjamin Irwin

**Submitted On:**

06/25/2019 09:39 AM

**Subject:**

Excel

**Comments:**

Please provide appendix A-F in an excel workbook.

SERFF Tracking #:

PRUD-131980364

State Tracking #:

Company Tracking #:

IIGHILTC3RATE-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-3 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:

15.600%

Effective Date of Last Rate Revision:

02/01/2019

Filing Method of Last Filing:

SERFF

SERFF Tracking Number of Last Filing:

PRUD-131555379

### 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 | 43.400%                     | 43.400%                | \$1,594,968                              | 1,364                                               | \$3,675,440                       | 90.000%                         | 0.000%                          |

**SERFF Tracking #:**

PRUD-131980364

**State Tracking #:****Company Tracking #:**

IIGHILTC3RATE-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-3 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-3 All) | GRP 113172, GRP 113172 ED 05/2009, GRP 113570, GRP 113570 ED/2009 | Revised     | Previous State Filing Number: PRUD-131555379<br>Percent Rate Change Request: 43.4 | Appendix D - Rate Pages (PA ILTC3 All).pdf, |

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

GRP 113172, GRP113172 ED 05/2009, GRP113570 and GRP 113570 ED 05/2009 - For Applications Received Prior to 4/5/2011  
Page 1 of 7

| Pennsylvania Rates Before Adjustments                                    |        |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
|--------------------------------------------------------------------------|--------|----------------------------|---------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|
| Gross Annual Premium Per \$10.00 of Facility Care Daily Benefit          |        |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Home Care Daily Benefit: 100% of Facility Care Daily Benefit             |        |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) |        |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| 90 Day Elimination Period                                                |        |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Lifetime Premium Payment Option                                          |        |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Inflation Option                                                         |        |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Issue Age                                                                | None   | Guaranteed Purchase Option | 5% Automatic Simple | 5% Automatic Compound (2x Maximum) | 3% Automatic Compound (No Maximum) | 5% Automatic Compound (No Maximum) | 5% Automatic Simple Reduced to 2.6% Automatic Simple | 3% Automatic Compound Reduced to 0.6% Automatic Compound (No Maximum) | 5% Automatic Compound Reduced to 2.6% Automatic Compound (No Maximum) |
| 18-30                                                                    | 63.21  | 67.96                      | 195.11              | 128.12                             | 188.64                             | 291.68                             | 130.07                                               | 125.76                                                                | 194.45                                                                |
| 31                                                                       | 63.88  | 68.68                      | 197.10              | 132.45                             | 192.50                             | 294.33                             | 131.40                                               | 128.33                                                                | 196.22                                                                |
| 32                                                                       | 64.55  | 69.40                      | 199.10              | 136.92                             | 196.46                             | 296.97                             | 132.73                                               | 130.97                                                                | 197.98                                                                |
| 33                                                                       | 65.24  | 70.13                      | 201.14              | 141.57                             | 200.46                             | 299.66                             | 134.09                                               | 133.64                                                                | 199.77                                                                |
| 34                                                                       | 65.92  | 70.88                      | 203.16              | 146.36                             | 204.56                             | 302.36                             | 135.44                                               | 136.37                                                                | 201.57                                                                |
| 35                                                                       | 66.61  | 71.62                      | 205.23              | 151.31                             | 208.73                             | 305.10                             | 136.82                                               | 139.15                                                                | 203.40                                                                |
| 36                                                                       | 67.31  | 72.38                      | 207.30              | 156.44                             | 213.02                             | 307.86                             | 138.20                                               | 142.01                                                                | 205.24                                                                |
| 37                                                                       | 68.02  | 73.14                      | 209.43              | 161.73                             | 217.37                             | 310.64                             | 139.62                                               | 144.91                                                                | 207.09                                                                |
| 38                                                                       | 68.74  | 73.91                      | 211.56              | 167.21                             | 221.82                             | 313.44                             | 141.04                                               | 147.88                                                                | 208.96                                                                |
| 39                                                                       | 69.46  | 74.70                      | 213.71              | 172.86                             | 226.34                             | 316.29                             | 142.47                                               | 150.89                                                                | 210.86                                                                |
| 40                                                                       | 70.19  | 75.48                      | 215.88              | 178.71                             | 231.00                             | 319.14                             | 143.92                                               | 154.00                                                                | 212.76                                                                |
| 41                                                                       | 71.23  | 76.61                      | 219.78              | 183.72                             | 233.57                             | 323.39                             | 146.52                                               | 155.71                                                                | 215.59                                                                |
| 42                                                                       | 72.29  | 77.75                      | 223.77              | 188.85                             | 236.19                             | 327.72                             | 149.18                                               | 157.46                                                                | 218.48                                                                |
| 43                                                                       | 73.38  | 78.91                      | 227.82              | 194.10                             | 238.88                             | 332.10                             | 151.88                                               | 159.25                                                                | 221.40                                                                |
| 44                                                                       | 74.47  | 80.09                      | 231.95              | 199.53                             | 241.55                             | 336.53                             | 154.63                                               | 161.03                                                                | 224.35                                                                |
| 45                                                                       | 75.58  | 81.28                      | 236.15              | 205.11                             | 244.25                             | 341.00                             | 157.43                                               | 162.83                                                                | 227.33                                                                |
| 46                                                                       | 76.71  | 82.49                      | 240.42              | 210.84                             | 247.01                             | 345.56                             | 160.28                                               | 164.67                                                                | 230.37                                                                |
| 47                                                                       | 77.85  | 83.72                      | 244.77              | 216.71                             | 249.78                             | 350.18                             | 163.18                                               | 166.52                                                                | 233.45                                                                |
| 48                                                                       | 79.01  | 84.97                      | 249.21              | 222.77                             | 252.60                             | 354.83                             | 166.14                                               | 168.40                                                                | 236.55                                                                |
| 49                                                                       | 80.19  | 86.24                      | 253.71              | 228.99                             | 255.44                             | 359.58                             | 169.14                                               | 170.29                                                                | 239.72                                                                |
| 50                                                                       | 81.39  | 87.51                      | 258.30              | 235.40                             | 258.30                             | 364.38                             | 172.20                                               | 172.20                                                                | 242.92                                                                |
| 51                                                                       | 85.26  | 91.67                      | 271.07              | 248.28                             | 269.69                             | 377.10                             | 180.71                                               | 179.79                                                                | 251.40                                                                |
| 52                                                                       | 89.31  | 96.03                      | 284.48              | 261.86                             | 281.55                             | 390.23                             | 189.65                                               | 187.70                                                                | 260.15                                                                |
| 53                                                                       | 93.55  | 100.59                     | 298.50              | 276.17                             | 293.96                             | 403.86                             | 199.00                                               | 195.97                                                                | 269.24                                                                |
| 54                                                                       | 98.00  | 105.36                     | 313.26              | 291.27                             | 306.89                             | 417.95                             | 208.84                                               | 204.59                                                                | 278.63                                                                |
| 55                                                                       | 102.65 | 110.37                     | 328.74              | 307.20                             | 320.42                             | 432.50                             | 219.16                                               | 213.61                                                                | 288.33                                                                |
| 56                                                                       | 107.53 | 115.62                     | 344.97              | 324.02                             | 334.52                             | 447.59                             | 229.98                                               | 223.01                                                                | 298.39                                                                |
| 57                                                                       | 112.64 | 121.11                     | 362.01              | 341.75                             | 349.26                             | 463.22                             | 241.34                                               | 232.84                                                                | 308.81                                                                |
| 58                                                                       | 117.99 | 126.87                     | 379.89              | 360.44                             | 364.61                             | 479.34                             | 253.26                                               | 243.07                                                                | 319.56                                                                |
| 59                                                                       | 123.59 | 132.89                     | 398.69              | 380.15                             | 380.67                             | 496.08                             | 265.79                                               | 253.78                                                                | 330.72                                                                |
| 60                                                                       | 129.46 | 139.20                     | 418.37              | 400.95                             | 397.43                             | 513.39                             | 278.91                                               | 264.95                                                                | 342.26                                                                |
| 61                                                                       | 139.77 | 150.28                     | 446.40              | 433.29                             | 422.30                             | 543.71                             | 297.60                                               | 281.53                                                                | 362.47                                                                |
| 62                                                                       | 150.89 | 162.24                     | 476.34              | 468.27                             | 448.71                             | 575.85                             | 317.56                                               | 299.14                                                                | 383.90                                                                |
| 63                                                                       | 162.89 | 175.15                     | 508.29              | 506.06                             | 476.75                             | 609.86                             | 338.86                                               | 317.83                                                                | 406.57                                                                |
| 64                                                                       | 175.86 | 189.08                     | 542.39              | 546.90                             | 506.57                             | 645.90                             | 361.59                                               | 337.71                                                                | 430.60                                                                |
| 65                                                                       | 189.85 | 204.13                     | 578.75              | 591.05                             | 538.25                             | 684.08                             | 385.83                                               | 358.83                                                                | 456.05                                                                |
| 66                                                                       | 210.41 | 226.25                     | 634.98              | 648.06                             | 589.25                             | 742.34                             | 423.32                                               | 392.83                                                                | 494.89                                                                |
| 67                                                                       | 233.19 | 250.75                     | 696.66              | 710.60                             | 645.11                             | 805.53                             | 464.44                                               | 430.07                                                                | 537.02                                                                |
| 68                                                                       | 258.45 | 277.91                     | 764.34              | 779.15                             | 706.26                             | 874.14                             | 509.56                                               | 470.84                                                                | 582.76                                                                |
| 69                                                                       | 286.43 | 308.00                     | 838.61              | 854.31                             | 773.19                             | 948.59                             | 559.07                                               | 515.46                                                                | 632.39                                                                |
| 70                                                                       | 317.46 | 341.36                     | 920.07              | 936.74                             | 846.48                             | 1,029.38                           | 613.38                                               | 564.32                                                                | 686.25                                                                |
| 71                                                                       | 355.97 | 382.76                     | 1,022.25            | 1,043.36                           | 942.51                             | 1,133.16                           | 681.50                                               | 628.34                                                                | 755.44                                                                |
| 72                                                                       | 399.15 | 429.19                     | 1,135.73            | 1,162.13                           | 1,049.42                           | 1,247.42                           | 757.15                                               | 699.61                                                                | 831.61                                                                |
| 73                                                                       | 447.56 | 481.24                     | 1,261.85            | 1,294.38                           | 1,168.46                           | 1,373.21                           | 841.23                                               | 778.97                                                                | 915.47                                                                |
| 74                                                                       | 501.84 | 539.62                     | 1,401.95            | 1,441.74                           | 1,301.00                           | 1,511.66                           | 934.63                                               | 867.33                                                                | 1,007.77                                                              |
| 75                                                                       | 562.71 | 605.07                     | 1,557.60            | 1,605.84                           | 1,448.57                           | 1,664.07                           | 1,038.40                                             | 965.71                                                                | 1,109.38                                                              |
| 76                                                                       | 625.14 | 672.21                     | 1,720.41            | 1,770.15                           | 1,599.98                           | 1,821.33                           | 1,146.94                                             | 1,066.65                                                              | 1,214.22                                                              |
| 77                                                                       | 694.51 | 746.79                     | 1,900.25            | 1,951.31                           | 1,767.23                           | 1,993.44                           | 1,266.83                                             | 1,178.15                                                              | 1,328.96                                                              |
| 78                                                                       | 771.57 | 829.65                     | 2,098.88            | 2,150.96                           | 1,951.95                           | 2,181.84                           | 1,399.25                                             | 1,301.30                                                              | 1,454.56                                                              |
| 79                                                                       | 857.18 | 921.72                     | 2,318.27            | 2,371.07                           | 2,155.98                           | 2,388.02                           | 1,545.51                                             | 1,437.32                                                              | 1,592.01                                                              |

Due to variations in rounding, actual premium may vary.

Pennsylvania Rates  
February 1, 2020

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

GRP 113172, GRP113172 ED 05/2009, GRP113570 and GRP 113570 ED 05/2009 - For Applications Received Prior to 4/5/2011  
Page 2 of 7

| Pennsylvania Rates Before Adjustments                                    |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
|--------------------------------------------------------------------------|--------|---------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|
| Gross Annual Premium Per \$10.00 of Facility Care Daily Benefit          |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Home Care Daily Benefit: 100% of Facility Care Daily Benefit             |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| \$1,825 x Daily Benefit Lifetime Maximum Benefit (5 Year Benefit Period) |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| 90 Day Elimination Period                                                |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Premium Decrease at 65                                                   |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Inflation Option                                                         |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Issue Age                                                                | None   | 5% Automatic Simple | 5% Automatic Compound (2x Maximum) | 3% Automatic Compound (No Maximum) | 5% Automatic Compound (No Maximum) | 5% Automatic Simple Reduced to 2.6% Automatic Simple | 3% Automatic Compound Reduced to 0.6% Automatic Compound (No Maximum) | 5% Automatic Compound Reduced to 2.6% Automatic Compound (No Maximum) |
| 18-30                                                                    | 72.70  | 234.12              | 172.94                             | 272.39                             | 393.78                             | 156.08                                               | 181.59                                                                | 262.52                                                                |
| 31                                                                       | 73.77  | 237.47              | 179.45                             | 275.22                             | 398.78                             | 158.31                                               | 183.48                                                                | 265.85                                                                |
| 32                                                                       | 74.88  | 240.87              | 186.20                             | 278.07                             | 403.86                             | 160.58                                               | 185.38                                                                | 269.24                                                                |
| 33                                                                       | 75.98  | 244.31              | 193.20                             | 280.97                             | 408.99                             | 162.87                                               | 187.31                                                                | 272.66                                                                |
| 34                                                                       | 77.11  | 247.80              | 200.48                             | 283.89                             | 414.18                             | 165.20                                               | 189.26                                                                | 276.12                                                                |
| 35                                                                       | 78.25  | 251.36              | 208.01                             | 286.85                             | 419.45                             | 167.57                                               | 191.23                                                                | 279.63                                                                |
| 36                                                                       | 79.42  | 254.93              | 215.84                             | 289.83                             | 424.77                             | 169.95                                               | 193.22                                                                | 283.18                                                                |
| 37                                                                       | 80.59  | 258.59              | 223.97                             | 292.83                             | 430.17                             | 172.39                                               | 195.22                                                                | 286.78                                                                |
| 38                                                                       | 81.78  | 262.29              | 232.40                             | 295.88                             | 435.63                             | 174.86                                               | 197.25                                                                | 290.42                                                                |
| 39                                                                       | 83.00  | 266.04              | 241.13                             | 298.95                             | 441.18                             | 177.36                                               | 199.30                                                                | 294.12                                                                |
| 40                                                                       | 84.24  | 269.84              | 250.20                             | 302.06                             | 446.78                             | 179.89                                               | 201.37                                                                | 297.85                                                                |
| 41                                                                       | 85.84  | 276.84              | 258.08                             | 306.60                             | 454.34                             | 184.56                                               | 204.40                                                                | 302.89                                                                |
| 42                                                                       | 87.47  | 284.04              | 266.24                             | 311.21                             | 462.02                             | 189.36                                               | 207.47                                                                | 308.01                                                                |
| 43                                                                       | 89.14  | 291.42              | 274.62                             | 315.89                             | 469.82                             | 194.28                                               | 210.59                                                                | 313.21                                                                |
| 44                                                                       | 90.84  | 298.98              | 283.29                             | 320.64                             | 477.77                             | 199.32                                               | 213.76                                                                | 318.51                                                                |
| 45                                                                       | 92.57  | 306.75              | 292.23                             | 325.47                             | 485.85                             | 204.50                                               | 216.98                                                                | 323.90                                                                |
| 46                                                                       | 94.33  | 314.72              | 301.43                             | 330.38                             | 494.06                             | 209.81                                               | 220.25                                                                | 329.37                                                                |
| 47                                                                       | 96.14  | 322.89              | 310.94                             | 335.33                             | 502.41                             | 215.26                                               | 223.55                                                                | 334.94                                                                |
| 48                                                                       | 97.96  | 331.29              | 320.75                             | 340.38                             | 510.92                             | 220.86                                               | 226.92                                                                | 340.61                                                                |
| 49                                                                       | 99.83  | 339.90              | 330.87                             | 345.48                             | 519.54                             | 226.60                                               | 230.32                                                                | 346.36                                                                |
| 50                                                                       | 101.73 | 348.74              | 341.30                             | 350.69                             | 528.32                             | 232.49                                               | 233.79                                                                | 352.21                                                                |
| 51                                                                       | 109.57 | 375.57              | 369.84                             | 376.28                             | 561.74                             | 250.38                                               | 250.85                                                                | 374.49                                                                |
| 52                                                                       | 118.01 | 404.48              | 400.76                             | 403.73                             | 597.26                             | 269.65                                               | 269.15                                                                | 398.17                                                                |
| 53                                                                       | 127.09 | 435.63              | 434.27                             | 433.20                             | 635.03                             | 290.42                                               | 288.80                                                                | 423.35                                                                |
| 54                                                                       | 136.89 | 469.17              | 470.57                             | 464.82                             | 675.20                             | 312.78                                               | 309.88                                                                | 450.13                                                                |
| 55                                                                       | 147.42 | 505.29              | 509.91                             | 498.75                             | 717.89                             | 336.86                                               | 332.50                                                                | 478.59                                                                |
| 56                                                                       | 158.77 | 544.19              | 552.54                             | 535.16                             | 763.26                             | 362.79                                               | 356.77                                                                | 508.84                                                                |
| 57                                                                       | 171.00 | 586.08              | 598.73                             | 574.20                             | 811.55                             | 390.72                                               | 382.80                                                                | 541.03                                                                |
| 58                                                                       | 184.17 | 631.20              | 648.81                             | 616.11                             | 862.86                             | 420.80                                               | 410.74                                                                | 575.24                                                                |
| 59                                                                       | 198.35 | 679.80              | 703.04                             | 661.07                             | 917.42                             | 453.20                                               | 440.71                                                                | 611.61                                                                |
| 60                                                                       | 213.63 | 732.12              | 761.82                             | 709.32                             | 975.45                             | 488.08                                               | 472.88                                                                | 650.30                                                                |

Due to variations in rounding, actual premium may vary.

Pennsylvania Rates  
February 1, 2020



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

GRP 113172, GRP113172 ED 05/2009, GRP113570 and GRP 113570 ED 05/2009 - For Applications Received Prior to 4/5/2011  
Page 3 of 7

| Pennsylvania Rates Before Adjustments                           |          |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
|-----------------------------------------------------------------|----------|----------------------------|---------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|
| Gross Annual Premium Per \$10.00 of Facility Care Daily Benefit |          |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Home Care Daily Benefit: 100% of Facility Care Daily Benefit    |          |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Unlimited Daily Benefit Lifetime Maximum Benefit                |          |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| 90 Day Elimination Period                                       |          |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Lifetime Premium Payment Option                                 |          |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Inflation Option                                                |          |                            |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Issue Age                                                       | None     | Guaranteed Purchase Option | 5% Automatic Simple | 5% Automatic Compound (2x Maximum) | 3% Automatic Compound (No Maximum) | 5% Automatic Compound (No Maximum) | 5% Automatic Simple Reduced to 1.5% Automatic Simple | 3% Automatic Compound Reduced to 0.0% Automatic Compound (No Maximum) | 5% Automatic Compound Reduced to 1.5% Automatic Compound (No Maximum) |
| 18-30                                                           | 139.38   | 149.85                     | 363.29              | 238.55                             | 351.25                             | 543.10                             | 191.20                                               | 184.87                                                                | 285.84                                                                |
| 31                                                              | 140.86   | 151.44                     | 367.00              | 246.62                             | 358.43                             | 548.04                             | 193.16                                               | 188.65                                                                | 288.44                                                                |
| 32                                                              | 142.33   | 153.03                     | 370.71              | 254.95                             | 365.80                             | 552.96                             | 195.11                                               | 192.53                                                                | 291.03                                                                |
| 33                                                              | 143.85   | 154.64                     | 374.51              | 263.60                             | 373.26                             | 557.96                             | 197.11                                               | 196.45                                                                | 293.66                                                                |
| 34                                                              | 145.35   | 156.29                     | 378.28              | 272.51                             | 380.88                             | 562.99                             | 199.10                                               | 200.46                                                                | 296.31                                                                |
| 35                                                              | 146.88   | 157.92                     | 382.14              | 281.73                             | 388.65                             | 568.10                             | 201.13                                               | 204.55                                                                | 299.00                                                                |
| 36                                                              | 148.42   | 159.60                     | 385.99              | 291.28                             | 396.63                             | 573.24                             | 203.15                                               | 208.75                                                                | 301.70                                                                |
| 37                                                              | 149.98   | 161.27                     | 389.96              | 301.14                             | 404.73                             | 578.40                             | 205.24                                               | 213.02                                                                | 304.42                                                                |
| 38                                                              | 151.57   | 162.97                     | 393.92              | 311.34                             | 413.03                             | 583.63                             | 207.33                                               | 217.38                                                                | 307.17                                                                |
| 39                                                              | 153.16   | 164.71                     | 397.92              | 321.87                             | 421.44                             | 588.93                             | 209.43                                               | 221.81                                                                | 309.96                                                                |
| 40                                                              | 154.77   | 166.43                     | 401.97              | 332.76                             | 430.12                             | 594.24                             | 211.56                                               | 226.38                                                                | 312.76                                                                |
| 41                                                              | 157.06   | 168.93                     | 409.23              | 342.09                             | 434.90                             | 602.14                             | 215.38                                               | 228.89                                                                | 316.92                                                                |
| 42                                                              | 159.40   | 171.44                     | 416.66              | 351.64                             | 439.79                             | 610.21                             | 219.29                                               | 231.47                                                                | 321.17                                                                |
| 43                                                              | 161.80   | 174.00                     | 424.20              | 361.41                             | 444.79                             | 618.37                             | 223.26                                               | 234.10                                                                | 325.46                                                                |
| 44                                                              | 164.21   | 176.60                     | 431.88              | 371.52                             | 449.76                             | 626.61                             | 227.31                                               | 236.71                                                                | 329.79                                                                |
| 45                                                              | 166.65   | 179.22                     | 439.70              | 381.91                             | 454.78                             | 634.93                             | 231.42                                               | 239.36                                                                | 334.18                                                                |
| 46                                                              | 169.15   | 181.89                     | 447.66              | 392.58                             | 459.92                             | 643.42                             | 235.61                                               | 242.06                                                                | 338.64                                                                |
| 47                                                              | 171.66   | 184.60                     | 455.76              | 403.50                             | 465.09                             | 652.03                             | 239.87                                               | 244.78                                                                | 343.17                                                                |
| 48                                                              | 174.22   | 187.36                     | 464.03              | 414.79                             | 470.34                             | 660.68                             | 244.23                                               | 247.55                                                                | 347.73                                                                |
| 49                                                              | 176.82   | 190.16                     | 472.41              | 426.38                             | 475.62                             | 669.54                             | 248.64                                               | 250.33                                                                | 352.39                                                                |
| 50                                                              | 179.46   | 192.96                     | 480.95              | 438.31                             | 480.95                             | 678.48                             | 253.13                                               | 253.13                                                                | 357.09                                                                |
| 51                                                              | 188.00   | 202.13                     | 504.72              | 462.30                             | 502.15                             | 702.16                             | 265.64                                               | 264.29                                                                | 369.56                                                                |
| 52                                                              | 196.93   | 211.75                     | 529.69              | 487.57                             | 524.25                             | 726.60                             | 278.79                                               | 275.92                                                                | 382.42                                                                |
| 53                                                              | 206.28   | 221.80                     | 555.81              | 514.22                             | 547.34                             | 751.99                             | 292.53                                               | 288.08                                                                | 395.78                                                                |
| 54                                                              | 216.09   | 232.32                     | 583.29              | 542.34                             | 571.42                             | 778.21                             | 306.99                                               | 300.75                                                                | 409.59                                                                |
| 55                                                              | 226.34   | 243.37                     | 612.11              | 572.01                             | 596.61                             | 805.31                             | 322.17                                               | 314.01                                                                | 423.85                                                                |
| 56                                                              | 237.10   | 254.94                     | 642.33              | 603.32                             | 622.87                             | 833.40                             | 338.07                                               | 327.82                                                                | 438.63                                                                |
| 57                                                              | 248.37   | 267.05                     | 674.06              | 636.33                             | 650.32                             | 862.51                             | 354.77                                               | 342.27                                                                | 453.95                                                                |
| 58                                                              | 260.17   | 279.75                     | 707.36              | 671.13                             | 678.89                             | 892.53                             | 372.29                                               | 357.31                                                                | 469.75                                                                |
| 59                                                              | 272.52   | 293.02                     | 742.35              | 707.83                             | 708.81                             | 923.70                             | 390.71                                               | 373.06                                                                | 486.16                                                                |
| 60                                                              | 285.46   | 306.94                     | 779.00              | 746.57                             | 740.01                             | 955.93                             | 410.00                                               | 389.48                                                                | 503.12                                                                |
| 61                                                              | 308.19   | 331.37                     | 831.20              | 806.79                             | 786.31                             | 1,012.38                           | 437.47                                               | 413.85                                                                | 532.83                                                                |
| 62                                                              | 332.71   | 357.74                     | 886.95              | 871.92                             | 835.50                             | 1,072.23                           | 466.81                                               | 439.74                                                                | 564.33                                                                |
| 63                                                              | 359.17   | 386.21                     | 946.44              | 942.27                             | 887.70                             | 1,135.55                           | 498.12                                               | 467.21                                                                | 597.66                                                                |
| 64                                                              | 387.77   | 416.92                     | 1,009.92            | 1,018.33                           | 943.22                             | 1,202.67                           | 531.54                                               | 496.43                                                                | 632.98                                                                |
| 65                                                              | 418.62   | 450.11                     | 1,077.62            | 1,100.53                           | 1,002.21                           | 1,273.75                           | 567.17                                               | 527.48                                                                | 670.39                                                                |
| 66                                                              | 463.95   | 498.88                     | 1,182.33            | 1,206.69                           | 1,097.17                           | 1,382.23                           | 622.28                                               | 577.46                                                                | 727.49                                                                |
| 67                                                              | 514.18   | 552.90                     | 1,297.18            | 1,323.13                           | 1,201.19                           | 1,499.90                           | 682.73                                               | 632.20                                                                | 789.42                                                                |
| 68                                                              | 569.88   | 612.79                     | 1,423.20            | 1,450.77                           | 1,315.06                           | 1,627.65                           | 749.05                                               | 692.13                                                                | 856.66                                                                |
| 69                                                              | 631.58   | 679.14                     | 1,561.48            | 1,590.73                           | 1,439.68                           | 1,766.27                           | 821.83                                               | 757.73                                                                | 929.61                                                                |
| 70                                                              | 700.00   | 752.70                     | 1,713.17            | 1,744.20                           | 1,576.15                           | 1,916.70                           | 901.67                                               | 829.55                                                                | 1,008.79                                                              |
| 71                                                              | 784.91   | 843.99                     | 1,903.43            | 1,942.73                           | 1,754.95                           | 2,109.94                           | 1,001.81                                             | 923.66                                                                | 1,110.50                                                              |
| 72                                                              | 880.13   | 946.36                     | 2,114.72            | 2,163.88                           | 1,954.01                           | 2,322.69                           | 1,113.01                                             | 1,028.43                                                              | 1,222.47                                                              |
| 73                                                              | 986.87   | 1,061.13                   | 2,349.56            | 2,410.14                           | 2,175.66                           | 2,556.91                           | 1,236.61                                             | 1,145.09                                                              | 1,345.74                                                              |
| 74                                                              | 1,106.56 | 1,189.86                   | 2,610.42            | 2,684.52                           | 2,422.45                           | 2,814.70                           | 1,373.91                                             | 1,274.98                                                              | 1,481.42                                                              |
| 75                                                              | 1,240.78 | 1,334.18                   | 2,900.25            | 2,990.07                           | 2,697.23                           | 3,098.50                           | 1,526.45                                             | 1,419.59                                                              | 1,630.79                                                              |
| 76                                                              | 1,378.43 | 1,482.22                   | 3,203.40            | 3,296.02                           | 2,979.15                           | 3,391.32                           | 1,686.00                                             | 1,567.98                                                              | 1,784.90                                                              |
| 77                                                              | 1,531.39 | 1,646.67                   | 3,538.26            | 3,633.33                           | 3,290.57                           | 3,711.79                           | 1,862.24                                             | 1,731.88                                                              | 1,953.57                                                              |
| 78                                                              | 1,701.31 | 1,829.38                   | 3,908.11            | 4,005.08                           | 3,634.53                           | 4,062.59                           | 2,056.90                                             | 1,912.91                                                              | 2,138.20                                                              |
| 79                                                              | 1,890.08 | 2,032.39                   | 4,316.61            | 4,414.92                           | 4,014.43                           | 4,446.48                           | 2,271.90                                             | 2,112.86                                                              | 2,340.25                                                              |

Due to variations in rounding, actual premium may vary.

Pennsylvania Rates  
February 1, 2020

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

GRP 113172, GRP113172 ED 05/2009, GRP113570 and GRP 113570 ED 05/2009 - For Applications Received Prior to 4/5/2011  
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| Pennsylvania Rates Before Adjustments                           |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
|-----------------------------------------------------------------|--------|---------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|
| Gross Annual Premium Per \$10.00 of Facility Care Daily Benefit |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Home Care Daily Benefit: 100% of Facility Care Daily Benefit    |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Unlimited Daily Benefit Lifetime Maximum Benefit                |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| 90 Day Elimination Period                                       |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Premium Decrease at 65                                          |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Inflation Option                                                |        |                     |                                    |                                    |                                    |                                                      |                                                                       |                                                                       |
| Issue Age                                                       | None   | 5% Automatic Simple | 5% Automatic Compound (2x Maximum) | 3% Automatic Compound (No Maximum) | 5% Automatic Compound (No Maximum) | 5% Automatic Simple Reduced to 1.5% Automatic Simple | 3% Automatic Compound Reduced to 0.0% Automatic Compound (No Maximum) | 5% Automatic Compound Reduced to 1.5% Automatic Compound (No Maximum) |
| 18-30                                                           | 160.30 | 435.93              | 322.00                             | 507.18                             | 733.22                             | 229.44                                               | 266.94                                                                | 385.90                                                                |
| 31                                                              | 162.66 | 442.16              | 334.13                             | 512.46                             | 742.52                             | 232.72                                               | 269.72                                                                | 390.80                                                                |
| 32                                                              | 165.11 | 448.50              | 346.70                             | 517.77                             | 751.99                             | 236.05                                               | 272.51                                                                | 395.78                                                                |
| 33                                                              | 167.54 | 454.90              | 359.74                             | 523.16                             | 761.54                             | 239.42                                               | 275.35                                                                | 400.81                                                                |
| 34                                                              | 170.03 | 461.40              | 373.28                             | 528.60                             | 771.20                             | 242.84                                               | 278.21                                                                | 405.90                                                                |
| 35                                                              | 172.54 | 468.02              | 387.31                             | 534.11                             | 781.01                             | 246.33                                               | 281.11                                                                | 411.06                                                                |
| 36                                                              | 175.12 | 474.67              | 401.88                             | 539.66                             | 790.92                             | 249.83                                               | 284.03                                                                | 416.27                                                                |
| 37                                                              | 177.70 | 481.49              | 417.02                             | 545.25                             | 800.98                             | 253.41                                               | 286.97                                                                | 421.57                                                                |
| 38                                                              | 180.32 | 488.38              | 432.72                             | 550.92                             | 811.14                             | 257.04                                               | 289.96                                                                | 426.92                                                                |
| 39                                                              | 183.02 | 495.37              | 448.97                             | 556.64                             | 821.48                             | 260.72                                               | 292.97                                                                | 432.36                                                                |
| 40                                                              | 185.75 | 502.43              | 465.87                             | 562.43                             | 831.90                             | 264.44                                               | 296.01                                                                | 437.84                                                                |
| 41                                                              | 189.28 | 515.48              | 480.54                             | 570.89                             | 845.97                             | 271.30                                               | 300.47                                                                | 445.25                                                                |
| 42                                                              | 192.87 | 528.88              | 495.73                             | 579.46                             | 860.27                             | 278.36                                               | 304.98                                                                | 452.77                                                                |
| 43                                                              | 196.55 | 542.62              | 511.34                             | 588.18                             | 874.80                             | 285.59                                               | 309.57                                                                | 460.42                                                                |
| 44                                                              | 200.30 | 556.70              | 527.49                             | 597.03                             | 889.60                             | 293.00                                               | 314.23                                                                | 468.21                                                                |
| 45                                                              | 204.12 | 571.17              | 544.13                             | 606.03                             | 904.65                             | 300.62                                               | 318.96                                                                | 476.13                                                                |
| 46                                                              | 208.00 | 586.00              | 561.25                             | 615.16                             | 919.93                             | 308.42                                               | 323.77                                                                | 484.17                                                                |
| 47                                                              | 211.99 | 601.22              | 578.96                             | 624.38                             | 935.49                             | 316.43                                               | 328.62                                                                | 492.36                                                                |
| 48                                                              | 216.00 | 616.86              | 597.23                             | 633.79                             | 951.32                             | 324.66                                               | 333.57                                                                | 500.70                                                                |
| 49                                                              | 220.13 | 632.89              | 616.08                             | 643.28                             | 967.38                             | 333.10                                               | 338.57                                                                | 509.15                                                                |
| 50                                                              | 224.31 | 649.34              | 635.49                             | 652.98                             | 983.72                             | 341.76                                               | 343.67                                                                | 517.75                                                                |
| 51                                                              | 241.60 | 699.31              | 688.64                             | 700.62                             | 1,045.95                           | 368.06                                               | 368.75                                                                | 550.50                                                                |
| 52                                                              | 260.21 | 753.13              | 746.21                             | 751.74                             | 1,112.09                           | 396.39                                               | 395.65                                                                | 585.31                                                                |
| 53                                                              | 280.23 | 811.14              | 808.60                             | 806.62                             | 1,182.42                           | 426.92                                               | 424.54                                                                | 622.32                                                                |
| 54                                                              | 301.84 | 873.59              | 876.19                             | 865.49                             | 1,257.21                           | 459.79                                               | 455.52                                                                | 661.69                                                                |
| 55                                                              | 325.06 | 940.85              | 949.45                             | 928.67                             | 1,336.70                           | 495.18                                               | 488.78                                                                | 703.53                                                                |
| 56                                                              | 350.09 | 1,013.27            | 1,028.83                           | 996.46                             | 1,421.19                           | 533.30                                               | 524.45                                                                | 747.99                                                                |
| 57                                                              | 377.06 | 1,091.28            | 1,114.83                           | 1,069.16                           | 1,511.10                           | 574.36                                               | 562.72                                                                | 795.31                                                                |
| 58                                                              | 406.09 | 1,175.29            | 1,208.08                           | 1,147.20                           | 1,606.65                           | 618.58                                               | 603.79                                                                | 845.60                                                                |
| 59                                                              | 437.36 | 1,265.79            | 1,309.05                           | 1,230.90                           | 1,708.23                           | 666.20                                               | 647.84                                                                | 899.07                                                                |
| 60                                                              | 471.05 | 1,363.21            | 1,418.51                           | 1,320.75                           | 1,816.29                           | 717.48                                               | 695.13                                                                | 955.94                                                                |

Due to variations in rounding, actual premium may vary.

Pennsylvania Rates  
February 1, 2020

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

GRP 113172, GRP113172 ED 05/2009, GRP113570 and GRP 113570 ED 05/2009 - For Applications Received Prior to 4/5/2011  
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| ADJUSTMENT FACTORS – LIFETIME MAXIMUM<br>(BENEFIT PERIOD) |        |           |
|-----------------------------------------------------------|--------|-----------|
| Benefit Period                                            | 5 Year | Unlimited |
| 2 Year                                                    | 0.730  | N/A       |
| 3 Year                                                    | 0.860  | N/A       |
| 4 Year                                                    | 0.940  | N/A       |
| 5 Year                                                    | 1.000  | N/A       |
| 6 Year                                                    | 1.040  | N/A       |
| 10 Year                                                   | N/A    | 0.912     |
| Unlimited                                                 | N/A    | 1.000     |

| ADJUSTMENT FACTORS –<br>ELIMINATION PERIOD |      |
|--------------------------------------------|------|
| Elimination Period                         |      |
| 30 Day                                     | 1.25 |
| 60 Day                                     | 1.08 |
| 90 Day                                     | 1.00 |
| 120 Day                                    | 0.97 |
| 180 Day                                    | 0.90 |
| 365 Day                                    | 0.75 |

| ADJUSTMENT FACTORS – HOME<br>CARE DAILY BENEFIT    |      |
|----------------------------------------------------|------|
| Home Care Benefit as<br>a % of Facility<br>Benefit |      |
| 50%                                                | 0.93 |
| 75%                                                | 0.97 |
| 100%                                               | 1.00 |
| 150%                                               | 1.12 |

| ADJUSTMENT FACTORS – MONTHLY BENEFIT RIDER         |                  |       |                                               |                             |                              |
|----------------------------------------------------|------------------|-------|-----------------------------------------------|-----------------------------|------------------------------|
| Home Care Benefit as<br>a % of Facility<br>Benefit | INFLATION OPTION |       |                                               |                             |                              |
|                                                    | None             | GPO   | Simple, 2, 3 & 4%<br>Compound (No<br>Maximum) | 5% Compound (2x<br>Maximum) | 5 % Compound (No<br>Maximum) |
| 50%                                                | 1.065            | 1.065 | 1.075                                         | 1.090                       | 1.090                        |
| 75%                                                | 1.063            | 1.063 | 1.068                                         | 1.083                       | 1.083                        |
| 100%                                               | 1.050            | 1.050 | 1.055                                         | 1.070                       | 1.070                        |
| 150%                                               | 1.047            | 1.047 | 1.052                                         | 1.067                       | 1.067                        |

| ADJUSTMENT FACTORS – CASH BENEFIT RIDER            |                |                  |      |                                               |                             |                              |
|----------------------------------------------------|----------------|------------------|------|-----------------------------------------------|-----------------------------|------------------------------|
| Home Care Benefit as<br>a % of Facility<br>Benefit | Benefit Period | INFLATION OPTION |      |                                               |                             |                              |
|                                                    |                | None             | GPO  | Simple, 2, 3 & 4%<br>Compound (No<br>Maximum) | 5% Compound (2x<br>Maximum) | 5 % Compound (No<br>Maximum) |
| 50%                                                | 2              | 1.43             | 1.43 | 1.48                                          | 1.50                        | 1.52                         |
|                                                    | 3              | 1.46             | 1.46 | 1.50                                          | 1.53                        | 1.55                         |
|                                                    | 4              | 1.48             | 1.48 | 1.52                                          | 1.55                        | 1.57                         |
|                                                    | 5              | 1.50             | 1.50 | 1.54                                          | 1.57                        | 1.58                         |
|                                                    | 6              | 1.52             | 1.52 | 1.57                                          | 1.59                        | 1.61                         |
| 75%                                                | 2              | 1.52             | 1.52 | 1.57                                          | 1.60                        | 1.62                         |
|                                                    | 3              | 1.55             | 1.55 | 1.60                                          | 1.63                        | 1.65                         |
|                                                    | 4              | 1.57             | 1.57 | 1.62                                          | 1.65                        | 1.66                         |
|                                                    | 5              | 1.59             | 1.59 | 1.64                                          | 1.66                        | 1.68                         |
|                                                    | 6              | 1.62             | 1.62 | 1.66                                          | 1.69                        | 1.71                         |
| 100%                                               | 2              | 1.63             | 1.63 | 1.68                                          | 1.71                        | 1.73                         |
|                                                    | 3              | 1.66             | 1.66 | 1.71                                          | 1.74                        | 1.76                         |
|                                                    | 4              | 1.68             | 1.68 | 1.73                                          | 1.76                        | 1.78                         |
|                                                    | 5              | 1.70             | 1.70 | 1.75                                          | 1.78                        | 1.80                         |
|                                                    | 6              | 1.73             | 1.73 | 1.78                                          | 1.81                        | 1.83                         |
|                                                    | 10             | 1.77             | 1.77 | 1.82                                          | 1.85                        | 1.87                         |

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

GRP 113172, GRP113172 ED 05/2009, GRP113570 and GRP 113570 ED 05/2009 - For Applications Received Prior to 4/5/2011  
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| ADJUSTMENT FACTORS – FLEXIBLE CASH BENEFIT RIDER |                |                  |       |                                         |                          |                           |
|--------------------------------------------------|----------------|------------------|-------|-----------------------------------------|--------------------------|---------------------------|
| Home Care Benefit as a % of Facility Benefit     | Benefit Period | INFLATION OPTION |       |                                         |                          |                           |
|                                                  |                | None             | GPO   | Simple, 2, 3 & 4% Compound (No Maximum) | 5% Compound (2x Maximum) | 5 % Compound (No Maximum) |
| 50%                                              | 2              | 1.215            | 1.215 | 1.240                                   | 1.250                    | 1.260                     |
|                                                  | 3              | 1.230            | 1.230 | 1.250                                   | 1.265                    | 1.275                     |
|                                                  | 4              | 1.240            | 1.240 | 1.260                                   | 1.275                    | 1.285                     |
|                                                  | 5              | 1.250            | 1.250 | 1.270                                   | 1.285                    | 1.290                     |
|                                                  | 6              | 1.260            | 1.260 | 1.285                                   | 1.295                    | 1.305                     |
|                                                  | 10             | 1.280            | 1.280 | 1.300                                   | 1.315                    | 1.325                     |
| 75%                                              | 2              | 1.260            | 1.260 | 1.285                                   | 1.300                    | 1.310                     |
|                                                  | 3              | 1.275            | 1.275 | 1.300                                   | 1.315                    | 1.325                     |
|                                                  | 4              | 1.285            | 1.285 | 1.310                                   | 1.325                    | 1.330                     |
|                                                  | 5              | 1.295            | 1.295 | 1.320                                   | 1.330                    | 1.340                     |
|                                                  | 6              | 1.310            | 1.310 | 1.330                                   | 1.345                    | 1.355                     |
|                                                  | 10             | 1.325            | 1.325 | 1.350                                   | 1.365                    | 1.375                     |
| 100%                                             | 2              | 1.315            | 1.315 | 1.340                                   | 1.355                    | 1.365                     |
|                                                  | 3              | 1.330            | 1.330 | 1.355                                   | 1.370                    | 1.380                     |
|                                                  | 4              | 1.340            | 1.340 | 1.365                                   | 1.380                    | 1.390                     |
|                                                  | 5              | 1.350            | 1.350 | 1.375                                   | 1.390                    | 1.400                     |
|                                                  | 6              | 1.365            | 1.365 | 1.390                                   | 1.405                    | 1.415                     |
|                                                  | 10             | 1.385            | 1.385 | 1.410                                   | 1.425                    | 1.435                     |

| ADJUSTMENT FACTORS – SHORTENED BENEFIT PERIOD NONFORFEITURE RIDER |      |
|-------------------------------------------------------------------|------|
| Included                                                          |      |
| Yes                                                               | 1.11 |
| No                                                                | 1.00 |

| ADJUSTMENT FACTORS – UNDERWRITING CLASS |      |
|-----------------------------------------|------|
| Underwriting Class                      |      |
| Preferred                               | 0.85 |
| Standard I                              | 1.00 |
| Standard II                             | 1.25 |
| Standard III                            | 1.50 |

| ADJUSTMENT FACTORS – JOINT WAIVER OF PREMIUM RIDER |      |
|----------------------------------------------------|------|
| Issue Age                                          |      |
| 18-54                                              | 1.01 |
| 55-64                                              | 1.02 |
| 65-69                                              | 1.03 |
| 70-74                                              | 1.05 |
| 75-79                                              | 1.09 |

| ADJUSTMENT FACTORS – SHARED CARE |      |
|----------------------------------|------|
| Benefit Period                   |      |
| 2 Year                           | 1.23 |
| 3 Year                           | 1.15 |
| 4 Year                           | 1.10 |
| 5 Year                           | 1.08 |
| 6 Year                           | 1.08 |
| 10 Year                          | 1.07 |

| ADJUSTMENT FACTORS – RETURN OF PREMIUM UPON DEATH RIDER |      |
|---------------------------------------------------------|------|
| Issue Age                                               |      |
| 18-34                                                   | 1.25 |
| 35-44                                                   | 1.30 |
| 45-54                                                   | 1.45 |
| 55-59                                                   | 1.65 |
| 60-64                                                   | 1.85 |
| 65-69                                                   | 2.00 |
| 70-75                                                   | 2.50 |
| 76-79                                                   | N/A  |

| ADJUSTMENT FACTORS – PREMIUM PAYMENT MODE |       |
|-------------------------------------------|-------|
| Premium Payment Mode                      |       |
| Annual                                    | 1.000 |
| Semi-Annual                               | 0.515 |
| Quarterly                                 | 0.265 |
| Monthly                                   | 0.090 |
| Auto-Monthly                              | 0.085 |

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

GRP 113172, GRP113172 ED 05/2009, GRP113570 and GRP 113570 ED 05/2009 - For Applications Received Prior to 4/5/2011  
 Page 7 of 7

| <b>ADJUSTMENT FACTORS - DISCOUNTS</b> |                                             |                                              |                                               |                                       |                                        |                                         |                                        |
|---------------------------------------|---------------------------------------------|----------------------------------------------|-----------------------------------------------|---------------------------------------|----------------------------------------|-----------------------------------------|----------------------------------------|
| <b>Partner Status</b>                 | <b>Partner Discount in Combination with</b> |                                              |                                               |                                       |                                        |                                         |                                        |
|                                       |                                             | <b>Employer Sponsored Program Discount I</b> | <b>Employer Sponsored Program Discount II</b> | <b>Affiliation Program Discount I</b> | <b>Affiliation Program Discount II</b> | <b>Affiliation Program Discount III</b> | <b>Affiliation Program Discount IV</b> |
| <b>Single Partner</b>                 | 0.85                                        | 0.80                                         | 0.75                                          | 0.80                                  | 0.77                                   | 0.75                                    | 0.73                                   |
| <b>Joint Partner</b>                  | 0.70                                        | 0.65                                         | 0.60                                          | 0.65                                  | 0.62                                   | 0.60                                    | 0.58                                   |
| <b>Single (No Partner)</b>            | 1.00                                        | 0.95                                         | 0.90                                          | 0.95                                  | 0.92                                   | 0.90                                    | 0.88                                   |

| <b>ADJUSTMENT FACTORS</b>               |                            |                     |
|-----------------------------------------|----------------------------|---------------------|
| <b>SURVIVOR WAIVER OF PREMIUM RIDER</b> |                            |                     |
| <b>Issue Ages</b>                       | <b>INFLATION OPTION</b>    |                     |
|                                         | <b>Automatic Inflation</b> | <b>No Inflation</b> |
| <b>18-34</b>                            | 1.121                      | 1.08                |
| <b>35-44</b>                            | 1.136                      | 1.11                |
| <b>45-54</b>                            | 1.146                      | 1.13                |
| <b>55-64</b>                            | 1.141                      | 1.13                |
| <b>65-74</b>                            | 1.107                      | 1.10                |
| <b>75-79</b>                            | 1.075                      | 1.07                |

| <b>ADJUSTMENT FACTORS – WAIVER OF THE ELIMINATION PERIOD FOR HOME CARE</b> |      |
|----------------------------------------------------------------------------|------|
| <b>Elimination Period</b>                                                  |      |
| <b>30 Day</b>                                                              | 1.04 |
| <b>60 Day</b>                                                              | 1.10 |
| <b>90 Day</b>                                                              | 1.12 |
| <b>120 Day</b>                                                             | NA   |
| <b>180 Day</b>                                                             | NA   |
| <b>365 Day</b>                                                             | NA   |

| <b>ADJUSTMENT FACTORS – ELIMINATION OF CASH ALTERNATIVE OPTION</b> |      |
|--------------------------------------------------------------------|------|
|                                                                    |      |
| <b>Taken</b>                                                       | 0.87 |
| <b>Not Taken</b>                                                   | 1.00 |

Elimination of Cash Alternative not available to policies with Cash or Flex Cash Riders

*Pennsylvania Rates  
 February 1, 2020*

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-3 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 (ILTC-3) - 6-20-2019.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 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 ILTC3.pdf<br>PA All ILTC3 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>     |                               |

**State:** Pennsylvania  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Individual LongTerm Care Insurance  
**Project Name/Number:** ILTC-3 Re-Rate LS/8I-2019

**Filing Company:** The Prudential Insurance Company of America

|                          |                                                                                          |
|--------------------------|------------------------------------------------------------------------------------------|
| <b>Status Date:</b>      |                                                                                          |
| <b>Bypassed - Item:</b>  | Rate Table (A&H)                                                                         |
| <b>Bypass Reason:</b>    | Please refer to Appendix D - Rate Pages located on the Rate Schedule Tab of this filing. |
| <b>Attachment(s):</b>    |                                                                                          |
| <b>Item Status:</b>      |                                                                                          |
| <b>Status Date:</b>      |                                                                                          |
| <b>Bypassed - Item:</b>  | Replacement Form with Highlighted Changes (A&H)                                          |
| <b>Bypass Reason:</b>    | N/A                                                                                      |
| <b>Attachment(s):</b>    |                                                                                          |
| <b>Item Status:</b>      |                                                                                          |
| <b>Status Date:</b>      |                                                                                          |
| <b>Bypassed - Item:</b>  | 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-131980364

**State Tracking #:****Company Tracking #:**

IIGHILTC3RATE-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-3 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 Detail              |
| <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> | ILTC-3 Policyholder Notification Letter Package                                                                                                                                                       |
| <b>Comments:</b>         |                                                                                                                                                                                                       |
| <b>Attachment(s):</b>    | LTC-Policyholder Notification Letter (ILTC3) Round 8.pdf<br>LTC-Coverage Options (ILTC3) Round 8.pdf<br>LTC-Change Request Form (ILTC3) Round 8.pdf<br>Frequently Asked Questions (ILTC3) Round 8.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  
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 Plaza, 11<sup>th</sup> Floor  
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 Tel 973-802-6596  
[john.timmerberg@prudential.com](mailto:john.timmerberg@prudential.com)

June 20, 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 113172, GRP 113172 ED 05/2009, GRP 113570, GRP 113570 ED 05/2009, 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 113172 was previously approved by the Department on June 16, 2005, Form GRP 113172 ED 05/2009 was previously approved by the Department on September 22, 2009, Form GRP 113570 was previously approved by the Department on February 9, 2006 and Form GRP 113570 ED 05/2009 was approved by the Department on September 25, 2009. These form series were sold nationwide during the period of 2004 through 2006. These products are 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-131555379 on August 31, 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 | 50.0%                   |
| No Inflation   | less than 10 year   | 0.0%                    |
| Auto Inflation | Lifetime or 10 year | 90.0%                   |
| Auto Inflation | less than 10 year   | 50.0%                   |

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-131980377.

The following items are included with this submission:

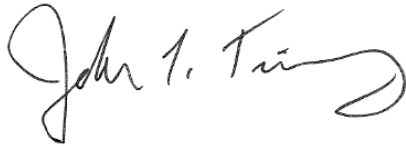
- All Actuarial Material
- All Required Certifications
- State transmittal and checklists (If applicable)
- Optional Rider[s] (Please refer to SERFF Filing PRUD-131980377)

**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 20, 2019  
Page 2

Very truly yours,

A handwritten signature in black ink, reading "John L. Timmerberg". The signature is fluid and cursive, 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

**FORM NUMBER DESCRIPTION**

**ILTC-3 Regular:**

GRP 115364 – 1.5% Automatic Compound Inflation – No Max Amendatory Rider  
GRP 115370 – 1.5% Automatic Simple Inflation Amendatory Rider  
GRP 115328 – 0% Automatic Compound Inflation – No Max Amendatory Rider  
GRP 115335 – 2.6% Automatic Compound Inflation – No Max Amendatory Rider  
GRP 115337 – 2.6% Automatic Simple Inflation Amendatory Rider  
GRP 115336 – 0.6% Automatic Compound Inflation – No Max Amendatory Rider

**ILTC-3 Franchise:**

GRP 115477 – 1.5% Automatic Compound Inflation – No Max Amendatory Rider  
GRP 115478 – 1.5% Automatic Simple Inflation Amendatory Rider  
GRP 115479 – 0% Automatic Compound Inflation – No Max Amendatory Rider  
GRP 115480 – 2.6% Automatic Compound Inflation – No Max Amendatory Rider  
GRP 118481 – 2.6% Automatic Simple Inflation Amendatory Rider  
GRP 115482 – 0.6% Automatic Compound Inflation – No Max Amendatory Rider

June 13, 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> |
|---------------------|-----------------------|------------------------------------|
| ILTC3               | GRP 113172            | 09/2005 - 02/2012                  |
| ILTC3 Franchise     | GRP 113570            | 09/2005 - 08/2012                  |
| ILTC3               | GRP 113172 ED 05/2009 | 09/2005 - 08/2012                  |
| ILTC3 Franchise     | GRP 113570 ED 05/2009 | 09/2005 - 08/2012                  |

This state also approved revised new business rates for the above form number that were effective for applications received on or after 4/5/2011. This rate revision does not apply to any policies applied for with this form number in this state after this date.

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   | 50.0%                          |
| No Inflation          | less than 10 year     | 0.0%                           |
| Auto Inflation        | Lifetime or 10 year   | 90.0%                          |
| Auto Inflation        | less than 10 year     | 50.0%                          |

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

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 13, 2019**

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.

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:

| Inflation Type | Benefit Period      | Current Inflation Rate | Landing Spot Inflation Rate |
|----------------|---------------------|------------------------|-----------------------------|
| Auto Inflation | Lifetime or 10 year | 5%                     | 1.5%                        |
| Auto Inflation | Lifetime or 10 year | 3%                     | 0.0%                        |
| Auto Inflation | less than 10 year   | 5%                     | 2.6%                        |
| Auto Inflation | less than 10 year   | 3%                     | 0.6%                        |

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 on page 3 shows that for policies with auto inflation and lifetime or 10-year benefit periods, the lifetime anticipated loss ratio under the first scenario is 102.5% and under the second scenario it is 103.1%.

**Actuarial Memorandum Supporting Rate Revisions for  
The Prudential Insurance Company of American  
Individual Long-Term Care Insurance Product  
June 13, 2019**

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

| <b>Loss Ratio Summaries</b>            |                                                 | <b>Earned<br/>Premium</b> | <b>Incurred<br/>Claims</b> | <b>Incurred<br/>Ratio</b> |
|----------------------------------------|-------------------------------------------------|---------------------------|----------------------------|---------------------------|
| <b>With<br/>Requested<br/>Increase</b> | Accumulated Value of<br>Historical to 6/30/2018 | 169,914,672               | 20,117,876                 | 11.8%                     |
|                                        | Present Value of Future to<br>6/30/2018         | 345,205,412               | 507,778,402                | 147.1%                    |
|                                        | <b>Total Values</b>                             | <b>515,120,084</b>        | <b>527,896,278</b>         | <b>102.5%</b>             |
| <b>With<br/>Landing<br/>Spot</b>       | Accumulated Value of<br>Historical to 6/30/2018 | 169,914,672               | 20,117,876                 | 11.8%                     |
|                                        | Present Value of Future to<br>6/30/2018         | 222,516,928               | 384,301,517                | 172.7%                    |
|                                        | <b>Total Values</b>                             | <b>392,431,600</b>        | <b>404,419,393</b>         | <b>103.1%</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 83.5% and under the second scenario it is 83.3%.

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

| <b>Loss Ratio Summaries</b>            |                                                 | <b>Earned<br/>Premium</b> | <b>Incurred<br/>Claims</b> | <b>Incurred<br/>Ratio</b> |
|----------------------------------------|-------------------------------------------------|---------------------------|----------------------------|---------------------------|
| <b>With<br/>Requested<br/>Increase</b> | Accumulated Value of<br>Historical to 6/30/2018 | 847,011,798               | 65,033,977                 | 7.7%                      |
|                                        | Present Value of Future to<br>6/30/2018         | 1,467,242,410             | 1,866,389,884              | 127.2%                    |
|                                        | <b>Total Values</b>                             | <b>2,314,254,208</b>      | <b>1,931,423,861</b>       | <b>83.5%</b>              |
| <b>With<br/>Landing<br/>Spot</b>       | Accumulated Value of<br>Historical to 6/30/2018 | 847,011,798               | 65,033,977                 | 7.7%                      |
|                                        | Present Value of Future to<br>6/30/2018         | 1,173,531,517             | 1,617,861,142              | 137.9%                    |
|                                        | <b>Total Values</b>                             | <b>2,020,543,315</b>      | <b>1,682,895,119</b>       | <b>83.3%</b>              |

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

**Actuarial Memorandum Supporting Rate Revisions for  
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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 “ILTC3” 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.



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### **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.

#### **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

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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.

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| 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 4.0% 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 - 79. Premiums are based on issue age.

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**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 4.0% 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.

**12. Trend Assumption**

Benefits payable are equal to or less than the daily or monthly benefit limit. We have not

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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 ILTC3 active policies.

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

### **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.

### **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.

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**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 February 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 February 1, 2020.

**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.

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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.

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.

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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. At that time, the requested increase would be recalculated to manage the block to the target lifetime loss ratio as shown in Appendix A, Section 22a.

A handwritten signature in black ink, appearing to read "John L. Timmerberg". The signature is fluid and cursive, with a large loop at the end.

John L. Timmerberg, ASA, MAAA  
Vice President & Actuary  
Prudential Long Term Care  
June 13, 2019



**Appendix A**  
**The Prudential Insurance Company of America**  
**ILTC3**

**Pennsylvania**

**Requested Rate Increase**

| <u>Benefit Type</u>      | <u>Requested Amount</u> |
|--------------------------|-------------------------|
| No Inflation/Unlimited   | 50.0%                   |
| No Inflation/Limited     | 0.0%                    |
| Auto Inflation/Unlimited | 90.0%                   |
| Auto Inflation/Limited   | 50.0%                   |

**8. Average Annual Premium**

| <u>Rate Basis</u> | <u>Pennsylvania</u> | <u>Nationwide</u> |
|-------------------|---------------------|-------------------|
| Without Increase  | \$2,695             | \$2,915           |
| With Increase     | \$3,864             | \$4,350           |

**13. Satisfaction of Loss Ratio Requirements**

Rate Stability Requirement:

|                           |                 |
|---------------------------|-----------------|
| 1) Total Incurred Claims  | \$2,775,665,695 |
| 58% of initial premium    | \$1,162,494,156 |
| 85% of increased premium  | \$1,034,920,781 |
| 2) Sum of 58%/85% premium | \$2,197,414,937 |
| Is 1 greater than 2?      | Yes             |

**16. Lifetime Loss Ratio**

| <u>Policy type</u>       | <u>Without Increase</u> | <u>With Increase</u> |
|--------------------------|-------------------------|----------------------|
| All                      | 112%                    | 86%                  |
| No Inflation/Unlimited   | 124%                    | 99%                  |
| No Inflation/Limited     | 76%                     | 76%                  |
| Auto Inflation/Unlimited | 151%                    | 102%                 |
| Auto Inflation/Limited   | 109%                    | 83%                  |

**17. History of Rate Adjustments**

Auto Inflation Policies

- 20% implemented on 02/01/2014
- 20% implemented on 12/01/2016
- 15.8% implemented on 02/01/2019

No Inflation Policies

- 10% implemented on 02/01/2014
- 15% implemented on 02/01/2019

**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                      | 1,364                   | 36,584            | \$3,675,440            | \$106,636,103     |
| No Inflation/Unlimited   | 13                      | 928               | \$39,553               | \$3,006,413       |
| No Inflation/Limited     | 324                     | 5,482             | \$737,823              | \$12,792,703      |
| Auto Inflation/Unlimited | 77                      | 3,357             | \$315,397              | \$13,999,169      |
| Auto Inflation/Limited   | 950                     | 26,817            | \$2,582,667            | \$76,837,817      |

**22. Projected Loss Ratio**

|                                                                                                      |     |
|------------------------------------------------------------------------------------------------------|-----|
| (a) Projected target lifetime loss ratio with rate increase                                          | 86% |
| (b) Lifetime loss ratio with rate increase and 10% moderately adverse load to future incurred claims | 94% |

Appendix B  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Nationwide Experience  
Pennsylvania Premium Rate Basis  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 637,895        | 0           | 0             | 0               | 0%             |
| 2006          | 6,801,094      | 7,855       | 0             | 7,855           | 0%             |
| 2007          | 16,583,079     | 650,692     | 107,736       | 758,427         | 5%             |
| 2008          | 31,498,045     | 1,634,397   | 225,119       | 1,859,516       | 6%             |
| 2009          | 46,540,588     | 3,678,271   | 546,252       | 4,224,523       | 9%             |
| 2010          | 62,560,268     | 4,020,232   | 204,738       | 4,224,971       | 7%             |
| 2011          | 89,081,052     | 3,163,214   | 868,588       | 4,031,802       | 5%             |
| 2012          | 107,094,916    | 6,418,745   | 1,533,473     | 7,952,218       | 7%             |
| 2013          | 106,294,496    | 5,999,610   | 2,142,164     | 8,141,774       | 8%             |
| 2014          | 118,589,390    | 7,978,632   | 3,861,840     | 11,840,472      | 10%            |
| 2015          | 116,544,648    | 7,302,680   | 8,944,735     | 16,247,415      | 14%            |
| 2016          | 124,308,386    | 6,171,577   | 10,658,647    | 16,830,224      | 14%            |
| 2017          | 130,097,195    | 3,454,719   | 20,165,376    | 23,620,096      | 18%            |
| 2018*         | 62,420,089     | 107,489     | 9,466,371     | 9,573,860       | 15%            |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 60,631,350     | 13,262,757      | 22%            |
| 2019          | 128,267,410    | 29,216,839      | 23%            |
| 2020          | 127,464,253    | 33,623,337      | 26%            |
| 2021          | 121,672,315    | 38,745,017      | 32%            |
| 2022          | 116,188,181    | 44,488,367      | 38%            |
| 2023          | 112,951,919    | 51,028,622      | 45%            |
| 2024          | 109,894,281    | 58,358,953      | 53%            |
| 2025          | 106,798,477    | 66,648,713      | 62%            |
| 2026          | 103,683,374    | 76,123,947      | 73%            |
| 2027          | 100,480,365    | 86,742,161      | 86%            |
| 2028          | 97,157,929     | 98,460,199      | 101%           |
| 2029          | 93,707,772     | 111,297,163     | 119%           |
| 2030          | 90,153,571     | 125,166,515     | 139%           |
| 2031          | 86,471,806     | 139,924,699     | 162%           |
| 2032          | 82,692,678     | 155,466,807     | 188%           |
| 2033          | 78,808,538     | 171,683,139     | 218%           |
| 2034          | 74,804,772     | 188,355,111     | 252%           |
| 2035          | 70,714,928     | 204,957,261     | 290%           |
| 2036          | 66,540,199     | 220,995,219     | 332%           |
| 2037          | 62,313,541     | 236,254,257     | 379%           |
| 2038          | 58,091,391     | 250,301,437     | 431%           |
| 2039          | 53,868,450     | 262,676,443     | 488%           |
| 2040          | 49,653,326     | 272,785,918     | 549%           |
| 2041          | 45,496,265     | 280,221,798     | 616%           |
| 2042          | 41,437,565     | 284,922,140     | 688%           |
| 2043          | 37,516,358     | 286,772,625     | 764%           |
| 2044          | 33,757,020     | 285,788,073     | 847%           |
| 2045          | 30,186,760     | 281,830,079     | 934%           |
| 2046          | 26,826,543     | 274,964,543     | 1025%          |
| 2047          | 23,690,262     | 265,452,941     | 1121%          |
| 2048          | 20,788,039     | 253,775,637     | 1221%          |
| 2049          | 18,126,000     | 240,338,249     | 1326%          |
| 2050          | 15,706,486     | 225,437,921     | 1435%          |
| 2051          | 13,526,737     | 209,458,068     | 1548%          |
| 2052          | 11,579,285     | 192,702,507     | 1664%          |
| 2053          | 9,853,765      | 175,668,698     | 1783%          |
| 2054          | 8,337,651      | 158,796,888     | 1905%          |
| 2055          | 7,016,973      | 142,329,115     | 2028%          |
| 2056          | 5,875,988      | 126,653,089     | 2155%          |
| 2057+         | 27,742,225     | 938,462,469     | 3383%          |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 60,631,350     | 13,262,757      | 22%            |
| 2019          | 128,267,410    | 29,216,839      | 23%            |
| 2020          | 156,975,245    | 31,642,988      | 20%            |
| 2021          | 158,621,930    | 35,389,624      | 22%            |
| 2022          | 151,480,414    | 40,527,408      | 27%            |
| 2023          | 147,357,363    | 46,371,951      | 31%            |
| 2024          | 143,463,313    | 52,904,158      | 37%            |
| 2025          | 139,526,615    | 60,273,379      | 43%            |
| 2026          | 135,563,577    | 68,678,337      | 51%            |
| 2027          | 131,481,958    | 78,074,648      | 59%            |
| 2028          | 127,239,468    | 88,418,423      | 69%            |
| 2029          | 122,824,145    | 99,724,134      | 81%            |
| 2030          | 118,272,018    | 111,909,567     | 95%            |
| 2031          | 113,545,021    | 124,843,642     | 110%           |
| 2032          | 108,687,849    | 138,433,308     | 127%           |
| 2033          | 103,685,248    | 152,582,721     | 147%           |
| 2034          | 98,517,574     | 167,100,100     | 170%           |
| 2035          | 93,225,452     | 181,519,605     | 195%           |
| 2036          | 87,812,204     | 195,407,690     | 223%           |
| 2037          | 82,319,595     | 208,580,914     | 253%           |
| 2038          | 76,826,323     | 220,663,877     | 287%           |
| 2039          | 71,322,185     | 231,259,136     | 324%           |
| 2040          | 65,819,051     | 239,849,211     | 364%           |
| 2041          | 60,381,978     | 246,084,266     | 408%           |
| 2042          | 55,064,581     | 249,919,829     | 454%           |
| 2043          | 49,918,537     | 251,264,003     | 503%           |
| 2044          | 44,976,646     | 250,141,102     | 556%           |
| 2045          | 40,275,378     | 246,435,377     | 612%           |
| 2046          | 35,843,147     | 240,209,971     | 670%           |
| 2047          | 31,699,275     | 231,698,647     | 731%           |
| 2048          | 27,858,069     | 221,323,622     | 794%           |
| 2049          | 24,328,620     | 209,441,093     | 861%           |
| 2050          | 21,115,040     | 196,312,960     | 930%           |
| 2051          | 18,214,657     | 182,272,888     | 1001%          |
| 2052          | 15,618,602     | 167,585,124     | 1073%          |
| 2053          | 13,314,050     | 152,680,426     | 1147%          |
| 2054          | 11,285,225     | 137,939,566     | 1222%          |
| 2055          | 9,514,358      | 123,571,548     | 1299%          |
| 2056          | 7,981,277      | 109,909,840     | 1377%          |
| 2057+         | 37,972,040     | 812,448,269     | 2140%          |

\* 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 | 1,220,639,610 | 125,565,513   | 10%  | 1,220,639,610 | 125,565,513   | 10%  |
| Present Value of Future to 6/30/2018         | 1,575,458,004 | 2,995,793,168 | 190% | 2,001,214,519 | 2,650,100,182 | 132% |
| Total Values<br>(Discounted at 4.0%)         | 2,796,097,614 | 3,121,358,681 | 112% | 3,221,854,129 | 2,775,665,695 | 86%  |

Minimum Lifetime Loss Ratio

60%

Appendix F  
The Prudential Insurance Company of America  
Historical and Projected Experience  
Pennsylvania Experience  
Pennsylvania Premium Rate Basis  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 13,250         | 0           | 0             | 0               | 0%             |
| 2006          | 461,828        | 0           | 0             | 0               | 0%             |
| 2007          | 1,113,031      | 0           | 0             | 0               | 0%             |
| 2008          | 1,664,768      | 26,541      | 0             | 26,541          | 2%             |
| 2009          | 2,137,845      | 0           | 0             | 0               | 0%             |
| 2010          | 2,820,559      | 351,338     | 0             | 351,338         | 12%            |
| 2011          | 3,544,414      | 116,861     | 6,162         | 123,022         | 3%             |
| 2012          | 3,602,052      | 281,075     | 28,833        | 309,908         | 9%             |
| 2013          | 3,569,203      | 155,618     | 17,026        | 172,644         | 5%             |
| 2014          | 3,694,625      | 416,586     | 57,526        | 474,112         | 13%            |
| 2015          | 3,682,580      | 314,028     | 273,832       | 587,860         | 16%            |
| 2016          | 3,805,804      | 128,488     | 218,398       | 346,886         | 9%             |
| 2017          | 3,864,237      | 121,947     | 557,285       | 679,232         | 18%            |
| 2018*         | 1,885,537      | 475         | 697,421       | 697,896         | 37%            |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 1,838,536      | 482,903         | 26%            |
| 2019          | 3,905,794      | 1,057,909       | 27%            |
| 2020          | 3,915,962      | 1,207,870       | 31%            |
| 2021          | 3,819,157      | 1,383,483       | 36%            |
| 2022          | 3,718,015      | 1,582,997       | 43%            |
| 2023          | 3,611,514      | 1,805,987       | 50%            |
| 2024          | 3,505,786      | 2,053,115       | 59%            |
| 2025          | 3,398,409      | 2,333,134       | 69%            |
| 2026          | 3,287,276      | 2,646,265       | 81%            |
| 2027          | 3,174,446      | 2,987,553       | 94%            |
| 2028          | 3,057,764      | 3,358,846       | 110%           |
| 2029          | 2,937,267      | 3,758,014       | 128%           |
| 2030          | 2,812,979      | 4,178,532       | 149%           |
| 2031          | 2,685,141      | 4,616,944       | 172%           |
| 2032          | 2,554,061      | 5,069,506       | 198%           |
| 2033          | 2,419,967      | 5,529,069       | 228%           |
| 2034          | 2,283,234      | 5,978,038       | 262%           |
| 2035          | 2,144,343      | 6,401,693       | 299%           |
| 2036          | 2,004,010      | 6,798,665       | 339%           |
| 2037          | 1,863,184      | 7,151,144       | 384%           |
| 2038          | 1,723,014      | 7,444,335       | 432%           |
| 2039          | 1,584,152      | 7,658,115       | 483%           |
| 2040          | 1,447,198      | 7,787,114       | 538%           |
| 2041          | 1,313,462      | 7,835,314       | 597%           |
| 2042          | 1,184,393      | 7,790,125       | 658%           |
| 2043          | 1,061,061      | 7,656,599       | 722%           |
| 2044          | 944,342        | 7,447,285       | 789%           |
| 2045          | 834,921        | 7,164,574       | 858%           |
| 2046          | 733,224        | 6,826,641       | 931%           |
| 2047          | 639,634        | 6,441,549       | 1007%          |
| 2048          | 554,466        | 6,026,305       | 1087%          |
| 2049          | 477,728        | 5,595,890       | 1171%          |
| 2050          | 409,226        | 5,156,458       | 1260%          |
| 2051          | 348,609        | 4,721,397       | 1354%          |
| 2052          | 295,439        | 4,299,427       | 1455%          |
| 2053          | 249,222        | 3,895,765       | 1563%          |
| 2054          | 209,353        | 3,509,407       | 1676%          |
| 2055          | 175,189        | 3,138,560       | 1792%          |
| 2056          | 146,099        | 2,804,660       | 1920%          |
| 2057+         | 693,410        | 23,289,806      | 3359%          |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 1,838,536      | 482,903         | 26%            |
| 2019          | 3,905,794      | 1,057,909       | 27%            |
| 2020          | 4,695,626      | 1,145,240       | 24%            |
| 2021          | 4,821,865      | 1,278,564       | 27%            |
| 2022          | 4,698,679      | 1,459,516       | 31%            |
| 2023          | 4,568,720      | 1,660,937       | 36%            |
| 2024          | 4,439,831      | 1,883,204       | 42%            |
| 2025          | 4,308,863      | 2,134,358       | 50%            |
| 2026          | 4,173,041      | 2,414,279       | 58%            |
| 2027          | 4,034,958      | 2,718,375       | 67%            |
| 2028          | 3,891,769      | 3,048,240       | 78%            |
| 2029          | 3,743,467      | 3,401,802       | 91%            |
| 2030          | 3,590,052      | 3,773,021       | 105%           |
| 2031          | 3,431,765      | 4,158,747       | 121%           |
| 2032          | 3,268,971      | 4,555,892       | 139%           |
| 2033          | 3,101,878      | 4,958,066       | 160%           |
| 2034          | 2,930,944      | 5,349,773       | 183%           |
| 2035          | 2,756,770      | 5,718,104       | 207%           |
| 2036          | 2,580,245      | 6,061,969       | 235%           |
| 2037          | 2,402,593      | 6,365,756       | 265%           |
| 2038          | 2,225,290      | 6,616,379       | 297%           |
| 2039          | 2,049,190      | 6,796,372       | 332%           |
| 2040          | 1,875,085      | 6,901,402       | 368%           |
| 2041          | 1,704,652      | 6,935,017       | 407%           |
| 2042          | 1,539,775      | 6,886,362       | 447%           |
| 2043          | 1,381,864      | 6,759,852       | 489%           |
| 2044          | 1,232,084      | 6,567,010       | 533%           |
| 2045          | 1,091,369      | 6,310,360       | 578%           |
| 2046          | 960,306        | 6,005,706       | 625%           |
| 2047          | 839,429        | 5,660,371       | 674%           |
| 2048          | 729,187        | 5,289,180       | 725%           |
| 2049          | 629,634        | 4,905,462       | 779%           |
| 2050          | 540,560        | 4,514,983       | 835%           |
| 2051          | 461,552        | 4,129,202       | 895%           |
| 2052          | 392,080        | 3,755,893       | 958%           |
| 2053          | 331,537        | 3,399,507       | 1025%          |
| 2054          | 279,168        | 3,058,970       | 1096%          |
| 2055          | 234,166        | 2,732,834       | 1167%          |
| 2056          | 195,732        | 2,439,639       | 1246%          |
| 2057+         | 933,918        | 20,156,701      | 2158%          |

\* 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 | 43,910,443 | 4,286,459  | 10%  | 43,910,443  | 4,286,459  | 10%  |
| Present Value of Future to 6/30/2018         | 48,562,909 | 86,628,903 | 178% | 60,159,157  | 77,420,759 | 129% |
| Total Values<br>(Discounted at 4.0%)         | 92,473,352 | 90,915,363 | 98%  | 104,069,600 | 81,707,219 | 79%  |

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  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 143,046        | 0           | 0             | 0               | 0%             |
| 2006          | 1,405,762      | 0           | 0             | 0               | 0%             |
| 2007          | 3,114,165      | 0           | 0             | 0               | 0%             |
| 2008          | 5,771,951      | 500,478     | 225,119       | 725,596         | 13%            |
| 2009          | 7,815,810      | 767,963     | 0             | 767,963         | 10%            |
| 2010          | 9,674,909      | 0           | 0             | 0               | 0%             |
| 2011          | 12,811,625     | 667,659     | 613,359       | 1,281,019       | 10%            |
| 2012          | 13,810,980     | 1,744,871   | 552,207       | 2,297,078       | 17%            |
| 2013          | 13,437,911     | 615,647     | 263,166       | 878,813         | 7%             |
| 2014          | 15,227,091     | 785,387     | 927,993       | 1,713,380       | 11%            |
| 2015          | 15,181,909     | 1,332,657   | 2,955,119     | 4,287,776       | 28%            |
| 2016          | 16,396,723     | 481,403     | 1,507,431     | 1,988,834       | 12%            |
| 2017          | 17,336,881     | 376,793     | 2,448,256     | 2,825,049       | 16%            |
| 2018*         | 8,300,927      | 0           | 368,900       | 368,900         | 4%             |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 8,110,439      | 1,983,078       | 24%            |
| 2019          | 17,193,873     | 4,368,175       | 25%            |
| 2020          | 16,996,168     | 5,021,737       | 30%            |
| 2021          | 16,062,430     | 5,784,987       | 36%            |
| 2022          | 15,356,655     | 6,672,766       | 43%            |
| 2023          | 15,032,552     | 7,710,430       | 51%            |
| 2024          | 14,701,151     | 8,900,897       | 61%            |
| 2025          | 14,385,148     | 10,281,009      | 71%            |
| 2026          | 14,061,297     | 11,875,034      | 84%            |
| 2027          | 13,723,337     | 13,675,333      | 100%           |
| 2028          | 13,365,255     | 15,697,153      | 117%           |
| 2029          | 12,984,527     | 17,950,219      | 138%           |
| 2030          | 12,600,442     | 20,430,393      | 162%           |
| 2031          | 12,194,706     | 23,121,388      | 190%           |
| 2032          | 11,784,510     | 26,012,951      | 221%           |
| 2033          | 11,356,024     | 29,088,288      | 256%           |
| 2034          | 10,908,410     | 32,313,300      | 296%           |
| 2035          | 10,437,166     | 35,619,130      | 341%           |
| 2036          | 9,947,959      | 38,916,908      | 391%           |
| 2037          | 9,440,021      | 42,156,178      | 447%           |
| 2038          | 8,933,655      | 45,268,362      | 507%           |
| 2039          | 8,418,137      | 48,164,896      | 572%           |
| 2040          | 7,894,607      | 50,753,357      | 643%           |
| 2041          | 7,367,529      | 52,966,475      | 719%           |
| 2042          | 6,842,231      | 54,714,006      | 800%           |
| 2043          | 6,322,673      | 55,967,871      | 885%           |
| 2044          | 5,812,559      | 56,699,209      | 975%           |
| 2045          | 5,315,460      | 56,867,001      | 1070%          |
| 2046          | 4,834,828      | 56,512,311      | 1169%          |
| 2047          | 4,373,860      | 55,599,862      | 1271%          |
| 2048          | 3,935,055      | 54,196,520      | 1377%          |
| 2049          | 3,520,562      | 52,334,935      | 1487%          |
| 2050          | 3,132,202      | 50,084,234      | 1599%          |
| 2051          | 2,771,255      | 47,509,188      | 1714%          |
| 2052          | 2,438,469      | 44,636,088      | 1830%          |
| 2053          | 2,133,877      | 41,568,165      | 1948%          |
| 2054          | 1,857,092      | 38,406,069      | 2068%          |
| 2055          | 1,607,477      | 35,189,726      | 2189%          |
| 2056          | 1,384,130      | 32,062,802      | 2316%          |
| 2057+         | 7,403,248      | 276,489,772     | 3735%          |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 8,110,439      | 1,983,078       | 24%            |
| 2019          | 17,193,873     | 4,368,175       | 25%            |
| 2020          | 25,102,892     | 4,765,110       | 19%            |
| 2021          | 26,215,492     | 5,325,329       | 20%            |
| 2022          | 25,063,596     | 6,119,980       | 24%            |
| 2023          | 24,534,627     | 7,051,315       | 29%            |
| 2024          | 23,993,749     | 8,117,320       | 34%            |
| 2025          | 23,478,000     | 9,351,523       | 40%            |
| 2026          | 22,949,442     | 10,774,394      | 47%            |
| 2027          | 22,397,858     | 12,377,464      | 55%            |
| 2028          | 21,813,433     | 14,173,496      | 65%            |
| 2029          | 21,192,047     | 16,170,507      | 76%            |
| 2030          | 20,565,182     | 18,363,911      | 89%            |
| 2031          | 19,902,980     | 20,738,152      | 104%           |
| 2032          | 19,233,499     | 23,283,687      | 121%           |
| 2033          | 18,534,167     | 25,984,804      | 140%           |
| 2034          | 17,803,615     | 28,811,591      | 162%           |
| 2035          | 17,034,498     | 31,702,174      | 186%           |
| 2036          | 16,236,063     | 34,577,412      | 213%           |
| 2037          | 15,407,058     | 37,393,430      | 243%           |
| 2038          | 14,580,618     | 40,090,222      | 275%           |
| 2039          | 13,739,242     | 42,590,926      | 310%           |
| 2040          | 12,884,789     | 44,814,577      | 348%           |
| 2041          | 12,024,545     | 46,703,324      | 388%           |
| 2042          | 11,167,205     | 48,179,977      | 431%           |
| 2043          | 10,319,234     | 49,221,867      | 477%           |
| 2044          | 9,486,677      | 49,805,893      | 525%           |
| 2045          | 8,675,362      | 49,897,067      | 575%           |
| 2046          | 7,890,923      | 49,532,679      | 628%           |
| 2047          | 7,138,577      | 48,683,566      | 682%           |
| 2048          | 6,422,403      | 47,409,036      | 738%           |
| 2049          | 5,745,910      | 45,738,411      | 796%           |
| 2050          | 5,112,067      | 43,732,946      | 855%           |
| 2051          | 4,522,965      | 41,449,771      | 916%           |
| 2052          | 3,979,825      | 38,912,318      | 978%           |
| 2053          | 3,482,701      | 36,210,454      | 1040%          |
| 2054          | 3,030,959      | 33,432,015      | 1103%          |
| 2055          | 2,623,563      | 30,611,500      | 1167%          |
| 2056          | 2,259,039      | 27,873,417      | 1234%          |
| 2057+         | 12,082,841     | 239,508,674     | 1982%          |

\* 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 | 169,914,672 | 20,117,876  | 12%  | 169,914,672 | 20,117,876  | 12%  |
| Present Value of Future to 6/30/2018         | 222,516,928 | 573,195,748 | 258% | 345,205,412 | 507,778,402 | 147% |
| Total Values<br>(Discounted at 4.0%)         | 392,431,600 | 593,313,624 | 151% | 515,120,084 | 527,896,278 | 102% |

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  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 2,787          | 0           | 0             | 0               | 0%             |
| 2006          | 71,125         | 0           | 0             | 0               | 0%             |
| 2007          | 116,358        | 0           | 0             | 0               | 0%             |
| 2008          | 153,150        | 0           | 0             | 0               | 0%             |
| 2009          | 185,014        | 0           | 0             | 0               | 0%             |
| 2010          | 219,442        | 0           | 0             | 0               | 0%             |
| 2011          | 289,519        | 1,526       | 0             | 1,526           | 1%             |
| 2012          | 290,132        | 0           | 0             | 0               | 0%             |
| 2013          | 276,096        | 0           | 0             | 0               | 0%             |
| 2014          | 282,080        | 0           | 0             | 0               | 0%             |
| 2015          | 308,665        | 117,073     | 273,832       | 390,905         | 127%           |
| 2016          | 303,410        | 0           | 0             | 0               | 0%             |
| 2017          | 323,619        | 0           | 0             | 0               | 0%             |
| 2018*         | 176,012        | 0           | 271,787       | 271,787         | 154%           |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 157,419        | 48,630          | 31%            |
| 2019          | 335,701        | 107,392         | 32%            |
| 2020          | 338,850        | 123,429         | 36%            |
| 2021          | 332,451        | 142,811         | 43%            |
| 2022          | 325,904        | 164,893         | 51%            |
| 2023          | 319,163        | 190,119         | 60%            |
| 2024          | 312,244        | 218,318         | 70%            |
| 2025          | 305,170        | 250,932         | 82%            |
| 2026          | 297,936        | 288,348         | 97%            |
| 2027          | 290,439        | 329,503         | 113%           |
| 2028          | 282,601        | 375,023         | 133%           |
| 2029          | 274,410        | 424,637         | 155%           |
| 2030          | 265,852        | 478,336         | 180%           |
| 2031          | 256,922        | 535,302         | 208%           |
| 2032          | 247,656        | 594,832         | 240%           |
| 2033          | 238,001        | 655,759         | 276%           |
| 2034          | 227,972        | 714,016         | 313%           |
| 2035          | 217,586        | 769,848         | 354%           |
| 2036          | 206,879        | 824,345         | 398%           |
| 2037          | 195,932        | 872,696         | 445%           |
| 2038          | 184,819        | 917,127         | 496%           |
| 2039          | 173,586        | 951,184         | 548%           |
| 2040          | 162,246        | 977,729         | 603%           |
| 2041          | 150,893        | 999,615         | 662%           |
| 2042          | 139,659        | 1,012,134       | 725%           |
| 2043          | 128,628        | 1,014,255       | 789%           |
| 2044          | 117,883        | 1,006,836       | 854%           |
| 2045          | 107,501        | 992,650         | 923%           |
| 2046          | 97,545         | 977,494         | 1002%          |
| 2047          | 88,071         | 957,140         | 1087%          |
| 2048          | 79,121         | 926,542         | 1171%          |
| 2049          | 70,725         | 889,310         | 1257%          |
| 2050          | 62,902         | 845,618         | 1344%          |
| 2051          | 55,670         | 802,107         | 1441%          |
| 2052          | 49,038         | 755,434         | 1540%          |
| 2053          | 42,982         | 707,641         | 1646%          |
| 2054          | 37,486         | 655,692         | 1749%          |
| 2055          | 32,526         | 601,860         | 1850%          |
| 2056          | 28,069         | 553,098         | 1970%          |
| 2057+         | 141,994        | 5,072,738       | 3573%          |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 157,419        | 48,630          | 31%            |
| 2019          | 335,701        | 107,392         | 32%            |
| 2020          | 500,473        | 116,730         | 23%            |
| 2021          | 542,593        | 131,181         | 24%            |
| 2022          | 531,907        | 151,081         | 28%            |
| 2023          | 520,906        | 173,741         | 33%            |
| 2024          | 509,614        | 198,985         | 39%            |
| 2025          | 498,067        | 228,133         | 46%            |
| 2026          | 486,262        | 261,499         | 54%            |
| 2027          | 474,025        | 298,112         | 63%            |
| 2028          | 461,233        | 338,483         | 73%            |
| 2029          | 447,865        | 382,423         | 85%            |
| 2030          | 433,897        | 429,903         | 99%            |
| 2031          | 419,323        | 480,159         | 115%           |
| 2032          | 404,200        | 532,574         | 132%           |
| 2033          | 388,441        | 586,072         | 151%           |
| 2034          | 372,073        | 637,073         | 171%           |
| 2035          | 355,122        | 685,863         | 193%           |
| 2036          | 337,647        | 733,378         | 217%           |
| 2037          | 319,780        | 775,309         | 242%           |
| 2038          | 301,643        | 813,662         | 270%           |
| 2039          | 283,310        | 842,729         | 297%           |
| 2040          | 264,802        | 865,131         | 327%           |
| 2041          | 246,273        | 883,361         | 359%           |
| 2042          | 227,938        | 893,275         | 392%           |
| 2043          | 209,934        | 893,973         | 426%           |
| 2044          | 192,396        | 886,268         | 461%           |
| 2045          | 175,452        | 872,654         | 497%           |
| 2046          | 159,203        | 858,242         | 539%           |
| 2047          | 143,741        | 839,381         | 584%           |
| 2048          | 129,134        | 811,606         | 628%           |
| 2049          | 115,431        | 778,109         | 674%           |
| 2050          | 102,662        | 739,095         | 720%           |
| 2051          | 90,860         | 700,353         | 771%           |
| 2052          | 80,036         | 658,974         | 823%           |
| 2053          | 70,151         | 616,743         | 879%           |
| 2054          | 61,181         | 571,012         | 933%           |
| 2055          | 53,085         | 523,745         | 987%           |
| 2056          | 45,811         | 480,972         | 1050%          |
| 2057+         | 231,748        | 4,393,273       | 1896%          |

\* 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 | 3,691,684 | 716,189    | 19%  | 3,691,684  | 716,189    | 19%  |
| Present Value of Future to 6/30/2018         | 4,607,368 | 11,392,679 | 247% | 7,168,518  | 10,122,529 | 141% |
| Total Values<br>(Discounted at 4.0%)         | 8,299,052 | 12,108,868 | 146% | 10,860,201 | 10,838,719 | 100% |

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  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 22,185         | 0           | 0             | 0               | 0%             |
| 2006          | 333,345        | 0           | 0             | 0               | 0%             |
| 2007          | 819,855        | 0           | 0             | 0               | 0%             |
| 2008          | 1,367,709      | 256         | 0             | 256             | 0%             |
| 2009          | 1,733,973      | 498,726     | 107,904       | 606,630         | 35%            |
| 2010          | 1,985,246      | 69,957      | 0             | 69,957          | 4%             |
| 2011          | 2,621,303      | 557,536     | 154,274       | 711,811         | 27%            |
| 2012          | 2,841,918      | 233,401     | 87,313        | 320,714         | 11%            |
| 2013          | 2,806,926      | 469,441     | 212,641       | 682,082         | 24%            |
| 2014          | 3,073,409      | 450,586     | 519,448       | 970,033         | 32%            |
| 2015          | 3,195,963      | 893,625     | 1,601,045     | 2,494,670       | 78%            |
| 2016          | 3,093,520      | 397,872     | 1,091,869     | 1,489,741       | 48%            |
| 2017          | 3,075,488      | 146,053     | 752,282       | 898,336         | 29%            |
| 2018*         | 1,540,226      | 8,166       | 540,046       | 548,213         | 36%            |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 1,508,419      | 749,996         | 50%            |
| 2019          | 3,175,192      | 1,610,192       | 51%            |
| 2020          | 3,163,464      | 1,794,446       | 57%            |
| 2021          | 3,070,199      | 2,005,750       | 65%            |
| 2022          | 2,957,988      | 2,232,450       | 75%            |
| 2023          | 2,849,905      | 2,479,407       | 87%            |
| 2024          | 2,752,387      | 2,743,558       | 100%           |
| 2025          | 2,653,284      | 3,030,024       | 114%           |
| 2026          | 2,551,360      | 3,340,017       | 131%           |
| 2027          | 2,449,586      | 3,663,172       | 150%           |
| 2028          | 2,346,225      | 3,999,483       | 170%           |
| 2029          | 2,241,310      | 4,348,109       | 194%           |
| 2030          | 2,134,912      | 4,700,443       | 220%           |
| 2031          | 2,027,181      | 5,043,475       | 249%           |
| 2032          | 1,918,362      | 5,371,974       | 280%           |
| 2033          | 1,808,620      | 5,680,850       | 314%           |
| 2034          | 1,698,318      | 5,961,196       | 351%           |
| 2035          | 1,587,899      | 6,195,532       | 390%           |
| 2036          | 1,477,902      | 6,361,023       | 430%           |
| 2037          | 1,369,076      | 6,464,929       | 472%           |
| 2038          | 1,262,146      | 6,501,596       | 515%           |
| 2039          | 1,157,547      | 6,471,095       | 559%           |
| 2040          | 1,055,597      | 6,368,542       | 603%           |
| 2041          | 957,103        | 6,196,403       | 647%           |
| 2042          | 862,890        | 5,967,495       | 692%           |
| 2043          | 773,474        | 5,694,403       | 736%           |
| 2044          | 689,265        | 5,383,951       | 781%           |
| 2045          | 610,605        | 5,042,042       | 826%           |
| 2046          | 537,751        | 4,683,953       | 871%           |
| 2047          | 470,842        | 4,314,855       | 916%           |
| 2048          | 409,868        | 3,946,322       | 963%           |
| 2049          | 354,740        | 3,578,018       | 1009%          |
| 2050          | 305,315        | 3,220,169       | 1055%          |
| 2051          | 261,350        | 2,876,559       | 1101%          |
| 2052          | 222,515        | 2,549,906       | 1146%          |
| 2053          | 188,432        | 2,246,245       | 1192%          |
| 2054          | 158,716        | 1,967,683       | 1240%          |
| 2055          | 133,000        | 1,716,161       | 1290%          |
| 2056          | 110,885        | 1,491,614       | 1345%          |
| 2057+         | 489,617        | 9,394,959       | 1919%          |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 1,508,419      | 749,996         | 50%            |
| 2019          | 3,175,192      | 1,610,192       | 51%            |
| 2020          | 3,860,279      | 1,661,011       | 43%            |
| 2021          | 3,955,951      | 1,790,627       | 45%            |
| 2022          | 3,811,367      | 1,989,752       | 52%            |
| 2023          | 3,672,102      | 2,206,571       | 60%            |
| 2024          | 3,546,451      | 2,438,386       | 69%            |
| 2025          | 3,418,757      | 2,689,679       | 79%            |
| 2026          | 3,287,427      | 2,961,661       | 90%            |
| 2027          | 3,156,291      | 3,244,948       | 103%           |
| 2028          | 3,023,111      | 3,539,468       | 117%           |
| 2029          | 2,887,927      | 3,844,512       | 133%           |
| 2030          | 2,750,835      | 4,152,428       | 151%           |
| 2031          | 2,612,023      | 4,451,705       | 170%           |
| 2032          | 2,471,809      | 4,737,740       | 192%           |
| 2033          | 2,330,407      | 5,006,131       | 215%           |
| 2034          | 2,188,283      | 5,249,144       | 240%           |
| 2035          | 2,046,008      | 5,451,437       | 266%           |
| 2036          | 1,904,276      | 5,592,985       | 294%           |
| 2037          | 1,764,055      | 5,680,334       | 322%           |
| 2038          | 1,626,275      | 5,708,613       | 351%           |
| 2039          | 1,491,499      | 5,678,085       | 381%           |
| 2040          | 1,360,137      | 5,584,538       | 411%           |
| 2041          | 1,233,228      | 5,430,202       | 440%           |
| 2042          | 1,111,834      | 5,226,416       | 470%           |
| 2043          | 996,621        | 4,984,261       | 500%           |
| 2044          | 888,118        | 4,709,847       | 530%           |
| 2045          | 786,765        | 4,408,328       | 560%           |
| 2046          | 692,893        | 4,093,103       | 591%           |
| 2047          | 606,680        | 3,768,669       | 621%           |
| 2048          | 528,115        | 3,445,078       | 652%           |
| 2049          | 457,082        | 3,122,064       | 683%           |
| 2050          | 393,399        | 2,808,513       | 714%           |
| 2051          | 336,749        | 2,507,712       | 745%           |
| 2052          | 286,711        | 2,221,988       | 775%           |
| 2053          | 242,795        | 1,956,540       | 806%           |
| 2054          | 204,506        | 1,713,201       | 838%           |
| 2055          | 171,371        | 1,493,603       | 872%           |
| 2056          | 142,876        | 1,297,654       | 908%           |
| 2057+         | 630,872        | 8,156,951       | 1293%          |

\* 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 | 34,793,019 | 10,172,054 | 29%  | 34,793,019 | 10,172,054 | 29%  |
| Present Value of Future to 6/30/2018         | 37,672,244 | 79,702,681 | 212% | 47,029,382 | 70,508,619 | 150% |
| Total Values<br>(Discounted at 4.0%)         | 72,465,263 | 89,874,735 | 124% | 81,822,401 | 80,680,673 | 99%  |

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  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 290            | 0           | 0             | 0               | 0%             |
| 2006          | 3,786          | 0           | 0             | 0               | 0%             |
| 2007          | 21,084         | 0           | 0             | 0               | 0%             |
| 2008          | 45,376         | 0           | 0             | 0               | 0%             |
| 2009          | 45,856         | 0           | 0             | 0               | 0%             |
| 2010          | 54,903         | 0           | 0             | 0               | 0%             |
| 2011          | 59,095         | 0           | 0             | 0               | 0%             |
| 2012          | 56,293         | 0           | 0             | 0               | 0%             |
| 2013          | 35,599         | 2,149       | 0             | 2,149           | 6%             |
| 2014          | 34,507         | 0           | 0             | 0               | 0%             |
| 2015          | 36,569         | 0           | 0             | 0               | 0%             |
| 2016          | 38,061         | 0           | 0             | 0               | 0%             |
| 2017          | 39,553         | 0           | 0             | 0               | 0%             |
| 2018*         | 19,695         | 0           | 0             | 0               | 0%             |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 19,653         | 7,447           | 38%            |
| 2019          | 41,437         | 16,328          | 39%            |
| 2020          | 41,349         | 18,567          | 45%            |
| 2021          | 40,137         | 21,198          | 53%            |
| 2022          | 38,906         | 24,022          | 62%            |
| 2023          | 37,648         | 27,166          | 72%            |
| 2024          | 36,365         | 30,731          | 85%            |
| 2025          | 35,059         | 34,678          | 99%            |
| 2026          | 33,724         | 38,543          | 114%           |
| 2027          | 32,359         | 42,484          | 131%           |
| 2028          | 30,962         | 46,770          | 151%           |
| 2029          | 29,535         | 51,222          | 173%           |
| 2030          | 28,078         | 55,783          | 199%           |
| 2031          | 26,597         | 59,681          | 224%           |
| 2032          | 25,095         | 63,338          | 252%           |
| 2033          | 23,578         | 67,246          | 285%           |
| 2034          | 22,056         | 70,633          | 320%           |
| 2035          | 20,535         | 72,801          | 355%           |
| 2036          | 19,022         | 74,149          | 390%           |
| 2037          | 17,523         | 75,128          | 429%           |
| 2038          | 16,051         | 76,039          | 474%           |
| 2039          | 14,614         | 76,089          | 521%           |
| 2040          | 13,211         | 74,550          | 564%           |
| 2041          | 11,861         | 72,952          | 615%           |
| 2042          | 10,571         | 71,383          | 675%           |
| 2043          | 9,353          | 69,800          | 746%           |
| 2044          | 8,216          | 66,999          | 816%           |
| 2045          | 7,161          | 61,751          | 862%           |
| 2046          | 6,193          | 56,515          | 913%           |
| 2047          | 5,313          | 51,287          | 965%           |
| 2048          | 4,517          | 46,170          | 1022%          |
| 2049          | 3,807          | 40,592          | 1066%          |
| 2050          | 3,179          | 33,759          | 1062%          |
| 2051          | 2,626          | 27,687          | 1054%          |
| 2052          | 2,141          | 22,402          | 1046%          |
| 2053          | 1,722          | 17,791          | 1033%          |
| 2054          | 1,364          | 13,831          | 1014%          |
| 2055          | 1,064          | 10,515          | 989%           |
| 2056          | 815            | 7,822           | 959%           |
| 2057+         | 2,035          | 18,804          | 924%           |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 19,653         | 7,447           | 38%            |
| 2019          | 41,437         | 16,328          | 39%            |
| 2020          | 50,457         | 17,094          | 34%            |
| 2021          | 51,717         | 18,800          | 36%            |
| 2022          | 50,131         | 21,292          | 42%            |
| 2023          | 48,510         | 24,064          | 50%            |
| 2024          | 46,857         | 27,207          | 58%            |
| 2025          | 45,173         | 30,682          | 68%            |
| 2026          | 43,454         | 34,080          | 78%            |
| 2027          | 41,694         | 37,540          | 90%            |
| 2028          | 39,894         | 41,300          | 104%           |
| 2029          | 38,055         | 45,204          | 119%           |
| 2030          | 36,179         | 49,200          | 136%           |
| 2031          | 34,270         | 52,604          | 154%           |
| 2032          | 32,334         | 55,791          | 173%           |
| 2033          | 30,380         | 59,195          | 195%           |
| 2034          | 28,419         | 62,138          | 219%           |
| 2035          | 26,459         | 64,009          | 242%           |
| 2036          | 24,509         | 65,154          | 266%           |
| 2037          | 22,579         | 65,973          | 292%           |
| 2038          | 20,682         | 66,733          | 323%           |
| 2039          | 18,830         | 66,738          | 354%           |
| 2040          | 17,023         | 65,352          | 384%           |
| 2041          | 15,282         | 63,916          | 418%           |
| 2042          | 13,620         | 62,509          | 459%           |
| 2043          | 12,051         | 61,096          | 507%           |
| 2044          | 10,586         | 58,625          | 554%           |
| 2045          | 9,227          | 54,020          | 585%           |
| 2046          | 7,980          | 49,429          | 619%           |
| 2047          | 6,846          | 44,848          | 655%           |
| 2048          | 5,821          | 40,366          | 693%           |
| 2049          | 4,905          | 35,486          | 723%           |
| 2050          | 4,096          | 29,511          | 721%           |
| 2051          | 3,383          | 24,202          | 715%           |
| 2052          | 2,759          | 19,581          | 710%           |
| 2053          | 2,219          | 15,549          | 701%           |
| 2054          | 1,758          | 12,089          | 688%           |
| 2055          | 1,370          | 9,191           | 671%           |
| 2056          | 1,051          | 6,837           | 651%           |
| 2057+         | 2,621          | 16,434          | 627%           |

\* 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 | 622,574   | 2,614   | 0%   | 622,574   | 2,614   | 0%   |
| Present Value of Future to 6/30/2018         | 488,691   | 896,728 | 183% | 609,961   | 792,199 | 130% |
| Total Values<br>(Discounted at 4.0%)         | 1,111,266 | 899,342 | 81%  | 1,232,535 | 794,813 | 64%  |

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  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 365,850        | 0           | 0             | 0               | 0%             |
| 2006          | 3,813,574      | 7,855       | 0             | 7,855           | 0%             |
| 2007          | 9,768,561      | 155,803     | 0             | 155,803         | 2%             |
| 2008          | 19,388,471     | 591,958     | 0             | 591,958         | 3%             |
| 2009          | 29,932,129     | 1,414,894   | 44,292        | 1,459,186       | 5%             |
| 2010          | 41,531,218     | 3,066,752   | 202,763       | 3,269,515       | 8%             |
| 2011          | 60,528,674     | 1,148,069   | 100,954       | 1,249,023       | 2%             |
| 2012          | 74,911,456     | 2,061,528   | 394,210       | 2,455,738       | 3%             |
| 2013          | 74,714,884     | 3,865,902   | 1,455,651     | 5,321,553       | 7%             |
| 2014          | 83,840,415     | 3,799,164   | 1,694,035     | 5,493,199       | 7%             |
| 2015          | 82,139,262     | 3,159,092   | 3,026,909     | 6,186,001       | 8%             |
| 2016          | 89,279,306     | 3,829,994   | 6,197,781     | 10,027,776      | 11%            |
| 2017          | 94,684,880     | 1,964,870   | 12,235,844    | 14,200,713      | 15%            |
| 2018*         | 45,812,279     | 91,204      | 6,968,247     | 7,059,450       | 15%            |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 44,564,873     | 7,819,556       | 18%            |
| 2019          | 94,414,791     | 17,437,501      | 18%            |
| 2020          | 94,009,636     | 20,384,055      | 22%            |
| 2021          | 89,812,134     | 23,863,033      | 27%            |
| 2022          | 85,725,862     | 27,814,644      | 32%            |
| 2023          | 83,470,262     | 32,383,715      | 39%            |
| 2024          | 81,394,697     | 37,580,435      | 46%            |
| 2025          | 79,271,451     | 43,522,370      | 55%            |
| 2026          | 77,143,810     | 50,398,231      | 65%            |
| 2027          | 74,940,608     | 58,208,815      | 78%            |
| 2028          | 72,639,427     | 66,913,057      | 92%            |
| 2029          | 70,233,055     | 76,523,983      | 109%           |
| 2030          | 67,721,959     | 86,994,871      | 128%           |
| 2031          | 65,095,665     | 98,223,538      | 151%           |
| 2032          | 62,366,496     | 110,120,964     | 177%           |
| 2033          | 59,538,233     | 122,589,123     | 206%           |
| 2034          | 56,594,909     | 135,458,262     | 239%           |
| 2035          | 53,570,480     | 148,330,498     | 277%           |
| 2036          | 50,459,361     | 160,829,913     | 319%           |
| 2037          | 47,293,029     | 172,778,641     | 365%           |
| 2038          | 44,103,431     | 183,821,510     | 417%           |
| 2039          | 40,896,630     | 193,587,940     | 473%           |
| 2040          | 37,681,126     | 201,607,662     | 535%           |
| 2041          | 34,497,655     | 207,526,097     | 602%           |
| 2042          | 31,379,888     | 211,337,657     | 673%           |
| 2043          | 28,362,115     | 212,935,384     | 751%           |
| 2044          | 25,465,007     | 212,319,402     | 834%           |
| 2045          | 22,712,500     | 209,381,527     | 922%           |
| 2046          | 20,122,592     | 204,111,624     | 1014%          |
| 2047          | 17,706,962     | 196,777,494     | 1111%          |
| 2048          | 15,474,644     | 187,760,778     | 1213%          |
| 2049          | 13,431,302     | 177,416,313     | 1321%          |
| 2050          | 11,579,223     | 165,939,823     | 1433%          |
| 2051          | 9,916,151      | 153,636,019     | 1549%          |
| 2052          | 8,435,928      | 140,776,178     | 1669%          |
| 2053          | 7,130,326      | 127,747,524     | 1792%          |
| 2054          | 5,989,311      | 114,888,517     | 1918%          |
| 2055          | 5,001,486      | 102,392,945     | 2047%          |
| 2056          | 4,153,864      | 90,506,502      | 2179%          |
| 2057+         | 18,748,586     | 636,472,712     | 3395%          |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 44,564,873     | 7,819,556       | 18%            |
| 2019          | 94,414,791     | 17,437,501      | 18%            |
| 2020          | 114,717,089    | 18,793,768      | 16%            |
| 2021          | 115,722,935    | 21,182,421      | 18%            |
| 2022          | 110,457,774    | 24,649,169      | 22%            |
| 2023          | 107,551,433    | 28,658,996      | 27%            |
| 2024          | 104,877,067    | 33,214,389      | 32%            |
| 2025          | 102,141,264    | 38,416,868      | 38%            |
| 2026          | 99,399,800     | 44,431,616      | 45%            |
| 2027          | 96,560,974     | 51,257,395      | 53%            |
| 2028          | 93,595,902     | 58,854,953      | 63%            |
| 2029          | 90,495,291     | 67,234,263      | 74%            |
| 2030          | 87,259,744     | 76,352,420      | 88%            |
| 2031          | 83,875,764     | 86,117,487      | 103%           |
| 2032          | 80,359,230     | 96,450,964      | 120%           |
| 2033          | 76,715,013     | 107,266,908     | 140%           |
| 2034          | 72,922,540     | 118,417,012     | 162%           |
| 2035          | 69,025,563     | 129,553,892     | 188%           |
| 2036          | 65,016,887     | 140,349,918     | 216%           |
| 2037          | 60,937,067     | 150,652,641     | 247%           |
| 2038          | 56,827,270     | 160,155,073     | 282%           |
| 2039          | 52,695,308     | 168,537,612     | 320%           |
| 2040          | 48,552,131     | 175,393,737     | 361%           |
| 2041          | 44,450,228     | 180,417,917     | 406%           |
| 2042          | 40,432,986     | 183,610,453     | 454%           |
| 2043          | 36,544,585     | 184,882,908     | 506%           |
| 2044          | 32,811,661     | 184,239,851     | 562%           |
| 2045          | 29,265,056     | 181,590,472     | 621%           |
| 2046          | 25,927,960     | 176,927,534     | 682%           |
| 2047          | 22,815,420     | 170,485,683     | 747%           |
| 2048          | 19,939,078     | 162,597,493     | 815%           |
| 2049          | 17,306,232     | 153,571,634     | 887%           |
| 2050          | 14,919,829     | 143,577,806     | 962%           |
| 2051          | 12,776,961     | 132,879,103     | 1040%          |
| 2052          | 10,869,693     | 121,710,484     | 1120%          |
| 2053          | 9,187,425      | 110,406,667     | 1202%          |
| 2054          | 7,717,227      | 99,259,732      | 1286%          |
| 2055          | 6,444,415      | 88,436,162      | 1372%          |
| 2056          | 5,352,254      | 78,146,598      | 1460%          |
| 2057+         | 24,157,553     | 548,677,617     | 2271%          |

\* 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 | 847,011,798   | 65,033,977    | 8%   | 847,011,798   | 65,033,977    | 8%   |
| Present Value of Future to 6/30/2018         | 1,173,531,517 | 2,137,471,461 | 182% | 1,467,242,410 | 1,866,389,884 | 127% |
| Total Values<br>(Discounted at 4.0%)         | 2,020,543,315 | 2,202,505,438 | 109% | 2,314,254,208 | 1,931,423,861 | 83%  |

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  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 5,881          | 0           | 0             | 0               | 0%             |
| 2006          | 265,302        | 0           | 0             | 0               | 0%             |
| 2007          | 686,953        | 0           | 0             | 0               | 0%             |
| 2008          | 1,054,107      | 0           | 0             | 0               | 0%             |
| 2009          | 1,414,779      | 0           | 0             | 0               | 0%             |
| 2010          | 1,877,938      | 336,861     | 0             | 336,861         | 18%            |
| 2011          | 2,363,410      | 112,941     | 6,162         | 119,102         | 5%             |
| 2012          | 2,401,396      | 162,866     | 0             | 162,866         | 7%             |
| 2013          | 2,403,704      | 151,721     | 17,026        | 168,747         | 7%             |
| 2014          | 2,478,316      | 130,453     | 57,526        | 187,979         | 8%             |
| 2015          | 2,454,494      | 184,660     | 0             | 184,660         | 8%             |
| 2016          | 2,556,733      | 6,680       | 0             | 6,680           | 0%             |
| 2017          | 2,674,974      | 63,353      | 400,629       | 463,982         | 17%            |
| 2018*         | 1,304,247      | 0           | 195,670       | 195,670         | 15%            |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 1,287,522      | 265,462         | 21%            |
| 2019          | 2,746,813      | 588,170         | 21%            |
| 2020          | 2,764,490      | 682,336         | 25%            |
| 2021          | 2,707,058      | 794,823         | 29%            |
| 2022          | 2,646,226      | 926,031         | 35%            |
| 2023          | 2,580,942      | 1,077,148       | 42%            |
| 2024          | 2,517,100      | 1,250,211       | 50%            |
| 2025          | 2,452,139      | 1,449,794       | 59%            |
| 2026          | 2,383,743      | 1,677,995       | 70%            |
| 2027          | 2,314,003      | 1,932,053       | 83%            |
| 2028          | 2,240,694      | 2,212,443       | 99%            |
| 2029          | 2,163,690      | 2,519,376       | 116%           |
| 2030          | 2,082,938      | 2,848,238       | 137%           |
| 2031          | 1,998,440      | 3,197,624       | 160%           |
| 2032          | 1,910,317      | 3,562,551       | 186%           |
| 2033          | 1,818,608      | 3,937,247       | 216%           |
| 2034          | 1,723,557      | 4,309,831       | 250%           |
| 2035          | 1,625,534      | 4,667,125       | 287%           |
| 2036          | 1,525,057      | 5,005,611       | 328%           |
| 2037          | 1,422,892      | 5,312,167       | 373%           |
| 2038          | 1,320,003      | 5,572,039       | 422%           |
| 2039          | 1,216,979      | 5,771,757       | 474%           |
| 2040          | 1,114,455      | 5,902,697       | 530%           |
| 2041          | 1,013,481      | 5,964,639       | 589%           |
| 2042          | 915,265        | 5,949,781       | 650%           |
| 2043          | 820,792        | 5,864,914       | 715%           |
| 2044          | 730,878        | 5,719,489       | 783%           |
| 2045          | 646,207        | 5,511,675       | 853%           |
| 2046          | 567,199        | 5,252,364       | 926%           |
| 2047          | 494,255        | 4,951,974       | 1002%          |
| 2048          | 427,749        | 4,631,492       | 1083%          |
| 2049          | 367,771        | 4,300,849       | 1169%          |
| 2050          | 314,237        | 3,963,865       | 1261%          |
| 2051          | 266,882        | 3,626,712       | 1359%          |
| 2052          | 225,395        | 3,299,507       | 1464%          |
| 2053          | 189,426        | 2,985,969       | 1576%          |
| 2054          | 158,496        | 2,689,466       | 1697%          |
| 2055          | 132,099        | 2,404,997       | 1821%          |
| 2056          | 109,723        | 2,146,735       | 1956%          |
| 2057+         | 520,506        | 17,816,825      | 3423%          |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 1,287,522      | 265,462         | 21%            |
| 2019          | 2,746,813      | 588,170         | 21%            |
| 2020          | 3,373,422      | 627,879         | 19%            |
| 2021          | 3,488,044      | 703,932         | 20%            |
| 2022          | 3,409,662      | 819,091         | 24%            |
| 2023          | 3,325,543      | 951,578         | 29%            |
| 2024          | 3,243,283      | 1,103,157       | 34%            |
| 2025          | 3,159,581      | 1,277,812       | 40%            |
| 2026          | 3,071,453      | 1,477,321       | 48%            |
| 2027          | 2,981,593      | 1,699,210       | 57%            |
| 2028          | 2,887,134      | 1,943,845       | 67%            |
| 2029          | 2,787,914      | 2,211,395       | 79%            |
| 2030          | 2,683,865      | 2,497,741       | 93%            |
| 2031          | 2,574,990      | 2,801,646       | 109%           |
| 2032          | 2,461,444      | 3,118,743       | 127%           |
| 2033          | 2,343,277      | 3,443,982       | 147%           |
| 2034          | 2,220,803      | 3,767,003       | 170%           |
| 2035          | 2,094,500      | 4,076,312       | 195%           |
| 2036          | 1,965,036      | 4,368,877       | 222%           |
| 2037          | 1,833,397      | 4,633,321       | 253%           |
| 2038          | 1,700,824      | 4,856,855       | 286%           |
| 2039          | 1,568,078      | 5,027,820       | 321%           |
| 2040          | 1,435,976      | 5,138,780       | 358%           |
| 2041          | 1,305,870      | 5,189,632       | 397%           |
| 2042          | 1,179,318      | 5,173,750       | 439%           |
| 2043          | 1,057,591      | 5,097,152       | 482%           |
| 2044          | 941,737        | 4,968,155       | 528%           |
| 2045          | 832,638        | 4,785,186       | 575%           |
| 2046          | 730,836        | 4,557,766       | 624%           |
| 2047          | 636,847        | 4,294,994       | 674%           |
| 2048          | 551,154        | 4,015,105       | 728%           |
| 2049          | 473,872        | 3,726,728       | 786%           |
| 2050          | 404,894        | 3,433,161       | 848%           |
| 2051          | 343,878        | 3,139,757       | 913%           |
| 2052          | 290,422        | 2,855,254       | 983%           |
| 2053          | 244,076        | 2,582,850       | 1058%          |
| 2054          | 204,222        | 2,325,452       | 1139%          |
| 2055          | 170,209        | 2,078,712       | 1221%          |
| 2056          | 141,379        | 1,854,825       | 1312%          |
| 2057+         | 670,672        | 15,365,555      | 2291%          |

\* 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 | 29,233,956 | 2,144,123  | 7%   | 29,233,956 | 2,144,123  | 7%   |
| Present Value of Future to 6/30/2018         | 35,417,759 | 62,253,528 | 176% | 44,331,589 | 54,420,062 | 123% |
| Total Values<br>(Discounted at 4.0%)         | 64,651,715 | 64,397,651 | 100% | 73,565,545 | 56,564,186 | 77%  |

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  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 106,815        | 0           | 0             | 0               | 0%             |
| 2006          | 1,248,413      | 0           | 0             | 0               | 0%             |
| 2007          | 2,880,497      | 494,889     | 107,736       | 602,625         | 21%            |
| 2008          | 4,969,914      | 541,706     | 0             | 541,706         | 11%            |
| 2009          | 7,058,677      | 996,688     | 394,057       | 1,390,745       | 20%            |
| 2010          | 9,368,895      | 883,523     | 1,975         | 885,498         | 9%             |
| 2011          | 13,119,449     | 789,949     | 0             | 789,949         | 6%             |
| 2012          | 15,530,563     | 2,378,946   | 499,743       | 2,878,689       | 19%            |
| 2013          | 15,334,775     | 1,048,620   | 210,706       | 1,259,327       | 8%             |
| 2014          | 16,448,475     | 2,943,495   | 720,365       | 3,663,860       | 22%            |
| 2015          | 16,027,513     | 1,917,306   | 1,361,662     | 3,278,968       | 20%            |
| 2016          | 15,538,837     | 1,462,308   | 1,861,565     | 3,323,873       | 21%            |
| 2017          | 14,999,945     | 967,003     | 4,728,994     | 5,695,997       | 38%            |
| 2018*         | 6,766,656      | 8,119       | 1,589,178     | 1,597,297       | 24%            |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 6,447,619      | 2,710,128       | 42%            |
| 2019          | 13,483,554     | 5,800,971       | 43%            |
| 2020          | 13,294,984     | 6,423,099       | 48%            |
| 2021          | 12,727,552     | 7,091,247       | 56%            |
| 2022          | 12,147,676     | 7,768,507       | 64%            |
| 2023          | 11,599,201     | 8,455,069       | 73%            |
| 2024          | 11,046,046     | 9,134,063       | 83%            |
| 2025          | 10,488,594     | 9,815,309       | 94%            |
| 2026          | 9,926,908      | 10,510,666      | 106%           |
| 2027          | 9,366,834      | 11,194,840      | 120%           |
| 2028          | 8,807,021      | 11,850,506      | 135%           |
| 2029          | 8,248,880      | 12,474,852      | 151%           |
| 2030          | 7,696,258      | 13,040,808      | 169%           |
| 2031          | 7,154,255      | 13,536,298      | 189%           |
| 2032          | 6,623,311      | 13,960,918      | 211%           |
| 2033          | 6,105,662      | 14,324,878      | 235%           |
| 2034          | 5,603,136      | 14,622,353      | 261%           |
| 2035          | 5,119,383      | 14,812,101      | 289%           |
| 2036          | 4,654,978      | 14,887,375      | 320%           |
| 2037          | 4,211,415      | 14,854,509      | 353%           |
| 2038          | 3,792,159      | 14,709,969      | 388%           |
| 2039          | 3,396,135      | 14,452,512      | 426%           |
| 2040          | 3,021,995      | 14,056,358      | 465%           |
| 2041          | 2,673,977      | 13,532,823      | 506%           |
| 2042          | 2,352,557      | 12,902,983      | 548%           |
| 2043          | 2,058,097      | 12,174,967      | 592%           |
| 2044          | 1,790,190      | 11,385,510      | 636%           |
| 2045          | 1,548,195      | 10,539,509      | 681%           |
| 2046          | 1,331,371      | 9,656,655       | 725%           |
| 2047          | 1,138,598      | 8,760,729       | 769%           |
| 2048          | 968,473        | 7,872,017       | 813%           |
| 2049          | 819,396        | 7,008,983       | 855%           |
| 2050          | 689,746        | 6,193,695       | 898%           |
| 2051          | 577,981        | 5,436,303       | 941%           |
| 2052          | 482,374        | 4,740,334       | 983%           |
| 2053          | 401,129        | 4,106,765       | 1024%          |
| 2054          | 332,533        | 3,534,619       | 1063%          |
| 2055          | 275,009        | 3,030,283       | 1102%          |
| 2056          | 227,108        | 2,592,171       | 1141%          |
| 2057+         | 1,100,774      | 16,105,027      | 1463%          |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 6,447,619      | 2,710,128       | 42%            |
| 2019          | 13,483,554     | 5,800,971       | 43%            |
| 2020          | 13,294,984     | 6,423,099       | 48%            |
| 2021          | 12,727,552     | 7,091,247       | 56%            |
| 2022          | 12,147,676     | 7,768,507       | 64%            |
| 2023          | 11,599,201     | 8,455,069       | 73%            |
| 2024          | 11,046,046     | 9,134,063       | 83%            |
| 2025          | 10,488,594     | 9,815,309       | 94%            |
| 2026          | 9,926,908      | 10,510,666      | 106%           |
| 2027          | 9,366,834      | 11,194,840      | 120%           |
| 2028          | 8,807,021      | 11,850,506      | 135%           |
| 2029          | 8,248,880      | 12,474,852      | 151%           |
| 2030          | 7,696,258      | 13,040,808      | 169%           |
| 2031          | 7,154,255      | 13,536,298      | 189%           |
| 2032          | 6,623,311      | 13,960,918      | 211%           |
| 2033          | 6,105,662      | 14,324,878      | 235%           |
| 2034          | 5,603,136      | 14,622,353      | 261%           |
| 2035          | 5,119,383      | 14,812,101      | 289%           |
| 2036          | 4,654,978      | 14,887,375      | 320%           |
| 2037          | 4,211,415      | 14,854,509      | 353%           |
| 2038          | 3,792,159      | 14,709,969      | 388%           |
| 2039          | 3,396,135      | 14,452,512      | 426%           |
| 2040          | 3,021,995      | 14,056,358      | 465%           |
| 2041          | 2,673,977      | 13,532,823      | 506%           |
| 2042          | 2,352,557      | 12,902,983      | 548%           |
| 2043          | 2,058,097      | 12,174,967      | 592%           |
| 2044          | 1,790,190      | 11,385,510      | 636%           |
| 2045          | 1,548,195      | 10,539,509      | 681%           |
| 2046          | 1,331,371      | 9,656,655       | 725%           |
| 2047          | 1,138,598      | 8,760,729       | 769%           |
| 2048          | 968,473        | 7,872,017       | 813%           |
| 2049          | 819,396        | 7,008,983       | 855%           |
| 2050          | 689,746        | 6,193,695       | 898%           |
| 2051          | 577,981        | 5,436,303       | 941%           |
| 2052          | 482,374        | 4,740,334       | 983%           |
| 2053          | 401,129        | 4,106,765       | 1024%          |
| 2054          | 332,533        | 3,534,619       | 1063%          |
| 2055          | 275,009        | 3,030,283       | 1102%          |
| 2056          | 227,108        | 2,592,171       | 1141%          |
| 2057+         | 1,100,774      | 16,105,027      | 1463%          |

\* 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 | 168,920,120 | 30,241,607  | 18%  | 168,920,120 | 30,241,607  | 18%  |
| Present Value of Future to 6/30/2018         | 141,737,316 | 205,423,277 | 145% | 141,737,316 | 205,423,277 | 145% |
| Total Values<br>(Discounted at 4.0%)         | 310,657,436 | 235,664,883 | 76%  | 310,657,436 | 235,664,883 | 76%  |

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  
ILTC3

**Historical**

| Calendar Year | Earned Premium | Paid Claims | Claim Reserve | Incurred Claims | Incurred Ratio |
|---------------|----------------|-------------|---------------|-----------------|----------------|
| 2005          | 4,293          | 0           | 0             | 0               | 0%             |
| 2006          | 121,615        | 0           | 0             | 0               | 0%             |
| 2007          | 288,636        | 0           | 0             | 0               | 0%             |
| 2008          | 412,135        | 26,541      | 0             | 26,541          | 6%             |
| 2009          | 492,196        | 0           | 0             | 0               | 0%             |
| 2010          | 668,276        | 14,477      | 0             | 14,477          | 2%             |
| 2011          | 832,390        | 2,394       | 0             | 2,394           | 0%             |
| 2012          | 854,231        | 118,208     | 28,833        | 147,041         | 17%            |
| 2013          | 853,804        | 1,748       | 0             | 1,748           | 0%             |
| 2014          | 899,722        | 286,132     | 0             | 286,132         | 32%            |
| 2015          | 882,851        | 12,295      | 0             | 12,295          | 1%             |
| 2016          | 907,600        | 121,809     | 218,398       | 340,206         | 37%            |
| 2017          | 826,090        | 58,594      | 156,656       | 215,250         | 26%            |
| 2018*         | 385,583        | 475         | 229,964       | 230,439         | 60%            |

**Projection without Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 373,941        | 161,364         | 43%            |
| 2019          | 781,842        | 346,019         | 44%            |
| 2020          | 771,273        | 383,537         | 50%            |
| 2021          | 739,511        | 424,651         | 57%            |
| 2022          | 706,980        | 468,052         | 66%            |
| 2023          | 673,761        | 511,553         | 76%            |
| 2024          | 640,077        | 553,855         | 87%            |
| 2025          | 606,042        | 597,730         | 99%            |
| 2026          | 571,873        | 641,378         | 112%           |
| 2027          | 537,646        | 683,513         | 127%           |
| 2028          | 503,507        | 724,611         | 144%           |
| 2029          | 469,633        | 762,779         | 162%           |
| 2030          | 436,112        | 796,176         | 183%           |
| 2031          | 403,182        | 824,337         | 204%           |
| 2032          | 370,992        | 848,784         | 229%           |
| 2033          | 339,780        | 868,817         | 256%           |
| 2034          | 309,649        | 883,559         | 285%           |
| 2035          | 280,688        | 891,920         | 318%           |
| 2036          | 253,052        | 894,560         | 354%           |
| 2037          | 226,837        | 891,153         | 393%           |
| 2038          | 202,141        | 879,130         | 435%           |
| 2039          | 178,972        | 859,085         | 480%           |
| 2040          | 157,285        | 832,138         | 529%           |
| 2041          | 137,227        | 798,108         | 582%           |
| 2042          | 118,898        | 756,827         | 637%           |
| 2043          | 102,288        | 707,631         | 692%           |
| 2044          | 87,366         | 653,961         | 749%           |
| 2045          | 74,052         | 598,499         | 808%           |
| 2046          | 62,287         | 540,268         | 867%           |
| 2047          | 51,995         | 481,148         | 925%           |
| 2048          | 43,078         | 422,102         | 980%           |
| 2049          | 35,425         | 365,140         | 1031%          |
| 2050          | 28,909         | 313,216         | 1083%          |
| 2051          | 23,431         | 264,890         | 1131%          |
| 2052          | 18,864         | 222,084         | 1177%          |
| 2053          | 15,091         | 184,365         | 1222%          |
| 2054          | 12,007         | 150,417         | 1253%          |
| 2055          | 9,501          | 121,187         | 1276%          |
| 2056          | 7,492          | 97,005          | 1295%          |
| 2057+         | 28,876         | 381,439         | 1321%          |

**Projection with Rate Increase**

| Calendar Year | Earned Premium | Incurred Claims | Incurred Ratio |
|---------------|----------------|-----------------|----------------|
| 2018**        | 373,941        | 161,364         | 43%            |
| 2019          | 781,842        | 346,019         | 44%            |
| 2020          | 771,273        | 383,537         | 50%            |
| 2021          | 739,511        | 424,651         | 57%            |
| 2022          | 706,980        | 468,052         | 66%            |
| 2023          | 673,761        | 511,553         | 76%            |
| 2024          | 640,077        | 553,855         | 87%            |
| 2025          | 606,042        | 597,730         | 99%            |
| 2026          | 571,873        | 641,378         | 112%           |
| 2027          | 537,646        | 683,513         | 127%           |
| 2028          | 503,507        | 724,611         | 144%           |
| 2029          | 469,633        | 762,779         | 162%           |
| 2030          | 436,112        | 796,176         | 183%           |
| 2031          | 403,182        | 824,337         | 204%           |
| 2032          | 370,992        | 848,784         | 229%           |
| 2033          | 339,780        | 868,817         | 256%           |
| 2034          | 309,649        | 883,559         | 285%           |
| 2035          | 280,688        | 891,920         | 318%           |
| 2036          | 253,052        | 894,560         | 354%           |
| 2037          | 226,837        | 891,153         | 393%           |
| 2038          | 202,141        | 879,130         | 435%           |
| 2039          | 178,972        | 859,085         | 480%           |
| 2040          | 157,285        | 832,138         | 529%           |
| 2041          | 137,227        | 798,108         | 582%           |
| 2042          | 118,898        | 756,827         | 637%           |
| 2043          | 102,288        | 707,631         | 692%           |
| 2044          | 87,366         | 653,961         | 749%           |
| 2045          | 74,052         | 598,499         | 808%           |
| 2046          | 62,287         | 540,268         | 867%           |
| 2047          | 51,995         | 481,148         | 925%           |
| 2048          | 43,078         | 422,102         | 980%           |
| 2049          | 35,425         | 365,140         | 1031%          |
| 2050          | 28,909         | 313,216         | 1083%          |
| 2051          | 23,431         | 264,890         | 1131%          |
| 2052          | 18,864         | 222,084         | 1177%          |
| 2053          | 15,091         | 184,365         | 1222%          |
| 2054          | 12,007         | 150,417         | 1253%          |
| 2055          | 9,501          | 121,187         | 1276%          |
| 2056          | 7,492          | 97,005          | 1295%          |
| 2057+         | 28,876         | 381,439         | 1321%          |

\* 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 | 10,362,229 | 1,423,532  | 14%  | 10,362,229 | 1,423,532  | 14%  |
| Present Value of Future to 6/30/2018         | 8,049,090  | 12,085,969 | 150% | 8,049,090  | 12,085,969 | 150% |
| Total Values<br>(Discounted at 4.0%)         | 18,411,319 | 13,509,501 | 73%  | 18,411,319 | 13,509,501 | 73%  |

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**ILTC3**

|                   | Count         | % of Count    | Premium            | % of Premium  |
|-------------------|---------------|---------------|--------------------|---------------|
| <b>Issue Year</b> |               |               |                    |               |
| 2005              | 819           | 2.2%          | 1,930,206          | 1.8%          |
| 2006              | 2,728         | 7.5%          | 6,934,544          | 6.5%          |
| 2007              | 3,586         | 9.8%          | 9,508,025          | 8.9%          |
| 2008              | 5,055         | 13.8%         | 14,278,334         | 13.4%         |
| 2009              | 4,908         | 13.4%         | 14,724,383         | 13.8%         |
| 2010              | 6,867         | 18.8%         | 21,201,011         | 19.9%         |
| 2011              | 10,011        | 27.4%         | 30,724,052         | 28.8%         |
| 2012              | 2,609         | 7.1%          | 7,335,548          | 6.9%          |
| 2016              | 1             | 0.0%          | 0                  | 0.0%          |
| <b>Total</b>      | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

|                  | Count         | % of Count    | Premium            | % of Premium  |
|------------------|---------------|---------------|--------------------|---------------|
| <b>Issue Age</b> |               |               |                    |               |
| Under 30         | 179           | 0.5%          | 214,344            | 0.2%          |
| 30-34            | 242           | 0.7%          | 342,869            | 0.3%          |
| 35-39            | 521           | 1.4%          | 854,012            | 0.8%          |
| 40-44            | 1,125         | 3.1%          | 2,451,286          | 2.3%          |
| 45-49            | 3,096         | 8.5%          | 7,398,003          | 6.9%          |
| 50-54            | 6,632         | 18.1%         | 16,704,989         | 15.7%         |
| 55-59            | 9,949         | 27.2%         | 27,376,749         | 25.7%         |
| 60-64            | 9,309         | 25.4%         | 29,114,870         | 27.3%         |
| 65-69            | 4,301         | 11.8%         | 16,131,765         | 15.1%         |
| 70-74            | 1,024         | 2.8%          | 4,867,500          | 4.6%          |
| 75-79            | 206           | 0.6%          | 1,179,716          | 1.1%          |
| <b>Total</b>     | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

Average Issue Age 57.2

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**ILTC3**

|                     | Count         | % of Count    | Premium            | % of Premium  |
|---------------------|---------------|---------------|--------------------|---------------|
| <b>Attained Age</b> |               |               |                    |               |
| Under 30            | 13            | 0.0%          | 13,376             | 0.0%          |
| 30-34               | 75            | 0.2%          | 85,154             | 0.1%          |
| 35-39               | 152           | 0.4%          | 196,671            | 0.2%          |
| 40-44               | 325           | 0.9%          | 472,392            | 0.4%          |
| 45-49               | 655           | 1.8%          | 1,245,718          | 1.2%          |
| 50-54               | 1,551         | 4.2%          | 3,677,159          | 3.4%          |
| 55-59               | 4,019         | 11.0%         | 9,866,770          | 9.3%          |
| 60-64               | 7,407         | 20.2%         | 19,351,801         | 18.1%         |
| 65-69               | 9,996         | 27.3%         | 28,376,015         | 26.6%         |
| 70-74               | 8,005         | 21.9%         | 25,911,792         | 24.3%         |
| 75-79               | 3,358         | 9.2%          | 12,787,840         | 12.0%         |
| 80+                 | 1,028         | 2.8%          | 4,651,416          | 4.4%          |
| <b>Total</b>        | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

Average Attained Age 65.9

|               |               |               |                    |               |
|---------------|---------------|---------------|--------------------|---------------|
| <b>Gender</b> |               |               |                    |               |
| Male          | 15,508        | 42.4%         | 46,083,537         | 43.2%         |
| Female        | 21,076        | 57.6%         | 60,552,566         | 56.8%         |
| <b>Total</b>  | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

|                          |               |               |                    |               |
|--------------------------|---------------|---------------|--------------------|---------------|
| <b>Inflation Option</b>  |               |               |                    |               |
| No Inflation             | 2,684         | 7.3%          | 5,467,820          | 5.1%          |
| GPO                      | 3,726         | 10.2%         | 10,331,297         | 9.7%          |
| 5% Simple Lifetime       | 8,342         | 22.8%         | 23,316,447         | 21.9%         |
| 5% Compound up to Double | 1,733         | 4.7%          | 4,686,687          | 4.4%          |
| 3% Compound Lifetime     | 4,324         | 11.8%         | 11,595,380         | 10.9%         |
| 5% Compound Lifetime     | 15,775        | 43.1%         | 51,238,473         | 48.0%         |
| <b>Total</b>             | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

|                           |               |               |                    |               |
|---------------------------|---------------|---------------|--------------------|---------------|
| <b>Elimination Period</b> |               |               |                    |               |
| 30 Day                    | 1,421         | 3.9%          | 4,878,992          | 4.6%          |
| 60 Day                    | 3,599         | 9.8%          | 10,610,368         | 10.0%         |
| 90 Day                    | 29,483        | 80.6%         | 85,315,450         | 80.0%         |
| 120 Day                   | 612           | 1.7%          | 1,602,599          | 1.5%          |
| 180 Day                   | 1,094         | 3.0%          | 3,325,611          | 3.1%          |
| 365 Day                   | 375           | 1.0%          | 903,084            | 0.8%          |
| <b>Total</b>              | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

|                       |               |               |                    |               |
|-----------------------|---------------|---------------|--------------------|---------------|
| <b>Benefit Period</b> |               |               |                    |               |
| 2 Years               | 1,984         | 5.4%          | 3,555,331          | 3.3%          |
| 3 Years               | 7,936         | 21.7%         | 19,352,028         | 18.1%         |
| 5 Years               | 15,572        | 42.6%         | 45,096,814         | 42.3%         |
| 7 Years               | 6,807         | 18.6%         | 21,626,349         | 20.3%         |
| Lifetime              | 4,285         | 11.7%         | 17,005,582         | 15.9%         |
| <b>Total</b>          | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**ILTC3**

|                         | Count         | % of Count    | Premium            | % of Premium  |
|-------------------------|---------------|---------------|--------------------|---------------|
| <b>Premium Period</b>   |               |               |                    |               |
| Lifetime                | 35,278        | 96.4%         | 99,553,128         | 93.4%         |
| 10 Pay                  | 1,051         | 2.9%          | 5,925,949          | 5.6%          |
| Paid Up at 65           | 162           | 0.4%          | 887,206            | 0.8%          |
| Premium Reduction at 65 | 93            | 0.3%          | 269,820            | 0.3%          |
| <b>Total</b>            | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

|                             |               |               |                    |               |
|-----------------------------|---------------|---------------|--------------------|---------------|
| <b>Marital Status</b>       |               |               |                    |               |
| Married, both lives insured | 23,422        | 64.0%         | 62,824,697         | 58.9%         |
| Married, one life insured   | 7,673         | 21.0%         | 24,389,411         | 22.9%         |
| Single                      | 5,489         | 15.0%         | 19,421,995         | 18.2%         |
| <b>Total</b>                | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

|                        |               |               |                    |               |
|------------------------|---------------|---------------|--------------------|---------------|
| <b>Benefit Measure</b> |               |               |                    |               |
| Daily                  | 14,584        | 39.9%         | 39,887,322         | 37.4%         |
| Monthly                | 22,000        | 60.1%         | 66,748,781         | 62.6%         |
| <b>Total</b>           | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

|                             |               |               |                    |               |
|-----------------------------|---------------|---------------|--------------------|---------------|
| <b>Reimbursement Option</b> |               |               |                    |               |
| Cash                        | 837           | 2.3%          | 3,892,030          | 3.6%          |
| Reimbursement               | 35,747        | 97.7%         | 102,744,073        | 96.4%         |
| <b>Total</b>                | <b>36,584</b> | <b>100.0%</b> | <b>106,636,103</b> | <b>100.0%</b> |

**Appendix E**  
**The Prudential Insurance Company of America**  
**Distribution of Inforce Business as of June 30, 2018**  
**ILTC3**

| <b>Issue State</b> | <b>Count</b>  | <b>% of Count</b> | <b>Premium</b>     | <b>% of Premium</b> |
|--------------------|---------------|-------------------|--------------------|---------------------|
| AK                 | 22            | 0.1%              | 70,521             | 0.1%                |
| AL                 | 187           | 0.5%              | 542,111            | 0.5%                |
| AR                 | 66            | 0.2%              | 152,344            | 0.1%                |
| AZ                 | 376           | 1.0%              | 895,543            | 0.8%                |
| CA                 | 5,319         | 14.5%             | 14,475,723         | 13.6%               |
| CO                 | 676           | 1.8%              | 2,220,163          | 2.1%                |
| CT                 | 802           | 2.2%              | 3,209,082          | 3.0%                |
| DC                 | 94            | 0.3%              | 334,238            | 0.3%                |
| DE                 | 66            | 0.2%              | 195,523            | 0.2%                |
| FL                 | 1,219         | 3.3%              | 3,550,291          | 3.3%                |
| GA                 | 709           | 1.9%              | 2,091,998          | 2.0%                |
| HI                 | 157           | 0.4%              | 412,872            | 0.4%                |
| IA                 | 530           | 1.4%              | 1,383,437          | 1.3%                |
| ID                 | 76            | 0.2%              | 208,627            | 0.2%                |
| IL                 | 2,951         | 8.1%              | 7,520,838          | 7.1%                |
| IN                 | 558           | 1.5%              | 1,677,202          | 1.6%                |
| KS                 | 511           | 1.4%              | 1,388,762          | 1.3%                |
| KY                 | 248           | 0.7%              | 765,757            | 0.7%                |
| LA                 | 442           | 1.2%              | 1,241,003          | 1.2%                |
| MA                 | 1,454         | 4.0%              | 4,337,371          | 4.1%                |
| MD                 | 1,017         | 2.8%              | 3,193,066          | 3.0%                |
| ME                 | 233           | 0.6%              | 723,805            | 0.7%                |
| MI                 | 418           | 1.1%              | 1,530,067          | 1.4%                |
| MN                 | 1,218         | 3.3%              | 3,238,401          | 3.0%                |
| MO                 | 642           | 1.8%              | 1,764,845          | 1.7%                |
| MS                 | 150           | 0.4%              | 394,576            | 0.4%                |
| MT                 | 234           | 0.6%              | 590,779            | 0.6%                |
| NC                 | 659           | 1.8%              | 1,770,696          | 1.7%                |
| ND                 | 155           | 0.4%              | 439,368            | 0.4%                |
| NE                 | 321           | 0.9%              | 824,518            | 0.8%                |
| NH                 | 84            | 0.2%              | 344,078            | 0.3%                |
| NJ                 | 2,151         | 5.9%              | 6,853,514          | 6.4%                |
| NM                 | 236           | 0.6%              | 574,742            | 0.5%                |
| NV                 | 77            | 0.2%              | 262,533            | 0.2%                |
| NY                 | 3,367         | 9.2%              | 11,918,994         | 11.2%               |
| OH                 | 1,164         | 3.2%              | 3,590,471          | 3.4%                |
| OK                 | 383           | 1.0%              | 1,101,259          | 1.0%                |
| OR                 | 302           | 0.8%              | 861,783            | 0.8%                |
| PA                 | 1,364         | 3.7%              | 3,675,440          | 3.4%                |
| RI                 | 144           | 0.4%              | 362,736            | 0.3%                |
| SC                 | 399           | 1.1%              | 1,176,451          | 1.1%                |
| SD                 | 131           | 0.4%              | 378,140            | 0.4%                |
| TN                 | 456           | 1.2%              | 1,186,031          | 1.1%                |
| TX                 | 2,059         | 5.6%              | 5,775,219          | 5.4%                |
| UT                 | 156           | 0.4%              | 382,912            | 0.4%                |
| VA                 | 1,229         | 3.4%              | 2,953,819          | 2.8%                |
| VT                 | 24            | 0.1%              | 62,556             | 0.1%                |
| WA                 | 646           | 1.8%              | 1,928,951          | 1.8%                |
| WI                 | 585           | 1.6%              | 1,710,832          | 1.6%                |
| WV                 | 36            | 0.1%              | 95,026             | 0.1%                |
| WY                 | 81            | 0.2%              | 297,089            | 0.3%                |
| <b>Total</b>       | <b>36,584</b> | <b>100.0%</b>     | <b>106,636,103</b> | <b>100.0%</b>       |

**Appendix E**  
**The Prudential Insurance Company of America**  
**Pennsylvania Distribution of Inforce Business as of June 30, 2018**  
**ILTC3**

|                   | Count        | % of Count    | Premium          | % of Premium  |
|-------------------|--------------|---------------|------------------|---------------|
| <b>Issue Year</b> |              |               |                  |               |
| 2005              | 35           | 2.6%          | 74,341           | 2.0%          |
| 2006              | 209          | 15.3%         | 517,168          | 14.1%         |
| 2007              | 227          | 16.6%         | 533,989          | 14.5%         |
| 2008              | 198          | 14.5%         | 532,737          | 14.5%         |
| 2009              | 207          | 15.2%         | 602,918          | 16.4%         |
| 2010              | 286          | 21.0%         | 804,155          | 21.9%         |
| 2011              | 198          | 14.5%         | 598,164          | 16.3%         |
| 2012              | 4            | 0.3%          | 11,969           | 0.3%          |
| 2016              | 0            | 0.0%          | 0                | 0.0%          |
| <b>Total</b>      | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

|                  | Count        | % of Count    | Premium          | % of Premium  |
|------------------|--------------|---------------|------------------|---------------|
| <b>Issue Age</b> |              |               |                  |               |
| Under 30         | 5            | 0.4%          | 7,255            | 0.2%          |
| 30-34            | 12           | 0.9%          | 13,218           | 0.4%          |
| 35-39            | 19           | 1.4%          | 30,520           | 0.8%          |
| 40-44            | 28           | 2.1%          | 65,245           | 1.8%          |
| 45-49            | 102          | 7.5%          | 210,355          | 5.7%          |
| 50-54            | 204          | 15.0%         | 460,499          | 12.5%         |
| 55-59            | 395          | 29.0%         | 974,487          | 26.5%         |
| 60-64            | 374          | 27.4%         | 1,062,607        | 28.9%         |
| 65-69            | 174          | 12.8%         | 613,168          | 16.7%         |
| 70-74            | 43           | 3.2%          | 190,417          | 5.2%          |
| 75-79            | 8            | 0.6%          | 47,668           | 1.3%          |
| <b>Total</b>     | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

Average Issue Age 57.8



**Appendix E**  
**The Prudential Insurance Company of America**  
**Pennsylvania Distribution of Inforce Business as of June 30, 2018**  
**ILTC3**

|                     | Count        | % of Count    | Premium          | % of Premium  |
|---------------------|--------------|---------------|------------------|---------------|
| <b>Attained Age</b> |              |               |                  |               |
| Under 30            | 1            | 0.1%          | 1,436            | 0.0%          |
| 30-34               | 1            | 0.1%          | 657              | 0.0%          |
| 35-39               | 5            | 0.4%          | 5,806            | 0.2%          |
| 40-44               | 12           | 0.9%          | 11,507           | 0.3%          |
| 45-49               | 18           | 1.3%          | 32,051           | 0.9%          |
| 50-54               | 41           | 3.0%          | 95,675           | 2.6%          |
| 55-59               | 97           | 7.1%          | 213,385          | 5.8%          |
| 60-64               | 227          | 16.6%         | 532,352          | 14.5%         |
| 65-69               | 409          | 30.0%         | 1,027,950        | 28.0%         |
| 70-74               | 353          | 25.9%         | 1,037,540        | 28.2%         |
| 75-79               | 146          | 10.7%         | 482,973          | 13.1%         |
| 80+                 | 54           | 4.0%          | 234,109          | 6.4%          |
| <b>Total</b>        | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

Average Attained Age 67.3

|               |              |               |                  |               |
|---------------|--------------|---------------|------------------|---------------|
| <b>Gender</b> |              |               |                  |               |
| Male          | 596          | 43.7%         | 1,645,672        | 44.8%         |
| Female        | 768          | 56.3%         | 2,029,768        | 55.2%         |
| <b>Total</b>  | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

|                          |              |               |                  |               |
|--------------------------|--------------|---------------|------------------|---------------|
| <b>Inflation Option</b>  |              |               |                  |               |
| No Inflation             | 143          | 10.5%         | 278,375          | 7.6%          |
| GPO                      | 194          | 14.2%         | 499,001          | 13.6%         |
| 5% Simple Lifetime       | 525          | 38.5%         | 1,330,864        | 36.2%         |
| 5% Compound up to Double | 103          | 7.6%          | 263,011          | 7.2%          |
| 3% Compound Lifetime     | 111          | 8.1%          | 288,322          | 7.8%          |
| 5% Compound Lifetime     | 288          | 21.1%         | 1,015,867        | 27.6%         |
| <b>Total</b>             | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

|                           |              |               |                  |               |
|---------------------------|--------------|---------------|------------------|---------------|
| <b>Elimination Period</b> |              |               |                  |               |
| 30 Day                    | 64           | 4.7%          | 180,137          | 4.9%          |
| 60 Day                    | 103          | 7.6%          | 274,624          | 7.5%          |
| 90 Day                    | 1,107        | 81.2%         | 3,002,622        | 81.7%         |
| 120 Day                   | 90           | 6.6%          | 218,057          | 5.9%          |
| 180 Day                   | 0            | 0.0%          | 0                | 0.0%          |
| 365 Day                   | 0            | 0.0%          | 0                | 0.0%          |
| <b>Total</b>              | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

|                       |              |               |                  |               |
|-----------------------|--------------|---------------|------------------|---------------|
| <b>Benefit Period</b> |              |               |                  |               |
| 2 Years               | 120          | 8.8%          | 255,900          | 7.0%          |
| 3 Years               | 369          | 27.1%         | 889,602          | 24.2%         |
| 5 Years               | 554          | 40.6%         | 1,606,717        | 43.7%         |
| 7 Years               | 231          | 16.9%         | 568,272          | 15.5%         |
| Lifetime              | 90           | 6.6%          | 354,950          | 9.7%          |
| <b>Total</b>          | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

**Appendix E**  
**The Prudential Insurance Company of America**  
**Pennsylvania Distribution of Inforce Business as of June 30, 2018**  
**ILTC3**

|                         | Count        | % of Count    | Premium          | % of Premium  |
|-------------------------|--------------|---------------|------------------|---------------|
| <b>Premium Period</b>   |              |               |                  |               |
| Lifetime                | 1,357        | 99.5%         | 3,652,010        | 99.4%         |
| 10 Pay                  | 0            | 0.0%          | 0                | 0.0%          |
| Paid Up at 65           | 0            | 0.0%          | 0                | 0.0%          |
| Premium Reduction at 65 | 7            | 0.5%          | 23,430           | 0.6%          |
| <b>Total</b>            | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

|                             |              |               |                  |               |
|-----------------------------|--------------|---------------|------------------|---------------|
| <b>Marital Status</b>       |              |               |                  |               |
| Married, both lives insured | 887          | 65.0%         | 2,139,382        | 58.2%         |
| Married, one life insured   | 274          | 20.1%         | 813,335          | 22.1%         |
| Single                      | 203          | 14.9%         | 722,723          | 19.7%         |
| <b>Total</b>                | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

|                        |              |               |                  |               |
|------------------------|--------------|---------------|------------------|---------------|
| <b>Benefit Measure</b> |              |               |                  |               |
| Daily                  | 462          | 33.9%         | 1,264,461        | 34.4%         |
| Monthly                | 902          | 66.1%         | 2,410,979        | 65.6%         |
| <b>Total</b>           | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

|                             |              |               |                  |               |
|-----------------------------|--------------|---------------|------------------|---------------|
| <b>Reimbursement Option</b> |              |               |                  |               |
| Cash                        | 15           | 1.1%          | 56,866           | 1.5%          |
| Reimbursement               | 1,349        | 98.9%         | 3,618,574        | 98.5%         |
| <b>Total</b>                | <b>1,364</b> | <b>100.0%</b> | <b>3,675,440</b> | <b>100.0%</b> |

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<br/>(in \$MM)</b> | <b>DLR Reserve (in<br/>\$MM)</b> | <b>Actual Incurred<br/>Claims (in \$MM)</b> | <b>Best Estimate<br/>Incurred Claims (in<br/>\$MM)</b> | <b>Actual to Best<br/>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: 877-773-9515

[DATE]

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

Re: Policy Number: [XXXXXXXXXX]  
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], paid [monthly, quarterly, semiannually, annually]. 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]

DRAFT

## 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 Benefit                       | [\$XXX]                                 | [\$XXX]                                                                                                    |
| Benefit Period                      | [X Years]                               | [X Years]                                                                                                  |
| Inflation Option                    | [X% Compound, Simple]                   | [X% Compound, Simple]                                                                                      |
| Elimination 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*.

[SINCE YOUR EXISTING POLICY IS A PARTNERSHIP POLICY, PLEASE NOTE. Whether your coverage qualifies for Partnership may depend on several factors, including the time you enrolled in this coverage (issue age) and the type of inflation protection you selected and maintain. A reduction to your inflation protection coverage may affect whether your policy continues to be a Partnership Policy. Before deciding to elect the Automatic Inflation option listed above, please review the chart below to determine if this change to your coverage would impact your policy's Partnership status. The age when your coverage was issued can be found above the chart. To retain your Partnership qualification status, you will need to maintain the level of inflation protection in effect at the time the policy was issued as required by your state, among other requirements that may be in effect. **If you wish to discuss the potential impact of reducing your automatic inflation benefit on your policy's Partnership status, please call us at 1-800-732-0416.**

Your Issue Age: [XX]

| Issue Age                                                | Age 60 and younger                                                                                                           | Age 61 – 75                                                                                                                  | Age 76 and above                                                                                                      |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>Partnership Qualified Inflation Options Available</b> | [Automatic Inflation Option Benefit must be 3% or greater for your policy to continue to be considered a Partnership Policy] | [Automatic Inflation Option Benefit must be 1% or greater for your policy to continue to be considered a Partnership Policy] | [No Automatic Inflation Option Benefit is required for your policy to continue to be considered a Partnership Policy] |

**[SPECIAL NOTE FOR POLICYHOLDERS WHO HAVE THE SHARED CARE RIDER:**

You and your Shared Care Partner must make the identical change(s). However, for purposes of electing an option to reduce the impact of the premium rate increase, you and your Shared Care Partner may elect changes that result in having non-identical Facility Daily Benefit amounts and/or Lifetime Maximum benefits. If, however, you wish to terminate an Optional Benefit Rider, ***you and your Shared Care Partner must make the identical change(s).*** Please consult with your Shared Care Partner prior to completing this form.]

[It is also important to note that your coverage includes a "Limited Pay Option" premium payment provision. Please consider the number of remaining payments before making the decision to reduce benefits.]]

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

You may reduce your initial Facility Daily Benefit amount from [\$\$\$] to [\$\$\$] (because your policy has an inflation protection provision or rider, your corresponding *inflated* Facility Daily Benefit amount will decrease from [\$\$\$] to [\$\$\$]<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 Facility Daily Benefit 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 Facility Daily Benefit 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.

**[IF INSURED UNDER THE 150% HOME CARE OPTION:** You may reduce your Home Care Daily Benefit from 150% of the Facility Daily Benefit to [100%] of the Facility Daily Benefit. This means that the maximum benefit that you could receive under the policy for each day you receive Home Care benefits will be reduced. This change will result in a new [monthly, quarterly, semiannual, annual] premium payment of [XXXX.XX].

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 NOT INSURED BY CASH BENEFIT RIDER OR FLEXIBLE CASH BENEFIT RIDER:**

You may remove the Cash Alternative Benefit from your policy. 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 Care Daily Benefit. You will **not** have the option to receive a reduced monthly cash amount in lieu of being reimbursed for expenses incurred. Removing the Cash Alternative Benefit results in a lower premium for policy. If you elect to remove your Cash Alternative Benefit, you will receive an Amendatory Rider that should be kept with your policy. You will have 30 days to review the Amendatory Rider. If you are not satisfied with the terms and conditions of this Rider, we will reinstate your Cash Alternative Benefit if you make such a request in writing during these 30 days. **However, if you elect to keep the Amendatory Rider, this change to your policy will be irrevocable.**

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

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

**[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 Care Daily 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].

**[IF INSURED UNDER THE FLEXIBLE CASH BENEFIT RIDER:** You may drop your Flexible 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 Care Daily Benefit rather than receive a monthly cash amount in combination with expense reimbursement as provided under the Flexible Cash Benefit Rider.

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 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 INSURED UNDER SHARED CARE RIDER: SPECIAL NOTE FOR POLICYHOLDERS WHO HAVE THE SHARED CARE RIDER:** A condition of the

Shared Care Rider is that you and your Shared Care Partner must have and maintain identical Policy Benefits, including Optional Benefit Riders. However, for purposes of electing an option to reduce the impact of the premium rate increase, you and your Shared Care Partner may elect changes that result in having non-identical Facility Daily Benefit amounts and/or Lifetime Maximum benefits. If, however, you wish to terminate an Optional Benefit Rider, your Shared Care Partner must make the identical change(s). Please consult with your Shared Care Partner prior to requesting any changes.]

[**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 Elimination Period and Facility Daily Benefit will remain the same, but your Lifetime Maximum benefit will be reduced. All riders attached to your policy will also terminate. In addition, the following policy riders will also automatically terminate for your Spouse or Partner: Shared Care Benefit, Joint Waiver of Premiums Benefit, and Survivor Waiver of Premiums Benefit (if applicable). 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 Elimination Period and Facility Daily Benefit will remain the same, but your Lifetime Maximum benefit will be reduced. All riders attached to your policy will also terminate. In addition, the following policy riders will also automatically terminate for your Spouse or Partner: Shared Care Benefit, Joint Waiver of Premiums Benefit, and Survivor Waiver of Premiums Benefit (if applicable). 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.]

[It is also important to note that your coverage includes a “Limited Pay Option” premium payment provision. Please consider the number of remaining payments before making the decision to reduce 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*.]

DRAFT

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: 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.**

[IF INSURED UNDER SHARED CARE RIDER: **SPECIAL NOTE FOR POLICYHOLDERS WHO HAVE THE SHARED CARE RIDER:** You and your Shared Care Partner must make the identical change(s). However, for purposes of electing an option to reduce the impact of the premium rate increase, you and your Shared Care Partner may elect changes that result in having non-identical Facility Daily Benefit amounts and/or Lifetime Maximum benefits. If, however, you wish to terminate an Optional Benefit Rider, ***you and your Shared Care Partner must make the identical change(s).*** Please consult with your Shared Care Partner prior to completing this form.]

- [IF INSURED UNDER AN OPTIONAL AUTOMATIC INFLATION OPTION:** **Decrease** my future annual inflation rate from [X%] to [Y%.] [IF INFLATION AND BENEFIT PERIOD LANDING SPOT OFFER: and reduce the Benefit Period 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 Facility Daily Benefit** amount from [\$XXX] to [\$YYY] (my corresponding *inflated* Facility Daily Benefit 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.]
- [Decrease my Home Care Daily Benefit** Factor from [X]% to [Y]%.]
- [IF NOT INSURED UNDER CASH BENEFIT RIDER OR FLEXIBLE CASH BENEFIT RIDER: Remove the Cash Alternative Benefit** from my Policy. I understand that by agreeing to remove this benefit, I will **not** have the option to receive a reduced monthly cash amount in lieu of being reimbursed for expenses incurred under my Policy. I also understand that by making this election, I will receive an Amendatory Rider that should be kept with my policy. Upon receipt, I understand that I will have 30 days to review the terms of this Rider. ***In addition, I understand that if I elect to keep the Amendatory Rider and remove the Cash Alternative Benefit from my Policy, this change will be irrevocable.***]
- [IF INSURED UNDER CASH BENEFIT RIDER: Remove my Cash Benefit Rider** and convert my Policy to a daily reimbursement plan.]
- [IF INSURED UNDER FLEXIBLE CASH BENEFIT RIDER: Remove my Flexible Cash Benefit Rider** and convert my Policy to a daily reimbursement plan.]
- [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 Elimination Period and Facility Daily 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 Elimination Period and Facility Daily 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.

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IF MY EXISTING POLICY IS A PARTNERSHIP POLICY, PLEASE NOTE. Whether my coverage qualifies for Partnership may depend on several factors, including the time I enrolled in this coverage (issue age) and the type of inflation protection I selected and maintain. I understand that a reduction to my inflation protection coverage may affect whether my policy continues to be a Partnership Policy. To retain my Partnership qualification status, I need to maintain the level of inflation protection in effect at the time the policy was issued as required by my state, among other requirements that may be in effect.

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.

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Signature of Policyholder [for policy #XXXXXX]

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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 LTC3<sup>SM</sup>. Our current projections show that claim payments under all LTC3 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 LTC3 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, Facility Daily Benefit), reduce your Home Care Daily Benefit Factor, remove the Cash Alternative Benefit, remove an optional Cash Benefit, Monthly Benefit or other rider [IF INFLATION ONLY LANDING SPOT OFFER: or reduce your future annual inflation rate [IF INFLATION AND BENEFIT PERIOD LANDING SPOT OFFER: and Benefit Period]. 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.