

# Lincoln National Life Insurance Company

## Actuarial Justification of Premium Rate Increase Long Term Care Policies

### 1. PURPOSE AND SCOPE OF FILING

This is a rate increase filing for Lincoln National Life Insurance existing Long Term Care policy forms. The purpose of this filing is to demonstrate that the anticipated loss ratio of these forms meets the minimum requirements of this state. This rate filing is not intended to be used for any other purposes.

This rate filing is a request for a 15% increase, effective upon approval by the state, on all of the company's Long Term Care policy forms and rider forms as summarized below and in Exhibit C. The rate increase will apply to all insureds covered under the referenced policy series in Maryland. Exhibit C is included for those policies that were not issued in Maryland but currently reside in Maryland as increases are given on a resident state basis.

The company will provide two alternative options in lieu of the rate increase. One option is a reduction in policy benefit limit and nursing home daily benefit maximum amounts. The other option is paid-up coverage, where the policy is converted to paid-up insurance with no further premium payments required. The policy benefit limit under this option will be reduced to an amount equal to the total premium paid under this policy less any waived premium and paid claims. With the paid-up coverage, the annual Benefit Increase Option, Restoration of Benefits and Guaranteed Insurability Rider are no longer available.

Lincoln National sold Long Term Care policies from 1991-1996. All inforce policies subject to this proposed rate increase were issued prior to August 1, 1996. Lincoln then ceded out 100% of the risk to GenRe who then ceded out 50% of the risk to Trustmark Insurance Company who also administers this block.

#### *Series LTC1*

*Lincoln National Life Insurance Company*  
Long Term Care Policy HL-2500AA (8/90)  
Home and Community Care Rider HL-2525AA (8/90)  
Guaranteed Insurability Rider HL-2550AA (8/90)

#### *Series LTC2*

*Lincoln National Life Insurance Company*  
Long Term Care Policy HL-2950AA (7/92)

The rate increase will apply to all insureds covered under the referenced policy series in this state. The rate increase is necessary because the emerging

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experience reveals morbidity and policy persistency levels that produce lifetime loss ratios above the minimum required loss ratio.

## **2. BENEFITS**

### *LTC1*

This policy provides daily benefits for confinement in a nursing home. Optional riders are available to provide: (1) daily home health care and adult day care benefits, and (2) a guaranteed insurability privilege allowing an annual increase of 5% of the initial daily benefit through age 85.

Nursing home benefits begin after the insured has satisfied a deductible period (elimination period) and continue while the insured remains confined until the policy benefit limit has been reached. Home health care and adult day care benefits are subject to a separate deductible period and benefit limit. However, any day used to satisfy the nursing home deductible period also satisfies the home health care/adult day care deductible period. Each day of benefit, whether provided for nursing home confinement or home health care/adult day care, counts toward the policy benefit limit.

A benefit increase option is also available. If this option is elected a higher level premium is charged for the lifetime of the policy. The insured may not elect both the benefit increase option and the guaranteed insurability rider.

### *LTC2*

This policy provides daily benefit for confinement in a nursing home or other confined care facility. This policy has an option, which may be elected, to provide home health and community care benefits.

Benefits begin after the insured has satisfied an elimination period, and continue while the insured remains confined or, if applicable, receives home health or community care services, until the policy benefit limit has been reached. Benefits paid for confined care and home health and community care all count toward the policy benefit limit. The policy benefit limit is a dollar amount that is calculated as the selected benefit period multiplied by the selected daily limit.

Two annual increase optional benefits are included. The annual increase applies even when the policy is in claim status. Premiums are expected to remain level from issue under both increase options.

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A return of premium option is also included. Upon death of the insured, termination of the policy, or a decrease in the daily limit and policy benefit limit, it provides for the payment of a return of premium as described in the policy.

#### 3. RENEWABILITY

These policy forms are guaranteed renewable for life subject to the company's right to change premium rates.

#### 4. APPLICABILITY

This filing applies to inforce insureds as these forms are no longer actively marketed. The premium change will be applicable to the base forms and to all riders associated with the base forms.

#### 5. MORBIDITY

The Minnesota Milliman office projected future incurred claims based on the claim experience of these policy forms, the current demographics of the block, the original underwriting of the business, and their projection models. The ultimate claim costs represent best estimate values and do not include an explicit provision for moderately adverse conditions.

#### 6. MORTALITY

The Annuity 2000 mortality table was used for projecting future mortality.

#### 7. PERSISTENCY

Experience to date –

Policy Duration	Expected Termination Rate	Actual Termination Rate	Actual / Expected
2/1	15%	10%	67%
3/2	13%	8%	61%
4/3	12%	5%	45%
5/4	12%	6%	47%
6/5	11%	5%	46%
7/6	11%	5%	43%
8/7	11%	4%	37%
9/8	12%	5%	41%
10/9	14%	6%	42%
11/10	15%	6%	38%

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12/11	15%	5%	34%
13/12	16%	7%	44%
14/13	16%	6%	38%
15/14	18%	5%	28%
16/15	19%	5%	39%
17/16	20%	5%	21%
18/17	21%	5%	24%
19/18	22%	6%	27%
20/19	22%	5%	23%
21/20	23%	6%	26%
22/21	24%	8%	33%
23/22	24%	8%	33%
24/23	30%	7%	23%
25/24	24%	11%	46%

Note: As policies were issued in different years, not all policies have reached durations 18 and beyond. To account for this, the shaded numbers do not include policies that have not completed the given duration. Terminations include voluntary lapses and deaths. Future voluntary lapse rates are assumed to be 1.2%.

#### 8. EXPENSES

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

#### 9. MARKETING

These policy forms were marketed by the companies' agents and marketing companies.

#### 10. UNDERWRITING

These policies were fully underwritten. Attending physician statements were generally obtained.

#### 11. PREMIUMS

Premiums vary by original issue age, benefit option selected, and risk class (with and without spousal discount). A factor of **1.15** will be applied to the currently filed and approved rates.

#### 12. ISSUE AGE RANGE

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The maximum issue age is 85; however, only a limited selection of benefit options was available over issue age 79.

#### 13. AREA FACTORS

These policies were not area rated.

#### 14. AVERAGE ANNUAL PREMIUM

<u>Plan</u>	<u>Before Increase</u>	<u>After Increase</u> (Maryland Rate Basis)
Maryland		
LTC1	\$2,057	\$2,366
LTC2	\$2,065	\$2,375
Nationwide		
LTC1	\$2,204	\$2,535
LTC2	\$2,217	\$2,550

#### 15. PREMIUM MODALIZATION RULES

The following modal factors were applied to the annual premiums.

<u>Premium Mode</u>	<u>Modal Factor</u>
Annual	1.000
Semi-annual	0.520
Quarterly	0.265
Monthly	0.089

#### 16. CLAIM LIABILITY AND RESERVES

Claim reserves and liabilities are calculated on a seriatim basis for known claims, plus an IBNR provision. These are based on continuation factors developed by Lincoln National Life for Home Care vs. Nursing Home, by sex and by whether or not bathing is a benefit trigger. Interest is at 5.5% for 1991-1992 claims, 5% for 1993-1994 claims, and 4.5% for 1995-2005, 4% for 2006-2012, and 3.5% for 2013 and later claims. Maximum benefits range from 2 years to lifetime.

#### 17. ACTIVE LIFE RESERVE

Active life reserves were not necessary to demonstrate compliance with the minimum 60% loss ratio.

#### 18. TREND ASSUMPTIONS

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We have assumed that daily benefits will increase by 5% each policy year for plans with compound inflation protection. Plans without inflation protection do not include any trend.

#### 19. MINIMUM REQUIRED LOSS RATIO

The minimum required loss ratio for these forms is 60%.

#### 20. ANTICIPATED LOSS RATIO

The anticipated lifetime loss ratio for this book of business without the current proposed rate increase is 84.8% shown in Exhibit A. This is based on a 4.5% interest rate.

#### 21. DISTRIBUTION OF BUSINESS - Nationwide

Distribution of Issues by Age –

Issue Age	Distribution
<50	5.3%
50-54	8.7%
55-59	15.1%
60-64	26.6%
65-69	23.3%
70-74	13.0%
75-79	6.0%
80+	2.0%
Total	100.0%
Average Age	63

Distribution of Issues by Plan –

Plan	Distribution
LTC1	15%
LTC2	85%

Distribution of Issues by Gender –

Gender	Distribution
Male	39%
Female	61%

Distribution of Issues by Benefit Period –

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<b>Benefit</b>	
<b>Period (years)</b>	<b>Distribution</b>
2	4.8%
3	19.2%
4	20.8%
5	7.9%
6	2.7%
Unlimited	44.7%

Distribution of Issues by Elimination Period –

<b>Elimination</b>	
<b>Period (days)</b>	<b>Distribution</b>
20	33.3%
60	20.3%
100	44.2%
365	2.2%

Distribution of Issues by Home Health Care Percentage –

<b>Home Health</b>	
<b>Care Percentage</b>	<b>Distribution</b>
0%	20%
60%	16%
100%	64%

Distribution of Issues by Risk Class –

<b>Risk Class</b>	<b>Distribution</b>
With spousal discount	60%
Without spousal discount	40%

Distribution of Issues by Optional Rider –

<b>Optional Rider</b>	<b>% Electing</b>
Compound Inflation	18.7%
Simple Inflation	15.4%
Guaranteed Insurability	3.4%
Return of Premium	5.8%

## 22. CONTINGENCY AND RISK MARGINS

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Contingency and risk margins have not been included in the justification for this rate increase.

#### 23. EXPERIENCE OF THE FORM

See Exhibit A for calendar year historical experience through December 31, 2015 as well as projected future experience. Historical incurred claims reflect claim payment runoff through December 31, 2015 plus the claim reserve estimate as of December 31, 2015 (as described in Section 16 above).

Exhibit B provides projected future experience including the proposed rate increase. The assumed implementation date is March 1, 2017.

Future claims experience data is from a recently completed analysis of this block of business performed by the Minnesota Milliman office.

#### 24. LIFETIME LOSS RATIO

The lifetime anticipated loss ratio is 84.8%. See Exhibit A for the calculation.

#### 25. HISTORY OF RATE ADJUSTMENTS

A 15% rate increase was approved in the state of Maryland in 2003, a 15% rate increase in 2006, a 15% rate increase in 2009, and a 15% increase in 2016.

#### 26. NUMBER OF POLICYHOLDERS

The number of policyholders and annualized inforce premium as of 12/31/2015 are shown below.

Company	Plan	Annualized Premium	Inforce
Maryland Only			
LNL	LTC1	\$14,400	7
LNL	LTC2	\$334,472	162
Nationwide			
LNL	LTC1	\$467,972	204
	LTC2	\$3,528,603	1,589
	LTG1	\$27,295	21
	LTG2	\$2,857	4
FPP	LTC1	\$18,690	9
	LTC2	\$0	0
SC	LTC1	\$17,128	7



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LTC2	\$0	0
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Note: In other sections, LTG1 and LTG2 are grouped with LTC1 and LTC2 respectively as they have similar policy provisions. LTG policies are group policies while the LTC policies are individual policies.

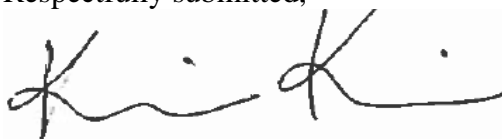
**27. PROPOSED EFFECTIVE DATE**

The proposed 15% increase will be implemented as soon as possible following approval after fulfillment of all statutory and contractual requirements. The assumed implementation in Exhibit B is March 1, 2017.

**28. ACTUARIAL CERTIFICATION**

I hereby certify to the best of my knowledge and judgment, the entire rate filing submitted herein is in compliance with all applicable laws of this state, the rules of the Department of Insurance, and Actuarial Standard of Practice Number 8 as adopted by the Actuarial Standards Board. In my opinion, the rates are not excessive or unfairly discriminatory. This filing will enhance premium adequacy, but future rate action may be necessary. Therefore, benefits cannot be certified reasonable in relation to premium.

Respectfully submitted,



Kristen S. Kim, F.S.A, M.A.A.A.  
Executive Director and Actuary  
Trustmark Insurance Company, DI/LTC Division

Exhibit A

Future Voluntary Lapse Rate  
 Future Mortality from Annuity 2000 mortality table

1.2%

**Lincoln National Life Insurance Company**  
**LTC policies issued from 1991-1996**  
**Nationwide Actual and Projected Experience without Rate Increase**

Cal Year	Actual	State	Before Any	Claims paid	Outstanding	State Basis	Actual Basis	Expected	Expected	A/E	
	Earned Premium	*Earned Premium	Rate Increase Earned Premium	Through 12/31/15 for given Incurred Year	Reserve As of 12/31/15	Incurred Loss Ratio	Incurred Loss Ratio	Incurred Claims	Loss Ratio	A/E Claims Ratio	Rate Increase
1991	399,385	399,385	399,385	2,480	-	2,480	0.6%	37,045	9.3%	0.07	0.07
1992	1,628,531	1,628,531	1,628,531	7,304	-	7,304	0.4%	217,224	13.3%	0.03	0.03
1993	3,186,821	3,186,821	3,186,821	798,400	-	798,400	25.1%	529,099	16.6%	1.51	1.51
1994	4,658,753	4,658,753	4,658,753	725,100	-	725,100	15.6%	958,055	20.6%	0.76	0.76
1995	5,854,590	5,854,590	5,854,590	474,637	-	474,637	8.1%	1,547,105	26.4%	0.31	0.31
1996	7,069,098	7,069,098	7,069,098	1,909,961	-	1,909,961	27.0%	2,303,081	32.6%	0.83	0.83
1997	7,175,093	7,175,093	7,175,093	2,668,130	-	2,668,130	37.2%	3,054,088	42.6%	0.87	0.87
1998	6,718,390	6,718,390	6,718,390	1,486,886	-	1,486,886	22.1%	3,758,008	55.9%	0.40	0.40
1999	6,443,275	6,443,275	6,443,275	2,695,388	-	2,695,388	41.8%	4,464,571	69.3%	0.60	0.60
2000	6,144,372	6,144,372	6,144,372	3,288,978	-	3,288,978	53.5%	5,018,175	81.7%	0.66	0.66
2001	5,804,152	5,804,152	5,804,152	2,970,853	-	2,970,853	51.2%	5,369,158	92.5%	0.55	0.55
2002	5,544,280	5,544,280	5,544,280	2,856,981	-	2,856,981	51.5%	5,710,376	103.0%	0.50	0.50
2003	5,259,872	5,259,872	5,259,872	3,867,673	-	3,867,673	73.5%	5,969,567	113.5%	0.65	0.65
2004	5,440,186	5,723,314	4,976,795	3,590,762	34,819	3,625,582	63.3%	6,186,683	124.3%	0.51	0.59
2005	5,632,590	5,351,541	4,653,514	3,800,882	89,334	3,890,217	72.7%	6,309,732	135.6%	0.54	0.62
2006	5,655,857	5,375,589	4,399,459	5,632,454	134,637	5,767,092	107.3%	6,462,217	146.9%	0.73	0.89
2007	6,088,853	5,448,931	4,120,174	4,061,425	626,678	4,688,103	86.0%	6,519,621	158.2%	0.54	0.72
2008	6,025,464	5,123,115	3,873,811	5,076,512	-	5,076,512	99.1%	6,587,632	170.1%	0.58	0.77
2009	5,682,801	4,916,083	3,626,600	4,303,197	200,053	4,503,249	91.6%	6,605,085	182.1%	0.50	0.68
2010	5,526,937	5,096,225	3,350,850	3,857,678	325,090	4,182,768	82.1%	6,539,333	195.2%	0.42	0.64
2011	5,315,721	4,730,639	3,110,472	3,218,135	956,017	4,174,151	88.2%	6,479,444	208.3%	0.42	0.64
2012	4,959,006	4,414,948	2,902,900	3,304,282	1,687,111	4,991,393	113.1%	6,464,630	222.7%	0.51	0.77
2013	4,625,663	4,111,404	2,703,315	3,248,938	2,479,899	5,728,837	139.3%	6,412,672	237.2%	0.59	0.89
2014	4,283,854	3,773,918	2,481,413	1,789,231	4,475,092	6,264,323	166.0%	6,302,218	254.0%	0.65	0.99
2015	3,949,906	3,464,491	2,277,959	854,856	8,101,780	8,956,636	258.5%	6,209,494	272.6%	0.95	1.44
2016	3,256,916	3,249,456	1,878,303	3,249,456	-	7,389,069	227.4%	5,094,737	271.2%	0.84	1.45
2017	2,946,698	2,972,256	1,699,397	2,972,256	-	7,423,860	249.8%	4,935,668	290.4%	0.86	1.50
2018	2,643,997	2,666,930	1,524,826	2,666,930	-	7,369,889	276.3%	4,735,619	310.6%	0.89	1.56
2019	2,360,699	2,381,174	1,361,444	2,381,174	-	7,245,627	304.3%	4,474,723	328.7%	0.93	1.62
2020	2,096,855	2,115,042	1,209,282	2,115,042	-	7,052,753	333.5%	4,288,134	354.6%	0.94	1.64
2021	1,853,195	1,869,268	1,068,760	1,869,268	-	6,803,750	364.0%	4,078,298	381.6%	0.95	1.67
2022	1,630,297	1,644,438	940,213	1,644,438	-	6,509,794	395.9%	3,825,797	406.9%	0.97	1.70
2023	1,427,758	1,440,142	823,406	1,440,142	-	6,181,149	429.2%	3,578,725	434.6%	0.99	1.73
2024	1,244,669	1,255,465	717,816	1,255,465	-	5,827,165	464.1%	3,284,265	457.5%	1.01	1.77
2025	1,079,881	1,089,281	622,780	1,089,281	-	5,455,618	500.9%	3,095,247	497.0%	1.01	1.76
2026	931,937	940,020	537,460	940,020	-	5,073,912	539.8%	2,905,436	540.6%	1.00	1.75
2027	799,631	806,567	461,157	806,567	-	4,684,301	580.8%	2,664,778	577.8%	1.01	1.76
2028	682,344	688,263	393,516	688,263	-	4,298,411	624.5%	2,431,238	617.8%	1.01	1.77
2029	578,920	583,942	333,871	583,942	-	3,918,394	671.0%	2,176,972	652.0%	1.03	1.80
2030	488,196	492,430	281,548	492,430	-	3,548,087	720.5%	1,969,218	699.4%	1.03	1.80
2031	409,132	412,680	235,951	412,680	-	3,189,277	772.8%	1,782,468	755.4%	1.02	1.79
2032	340,732	343,688	196,505	343,688	-	2,847,296	828.5%	1,555,697	791.7%	1.05	1.83
2033	282,037	284,483	162,654	284,483	-	2,523,571	887.1%	1,336,684	821.8%	1.08	1.89
2034	232,023	234,036	133,811	234,036	-	2,218,869	948.1%	1,135,993	849.0%	1.12	1.95
2035	189,658	191,303	109,378	191,303	-	1,933,795	1010.9%	952,611	870.9%	1.16	2.03
2036	154,068	155,404	88,853	155,404	-	1,669,807	1074.5%	795,943	895.8%	1.20	2.10
2037	124,413	125,492	71,751	125,492	-	1,433,064	1142.0%	647,607	902.6%	1.27	2.21
2038	99,873	100,739	57,598	100,739	-	1,221,125	1212.2%	519,868	902.6%	1.34	2.35
2039	79,736	80,428	45,985	80,428	-	1,033,190	1284.6%	415,052	902.6%	1.42	2.49
2040	63,306	63,855	36,509	63,855	-	867,820	1359.1%	329,524	902.6%	1.51	2.63
2041	49,980	50,413	28,824	50,413	-	724,055	1436.2%	260,159	902.6%	1.59	2.78
2042	39,240	39,581	22,630	39,581	-	600,040	1516.0%	204,258	902.6%	1.68	2.94
2043	30,639	30,905	17,670	30,905	-	492,596	1593.9%	159,488	902.6%	1.77	3.09
2044	23,797	24,004	13,724	24,004	-	401,728	1673.6%	123,872	902.6%	1.85	3.24
2045	18,405	18,564	10,614	18,564	-	326,108	1756.6%	95,802	902.6%	1.95	3.40
2046	14,193	14,316	8,185	14,316	-	263,801	1842.7%	73,877	902.6%	2.04	3.57
2047	10,917	11,012	6,296	11,012	-	212,053	1925.7%	56,822	902.6%	2.13	3.73
2048	8,380	8,453	4,833	8,453	-	169,771	2008.4%	43,626	902.6%	2.23	3.89
2049	6,424	6,480	3,705	6,480	-	135,887	2097.2%	33,438	902.6%	2.32	4.06
2050	4,912	4,955	2,833	4,955	-	108,580	2191.3%	25,571	902.6%	2.43	4.25
2051	3,753	3,785	2,164	3,785	-	86,744	2291.6%	19,534	902.6%	2.54	4.44
2052	2,858	2,882	1,648	2,882	-	68,963	2392.5%	14,875	902.6%	2.65	4.64
2053	2,167	2,186	1,250	2,186	-	54,642	2499.9%	11,280	902.6%	2.77	4.84
2054	1,637	1,651	944	1,651	-	43,127	2612.7%	8,519	902.6%	2.89	5.06
2055	-	-	-	-	-	-	-	-	-	-	-
Past		123,416,810				85,601,633	69.4%	116,014,313	94.0%	73.8%	
Future		26,405,934				111,407,286	421.9%	64,141,426	242.9%	173.7%	
Lifetime		149,822,743				197,008,920	131.5%	180,155,739	120.2%	109.4%	
Interest	4.5%										
Past		221,111,678				127,848,674	57.8%	180,432,650	81.6%	70.9%	
Future		20,456,268				76,936,026	376.1%	45,756,226	223.7%	168.1%	
Lifetime		241,567,946				204,784,699	84.8%	226,188,876	93.6%	90.5%	

Note: Loss ratios do not include the change in active life reserves.  
 \*Earned premium is a Maryland rate basis.

12/31/2015 BRI EP  
 LTC-1 269,305  
 LTC-2 2,008,654

**Exhibit B**  
Proposed Rate Increase effective 3/1/2017 15%  
Future Voluntary Lapse Rate 1.2%  
Future Mortality from Annuity 2000 mortality table

**Lincoln National Life Insurance Company**  
**LTC policies issued from 1991-1996**  
**Nationwide Actual and Projected Experience with Rate Increase**

Cal Year	*Earned Premium	Claims paid		Outstanding Reserve As of 12/31/15	Incurred Claims	Incurred Loss Ratio
		Through 12/31/15 for given Incurred Year				
1991	399,385	2,480	-	-	2,480	0.6%
1992	1,628,531	7,304	-	-	7,304	0.4%
1993	3,186,821	798,400	-	-	798,400	25.1%
1994	4,658,753	725,100	-	-	725,100	15.6%
1995	5,854,590	474,637	-	-	474,637	8.1%
1996	7,069,098	1,909,961	-	-	1,909,961	27.0%
1997	7,175,093	2,668,130	-	-	2,668,130	37.2%
1998	6,718,390	1,486,886	-	-	1,486,886	22.1%
1999	6,443,275	2,695,388	-	-	2,695,388	41.8%
2000	6,144,372	3,288,978	-	-	3,288,978	53.5%
2001	5,804,152	2,970,853	-	-	2,970,853	51.2%
2002	5,544,280	2,856,981	-	-	2,856,981	51.5%
2003	5,259,872	3,867,673	-	-	3,867,673	73.5%
2004	5,723,314	3,590,762	34,819	-	3,625,582	63.3%
2005	5,351,541	3,800,882	89,334	-	3,890,217	72.7%
2006	5,375,589	5,632,454	134,637	-	5,767,092	107.3%
2007	5,448,931	4,061,425	626,678	-	4,688,103	86.0%
2008	5,123,115	5,076,512	-	-	5,076,512	99.1%
2009	4,916,083	4,303,197	200,053	-	4,503,249	91.6%
2010	5,096,225	3,857,678	325,090	-	4,182,768	82.1%
2011	4,730,639	3,218,135	956,017	-	4,174,151	88.2%
2012	4,414,948	3,304,282	1,687,111	-	4,991,393	113.1%
2013	4,111,404	3,248,938	2,479,899	-	5,728,837	139.3%
2014	3,773,918	1,789,231	4,475,092	-	6,264,323	166.0%
2015	3,464,491	854,856	8,101,780	-	8,956,636	258.5%
2016	3,249,456				7,389,069	227.4%
2017	3,343,788				7,423,860	222.0%
2018	3,066,970				7,369,489	240.3%
2019	2,738,351				7,245,627	264.6%
2020	2,432,299				7,052,753	290.0%
2021	2,149,659				6,803,750	316.5%
2022	1,891,103				6,509,794	344.2%
2023	1,656,163				6,181,149	373.2%
2024	1,443,784				5,827,165	403.6%
2025	1,252,634				5,455,618	435.5%
2026	1,081,023				5,073,912	469.4%
2027	927,552				4,684,301	505.0%
2028	791,502				4,298,411	543.1%
2029	671,533				3,918,394	583.5%
2030	566,294				3,548,087	626.5%
2031	474,582				3,189,277	672.0%
2032	395,241				2,847,296	720.4%
2033	327,156				2,523,571	771.4%
2034	269,141				2,218,869	824.4%
2035	219,998				1,933,795	879.0%
2036	178,715				1,669,807	934.3%
2037	144,316				1,433,064	993.0%
2038	115,850				1,221,125	1054.1%
2039	92,492				1,033,190	1117.1%
2040	73,433				867,820	1181.8%
2041	57,975				724,055	1248.9%
2042	45,518				600,040	1318.3%
2043	35,541				492,596	1386.0%
2044	27,604				401,728	1455.3%
2045	21,349				326,108	1527.5%
2046	16,463				263,801	1602.4%
2047	12,663				212,053	1674.5%
2048	9,721				169,771	1746.4%
2049	7,452				135,887	1823.6%
2050	5,698				108,580	1905.5%
2051	4,353				86,744	1992.7%
2052	3,315				68,963	2080.4%
2053	2,514				54,642	2173.8%
2054	1,898				43,127	2271.9%
2055	-				-	-
Past	123,416,810				85,601,633	69.4%
Future	29,805,099				111,407,286	373.8%
Lifetime	153,221,909				197,008,920	128.6%
Interest 4.5%						
Past	221,111,678				127,848,674	57.8%
Future	22,978,341				76,936,026	334.8%
Lifetime	244,090,019				204,784,699	83.9%

Note: Loss ratios do not include the change in active life reserves.  
\*Earned premium is a Maryland rate basis.

## Exhibit C

### Series LTC-1

HL-2500AA (8/90) Long Term Care Policy  
HL-2525AA (8/90) Home & Community Care Rider  
HL-2550AA (8/90) Guaranteed Insurability Rider

HL-2500CA (6/91)  
HL-2525CA (6/91)  
HL-2500CT (10/90)  
HL-2500DE (10/90)  
HL-2500DC (8/90)  
HL-2525DC (8/90)  
HL-2550DC (8/90)  
HL-2500FL (8/90)  
HL-2525FL (1/91)  
HL-2500GA (9/91)  
HL-2525GA (9/91)  
HL-2550GA (9/91)  
HL-2500GU (8/90)  
HL-2500KS (7/91)  
HL-2525KS (7/91)  
HL-2500MD (2/91)  
HL-2525MD (1/91)  
HL-2500MI (1/91)  
HL-2500MO  
HL-2525MO  
HL-2500NH  
HL-2500NM  
HL-2500NC (5/91)  
HL-2525NC (5/91)  
HL-2500ND (9/90)  
HL-2502OK (11/90)  
HL-2500OR (8/90)  
HL-2525OR (8/90)  
HL-2500PA (1/91)  
HL-2500SC (1/91)  
HL-2525SC (1/91)  
HL-2526SC (1/91)  
HL-2525SD (7/91)  
HL-2500TX (8/91)  
HL-2525TX (8/91)  
HL-2500WA (11/91)  
HL-2525WA (11/91)  
HL-2500WI (7/91)

Series LTG-1  
26540 (10/91)

### Series LTC-2

HL-2950AA (7/92) Long Term Care Policy

HL-2950AZ (7/92)  
HL-2950CA (6/95)  
HL-2950CT (9/94)  
HL-2950DE (3/96)  
HL-2950FL (10/96)  
HL-2950GA (7/92)  
HL-2950GU (7/92)  
HL-2950HI (7/92)  
HL-2950ID (7/92)  
HL-2950IL (7/95)  
HL-2950IN (3/93)  
HL-2950IA (6/94)  
HL-2950KS (2/96)  
HL-2950MD (2/95)  
HL-2950MA (7/92)  
HL-2950MI (11/93)  
HL-2950MN (8/95)  
HL-2950MS (7/92)  
HL-2950MO (7/92)  
HL-2950NE (7/92)  
HL-2950NV (5/95)  
HL-2950NH (7/92)  
HL-2950NJ (7/92)  
HL-2950NM (7/92)  
HL-2950NC (7/92)  
HL-2950ND (8/94)  
HL-2950OH (5/94)  
HL-2950OR (7/92)  
HL-2950PA (2/95)  
HL-2950PAFR (2/95)  
HL-2950RI (8/94)  
HL-2950SC (7/92)  
HL-2950TN (7/92)  
HL-2950TX-1 (7/92)  
HL-2950TX-2 (7/92)  
HL-2950UT (7/94)  
HL-2950VT (7/92)  
HL-2950VA (7/92)  
HL-2950WA (1/96)  
HL-2950WI (7/92)

Series LTG-1

Note: Variations between policy forms are small and are based on state requirements.