

State: District of Columbia **First Filing Company:** AXA Equitable Life Insurance Company, ...
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Accelerated Death Benefit for Long-Term Care Services
Project Name/Number: Long-Term Care Refresh/R12-10

Filing at a Glance

Companies: AXA Equitable Life Insurance Company
MONY Life Insurance Company of America

Product Name: Accelerated Death Benefit for Long-Term Care Services

State: District of Columbia

TOI: LTC03I Individual Long Term Care

Sub-TOI: LTC03I.001 Qualified

Filing Type: Rate

Date Submitted: 07/23/2012

SERFF Tr Num: ELAS-128590836

SERFF Status: Assigned

State Tr Num:

State Status:

Co Tr Num:

Implementation On Approval

Date Requested:

Author(s): Audrey Arnold, Samra Mekbeeb, Sabrena Lallmohamed, Jillian Rios

Reviewer(s): Efren Tanhehco (primary), Carolyn King

Disposition Date:

Disposition Status:

Implementation Date:

State Filing Description:

State: District of Columbia **First Filing Company:** AXA Equitable Life Insurance Company, ...
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General Information

Project Name: Long-Term Care Refresh
 Project Number: R12-10
 Requested Filing Mode: Informational

Status of Filing in Domicile: Not Filed
 Date Approved in Domicile:
 Domicile Status Comments: We will submit this filing to our domicilliary state, New York, for AXA Equitable Life Insurance Company. This filing was approved in our domicilliary state, Arizona, for MONY Life Insurance Company of America.
 Market Type: Individual
 Previous Filing Number: ELAS-128447965
 Overall Rate Impact:

 Deemer Date:
 Submitted By: Audrey Arnold

Explanation for Combination/Other:
 Submission Type: Resubmission
 Individual Market Type:
 Filing Status Changed: 07/27/2012
 State Status Changed:
 Created By: Audrey Arnold
 Corresponding Filing Tracking Number:

Filing Description:
 Leah Tomberlin
 Vice President
 Telephone: (212) 314-3068
 Facsimile: (212) 707-7493

July 23, 2012

Mr. William P. White
 Insurance Commissioner
 Department of Insurance, Securities and Banking
 810 1st Street, N.E., Suite 701
 Washington, DC 20002

RE: Informational Filing
 AXA Equitable Life Insurance Company
 NAIC #: 0968-62944 FEIN #: 13-5570651
 Form R12-10DC – Accelerated Death Benefit for Long-Term Care Services Rider
 SERFF Tracking Number: ELAS-128590836

Dear Commissioner White:

This is an informational filing to correct an error we made in our recent filing, for our Accelerated Death Benefit for Long-Term Care Services Rider, R12-10DC, which was approved by your Department on March 14, 2012, SERFF Tracking Number ELAS-128144841.

State: District of Columbia **First Filing Company:** AXA Equitable Life Insurance Company, ...
TOI/Sub-TOI: LTC031 Individual Long Term Care/LTC031.001 Qualified
Product Name: Accelerated Death Benefit for Long-Term Care Services
Project Name/Number: Long-Term Care Refresh/R12-10

We are requesting that you replace the enclosed Actuarial Basis Memorandum (with Nonforfeiture Benefit Option), which contains the nonforfeiture language that we inadvertently left out of the originally submitted Actuarial Basis Memorandum (with Nonforfeiture Benefit Option).

We apologize, for any inconvenience this oversight may cause you.

Sincerely,

Leah Tomberlin
Vice President

LT:ava

Enclosure

MONY Life Insurance Company of America
1290 Avenue of the Americas
New York, NY 10104
Telephone: (212) 314-3068
Facsimile: (212) 707-7493

Leah Tomberlin
Vice President

July 23, 2012

Mr. William P. White
Insurance Commissioner
Department of Insurance, Securities and Banking
810 1st Street, N.E., Suite 701
Washington, DC 20002

RE: Informational Filing
MONY Life Insurance Company of America
NAIC #: 0968-78077 FEIN #: 86-0222062
Form R12-10DC – Accelerated Death Benefit for Long-Term Care Services Rider

State: District of Columbia **First Filing Company:** AXA Equitable Life Insurance Company, ...
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Accelerated Death Benefit for Long-Term Care Services
Project Name/Number: Long-Term Care Refresh/R12-10

SERFF Tracking Number: ELAS-128590836

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Leah Tomberlin
Vice President

LT:ava

Enclosure

Company and Contact

Filing Contact Information

Leah Tomberlin, Vice President
1290 Avenue of The Americas
13th Floor
New York, NY 10104

Leah.Tomberlin@axa-equitable.com
212-314-3068 [Phone]
212-314-4820 [FAX]

State: District of Columbia **First Filing Company:** AXA Equitable Life Insurance Company, ...
TOI/Sub-TOI: LTC031 Individual Long Term Care/LTC031.001 Qualified
Product Name: Accelerated Death Benefit for Long-Term Care Services
Project Name/Number: Long-Term Care Refresh/R12-10

Filing Company Information

AXA Equitable Life Insurance Company 1290 Avenue of the Americas, 14-10 New York,, NY 10104 (212) 314-2921 ext. [Phone]	CoCode: 62944 Group Code: 968 Group Name: FEIN Number: 13-5570651	State of Domicile: New York Company Type: LIFE Insurance State ID Number:
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MONY Life Insurance Company of America 1290 Avenue of the Americas, 14th Floor New York, NY 10104 (212) 314-2921 ext. [Phone]	CoCode: 78077 Group Code: 968 Group Name: FEIN Number: 86-0222062	State of Domicile: Arizona Company Type: Insurance Company State ID Number:
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Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:
 Per Company: No

Company	Amount	Date Processed	Transaction #
AXA Equitable Life Insurance Company	\$0.00		
MONY Life Insurance Company of America	\$0.00		

SERFF Tracking #:

ELAS-128590836

State Tracking #:

Company Tracking #:

State: District of Columbia

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name: Accelerated Death Benefit for Long-Term Care Services

Project Name/Number: Long-Term Care Refresh/R12-10

First Filing Company: AXA Equitable Life Insurance Company, ...

Supporting Document Schedules

		Item Status:	Status Date:
Bypassed - Item:	Actuarial Justification		
Bypass Reason:	This is not a form filing.		
Comments:			

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Basis Memoranda		
Comments:	Attached are corrected actuarial basis memoranda, which should replace the previously submitted ones.		
Attachment(s):			
LTCSR ABM wNFF Generic AXAv2.pdf			
LTCSR ABM wNFF Generic MLOAv2.pdf			

THE AXA EQUITABLE LIFE INSURANCE COMPANY
Accelerated Death Benefit for Long-Term Care Services Rider
{ with Nonforfeiture Benefit Option }
Rider Form R12-10
ACTUARIAL BASIS MEMORANDUM
April 20, 2012

I. Description of Rider Characteristics

Rider form R12-10 will provide, as an acceleration of a portion of Policy's Death Benefit, a monthly payment as a result of the insured person being a Chronically Ill Individual who is receiving Qualified Long-Term Care Services pursuant to a Plan of Care, after an elimination period of 90 days. The rider will be made available on certain UL, Indexed UL and Variable UL policy forms. Prior to any Nonforfeiture Benefit Coverage Period, payments made under this rider will reduce the death benefit of the policy otherwise available. Upon receipt of payments under the rider, except during any Nonforfeiture Benefit coverage period, an Accumulated Benefit Lien Amount (using a "Lien" approach) is created. It is accumulated at 0% interest.

Nonforfeiture Benefit

Rider form R12-10 is intended to have tax-qualified status under IRC 7702B, which would require the availability of an offer of nonforfeiture benefits for long-term care services. To address this IRC 7702B requirement, although nonforfeiture benefits are not required under the Core Standards For Individual Long Term Care Insurance Policies (IIPRC-LTC-I-3-CORE) for life insurance policies that provide long-term care benefits only in the form of an acceleration of the death benefit, Rider form R12-10 does include a Nonforfeiture Benefit Option. The Nonforfeiture Benefit Option, if it selected by the policyholder on the application at time of policy issue, will provides paid-up coverage for Qualified Long-Term Care Services up to the Maximum Total Nonforfeiture Benefit with a reduced total benefit amount should this rider otherwise terminate, provided

- a) The policy and rider have been inforce for 3 or more policy years; and
- b) Benefit payments received under the rider do not equal or exceed the total charges paid for this rider.

Once this rider's Nonforfeiture Benefit Coverage Period begins, no additional charges for this rider's benefits are due or payable. The eligibility and elimination period requirements for receiving payments under this rider do not change as a result of conversion to paid-up status.

The Nonforfeiture Benefit Coverage Period will continue until the earlier of:

1. the death of the insured person; and
2. the date the Maximum Total Nonforfeiture Benefit has been paid out.

The monthly cost of this rider with this optional Nonforfeiture Benefit is greater than it would be if a policyholder did not select it.

Eligibility

To be eligible for payments under Rider form R12-10, a Chronically Ill Individual would need to be certified by a Licensed Health Care Practitioner as:

- a) being unable to perform (without Substantial Assistance from another person) at least two Activities of Daily Living for a period of at least 90 days due to a loss of functional capacity; or
- b) requiring Substantial Supervision to protect such individual from threats to health and safety due to Cognitive Impairment.

Acceleration Percentage and Initial Long Term Care Specified Amount

At issue, the policy owner chooses an Acceleration Percentage, which may be in the range of:

For DB Option A: 20-100%

For DB Option B: 100%

The initial Long Term Care Specified Amount (LTCFA) is equal to the face amount of the base policy at issue times the Acceleration Percentage. The Acceleration Percentage chosen cannot result in an LTCFA at issue less than \$100,000.

The Long Term Care Specified Amount (LTCFA) may change after issue due to policy transactions and it will be reduced at the end of the Period of Coverage, or claim payment period, to reflect benefit payments made during that Period of Coverage.

Maximum Total Benefit

Maximum Total Benefit (LTCDB) *as of day(d)* =

- a. current LTCFA for DB option A, *as day(d)*
- b. current LTCFA + current LTCPA for DB option B, where LTCPA = policy account, *as of day(d)*

Prior to any Nonforfeiture Benefit Coverage Period, the Maximum Total Benefit (LTCDB) as of the first day of a period of coverage is used to determine the maximum remaining portion of benefit payments that may be received during that period of coverage.

Monthly Benefit Payments

At issue, the policy owner chooses one of three available monthly benefit percentages (MthBenPct): 1%, 2% or 3%. The availability of MthBenPct varies by issue age of the insured: issue ages 20-75 for the 1% and 2% benefits, and issue ages 20-70 for the 3% benefit.

MthBenPct is used in the determination of the maximum monthly benefit available under the rider as follows:

Monthly Benefit Payment amount for Qualified Long-Term Care Services would equal the lowest of:

- (1) Maximum Monthly Benefit = $MthBenPct * Maximum\ Total\ Benefit\ (LTCDB)$ as of the first day of the first period of coverage

The Maximum Monthly Benefit is determined on the first day of the first period of coverage and will remain fixed thereafter.

The Maximum Monthly Benefit for the Nonforfeiture Benefit will be equal to the Maximum Monthly Benefit in effect under this rider as of the first day the Nonforfeiture Benefit Coverage Period begins.

- (2) 200% of the applicable daily HIPAA limit x 30

and

- (3) any amount lesser than (1) and (2), but at least \$500, that may be requested by the policyholder.

If Qualified Long-Term Care Services were rendered for less than a full month, proportionate amount of the Monthly Benefit Payment would be paid.

If a policy loan is outstanding at the time benefit payments are made, then a pro rata portion of the benefit payment will be used to repay the policy loan.

Each Monthly Benefit Payment will increase the Accumulated Benefit Lien Amount by the amount of the payment (including any loan repayment).

Monthly Benefit Payments will be capped at LTCDB less the Accumulated Benefit Lien Amount as of the prior month.

Lapse Protection

If the net policy account value is insufficient to cover policy monthly deductions while benefit payments are being made under this rider for Qualified Long-Term Care Services, the policy will not lapse.

Maximum Total Nonforfeiture Benefit.

At the commencement of the Nonforfeiture Benefit Coverage Period,

Maximum Total Nonforfeiture Benefit (LTCNFB)= Minimum of

- a. Maximum Total Benefit (LTCDB) of this rider as of the date the Nonforfeiture Benefit Coverage Period begins; and
- b. The greater of:
 1. one month's Maximum Monthly Benefit in effect under this rider as of the date the Nonforfeiture Benefit Coverage Period begins; and
 2. the sum of all charges paid for this rider, excluding any such charges that have been waived under this rider.

LTCNFB will be reduced, but not below zero, by all Monthly Benefit Payments made under the rider.

Effect of Rider Benefits on Policy Death Benefit during a Period of Coverage

When an insured person dies while on claim, a dollar for dollar adjustment for the Accumulated Benefit Lien Amount is made to the base policy death benefit paid out to the policy's beneficiary.

The base policy death benefit before adjustment for the Accumulated Benefit Lien Amount will not be less than the Maximum Total Benefit, LTCDB. For DB Option A, this will be true automatically. For DB Option B, the rider will ensure this is true even if the actual policy account value as of the date of death is less than the LTCFA = policy account value as of the date of claim.

Effect of Rider Benefits on Policy after a Period of Coverage ends

When the policy ends a Period of Coverage (eg., through no longer qualifying for benefits through terms of the contract or by full exhaustion of the LTCDB), adjustments are made to both the base policy face amount and LTCFA due to the presence of the lien.

For DB Option A

New BaseFA = BaseFA – Accumulated Benefit Lien Amount

New LTCFA = LTCFA – Accumulated Benefit Lien Amount

For DB Option B

New BaseFA = BaseFA * (1-PCTREDUCED)

where PCTREDUCED = Accumulated Benefit Lien Amount/BaseFA + Unloaned Policy Account as of the date of coming off claim, but not greater than 100%

New LTCFA = LTCFA * (1-Accumulated Benefit Lien Amount/LTCDB) but not greater than New BaseFA

Note that other policy values will at that time also be reduced:

- The unloaned policy account value will be reduced pro rata to the reduction in the policy face amount, but not by more than the amount of the *Accumulated Benefit Lien Amount*
- Any applicable remaining surrender charge will be reduced in a pro-rata basis corresponding to the reduction in the BaseFA, but no pro-rata surrender charge will be imposed.

These other policy values would also have been similarly adjusted by the Accumulated Benefit Lien Amount if the policyholder had chosen to surrender the contract while the contract was on claim.

Remaining loans and accrued loan interest are not reduced for the Accumulated Benefit Lien Amount when the policy comes off claim.

After these adjustments, the *Accumulated Benefit Lien Amount* is set to 0.

If the entire Maximum Total Benefit LTCDB has not yet been paid out, the rider will remain on the policy with LTCDB reduced as specified above, but the Maximum Monthly Benefit for any subsequent claim periods will not be reduced from that amount which applied on the first day of the first Period of Coverage.

If the entire Maximum Total Benefit has been paid out, the rider will terminate.

If the unloaned policy account value has been reduced to zero, the policy will also terminate subject to the Grace Period provision of the policy.

II. **Description of Long-Term Care Rates**

The monthly rate for this rider is based on the insured person's sex, issue age, class of risk and tobacco user status, as well as the monthly benefit percentage (MthBenPct) selected. The rider's rate will never be more than the guaranteed rates (Appendix I).

The monthly cost for this rider is equal to the current monthly rate per \$1000 for this rider times the long term care net amount at risk (LTCNAR) defined for this rider divided by \$1000. The LTCNAR is defined as follows:

For DB Option is A

LTCNAR = the lesser of:

- a) the current Base Policy face amount (BaseFA) less policy account value
 - b) the current LTCFA
- but not less than zero.

For DB Option is B

LTCNAR = the current LTCFA

The monthly cost for this rider will apply while this rider and policy are in effect, but are not applicable once the rider is continued under the Nonforfeiture Benefit nor beyond the policy anniversary nearest the insured person's 121st birthday. The monthly cost for this rider will not be deducted while rider benefits are being paid.

The estimated average annual premium per policy for the rider (expressed per \$1000 of LTCNAR) is \$1.74. The estimated average issue age is 50.

III. **Surrender Charges and Cash Values**

There are no surrender charges or cash values associated with this rider. Rather, the surrender charge for a policy with the rider is based solely on the base policy coverage, and the resulting cash values are determined for the policy as a whole.

IV. **General Marketing Method**

This product is marketed through face-to-face sales to middle and upper-middle class prospects by our retail and wholesale sales forces.

V. Actuarial Assumptions

Claims Incidence and Disabled Life Mortality

Expected Claims Incidence rates were developed through use of Milliman 2009 Long-Term Care Guidelines which is based on insured. Adjustments made for credibility incorporated data from the Milliman 2002 Long-Term Care Guidelines. Adjustments were made to these rates to reflect the components of the benefit design, such as the elimination period, the maximum benefit, level of underwriting, and the definition of benefit trigger. Other adjustments were made to reflect expected favorable experience when these benefits are provided as part of a life insurance policy compared to a stand-alone long-term care insurance policy.

The disabled life mortality rates is developed taking into consideration the disabled life mortality experience from carriers on similar products, industry experience, Social Security data and total termination rates based on Milliman's 2009 Long Term Care Guidelines.

Active Life Mortality

Active life mortality rates will vary according to the appropriate mortality rates for the underlying base policy on which this rider is being priced. The active life mortality rates are determined such that, when combined with the disabled life mortality rates, the overall mortality rates are equal to the underlying mortality assumptions for the base product.

Interest and Investment Return

The interest credited internally to determine cash value accumulations, when including the long-term care rider, have the same guaranteed minimum interest rate as the base policy without the long-term care rider. Guaranteed minimum rates are applicable to funds in the general account only.

Expenses

Acquisition	\$125 additional per policy first year expenses
Maintenance	\$100 additional per policy, per year, per claim, adjusted for inflation

Persistency

No lapses are assumed to occur for those receiving benefits under this rider.

Active life lapse rates vary according to the appropriate lapse rates for the underlying base policy on which this rider is being priced. A representative set of active life lapse rates is shown below.

Lapse rates vary by issue age and duration:

<u>Duration</u>	Issue Age 25	Issue Age 35	Issue Age 45	Issue Age 55	Issue Age 65	Issue Age 75
1	2%	1%	1%	1%	1%	1%
2	5%	4%	3%	3%	3%	3%
3	6%	4%	4%	4%	3%	3%
4	6%	4%	4%	4%	3%	3%
5	6%	4%	4%	4%	3%	3%
6	6%	5%	4%	3%	3%	2%
7	6%	5%	4%	3%	3%	2%
8+	5%	5%	4%	3%	3%	2%

Distribution of Business

<i>Sales Distribution Weights (derived from LTCSR Sales since inception)</i>													
Male							Female						
Opt A	PrefElite	PrefNS	StdPlus	StdNS	Prf SM	Std Sm	Opt A	PrefElite	PrefNS	StdPlus	StdNS	Prf SM	Std Sm
25	0.3%	0.3%	0.4%	0.2%	0.0%	0.0%	25	0.6%	0.6%	0.3%	0.1%	0.0%	0.0%
35	1.4%	1.4%	1.0%	0.8%	0.0%	0.0%	35	1.6%	1.6%	0.6%	0.3%	0.0%	0.0%
45	2.0%	2.0%	1.3%	1.1%	0.0%	0.0%	45	2.3%	2.3%	1.1%	0.6%	0.1%	0.1%
50	1.6%	1.6%	2.0%	1.6%	0.1%	0.1%	50	2.3%	2.3%	1.1%	0.9%	0.0%	0.0%
55	2.0%	2.0%	1.9%	2.1%	0.1%	0.1%	55	2.2%	2.2%	1.3%	1.1%	0.0%	0.0%
60	1.3%	1.3%	1.4%	1.6%	0.1%	0.1%	60	1.3%	1.3%	0.9%	1.3%	0.0%	0.0%
65	0.5%	0.7%	0.8%	0.7%	0.0%	0.0%	65	0.5%	0.7%	0.5%	0.7%	0.0%	0.0%
70	0.1%	0.2%	0.1%	0.3%	0.0%	0.0%	70	0.1%	0.2%	0.1%	0.2%	0.0%	0.0%
75	0.1%	0.2%	0.1%	0.3%	0.0%	0.0%	75	0.1%	0.2%	0.1%	0.2%	0.0%	0.0%
Opt B	PrefElite	PrefNS	StdPlus	StdNS	Prf SM	Std Sm	Opt B	PrefElite	PrefNS	StdPlus	StdNS	Prf SM	Std Sm
25	0.4%	0.4%	0.3%	0.2%	0.0%	0.0%	25	0.5%	0.5%	0.2%	0.1%	0.0%	0.0%
35	1.9%	1.9%	1.1%	0.9%	0.2%	0.2%	35	1.7%	1.7%	0.4%	0.4%	0.0%	0.0%
45	1.2%	1.2%	0.9%	0.7%	0.1%	0.1%	45	1.2%	1.2%	0.5%	0.3%	0.0%	0.0%
50	0.6%	0.6%	0.5%	0.3%	0.0%	0.0%	50	0.5%	0.5%	0.4%	0.4%	0.0%	0.0%
55	0.4%	0.4%	0.3%	0.4%	0.1%	0.1%	55	0.2%	0.2%	0.1%	0.3%	0.0%	0.0%
60	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	60	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%
65	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	65	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	75	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Distribution by Monthly Benefit Percentage chosen

1%	33.3%
2%	33.3%
3%	33.3%

These distributions are based on the company's experience

Other Assumptions

For items not noted above, assumptions used were consistent with the pricing of the underlying life policy.

VI. Reserves

Active Life Reserves

Active life reserves will be held for anticipated long-term care claims, equal to the present value of death benefits plus the present value of benefits provided by the long-term care rider, less the

present value of death benefits assuming no long-term care rider is attached to the base policy, less the present value of the cost of the long-term care rider. At no time will the base policy reserve plus the active life reserve be less than the base policy reserve of a similar policy without the long-term care rider.

Active life reserve at time t:

$${}_tV_x = \frac{\left(\sum_{s=0}^{100-x-t} l_{x+t+s} \times {}_sCC_{x+t} \times v^{s+0.5}\right) - \left(\sum_{s=0}^{100-x-t} l_{x+t+s} \times {}_sP_{x+t} \times v^s\right)}{l_{x+t}}$$

where

$$v = \frac{1}{1+i}$$

$i = 0.04$, the statutory valuation interest rate

l_{x+t} = number inforce at age $x+t$

${}_tCC_x$ = claim costs at time t for issue age x , equal to projected death benefits plus claim benefits, less projected death benefits assuming no long-term care rider is attached to the base policy.

${}_tP_x$ = cost of insurance charge for the long-term care rider

Claim Reserves

For those on a claim-paying status, a claim reserve will be held equal to the present value of the monthly benefit, payable until the assumed claim termination.

Claim reserve at time t :

$${}_tV_x = [\text{monthlybenefit}] \times {}_s\ddot{a}_{x+t}^{(12)}$$

${}_s\ddot{a}_{x+t}^{(12)}$ = disabled life annuity factor at age of claim $x+t$ and duration since claim of s months

Impact of Nonforfeiture Benefit on Reserves

The reserves we hold will reflect the additional nonforfeiture benefit provided by this rider.

VII. Underwriting

Underwriting will be performed at the time of application commensurate with the level of underwriting appropriate for the base policy. Additional medical questions will be asked on the application for this rider.



Andrew Buckley, FSA, MAAA
Vice President and Actuary

Appendix I
AXA Equitable

GUARANTEED MONTHLY COST OF INSURANCE RATES PER \$1000

Issue Age	Male		Issue Age	Female	
	Non-Smoker	Smoker		Non-Smoker	Smoker
20	0.300	0.337	20	0.254	0.288
21	0.311	0.349	21	0.263	0.299
22	0.322	0.362	22	0.272	0.310
23	0.333	0.375	23	0.283	0.321
24	0.346	0.389	24	0.293	0.332
25	0.358	0.403	25	0.303	0.344
26	0.373	0.419	26	0.315	0.359
27	0.387	0.435	27	0.329	0.373
28	0.403	0.452	28	0.341	0.389
29	0.419	0.470	29	0.356	0.405
30	0.436	0.488	30	0.371	0.421
31	0.452	0.506	31	0.384	0.437
32	0.469	0.526	32	0.397	0.453
33	0.487	0.546	33	0.412	0.469
34	0.505	0.568	34	0.427	0.487
35	0.525	0.590	35	0.442	0.504
36	0.545	0.612	36	0.459	0.524
37	0.566	0.636	37	0.477	0.546
38	0.588	0.660	38	0.496	0.568
39	0.611	0.684	39	0.516	0.592
40	0.634	0.710	40	0.536	0.616
41	0.661	0.739	41	0.558	0.640
42	0.688	0.770	42	0.580	0.665
43	0.716	0.801	43	0.605	0.691
44	0.746	0.835	44	0.630	0.717
45	0.777	0.870	45	0.657	0.745
46	0.808	0.905	46	0.684	0.776
47	0.842	0.942	47	0.713	0.808
48	0.876	0.980	48	0.743	0.842
49	0.913	1.020	49	0.775	0.878
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64	1.671	1.841	64	1.470	1.647
65	1.757	1.946	65	1.541	1.722
66	1.834	2.027	66	1.612	1.794
67	1.916	2.110	67	1.686	1.869
68	2.002	2.198	68	1.766	1.947
69	2.093	2.291	69	1.850	2.030
70	2.192	2.389	70	1.942	2.118
71	2.277	2.472	71	2.019	2.200
72	2.380	2.580	72	2.114	2.298
73	2.489	2.694	73	2.216	2.404
74	2.606	2.815	74	2.324	2.515
75	2.732	2.944	75	2.442	2.636

MONY LIFE INSURANCE COMPANY OF AMERICA
Accelerated Death Benefit for Long-Term Care Services Rider
{ with Nonforfeiture Benefit Option }
Rider Form R12-10
ACTUARIAL BASIS MEMORANDUM
April 20, 2012

I. Description of Rider Characteristics

Rider form R12-10 will provide, as an acceleration of a portion of Policy's Death Benefit, a monthly payment as a result of the insured person being a Chronically Ill Individual who is receiving Qualified Long-Term Care Services pursuant to a Plan of Care, after an elimination period of 90 days. The rider will be made available on certain UL, Indexed UL and Variable UL policy forms. Prior to any Nonforfeiture Benefit Coverage Period, payments made under this rider will reduce the death benefit of the policy otherwise available. Upon receipt of payments under the rider, except during any Nonforfeiture Benefit coverage period, an Accumulated Benefit Lien Amount (using a "Lien" approach) is created. It is accumulated at 0% interest.

Nonforfeiture Benefit

Rider form R12-10 is intended to have tax-qualified status under IRC 7702B, which would require the availability of an offer of nonforfeiture benefits for long-term care services. To address this IRC 7702B requirement, although nonforfeiture benefits are not required under the Core Standards For Individual Long Term Care Insurance Policies (IIPRC-LTC-I-3-CORE) for life insurance policies that provide long-term care benefits only in the form of an acceleration of the death benefit, Rider form R12-10 does include a Nonforfeiture Benefit Option. The Nonforfeiture Benefit Option, if it selected by the policyholder on the application at time of policy issue, will provides paid-up coverage for Qualified Long-Term Care Services up to the Maximum Total Nonforfeiture Benefit with a reduced total benefit amount should this rider otherwise terminate, provided

- a) The policy and rider have been inforce for 3 or more policy years; and
- b) Benefit payments received under the rider do not equal or exceed the total charges paid for this rider.

Once this rider's Nonforfeiture Benefit Coverage Period begins, no additional charges for this rider's benefits are due or payable. The eligibility and elimination period requirements for receiving payments under this rider do not change as a result of conversion to paid-up status.

The Nonforfeiture Benefit Coverage Period will continue until the earlier of:

1. the death of the insured person; and
2. the date the Maximum Total Nonforfeiture Benefit has been paid out.

The monthly cost of this rider with this optional Nonforfeiture Benefit is greater than it would be if a policyholder did not select it.

Eligibility

To be eligible for payments under Rider form R12-10, a Chronically Ill Individual would need to be certified by a Licensed Health Care Practitioner as:

- a) being unable to perform (without Substantial Assistance from another person) at least two Activities of Daily Living for a period of at least 90 days due to a loss of functional capacity; or
- b) requiring Substantial Supervision to protect such individual from threats to health and safety due to Cognitive Impairment.

Acceleration Percentage and Initial Long Term Care Specified Amount

At issue, the policy owner chooses an Acceleration Percentage, which may be in the range of:

For DB Option A: 20-100%

For DB Option B: 100%

The initial Long Term Care Specified Amount (LTCFA) is equal to the face amount of the base policy at issue times the Acceleration Percentage. The Acceleration Percentage chosen cannot result in an LTCFA at issue less than \$100,000.

The Long Term Care Specified Amount (LTCFA) may change after issue due to policy transactions and it will be reduced at the end of the Period of Coverage, or claim payment period, to reflect benefit payments made during that Period of Coverage.

Maximum Total Benefit

Maximum Total Benefit (LTCDB) *as of day(d)* =

- a. current LTCFA for DB option A, *as day(d)*
- b. current LTCFA + current LTCPA for DB option B, where LTCPA = policy account, *as of day(d)*

Prior to any Nonforfeiture Benefit Coverage Period, the Maximum Total Benefit (LTCDB) as of the first day of a period of coverage is used to determine the maximum remaining portion of benefit payments that may be received during that period of coverage.

Monthly Benefit Payments

At issue, the policy owner chooses one of three available monthly benefit percentages (MthBenPct): 1%, 2% or 3%. The availability of MthBenPct varies by issue age of the insured: issue ages 20-75 for the 1% and 2% benefits, and issue ages 20-70 for the 3% benefit.

MthBenPct is used in the determination of the maximum monthly benefit available under the rider as follows:

Monthly Benefit Payment amount for Qualified Long-Term Care Services would equal the lowest of:

- (1) Maximum Monthly Benefit = $MthBenPct * Maximum\ Total\ Benefit\ (LTCDB)$ as of the first day of the first period of coverage

The Maximum Monthly Benefit is determined on the first day of the first period of coverage and will remain fixed thereafter.

The Maximum Monthly Benefit for the Nonforfeiture Benefit will be equal to the Maximum Monthly Benefit in effect under this rider as of the first day the Nonforfeiture Benefit Coverage Period begins.

- (2) 200% of the applicable daily HIPAA limit x 30

and

- (3) any amount lesser than (1) and (2), but at least \$500, that may be requested by the policyholder.

If Qualified Long-Term Care Services were rendered for less than a full month, proportionate amount of the Monthly Benefit Payment would be paid.

If a policy loan is outstanding at the time benefit payments are made, then a pro rata portion of the benefit payment will be used to repay the policy loan.

Each Monthly Benefit Payment will increase the Accumulated Benefit Lien Amount by the amount of the payment (including any loan repayment).

Monthly Benefit Payments will be capped at LTCDB less the Accumulated Benefit Lien Amount as of the prior month.

Lapse Protection

If the net policy account value is insufficient to cover policy monthly deductions while benefit payments are being made under this rider for Qualified Long-Term Care Services, the policy will not lapse.

Maximum Total Nonforfeiture Benefit.

At the commencement of the Nonforfeiture Benefit Coverage Period,

Maximum Total Nonforfeiture Benefit (LTCNFB)= Minimum of

- a. Maximum Total Benefit (LTCDB) of this rider as of the date the Nonforfeiture Benefit Coverage Period begins; and
- b. The greater of:
 1. one month's Maximum Monthly Benefit in effect under this rider as of the date the Nonforfeiture Benefit Coverage Period begins; and
 2. the sum of all charges paid for this rider, excluding any such charges that have been waived under this rider.

LTCNFB will be reduced, but not below zero, by all Monthly Benefit Payments made under the rider.

Effect of Rider Benefits on Policy Death Benefit during a Period of Coverage

When an insured person dies while on claim, a dollar for dollar adjustment for the Accumulated Benefit Lien Amount is made to the base policy death benefit paid out to the policy's beneficiary.

The base policy death benefit before adjustment for the Accumulated Benefit Lien Amount will not be less than the Maximum Total Benefit, LTCDB. For DB Option A, this will be true automatically. For DB Option B, the rider will ensure this is true even if the actual policy account value as of the date of death is less than the LTCFA = policy account value as of the date of claim.

Effect of Rider Benefits on Policy after a Period of Coverage ends

When the policy ends a Period of Coverage (eg., through no longer qualifying for benefits through terms of the contract or by full exhaustion of the LTCDB), adjustments are made to both the base policy face amount and LTCFA due to the presence of the lien.

For DB Option A

New BaseFA = BaseFA – Accumulated Benefit Lien Amount

New LTCFA = LTCFA – Accumulated Benefit Lien Amount

For DB Option B

New BaseFA = BaseFA * (1-PCTREDUCED)

where PCTREDUCED = Accumulated Benefit Lien Amount/BaseFA + Unloaned Policy Account as of the date of coming off claim, but not greater than 100%

New LTCFA = LTCFA * (1-Accumulated Benefit Lien Amount/LTCDB) but not greater than New BaseFA

Note that other policy values will at that time also be reduced:

- The unloaned policy account value will be reduced pro rata to the reduction in the policy face amount, but not by more than the amount of the *Accumulated Benefit Lien Amount*
- Any applicable remaining surrender charge will be reduced in a pro-rata basis corresponding to the reduction in the BaseFA, but no pro-rata surrender charge will be imposed.

These other policy values would also have been similarly adjusted by the Accumulated Benefit Lien Amount if the policyholder had chosen to surrender the contract while the contract was on claim.

Remaining loans and accrued loan interest are not reduced for the Accumulated Benefit Lien Amount when the policy comes off claim.

After these adjustments, the *Accumulated Benefit Lien Amount* is set to 0.

If the entire Maximum Total Benefit LTCDB has not yet been paid out, the rider will remain on the policy with LTCDB reduced as specified above, but the Maximum Monthly Benefit for any subsequent claim periods will not be reduced from that amount which applied on the first day of the first Period of Coverage.

If the entire Maximum Total Benefit has been paid out, the rider will terminate.

If the unloaned policy account value has been reduced to zero, the policy will also terminate subject to the Grace Period provision of the policy.

II. **Description of Long-Term Care Rates**

The monthly rate for this rider is based on the insured person's sex, issue age, class of risk and tobacco user status, as well as the monthly benefit percentage (MthBenPct) selected. The rider's rate will never be more than the guaranteed rates (Appendix I).

The monthly cost for this rider is equal to the current monthly rate per \$1000 for this rider times the long term care net amount at risk (LTCNAR) defined for this rider divided by \$1000. The LTCNAR is defined as follows:

For DB Option is A

LTCNAR = the lesser of:

- a) the current Base Policy face amount (BaseFA) less policy account value
 - b) the current LTCFA
- but not less than zero.

For DB Option is B

LTCNAR = the current LTCFA

The monthly cost for this rider will apply while this rider and policy are in effect, but are not applicable once the rider is continued under the Nonforfeiture Benefit nor beyond the policy anniversary nearest the insured person's 121st birthday. The monthly cost for this rider will not be deducted while rider benefits are being paid.

The estimated average annual premium per policy for the rider (expressed per \$1000 of LTCNAR) is \$1.74. The estimated average issue age is 50.

III. **Surrender Charges and Cash Values**

There are no surrender charges or cash values associated with this rider. Rather, the surrender charge for a policy with the rider is based solely on the base policy coverage, and the resulting cash values are determined for the policy as a whole.

IV. **General Marketing Method**

This product is marketed through face-to-face sales to middle and upper-middle class prospects by our retail and wholesale sales forces.

V. Actuarial Assumptions

Claims Incidence and Disabled Life Mortality

Expected Claims Incidence rates were developed through use of Milliman 2009 Long-Term Care Guidelines which is based on insured. Adjustments made for credibility incorporated data from the Milliman 2002 Long-Term Care Guidelines. Adjustments were made to these rates to reflect the components of the benefit design, such as the elimination period, the maximum benefit, level of underwriting, and the definition of benefit trigger. Other adjustments were made to reflect expected favorable experience when these benefits are provided as part of a life insurance policy compared to a stand-alone long-term care insurance policy.

The disabled life mortality rates is developed taking into consideration the disabled life mortality experience from carriers on similar products, industry experience, Social Security data and total termination rates based on Milliman's 2009 Long Term Care Guidelines.

Active Life Mortality

Active life mortality rates will vary according to the appropriate mortality rates for the underlying base policy on which this rider is being priced. The active life mortality rates are determined such that, when combined with the disabled life mortality rates, the overall mortality rates are equal to the underlying mortality assumptions for the base product.

Interest and Investment Return

The interest credited internally to determine cash value accumulations, when including the long-term care rider, have the same guaranteed minimum interest rate as the base policy without the long-term care rider. Guaranteed minimum rates are applicable to funds in the general account only.

Expenses

Acquisition	\$125 additional per policy first year expenses
Maintenance	\$100 additional per policy, per year, per claim, adjusted for inflation

Persistency

No lapses are assumed to occur for those receiving benefits under this rider.

Active life lapse rates vary according to the appropriate lapse rates for the underlying base policy on which this rider is being priced. A representative set of active life lapse rates is shown below.

Lapse rates vary by issue age and duration:

<u>Duration</u>	Issue Age 25	Issue Age 35	Issue Age 45	Issue Age 55	Issue Age 65	Issue Age 75
1	2%	1%	1%	1%	1%	1%
2	5%	4%	3%	3%	3%	3%
3	6%	4%	4%	4%	3%	3%
4	6%	4%	4%	4%	3%	3%
5	6%	4%	4%	4%	3%	3%
6	6%	5%	4%	3%	3%	2%
7	6%	5%	4%	3%	3%	2%
8+	5%	5%	4%	3%	3%	2%

Distribution of Business

<i>Sales Distribution Weights (derived from LTCSR Sales since inception)</i>													
Male							Female						
Opt A	PrefElite	PrefNS	StdPlus	StdNS	Prf SM	Std Sm	Opt A	PrefElite	PrefNS	StdPlus	StdNS	Prf SM	Std Sm
25	0.3%	0.3%	0.4%	0.2%	0.0%	0.0%	25	0.6%	0.6%	0.3%	0.1%	0.0%	0.0%
35	1.4%	1.4%	1.0%	0.8%	0.0%	0.0%	35	1.6%	1.6%	0.6%	0.3%	0.0%	0.0%
45	2.0%	2.0%	1.3%	1.1%	0.0%	0.0%	45	2.3%	2.3%	1.1%	0.6%	0.1%	0.1%
50	1.6%	1.6%	2.0%	1.6%	0.1%	0.1%	50	2.3%	2.3%	1.1%	0.9%	0.0%	0.0%
55	2.0%	2.0%	1.9%	2.1%	0.1%	0.1%	55	2.2%	2.2%	1.3%	1.1%	0.0%	0.0%
60	1.3%	1.3%	1.4%	1.6%	0.1%	0.1%	60	1.3%	1.3%	0.9%	1.3%	0.0%	0.0%
65	0.5%	0.7%	0.8%	0.7%	0.0%	0.0%	65	0.5%	0.7%	0.5%	0.7%	0.0%	0.0%
70	0.1%	0.2%	0.1%	0.3%	0.0%	0.0%	70	0.1%	0.2%	0.1%	0.2%	0.0%	0.0%
75	0.1%	0.2%	0.1%	0.3%	0.0%	0.0%	75	0.1%	0.2%	0.1%	0.2%	0.0%	0.0%
Opt B	PrefElite	PrefNS	StdPlus	StdNS	Prf SM	Std Sm	Opt B	PrefElite	PrefNS	StdPlus	StdNS	Prf SM	Std Sm
25	0.4%	0.4%	0.3%	0.2%	0.0%	0.0%	25	0.5%	0.5%	0.2%	0.1%	0.0%	0.0%
35	1.9%	1.9%	1.1%	0.9%	0.2%	0.2%	35	1.7%	1.7%	0.4%	0.4%	0.0%	0.0%
45	1.2%	1.2%	0.9%	0.7%	0.1%	0.1%	45	1.2%	1.2%	0.5%	0.3%	0.0%	0.0%
50	0.6%	0.6%	0.5%	0.3%	0.0%	0.0%	50	0.5%	0.5%	0.4%	0.4%	0.0%	0.0%
55	0.4%	0.4%	0.3%	0.4%	0.1%	0.1%	55	0.2%	0.2%	0.1%	0.3%	0.0%	0.0%
60	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	60	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%
65	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	65	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	75	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Distribution by Monthly Benefit Percentage chosen

1%	33.3%
2%	33.3%
3%	33.3%

These distributions are based on the company's experience

Other Assumptions

For items not noted above, assumptions used were consistent with the pricing of the underlying life policy.

VI. Reserves

Active Life Reserves

Active life reserves will be held for anticipated long-term care claims, equal to the present value of death benefits plus the present value of benefits provided by the long-term care rider, less the

present value of death benefits assuming no long-term care rider is attached to the base policy, less the present value of the cost of the long-term care rider. At no time will the base policy reserve plus the active life reserve be less than the base policy reserve of a similar policy without the long-term care rider.

Active life reserve at time t:

$${}_tV_x = \frac{\left(\sum_{s=0}^{100-x-t} l_{x+t+s} \times {}_sCC_{x+t} \times v^{s+0.5}\right) - \left(\sum_{s=0}^{100-x-t} l_{x+t+s} \times {}_sP_{x+t} \times v^s\right)}{l_{x+t}}$$

where

$$v = \frac{1}{1+i}$$

$i = 0.04$, the statutory valuation interest rate

l_{x+t} = number inforce at age $x+t$

${}_tCC_x$ = claim costs at time t for issue age x , equal to projected death benefits plus claim benefits, less projected death benefits assuming no long-term care rider is attached to the base policy.

${}_tP_x$ = cost of insurance charge for the long-term care rider

Claim Reserves

For those on a claim-paying status, a claim reserve will be held equal to the present value of the monthly benefit, payable until the assumed claim termination.

Claim reserve at time t :

$${}_tV_x = [\text{monthlybenefit}] \times {}_s\ddot{a}_{x+t}^{(12)}$$

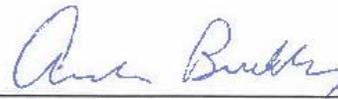
${}_s\ddot{a}_{x+t}^{(12)}$ = disabled life annuity factor at age of claim $x+t$ and duration since claim of s months

Impact of Nonforfeiture Benefit on Reserves

The reserves we hold will reflect the additional nonforfeiture benefit provided by this rider.

VII. Underwriting

Underwriting will be performed at the time of application commensurate with the level of underwriting appropriate for the base policy. Additional medical questions will be asked on the application for this rider.



Andrew Buckley, FSA, MAAA
Vice President and Actuary

Appendix I

MONY LIFE INSURANCE COMPANY OF AMERICA
 GUARANTEED MONTHLY COST OF INSURANCE RATES PER \$1000

Issue Age	Male		Issue Age	Female	
	Non-Smoker	Smoker		Non-Smoker	Smoker
20	0.300	0.337	20	0.254	0.288
21	0.311	0.349	21	0.263	0.299
22	0.322	0.362	22	0.272	0.310
23	0.333	0.375	23	0.283	0.321
24	0.346	0.389	24	0.293	0.332
25	0.358	0.403	25	0.303	0.344
26	0.373	0.419	26	0.315	0.359
27	0.387	0.435	27	0.329	0.373
28	0.403	0.452	28	0.341	0.389
29	0.419	0.470	29	0.356	0.405
30	0.436	0.488	30	0.371	0.421
31	0.452	0.506	31	0.384	0.437
32	0.469	0.526	32	0.397	0.453
33	0.487	0.546	33	0.412	0.469
34	0.505	0.568	34	0.427	0.487
35	0.525	0.590	35	0.442	0.504
36	0.545	0.612	36	0.459	0.524
37	0.566	0.636	37	0.477	0.546
38	0.588	0.660	38	0.496	0.568
39	0.611	0.684	39	0.516	0.592
40	0.634	0.710	40	0.536	0.616
41	0.661	0.739	41	0.558	0.640
42	0.688	0.770	42	0.580	0.665
43	0.716	0.801	43	0.605	0.691
44	0.746	0.835	44	0.630	0.717
45	0.777	0.870	45	0.657	0.745
46	0.808	0.905	46	0.684	0.776
47	0.842	0.942	47	0.713	0.808
48	0.876	0.980	48	0.743	0.842
49	0.913	1.020	49	0.775	0.878
50	0.951	1.062	50	0.809	0.916
51	0.990	1.104	51	0.841	0.954
52	1.030	1.150	52	0.876	0.993
53	1.071	1.197	53	0.913	1.034
54	1.116	1.245	54	0.951	1.077
55	1.162	1.296	55	0.992	1.123
56	1.208	1.347	56	1.035	1.170
57	1.258	1.401	57	1.079	1.220
58	1.310	1.457	58	1.126	1.273
59	1.363	1.515	59	1.175	1.328
60	1.419	1.577	60	1.228	1.386
61	1.470	1.636	61	1.283	1.446
62	1.531	1.694	62	1.341	1.509
63	1.598	1.765	63	1.404	1.575
64	1.671	1.841	64	1.470	1.647
65	1.757	1.946	65	1.541	1.722
66	1.834	2.027	66	1.612	1.794
67	1.916	2.110	67	1.686	1.869
68	2.002	2.198	68	1.766	1.947
69	2.093	2.291	69	1.850	2.030
70	2.192	2.389	70	1.942	2.118
71	2.277	2.472	71	2.019	2.200
72	2.380	2.580	72	2.114	2.298
73	2.489	2.694	73	2.216	2.404
74	2.606	2.815	74	2.324	2.515
75	2.732	2.944	75	2.442	2.636