

**State:** District of Columbia **Filing Company:** LifeSecure Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** LTC Refresh  
**Project Name/Number:** LTC Refresh (States)/LS-LTC-0004 01/13

## Filing at a Glance

Company: LifeSecure Insurance Company  
Product Name: LTC Refresh  
State: District of Columbia  
TOI: LTC03I Individual Long Term Care  
Sub-TOI: LTC03I.001 Qualified  
Filing Type: Rate  
Date Submitted: 09/04/2013  
SERFF Tr Num: LFSC-129151859  
SERFF Status: Assigned  
State Tr Num:  
State Status:  
Co Tr Num: LS-LTC-0004 01/13  
Implementation: On Approval  
Date Requested:  
Author(s): Sue Howard, Tim Cassidy, Lori Jackson, Jenifer Allen  
Reviewer(s): Donghan Xu (primary), Alula Selassie  
Disposition Date:  
Disposition Status:  
Implementation Date:  
State Filing Description:

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## General Information

Project Name: LTC Refresh (States)  
Project Number: LS-LTC-0004 01/13  
Requested Filing Mode: Review & Approval

Explanation for Combination/Other:  
Submission Type: New Submission  
Overall Rate Impact:

Deemer Date:  
Submitted By: Tim Cassidy

Filing Description:  
September 4, 2013

District of Columbia Department of Insurance  
Attn: Life and Health Form and Rate Review

Re: LifeSecure Insurance Company  
FEIN # 75-0956156 NAIC # 77720  
ACCIDENT AND HEALTH INSURANCE  
Individual Long Term Care Insurance Rate Filing for Use With Policies LS-LTC-004 ST 01/13, et al and LS-LTC-005 ST 01/13, et al

Dear Sir or Madam:

We at Univita Health Inc. are submitting, on behalf of LifeSecure Insurance Company (LifeSecure) and for your review and approval, the enclosed individual long term care insurance rates. These rates are for use with policy forms LS-LTC-0004 ST 01/13 and LS-LTC-0005 ST 01/13, which are being submitted concurrently in a separate filing, SERFF File Number LFSC-129151860. A Third Party Filer Authorization from LifeSecure is included under the Supporting Documentation tab of this filing.

The forms with which these rates are to be used are new to LifeSecure's portfolio and will not replace any forms previously filed or approved by your Department. However, these forms are intended, upon approval, to replace policy form series LS-0002 ST 07/07, which was previously approved by your department.

We trust that this submission will be acceptable to your Department. However, please let me know if you should have any questions or comments. I may be reached directly at (952) 516-6195 or toll free at (888) 312-5824. You may also send me an email at tcassidy@univitahealth.com.

Sincerely,  
Timothy P. Cassidy

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## Company and Contact

### Filing Contact Information

Tim Cassidy, Director Compliance tcassidy@univitahealth.com  
 5 Commonwealth Road 952-516-6195 [Phone]  
 Suite 2B  
 Natick, MA 04760

### Filing Company Information

LifeSecure Insurance Company	CoCode: 77720	State of Domicile: Michigan
10559 Citation Drive	Group Code: 572	Company Type: Life, A & H
Suite 300	Group Name: BCBS of MI GRP	State ID Number:
Brighton, MI 48116	FEIN Number: 75-0956156	
(810) 220-8774 ext. [Phone]		

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

**SERFF Tracking #:**

LFSC-129151859

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

LS-LTC-0004 01/13

**State:**

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## Correspondence Summary

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Rate	Gender Distinct Actuarial Memorandum and Rates	Tim Cassidy	09/17/2013	09/17/2013
Rate	Unisex Actuarial Memorandum and Rates	Tim Cassidy	09/17/2013	09/17/2013
Supporting Document	Actuarial Justification	Tim Cassidy	09/17/2013	09/17/2013

**SERFF Tracking #:**

LFSC-129151859

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## Amendment Letter

Submitted Date: 09/17/2013

Comments:

We have amended the filing by including corrected versions of the actuarial memorandums and rates. The previous versions of these documents contained references to a "Lapse Protection Benefit Rider." We have replaced those forms with versions that instead include references to a "Nonforfeiture Benefit Rider." Please note that equivalent changes have been made to the corresponding forms filing.

Thank you.

Tim Cassidy (Univita)

Changed Items:

*No Form Schedule Items Changed.*

State: District of Columbia

Filing Company:

LifeSecure Insurance Company

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## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Gender Distinct Actuarial Memorandum and Rates	LS-LTC-0004 ST 01/13, LS-LTC-CNB-E ST 01/13, LS-LTC-GPO-E ST 01/13, LS-LTC-LPOCNB-E ST 01/13, LS-LTC-SCB-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-3P-R ST 01/13, LS-LTC-LPB-R ST 01/13, LS-LTC-MBP-R ST 01/13	New		ACTMEM_GenderDistinctRates_Generic(RS)_091213.pdf,	09/17/2013 By:

## Previous Version

1	Gender Distinct Actuarial Memorandum and Rates	LS-LTC-0004 ST 01/13, LS-LTC-CNB-E ST 01/13, LS-LTC-GPO-E ST 01/13, LS-LTC-LPOCNB-E ST 01/13, LS-LTC-SCB-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-3P-R ST 01/13, LS-LTC-LPB-R ST 01/13, LS-LTC-MBP-R ST 01/13	New		ACTMEM_GenderDistinctRates_Generic(RS)_073113.pdf,	09/04/2013 By: Tim Cassidy
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SERFF Tracking #:

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LS-LTC-0004 01/13

State: District of Columbia

Filing Company:

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**Rate/Rule Schedule Item Changes**

2	Unisex Actuarial Memorandum and Rates	LS-LTC-0005 ST 01/13, LS-LTC-CNB-E ST 01/13, LS-LTC-GPO-E ST 01/13, LS-LTC-LPOCNB-E ST 01/13, LS-LTC-SCB-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-3P-R ST 01/13, LS-LTC-LPB-R ST 01/13, LS-LTC-MBP-R ST 01/13	New		ACTMEM_UnisexRates_Generic(RS)_091213.pdf,	09/17/2013 By:
<i>Previous Version</i>						
2	<i>Unisex Actuarial Memorandum and Rates</i>	<i>LS-LTC-0005 ST 01/13, LS-LTC-CNB-E ST 01/13, LS-LTC-GPO-E ST 01/13, LS-LTC-LPOCNB-E ST 01/13, LS-LTC-SCB-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-3P-R ST 01/13, LS-LTC-LPB-R ST 01/13, LS-LTC-MBP-R ST 01/13</i>	<i>New</i>		<i>ACTMEM_UnisexRates_Generic(RS)_073113.pdf,</i>	<i>09/04/2013 By: Tim Cassidy</i>

SERFF Tracking #:

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### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	These actuarial memoranda and rates are also posted to the Rate/Rule Schedule.
<b>Attachment(s):</b>	ACTMEM_UnisexRates_Generic(RS)_091213.pdf ACTMEM_GenderDistinctRates_Generic(RS)_091213.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Actuarial Justification</i>
<b>Comments:</b>	<i>These actuarial memoranda and rates are also posted to the Rate/Rule Schedule.</i>
<b>Attachment(s):</b>	<i>ACTMEM_UnisexRates_Generic(RS)_073113.pdf ACTMEM_GenderDistinctRates_Generic(RS)_073113.pdf</i>

SERFF Tracking #:

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### Rate Information

Rate data applies to filing.

Filing Method: SERFF - Review and Approval

Rate Change Type: Neutral

Overall Percentage of Last Rate Revision: 0.000%

Effective Date of Last Rate Revision:

Filing Method of Last Filing: NA

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
LifeSecure Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Gender Distinct Actuarial Memorandum and Rates	LS-LTC-0004 ST 01/13, LS-LTC-CNB-E ST 01/13, LS-LTC-GPO-E ST 01/13, LS-LTC-LPOCNB-E ST 01/13, LS-LTC-SCB-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-3P-R ST 01/13, LS-LTC-LPB-R ST 01/13, LS-LTC-MBP-R ST 01/13	New		ACTMEM_GenderDistinctRates_Generic(RS)_091213.pdf,
2		Unisex Actuarial Memorandum and Rates	LS-LTC-0005 ST 01/13, LS-LTC-CNB-E ST 01/13, LS-LTC-GPO-E ST 01/13, LS-LTC-LPOCNB-E ST 01/13, LS-LTC-SCB-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-3P-R ST 01/13, LS-LTC-LPB-R ST 01/13, LS-LTC-MBP-R ST 01/13	New		ACTMEM_UnisexRates_Generic(RS)_091213.pdf,

**LifeSecure Insurance Company**  
Long Term Care Policy Form LS-LTC-0004 ST 01/13  
Rider Forms LS-LTC-3P-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-LPB-R  
ST 01/13, LS-LTC-MBP-R ST 01/13, and LS-LTC-SCB-R ST 01/13

ACTUARIAL MEMORANDUM

**I. PLAN DESCRIPTION**

This policy is an individual, guaranteed renewable form providing benefits for long term care. The policy is intended to be tax-qualified with gender-distinct rates, and it includes rates for use with employer-based groups whose members are list billed or marketed together and for associations. Several options are available, including 3% and 5% compound inflation, money back promise option, non-forfeiture benefit option, contingent non-forfeiture benefit option, guaranteed purchase option, and shared care.

A. Benefits

The elimination period is 90 calendar days. The benefit period is administered on a “pool of money” basis, with a lifetime benefit amount available. Three possible maximum monthly benefit/lifetime benefit amount configurations will be available: one where the maximum monthly benefit is 1% of the lifetime benefit amount, one where it is 2%, and one where it is 3%. These three possible configurations result in inherent benefit periods of 100 months (8.3 years), 50 months (4.2 years), or 33 months (2.8 years), respectively.

Benefits are payable when the insured becomes disabled in two out of six Activities of Daily Living (ADL’s) for 90 days, or when he becomes severely cognitively impaired. The six ADL’s are: bathing, dressing, continence, eating, toileting and transferring. In order to be considered impaired in an ADL, a person must need substantial human assistance or supervision. Services must be provided pursuant to a Plan of Care.

The following describes the base plan and optional rider benefits provided by the policy:

Base Policy

- Pool of money approach: insured has lifetime benefit amount to use as needed.
- Maximum monthly benefit equals 1, 2, or 3% of lifetime benefit amount

- All nursing home, assisted living facility (ALF), and formal home care benefits are expense incurred subject to the monthly maximum. Bed reservation is included in the nursing home and ALF benefit.
- Informal caregiver benefits will also be paid, through a “Flexible Benefit”, assuming the benefit triggers are met and that the benefits provided are contained in the person’s Plan of Care. Usual and customary expenses will be paid. Informal caregiver benefits are paid with 50% of the remaining monthly benefit maximum, after formal care expenses have been paid. If no formal care was received and the benefit triggers have been met, the insured will have 50% of their monthly benefit maximum available for informal care.
- Caregiver training, home modification, and other ancillary benefits can be paid out of the Flexible Benefit, subject to the 50% of remaining monthly maximum limit.
- International benefit is provided which pays for 1-year of care, on an indemnity basis, at 100% of the monthly benefit for nursing facility care or at 50% of the monthly benefit for home care.
- Waiver of premium after the 90-day elimination period (not payable if international benefit is being paid).
- Endorsements LS-LTC-CNB-E ST 01/13 and LS-LTC-LPOCNB-E ST 01/13 provide the contingent non-forfeiture benefit (i.e., a shortened benefit period non-forfeiture option is provided if there is a substantial increase in premiums).
- Guaranteed future purchase endorsement (LS-LTC-GPO-E ST 01/13) is included if no other inflation is selected. An additional 15% of the current benefit will be offered every 3 years, until the insured reaches age 80, with the additional premium based on the person’s attained age at the time.

#### Optional Riders

- Rider LS-LTC-5P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 5% per year, compounded, for life

- Rider LS-LTC-3P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 3% per year, compounded, for life.
- Rider LS-LTC-LPB-R ST 01/13: Non-forfeiture benefit rider, which provides the NAIC mandated shortened benefit non-forfeiture option.
- Rider LS-LTC-SCB-R ST 01/13: Shared care benefit rider. This rider must be sold to two spouses or domestic partners who are purchasing the same coverage. When either spouse's lifetime maximum is depleted, he is allowed to use benefits under the lifetime maximum of his spouse's pool (subject to leaving 365 days untouched while the spouse is alive).
- Rider LS-LTC-MBP-R ST 01/13: Money back promise rider, which provides a return of premiums paid on death. This return is 0% in the first four policy years, 25% in policy years 5-9, 50% in years 10-14, and 75% in years 15+. Cumulative premiums, less benefits paid, times the durational factor are returned on policyholder death. There is no age maximum.

B. Exclusions and Limitations

The policy will not pay benefits for care, treatment, services or charges:

- for a loss that occurs while this Policy is not in force;
- for alcoholism or drug addiction (except for an addiction to a prescribed medication administered on the advice of a Physician);
- due to declared or undeclared war or act of war;
- due to participation in a felony, riot or insurrection or involvement in an illegal occupation;
- due to suicide, attempted suicide or intentionally self-inflicted injury;
- that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount;
- that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law;
- provided outside the United States, Canada or their territories or possessions, except as provided under the International Coverage Benefit;
- for which no charge is made in the absence of insurance, except as provided under the Flexible Benefit; or

- provided by an Immediate Family member (except as provided under the Flexible Benefit), unless:
  - he or she is a regular employee of an organization which is providing the care, treatment or service;
  - he or she receives no compensation other than the normal compensation for employees in his or her job category; and
  - the organization receives the payment for the care, treatment, service or charge.

C. Issue Ages

Policies can be issued from ages 18 - 79.

D. Marketing and Underwriting

The policy will be marketed to individuals, to members of employer-based groups that will be list-billed and/or marketed together, and to members of associations, through direct agents and brokers. Applicants will be home-office underwritten, based on questions on the application and protective information, such as telephone interviews, face-to-face assessments, medical records, cognitive screening, MIB Inc. screening and prescription drug histories. Simplified underwriting may be used for some employer-based groups, based on group size and participation level.

**II. ASSUMPTIONS**

A. Claim Costs

Claim costs based on Milliman's *2011 Long Term Care Cost Guidelines* were utilized. The basis for the cost guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman actuaries.

To these claim costs, durational select factors were applied to allow for the impact of underwriting. Durational select factors vary by married and single applicants, to reflect the different morbidity experienced by those two groups. Different selection factors were used for sales made using simplified underwriting and for sales to groups where the employer contributes to the premium.

Claim costs for the various available options were developed to be consistent with those of the policies.

B. Lapse Rates and Mortality

The following annual lapse rates (excluding mortality) were assumed:

<b>Voluntary Lapse Rates – Individuals and Employee-paid Members of Groups</b>			
<b>Policy Duration</b>	<b>Issue Ages &lt;50</b>	<b>Issue Ages 50-64</b>	<b>Issue Ages 65+</b>
1	8.00%	5.50%	4.00%
2	6.00	3.75	3.00
3	4.00	2.50	2.00
4	3.00	1.75	1.75
5	2.50	1.50	1.50
6	2.00	1.25	1.25
7	1.50	1.25	1.25
8+	1.00	1.00	1.00

<b>Voluntary Lapse Rates – Individuals where Employer is Contributing</b>	
<b>Policy Duration</b>	<b>Lapse Rates (All Issue Ages)</b>
1	8.0%
2	5.0
3	5.0
4	4.0
5	3.5
6+ (through age 64)	3.0
Attained ages 65+	1.0

Lapse rates for the limited pay plan was assumed to be half of the above during the premium paying period and were assumed to be 0% once the policy was paid up.

In addition to the above voluntary lapse rates, mortality was assumed. For non-claimant lives, mortality was assumed to be equal to the 1994 Group Annuity Mortality table, with selection applied. Mortality selection was assumed to increase from 0.2 in the first policy year to 0.9 for the tenth and later years. The mortality of claimant lives was assumed to be equal to four times the 1979 - 1981 US Life Mortality Table.

For the purpose of determining reserve factors, the mortality rates were assumed to be the 1994 GAM.

C. Expenses

Expense Assumptions				
Type of Expense	Individual	Multi-life Long Form	Multi-Life Short Form	Unit
Underwriting/ Protective Info	\$142	\$117	\$56	Per Policy Issued:
	\$181	\$148	\$58	Issue ages 18-54
	\$325	\$322	N/A	Issue ages 55-64
	\$1622	\$1193	N/A	Issue ages 65-74
				Issue ages 75-79+
	4.5%	4.5%	4.5%	Of Premium Issued
Administrative	\$75	\$75	\$75	Per policy per year inflated 3% per year for 20 years
Claims Payment	8.0%	8.0%	8.0%	Of Claims Paid
Premium Taxes	2.0%	2.0%	2.0%	Of Premium
Overhead	3.0%	3.0%	3.0%	Of Premium

D. Commissions/Marketing Expenses

Commissions were assumed to be paid on original premium and not on waived premiums. Actual commission schedules will vary by level of production. The following tables show the average commission plus marketing percentages that were assumed in pricing:

Commissions/Marketing Expenses; Lifetime Pay Individuals and Multi-life*				
Policy Duration	Issue Age			
	0 – 64	65 – 69	70 - 74	75 - 79
1	110.0%	110.0%	110.0%	105.0%
2-10	15.0	15.0	15.0	15.0
11+	6.0	6.0	6.0	6.0

\*For some multi-life sales, where the employer is contributing, the first year commissions are increased 5 points.

For associations, commissions are shown in the table below.

<b>Commissions/Marketing Expenses; Lifetime Pay Association Sales</b>				
<b>Policy Duration</b>	<b>Issue Age</b>			
	<b>0 – 64</b>	<b>65 – 69</b>	<b>70 - 74</b>	<b>75 - 79</b>
1	101.0%	101.0%	101.0%	96.5%
2-10	12.9	12.9	12.9	12.9
11+	5.4	5.4	5.4	5.4

For the limited pay option, renewal commissions and marketing expenses were assumed to be reduced to 3% in years 2+.

E. Distributions

The following issue age distribution of insureds was assumed by gender, inflation option and marital status. Separate distributions are provided for individual sales, sales to multi-life groups where the employee pays, and sales to multi-life groups where the employer contributes to the premium. The distributions were based on actual company sales under its existing policy.

**Individual Distribution by Issue Age, Gender, Inflation Option and Marital Status**

Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	2.3%	0.5%	3.8%	0.0%	0.0%	1.3%	1.2%
<35 – F	2.9	1.2	0.0	3.0	0.0	0.6	1.7
35-39 – M	1.9	1.3	2.1	0.0	0.0	0.6	1.3
35-39 – F	2.4	2.3	0.0	3.0	0.4	0.6	2.0
40-44 – M	2.4	2.5	3.8	9.1	1.0	0.0	2.3
40-44 – F	3.1	3.7	0.0	9.1	0.7	1.3	3.1
45-49 – M	4.9	4.3	5.8	6.1	1.0	3.2	4.2
45-49 – F	5.1	5.5	7.9	0.0	2.0	5.2	5.0
50-54 – M	4.4	5.6	9.6	9.1	2.7	6.5	5.3
50-54 – F	7.5	7.3	9.6	12.1	7.1	9.1	7.7
55-59 – M	5.7	8.3	3.8	6.1	6.9	6.5	7.1
55-59 – F	10.8	9.8	17.5	27.3	10.4	7.8	10.5
60-64 – M	6.9	14.1	9.6	12.1	9.6	15.6	11.5
60-64 – F	14.5	12.5	2.1	0.0	22.8	14.3	13.5
65-69 – M	5.0	8.0	3.8	0.0	6.2	13.0	7.2
65-69 – F	10.5	5.1	18.8	3.0	19.9	11.7	8.6
70-74 – M	2.0	4.7	2.1	0.0	1.7	1.3	3.1
70-74 – F	4.1	2.5	0.0	0.0	4.9	1.3	2.9
75-79 – M	1.5	0.5	0.0	0.0	0.7	0.0	0.8
75-79 – F	2.2	0.3	0.0	0.0	2.0	0.0	1.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Employee-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status**

Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	2.2%	0.3%	1.6%	0.0%	2.1%	1.4%	1.4%
<35 – F	2.0	2.8	4.8	0.0	2.7	3.3	2.6
35-39 – M	1.6	1.6	1.4	1.1	1.7	2.1	1.7
35-39 – F	3.2	3.1	4.0	4.6	1.8	3.3	3.0
40-44 – M	3.7	3.4	0.9	4.0	3.6	4.5	3.7
40-44 – F	4.7	5.9	3.2	9.2	5.9	3.3	5.1
45-49 – M	3.3	4.6	6.8	1.7	6.1	4.9	4.5
45-49 – F	9.4	7.2	0.4	11.5	6.8	8.2	8.0
50-54 – M	8.0	6.9	10.9	9.9	7.6	5.5	7.2
50-54 – F	14.6	15.6	6.4	18.4	14.0	18.4	15.6
55-59 – M	9.4	9.6	14.2	13.7	8.6	10.8	9.9
55-59 – F	18.3	15.9	18.3	18.4	16.5	18.4	17.3
60-64 – M	5.8	7.9	11.7	5.3	7.0	6.6	6.9
60-64 – F	8.9	8.7	9.1	2.3	11.7	6.6	8.6
65-69 – M	2.3	3.8	3.9	0.0	1.8	1.5	2.5
65-69 – F	2.2	2.3	2.4	0.0	2.1	0.8	1.9
70-74 – M	0.2	0.2	0.0	0.0	0.0	0.2	0.2
70-74 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Employer-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status**

Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	11.9%	7.6%	18.5%	0.0%	5.8%	2.3%	6.5%
<35 – F	19.5	8.7	0.0	7.4	15.5	2.3	9.6
35-39 – M	5.2	6.0	3.7	5.6	1.9	1.7	3.8
35-39 – F	4.8	6.0	3.7	7.4	7.8	1.7	4.4
40-44 – M	5.2	6.0	0.0	5.6	1.0	4.3	4.4
40-44 – F	7.1	7.6	3.7	11.1	2.9	4.3	5.9
45-49 – M	2.9	7.6	18.5	11.1	6.8	5.7	6.3
45-49 – F	5.7	8.2	0.0	1.9	7.8	7.4	6.6
50-54 – M	4.8	5.4	18.5	13.0	5.8	7.7	7.0
50-54 – F	8.6	6.5	7.4	5.6	4.9	11.0	8.3
55-59 – M	4.3	6.0	7.4	5.6	6.8	14.0	8.4
55-59 – F	6.7	6.5	7.4	9.3	10.7	13.0	9.5
60-64 – M	4.8	7.1	7.4	3.7	3.9	8.4	6.4
60-64 – F	6.2	3.8	0.0	3.7	9.7	7.0	6.0
65-69 – M	0.0	2.7	3.7	5.6	6.8	6.0	3.9
65-69 – F	1.4	3.3	0.0	3.7	1.9	3.0	2.5
70-74 – M	0.5	0.0	0.0	0.0	0.0	0.0	0.1
70-74 – F	0.5	0.5	0.0	0.0	0.0	0.0	0.2
75-79 – M	0.0	0.5	0.0	0.0	0.0	0.0	0.1
75-79 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following sex and marital status distribution was assumed:

<b>Distribution by Marital Status</b>			
<b>Issue Age</b>	<b>% Married</b>		
	<b>Individual</b>	<b>Employee Pay</b>	<b>Employer Pay</b>
		<b>Multi-Life</b>	<b>Multi-Life</b>
30 – 34	37.5%	49.1%	34.0%
35 – 39	56.0%	57.9%	54.2%
40 – 44	63.6%	56.2%	65.9%
45 – 49	60.9%	54.8%	66.4%
50 – 54	63.8%	56.5%	65.7%
55 – 59	61.7%	55.3%	71.3%
60 – 64	63.8%	52.7%	64.2%
65 – 69	56.6%	55.1%	76.8%
70 – 74	59.6%	64.8%	33.3%
75 – 79	21.9%	NA	100.0%
Average	60.0%	55.1%	61.2%

The “Single” category of insureds includes individuals who are married, but only one spouse is insured. The percent married and the married discount pertains only to couples, where both purchase.

Fully underwritten premium rates will be adjusted based on perceived health status of the insured. Three rating categories will be used: Preferred, Standard, and Substandard. The following outlines the assumed distribution of business and corresponding premium rating factors assumed in our pricing.

<b>Distribution of Business by Health Status – Individual</b>		
<b>Rating Category</b>	<b>% of Issues</b>	<b>Rating Factor</b>
Preferred	43.8%	0.90
Standard	49.0%	1.00
Substandard	7.2%	1.40

No preferred, standard and substandard rating classes will be used for sales in the multi-life market.

The following tables provide the distribution of business for benefit options and for optional benefits assumed in the pricing.

<b>Distribution of Business by Benefit Option</b>			
<b>% of Monthly Bank</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
1%	65.5%	64.2%	49.7%
2%	20.2	24.9	35.9
3%	14.4	10.9	14.4

<b>Distribution of Business Selecting Options</b>			
<b>Optional Rider</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
5% Compound Inflation	3.5%	5.5%	9.2%
3% Compound Inflation	17.4%	34.4%	45.8%
Shared Care Rider	15.0%	15.0%	15.0%
Money Back Promise	2.8%	6.5%	4.0%

F. Average Annual Premium

Based upon the above stated distributions, the average annual premium for the policy at issue (including riders) is expected to be \$1434, assuming an average daily benefit of \$100.

G. Investment Income

Investment income was assumed to accrue at the rate of 4.5% per year on reserves, cash flows, and required capital and surplus.

**III. GROSS PREMIUMS**

Gross premiums were computed to pay for benefits and expenses and to provide the desired overall return on equity.

The resulting gross annual premiums for single, standard insureds are attached, separate for males and females. A 30% spouse/domestic partners discount will apply to both husband and wife/partners when both are issued policies. If applicable, the spouse discount will continue throughout the life of the insured.

Fully underwritten policyholders can be classified as preferred risks, or as standard or substandard risks. Preferred rates are 10% lower than standard, and substandard rates are 40% higher than standard.

Rates will be discounted for individuals who are members of groups, with a larger discount applying if the employer contributes to the premium. Rates will also be discounted for individuals who are members of qualifying associations.

No modal factors are used.

Factors are available which would convert the annual premiums into premiums which are paid up after 10 years.

Rates sheets are attached which show the annual premiums for a single, standard insured by benefit period. Factors are then shown which would convert these rates to annual premiums with other optional benefits or for changing the payment parameters. The resulting annual premiums for the particular option selected will be rounded to the nearest dollar.

#### **IV. LOSS RATIO**

The expected lifetime loss ratio, calculated as claims incurred divided by premiums earned, discounted at 3.5%, is 58.3%.

#### **V. CERTIFICATION**

I, Dawn Helwig, am a consulting actuary for Milliman, Inc. and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the current and proposed requirements for filing long-term care insurance premiums.

In my opinion the initial premium rate schedules, based on my review as of June 2013, are sufficient to cover anticipated costs under moderately adverse experience and the premium rate schedules are reasonably expected to be sustainable over the life of the forms with no future premium increases anticipated.

The following moderately adverse assumptions were tested:

- Morbidity increased by 10%
- Lapses reduced by 50%
- Mortality reduced by 20%
- Investment rate reduced by 50 basis points.

The policy was priced to yield a pre-tax profit margin of at least 15%. Each of these assumption changes, taken alone, resulted in a pre-tax profit margin that dropped by less than five percentage points. Any assumption deviation, or combination of assumption changes, that result in the pre-tax profit margin dropping by more than five points could result in a rate increase being needed.

My analysis of moderately adverse assumptions included a review of the projected slope of the claim costs, which was determined to be reasonable. The 10% overall morbidity increase sensitivity was thus the only morbidity change tested.

I have reviewed and taken into consideration the policy design and coverage provided.

I have reviewed and taken into consideration the company's planned underwriting and claims adjudication processes. I have relied upon information provided to me by the company's administrator for a description of these processes. I have reviewed and considered but not audited these procedures.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary.

The reserves to be held will consist of active life reserves, unearned premium reserves, and claim reserves. The contract reserves will be the mid-terminal reserves calculated using a one year preliminary term basis plus the net unearned premium reserves, but never less than the gross unearned premium reserve. The contract reserves anticipated to be held under the form will be calculated using NAIC minimum reserve standards, currently using expected claim costs with selection, lapses based on 80% of the assumed voluntary lapse rate up to 6% in policy year 1, 80% of the assumed voluntary lapse rate up to 4% in policy year 2-4, and 100% of the assumed voluntary lapse rate for years 5+ up to 2%, the mortality table specified in the NAIC minimum reserve standards for health insurance contracts (currently 1994 GAM) and the interest rate specified in the NAIC minimum reserve standards (currently 3.5% - the maximum rate permitted in the valuation of whole life insurance). These assumptions provide reasonable margins for adverse experience.

The net renewal valuation premiums do not increase.

The difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. This condition is not met for each issue age and option, though it is met in aggregate. I believe this is reasonable because the underlying gross premium maintains a reasonably consistent relationship by age. Also, each issue age and option is expected to result in lifetime statutory pre-tax profits, when investment income is incorporated.

The premium rate schedule being submitted, with male and female rates aggregated, is not less than the rate schedule for existing similar forms with issue age rates and comparable premium-paying periods also available from the company. However, the gender-distinct male rates on this form are lower than the unisex rates on existing similar forms.

*Dawn E. Helwig*

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Dawn E. Helwig, F.S.A., M.A.A.A.  
Member, American Academy of Actuaries

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LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Standard Risks\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$414	\$346	\$294	\$620	\$518	\$442
31	423	353	300	635	529	450
32	434	361	306	650	541	458
33	444	369	312	666	553	468
34	454	376	318	682	564	476
35	465	384	323	697	576	485
36	474	392	330	712	588	494
37	485	400	335	727	600	503
38	499	410	344	749	616	516
39	514	422	352	770	632	528
40	528	433	361	792	649	541
41	542	444	370	814	666	554
42	557	455	378	835	683	566
43	574	469	389	862	703	583
44	592	482	399	888	724	599
45	610	497	410	914	745	616
46	627	510	421	941	766	631
47	646	524	432	968	786	648
48	671	545	448	1,007	817	672
49	697	565	463	1,045	847	695
50	722	585	479	1,084	877	719
51	748	605	495	1,122	907	743
52	774	625	511	1,160	937	767
53	810	655	535	1,216	983	803
54	847	685	560	1,271	1,027	840
55	884	714	584	1,326	1,072	876
56	921	744	608	1,381	1,116	912
57	958	774	633	1,436	1,160	949
58	1,031	832	678	1,547	1,248	1,018
59	1,106	890	724	1,658	1,336	1,086
60	1,179	949	770	1,769	1,423	1,154
61	1,253	1,006	815	1,879	1,510	1,223
62	1,326	1,065	861	1,990	1,597	1,291
63	1,448	1,162	938	2,172	1,742	1,408
64	1,569	1,258	1,017	2,353	1,888	1,525
65	1,690	1,356	1,094	2,536	2,034	1,642
66	1,812	1,453	1,172	2,718	2,179	1,758
67	1,933	1,550	1,250	2,899	2,324	1,874
68	2,276	1,822	1,466	3,414	2,732	2,198
69	2,619	2,094	1,682	3,929	3,140	2,522
70	2,962	2,365	1,898	4,444	3,547	2,846
71	3,306	2,637	2,114	4,958	3,955	3,170
72	3,649	2,909	2,330	5,473	4,363	3,494
73	4,282	3,409	2,724	6,424	5,113	4,086
74	4,915	3,910	3,118	7,373	5,864	4,678
75	5,549	4,410	3,513	8,323	6,614	5,269
76	6,182	4,910	3,907	9,272	7,364	5,861
77	6,815	5,410	4,302	10,223	8,116	6,452
78	7,274	5,793	4,615	10,912	8,689	6,923
79	7,734	6,175	4,928	11,600	9,263	7,392

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Standard Risks\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,055	\$881	\$751	\$1,730	\$1,445	\$1,231
31	1,067	890	757	1,750	1,459	1,241
32	1,081	900	762	1,773	1,476	1,250
33	1,095	909	769	1,795	1,491	1,262
34	1,108	917	774	1,816	1,503	1,270
35	1,120	925	779	1,837	1,517	1,277
36	1,134	937	788	1,860	1,537	1,292
37	1,145	945	792	1,878	1,550	1,299
38	1,165	958	803	1,911	1,571	1,317
39	1,184	972	812	1,943	1,595	1,331
40	1,203	986	822	1,973	1,617	1,348
41	1,220	999	832	2,001	1,638	1,364
42	1,242	1,016	843	2,037	1,666	1,382
43	1,265	1,033	857	2,075	1,694	1,405
44	1,288	1,049	868	2,112	1,721	1,424
45	1,309	1,067	881	2,146	1,749	1,445
46	1,329	1,081	892	2,179	1,774	1,462
47	1,350	1,095	903	2,214	1,797	1,481
48	1,384	1,124	924	2,270	1,843	1,515
49	1,424	1,154	947	2,335	1,893	1,553
50	1,456	1,179	966	2,388	1,933	1,584
51	1,487	1,202	984	2,438	1,971	1,614
52	1,516	1,224	1,002	2,486	2,008	1,643
53	1,565	1,265	1,034	2,567	2,075	1,695
54	1,612	1,303	1,066	2,644	2,137	1,748
55	1,658	1,340	1,095	2,718	2,197	1,796
56	1,709	1,381	1,129	2,803	2,265	1,851
57	1,751	1,414	1,157	2,871	2,319	1,897
58	1,856	1,498	1,221	3,044	2,456	2,003
59	1,959	1,578	1,283	3,213	2,587	2,104
60	2,056	1,654	1,342	3,372	2,713	2,201
61	2,149	1,727	1,399	3,525	2,832	2,294
62	2,251	1,807	1,461	3,691	2,963	2,395
63	2,416	1,938	1,566	3,963	3,179	2,568
64	2,574	2,065	1,668	4,221	3,386	2,736
65	2,726	2,187	1,765	4,470	3,586	2,894
66	2,871	2,302	1,857	4,708	3,775	3,045
67	3,008	2,412	1,945	4,933	3,955	3,189
68	3,414	2,732	2,198	5,599	4,481	3,605
69	3,781	3,023	2,428	6,202	4,957	3,982
70	4,138	3,303	2,651	6,786	5,417	4,347
71	4,432	3,535	2,834	7,268	5,797	4,647
72	4,686	3,736	2,992	7,686	6,127	4,907
73	5,380	4,282	3,422	8,823	7,023	5,612
74	6,083	4,838	3,859	9,975	7,935	6,329
75	6,763	5,374	4,281	11,091	8,814	7,021
76	7,418	5,892	4,689	12,165	9,662	7,689
77	7,987	6,340	5,041	13,098	10,398	8,267
78	8,456	6,734	5,365	13,869	11,044	8,799
79	8,845	7,063	5,636	14,506	11,583	9,244

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Standard Risks\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,132	\$1,781	\$1,517	\$3,806	\$3,181	\$2,709
31	2,148	1,790	1,523	3,835	3,197	2,719
32	2,163	1,799	1,524	3,862	3,213	2,722
33	2,179	1,810	1,532	3,892	3,233	2,735
34	2,191	1,813	1,531	3,912	3,237	2,734
35	2,204	1,821	1,533	3,936	3,252	2,737
36	2,208	1,825	1,534	3,943	3,259	2,740
37	2,219	1,831	1,534	3,962	3,269	2,739
38	2,241	1,842	1,544	4,001	3,290	2,757
39	2,265	1,859	1,552	4,045	3,320	2,772
40	2,282	1,871	1,560	4,076	3,341	2,785
41	2,302	1,884	1,568	4,110	3,365	2,801
42	2,314	1,892	1,569	4,133	3,378	2,803
43	2,342	1,912	1,585	4,182	3,413	2,831
44	2,362	1,925	1,593	4,218	3,437	2,844
45	2,384	1,943	1,605	4,258	3,470	2,866
46	2,398	1,952	1,609	4,283	3,485	2,873
47	2,418	1,962	1,618	4,317	3,504	2,889
48	2,455	1,993	1,639	4,384	3,558	2,926
49	2,494	2,021	1,658	4,453	3,609	2,960
50	2,522	2,042	1,673	4,504	3,646	2,988
51	2,553	2,064	1,690	4,558	3,686	3,018
52	2,572	2,077	1,700	4,593	3,710	3,035
53	2,631	2,127	1,737	4,698	3,798	3,102
54	2,676	2,163	1,769	4,779	3,863	3,159
55	2,723	2,200	1,799	4,862	3,929	3,212
56	2,755	2,226	1,819	4,921	3,976	3,249
57	2,790	2,254	1,844	4,983	4,025	3,293
58	2,914	2,351	1,917	5,204	4,199	3,424
59	3,038	2,446	1,989	5,424	4,369	3,552
60	3,137	2,524	2,047	5,601	4,507	3,656
61	3,234	2,598	2,104	5,775	4,639	3,758
62	3,308	2,655	2,147	5,907	4,742	3,833
63	3,497	2,805	2,266	6,245	5,009	4,047
64	3,651	2,929	2,367	6,520	5,230	4,226
65	3,801	3,049	2,461	6,788	5,445	4,395
66	3,916	3,140	2,533	6,993	5,607	4,523
67	4,025	3,227	2,602	7,188	5,763	4,647
68	4,501	3,602	2,898	8,037	6,433	5,175
69	4,927	3,939	3,164	8,799	7,033	5,649
70	5,288	4,221	3,387	9,443	7,538	6,049
71	5,582	4,453	3,569	9,968	7,952	6,374
72	5,779	4,607	3,690	10,319	8,226	6,588
73	6,595	5,250	4,195	11,777	9,374	7,491
74	7,311	5,816	4,639	13,056	10,385	8,283
75	7,963	6,328	5,041	14,219	11,300	9,002
76	8,600	6,830	5,436	15,357	12,197	9,707
77	9,124	7,243	5,759	16,293	12,934	10,284
78	9,484	7,552	6,017	16,936	13,486	10,745
79	9,812	7,835	6,252	17,521	13,991	11,165

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1%	2%	3%	1%	2%	3%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	\$410	\$343	\$291	\$614	\$513	\$438
31	419	349	297	629	524	446
32	430	357	303	644	536	453
33	440	365	309	659	547	463
34	449	372	315	675	558	471
35	460	380	320	690	570	480
36	469	388	327	705	582	489
37	480	396	332	720	594	498
38	494	406	341	742	610	511
39	509	418	348	762	626	523
40	523	429	357	784	643	536
41	537	440	366	806	659	548
42	551	450	374	827	676	560
43	568	464	385	853	696	577
44	586	477	395	879	717	593
45	604	492	406	905	738	610
46	621	505	417	932	758	625
47	640	519	428	958	778	642
48	664	540	444	997	809	665
49	690	559	458	1,035	839	688
50	715	579	474	1,073	868	712
51	741	599	490	1,111	898	736
52	766	619	506	1,148	928	759
53	802	648	530	1,204	973	795
54	839	678	554	1,258	1,017	832
55	875	707	578	1,313	1,061	867
56	912	737	602	1,367	1,105	903
57	948	766	627	1,422	1,148	940
58	1,021	824	671	1,532	1,236	1,008
59	1,095	881	717	1,641	1,323	1,075
60	1,167	940	762	1,751	1,409	1,142
61	1,240	996	807	1,860	1,495	1,211
62	1,313	1,054	852	1,970	1,581	1,278
63	1,434	1,150	929	2,150	1,725	1,394
64	1,553	1,245	1,007	2,329	1,869	1,510
65	1,673	1,342	1,083	2,511	2,014	1,626
66	1,794	1,438	1,160	2,691	2,157	1,740
67	1,914	1,535	1,238	2,870	2,301	1,855
68	2,253	1,804	1,451	3,380	2,705	2,176
69	2,593	2,073	1,665	3,890	3,109	2,497
70	2,932	2,341	1,879	4,400	3,512	2,818
71	3,273	2,611	2,093	4,908	3,915	3,138
72	3,613	2,880	2,307	5,418	4,319	3,459
73	4,239	3,375	2,697	6,360	5,062	4,045
74	4,866	3,871	3,087	7,299	5,805	4,631
75	5,494	4,366	3,478	8,240	6,548	5,216
76	6,120	4,861	3,868	9,179	7,290	5,802
77	6,747	5,356	4,259	10,121	8,035	6,387
78	7,201	5,735	4,569	10,803	8,602	6,854
79	7,657	6,113	4,879	11,484	9,170	7,318

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

**\*\* Employer Pay Factor:**

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

\* Applicability of multi-life rates are subject to certain group size and participation requirements.

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,044	\$872	\$743	\$1,713	\$1,431	\$1,219
31	1,056	881	749	1,733	1,444	1,229
32	1,070	891	754	1,755	1,461	1,238
33	1,084	900	761	1,777	1,476	1,249
34	1,097	908	766	1,798	1,488	1,257
35	1,109	916	771	1,819	1,502	1,264
36	1,123	928	780	1,841	1,522	1,279
37	1,134	936	784	1,859	1,535	1,286
38	1,153	948	795	1,892	1,555	1,304
39	1,172	962	804	1,924	1,579	1,318
40	1,191	976	814	1,953	1,601	1,335
41	1,208	989	824	1,981	1,622	1,350
42	1,230	1,006	835	2,017	1,649	1,368
43	1,252	1,023	848	2,054	1,677	1,391
44	1,275	1,039	859	2,091	1,704	1,410
45	1,296	1,056	872	2,125	1,732	1,431
46	1,316	1,070	883	2,157	1,756	1,447
47	1,337	1,084	894	2,192	1,779	1,466
48	1,370	1,113	915	2,247	1,825	1,500
49	1,410	1,142	938	2,312	1,874	1,537
50	1,441	1,167	956	2,364	1,914	1,568
51	1,472	1,190	974	2,414	1,951	1,598
52	1,501	1,212	992	2,461	1,988	1,627
53	1,549	1,252	1,024	2,541	2,054	1,678
54	1,596	1,290	1,055	2,618	2,116	1,731
55	1,641	1,327	1,084	2,691	2,175	1,778
56	1,692	1,367	1,118	2,775	2,242	1,832
57	1,733	1,400	1,145	2,842	2,296	1,878
58	1,837	1,483	1,209	3,014	2,431	1,983
59	1,939	1,562	1,270	3,181	2,561	2,083
60	2,035	1,637	1,329	3,338	2,686	2,179
61	2,128	1,710	1,385	3,490	2,804	2,271
62	2,228	1,789	1,446	3,654	2,933	2,371
63	2,392	1,919	1,550	3,923	3,147	2,542
64	2,548	2,044	1,651	4,179	3,352	2,709
65	2,699	2,165	1,747	4,425	3,550	2,865
66	2,842	2,279	1,838	4,661	3,737	3,015
67	2,978	2,388	1,926	4,884	3,915	3,157
68	3,380	2,705	2,176	5,543	4,436	3,569
69	3,743	2,993	2,404	6,140	4,907	3,942
70	4,097	3,270	2,624	6,718	5,363	4,304
71	4,388	3,500	2,806	7,195	5,739	4,601
72	4,639	3,699	2,962	7,609	6,066	4,858
73	5,326	4,239	3,388	8,735	6,953	5,556
74	6,022	4,790	3,820	9,875	7,856	6,266
75	6,695	5,320	4,238	10,980	8,726	6,951
76	7,344	5,833	4,642	12,043	9,565	7,612
77	7,907	6,277	4,991	12,967	10,294	8,184
78	8,371	6,667	5,311	13,730	10,934	8,711
79	8,757	6,992	5,580	14,361	11,467	9,152

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

\*\* Employer Pay Factor:

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	5% Compound Premiums - Males Monthly Payment, as % of Benefit Bank:			5% Compound Premiums - Females Monthly Payment, as % of Benefit Bank:		
	1%	2%	3%	1%	2%	3%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	\$2,111	\$1,763	\$1,502	\$3,768	\$3,149	\$2,682
31	2,127	1,772	1,508	3,797	3,165	2,692
32	2,141	1,781	1,509	3,823	3,181	2,695
33	2,157	1,792	1,517	3,853	3,201	2,708
34	2,169	1,795	1,516	3,873	3,205	2,707
35	2,182	1,803	1,518	3,897	3,219	2,710
36	2,186	1,807	1,519	3,904	3,226	2,713
37	2,197	1,813	1,519	3,922	3,236	2,712
38	2,219	1,824	1,529	3,961	3,257	2,729
39	2,242	1,840	1,536	4,005	3,287	2,744
40	2,259	1,852	1,544	4,035	3,308	2,757
41	2,279	1,865	1,552	4,069	3,331	2,773
42	2,291	1,873	1,553	4,092	3,344	2,775
43	2,319	1,893	1,569	4,140	3,379	2,803
44	2,338	1,906	1,577	4,176	3,403	2,816
45	2,360	1,924	1,589	4,215	3,435	2,837
46	2,374	1,932	1,593	4,240	3,450	2,844
47	2,394	1,942	1,602	4,274	3,469	2,860
48	2,430	1,973	1,623	4,340	3,522	2,897
49	2,469	2,001	1,641	4,408	3,573	2,930
50	2,497	2,022	1,656	4,459	3,610	2,958
51	2,527	2,043	1,673	4,512	3,649	2,988
52	2,546	2,056	1,683	4,547	3,673	3,005
53	2,605	2,106	1,720	4,651	3,760	3,071
54	2,649	2,141	1,751	4,731	3,824	3,127
55	2,696	2,178	1,781	4,813	3,890	3,180
56	2,727	2,204	1,801	4,872	3,936	3,217
57	2,762	2,231	1,826	4,933	3,985	3,260
58	2,885	2,327	1,898	5,152	4,157	3,390
59	3,008	2,422	1,969	5,370	4,325	3,516
60	3,106	2,499	2,027	5,545	4,462	3,619
61	3,202	2,572	2,083	5,717	4,593	3,720
62	3,275	2,628	2,126	5,848	4,695	3,795
63	3,462	2,777	2,243	6,183	4,959	4,007
64	3,614	2,900	2,343	6,455	5,178	4,184
65	3,763	3,019	2,436	6,720	5,391	4,351
66	3,877	3,109	2,508	6,923	5,551	4,478
67	3,985	3,195	2,576	7,116	5,705	4,601
68	4,456	3,566	2,869	7,957	6,369	5,123
69	4,878	3,900	3,132	8,711	6,963	5,593
70	5,235	4,179	3,353	9,349	7,463	5,989
71	5,526	4,408	3,533	9,868	7,872	6,310
72	5,721	4,561	3,653	10,216	8,144	6,522
73	6,529	5,198	4,153	11,659	9,280	7,416
74	7,238	5,758	4,593	12,925	10,281	8,200
75	7,883	6,265	4,991	14,077	11,187	8,912
76	8,514	6,762	5,382	15,203	12,075	9,610
77	9,033	7,171	5,701	16,130	12,805	10,181
78	9,389	7,476	5,957	16,767	13,351	10,638
79	9,714	7,757	6,189	17,346	13,851	11,053

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

**\*\* Employer Pay Factor:**

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1%	2%	3%	1%	2%	3%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	\$393	\$329	\$279	\$589	\$492	\$420
31	402	335	285	603	503	428
32	412	343	291	618	514	435
33	422	351	296	633	525	445
34	431	357	302	648	536	452
35	442	365	307	662	547	461
36	450	372	314	676	559	469
37	461	380	318	691	570	478
38	474	390	327	712	585	490
39	488	401	334	732	600	502
40	502	411	343	752	617	514
41	515	422	352	773	633	526
42	529	432	359	793	649	538
43	545	446	370	819	668	554
44	562	458	379	844	688	569
45	580	472	390	868	708	585
46	596	485	400	894	728	599
47	614	498	410	920	747	616
48	637	518	426	957	776	638
49	662	537	440	993	805	660
50	686	556	455	1,030	833	683
51	711	575	470	1,066	862	706
52	735	594	485	1,102	890	729
53	770	622	508	1,155	934	763
54	805	651	532	1,207	976	798
55	840	678	555	1,260	1,018	832
56	875	707	578	1,312	1,060	866
57	910	735	601	1,364	1,102	902
58	979	790	644	1,470	1,186	967
59	1,051	846	688	1,575	1,269	1,032
60	1,120	902	732	1,681	1,352	1,096
61	1,190	956	774	1,785	1,435	1,162
62	1,260	1,012	818	1,891	1,517	1,226
63	1,376	1,104	891	2,063	1,655	1,338
64	1,491	1,195	966	2,235	1,794	1,449
65	1,606	1,288	1,039	2,409	1,932	1,560
66	1,721	1,380	1,113	2,582	2,070	1,670
67	1,836	1,473	1,188	2,754	2,208	1,780
68	2,162	1,731	1,393	3,243	2,595	2,088
69	2,488	1,989	1,598	3,733	2,983	2,396
70	2,814	2,247	1,803	4,222	3,370	2,704
71	3,141	2,505	2,008	4,710	3,757	3,012
72	3,467	2,764	2,214	5,199	4,145	3,319
73	4,068	3,239	2,588	6,103	4,857	3,882
74	4,669	3,715	2,962	7,004	5,571	4,444
75	5,272	4,190	3,337	7,907	6,283	5,006
76	5,873	4,665	3,712	8,808	6,996	5,568
77	6,474	5,140	4,087	9,712	7,710	6,129
78	6,910	5,503	4,384	10,366	8,255	6,577
79	7,347	5,866	4,682	11,020	8,800	7,022

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,002	\$837	\$713	\$1,644	\$1,373	\$1,169
31	1,014	846	719	1,663	1,386	1,179
32	1,027	855	724	1,684	1,402	1,188
33	1,040	864	731	1,705	1,416	1,199
34	1,053	871	735	1,725	1,428	1,207
35	1,064	879	740	1,745	1,441	1,213
36	1,077	890	749	1,767	1,460	1,227
37	1,088	898	752	1,784	1,473	1,234
38	1,107	910	763	1,815	1,492	1,251
39	1,125	923	771	1,846	1,515	1,264
40	1,143	937	781	1,874	1,536	1,281
41	1,159	949	790	1,901	1,556	1,296
42	1,180	965	801	1,935	1,583	1,313
43	1,202	981	814	1,971	1,609	1,335
44	1,224	997	825	2,006	1,635	1,353
45	1,244	1,014	837	2,039	1,662	1,373
46	1,263	1,027	847	2,070	1,685	1,389
47	1,283	1,040	858	2,103	1,707	1,407
48	1,315	1,068	878	2,157	1,751	1,439
49	1,353	1,096	900	2,218	1,798	1,475
50	1,383	1,120	918	2,269	1,836	1,505
51	1,413	1,142	935	2,316	1,872	1,533
52	1,440	1,163	952	2,362	1,908	1,561
53	1,487	1,202	982	2,439	1,971	1,610
54	1,531	1,238	1,013	2,512	2,030	1,661
55	1,575	1,273	1,040	2,582	2,087	1,706
56	1,624	1,312	1,073	2,663	2,152	1,758
57	1,663	1,343	1,099	2,727	2,203	1,802
58	1,763	1,423	1,160	2,892	2,333	1,903
59	1,861	1,499	1,219	3,052	2,458	1,999
60	1,953	1,571	1,275	3,203	2,577	2,091
61	2,042	1,641	1,329	3,349	2,690	2,179
62	2,138	1,717	1,388	3,506	2,815	2,275
63	2,295	1,841	1,488	3,765	3,020	2,440
64	2,445	1,962	1,585	4,010	3,217	2,599
65	2,590	2,078	1,677	4,247	3,407	2,749
66	2,727	2,187	1,764	4,473	3,586	2,893
67	2,858	2,291	1,848	4,686	3,757	3,030
68	3,243	2,595	2,088	5,319	4,257	3,425
69	3,582	2,872	2,307	5,892	4,709	3,783
70	3,931	3,138	2,518	6,447	5,146	4,130
71	4,210	3,358	2,692	6,905	5,507	4,415
72	4,452	3,549	2,842	7,302	5,821	4,662
73	5,111	4,068	3,251	8,382	6,672	5,331
74	5,779	4,596	3,666	9,476	7,538	6,013
75	6,425	5,105	4,067	10,536	8,373	6,670
76	7,047	5,597	4,455	11,557	9,179	7,305
77	7,588	6,023	4,789	12,443	9,878	7,854
78	8,033	6,397	5,097	13,176	10,492	8,359
79	8,403	6,710	5,354	13,781	11,004	8,782

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,025	\$1,692	\$1,441	\$3,616	\$3,022	\$2,574
31	2,041	1,701	1,447	3,643	3,037	2,583
32	2,055	1,709	1,448	3,669	3,052	2,586
33	2,070	1,720	1,455	3,697	3,071	2,598
34	2,081	1,722	1,454	3,716	3,075	2,597
35	2,094	1,730	1,456	3,739	3,089	2,600
36	2,098	1,734	1,457	3,746	3,096	2,603
37	2,108	1,739	1,457	3,764	3,106	2,602
38	2,129	1,750	1,467	3,801	3,126	2,619
39	2,152	1,766	1,474	3,843	3,154	2,633
40	2,168	1,777	1,482	3,872	3,174	2,646
41	2,187	1,790	1,490	3,905	3,197	2,661
42	2,198	1,797	1,491	3,926	3,209	2,663
43	2,225	1,816	1,506	3,973	3,242	2,689
44	2,244	1,829	1,513	4,007	3,265	2,702
45	2,265	1,846	1,525	4,045	3,297	2,723
46	2,278	1,854	1,529	4,069	3,311	2,729
47	2,297	1,864	1,537	4,101	3,329	2,745
48	2,332	1,893	1,557	4,165	3,380	2,780
49	2,369	1,920	1,575	4,230	3,429	2,812
50	2,396	1,940	1,589	4,279	3,464	2,839
51	2,425	1,961	1,606	4,330	3,502	2,867
52	2,443	1,973	1,615	4,363	3,525	2,883
53	2,499	2,021	1,650	4,463	3,608	2,947
54	2,542	2,055	1,681	4,540	3,670	3,001
55	2,587	2,090	1,709	4,619	3,733	3,051
56	2,617	2,115	1,728	4,675	3,777	3,087
57	2,651	2,141	1,752	4,734	3,824	3,128
58	2,768	2,233	1,821	4,944	3,989	3,253
59	2,886	2,324	1,890	5,153	4,151	3,374
60	2,980	2,398	1,945	5,321	4,282	3,473
61	3,072	2,468	1,999	5,486	4,407	3,570
62	3,143	2,522	2,040	5,612	4,505	3,641
63	3,322	2,665	2,153	5,933	4,759	3,845
64	3,468	2,783	2,249	6,194	4,969	4,015
65	3,611	2,897	2,338	6,449	5,173	4,175
66	3,720	2,983	2,406	6,643	5,327	4,297
67	3,824	3,066	2,472	6,829	5,475	4,415
68	4,276	3,422	2,753	7,635	6,111	4,916
69	4,681	3,742	3,006	8,359	6,681	5,367
70	5,024	4,010	3,218	8,971	7,161	5,747
71	5,303	4,230	3,391	9,470	7,554	6,055
72	5,490	4,377	3,506	9,803	7,815	6,259
73	6,265	4,988	3,985	11,188	8,905	7,116
74	6,945	5,525	4,407	12,403	9,866	7,869
75	7,565	6,012	4,789	13,508	10,735	8,552
76	8,170	6,489	5,164	14,589	11,587	9,222
77	8,668	6,881	5,471	15,478	12,287	9,770
78	9,010	7,174	5,716	16,089	12,812	10,208
79	9,321	7,443	5,939	16,645	13,291	10,607

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Premium with Limited Pay Option**

**Issue Age**                      **Limited Pay Option:**  
    **10 Pay**

30 and under	4.37
31	4.34
32	4.30
33	4.26
34	4.23
35	4.19
36	4.16
37	4.12
38	4.03
39	3.94
40	3.86
41	3.77
42	3.68
43	3.58
44	3.48
45	3.38
46	3.28
47	3.18
48	3.12
49	3.05
50	2.99
51	2.92
52	2.86
53	2.79
54	2.72
55	2.65
56	2.58
57	2.51
58	2.40
59	2.29
60	2.19
61	2.08
62	1.97
63	1.91
64	1.85
65	1.80
66	1.74
67	1.68
68	1.60
69	1.52
70	1.44
71	1.36
72	1.28
73	1.24
74	1.21
75	1.17
76	1.14
77	1.10
78	1.10
79	1.10

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option**

Issue Age	Money Back Guarantee Rider (Return of Premium on Death) LS-LTC-MBP-R ST 01/13	Non-forfeiture Benefit Rider (NAIC Shortened BP) LS-LTC-LPB-R ST 01/13
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
Factors to Apply to Base Policy to get Total Rates for Base Plus Shared Care

Shared Care Rider  
LS-LTS-SCB-R ST 01/13

<u>Benefit Pool</u>	<u>Factor</u>
100 months (8.3 years)	1.03
50 months (4.2 years)	1.13
33 months (2.8 years)	1.20

**LifeSecure Insurance Company**  
Long Term Care Policy Form LS-LTC-0005 ST 01/13  
Rider Forms LS-LTC-3P-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-LPB-R  
ST 01/13, LS-LTC-MBP-R ST 01/13, and LS-LTC-SCB-R ST 01/13

ACTUARIAL MEMORANDUM

**I. PLAN DESCRIPTION**

This policy is an individual, guaranteed renewable form providing benefits for long term care. The policy is intended to be tax-qualified and includes rates for use with employer-based groups whose members are list billed or marketed together and for associations. Several options are available, including 3% and 5% compound inflation, money back promise option, non-forfeiture benefit option, contingent non-forfeiture benefit option, guaranteed purchase option, and shared care.

A. Benefits

The elimination period is 90 calendar days. The benefit period is administered on a “pool of money” basis, with a lifetime benefit amount available. Three possible maximum monthly benefit/lifetime benefit amount configurations will be available: one where the maximum monthly benefit is 1% of the lifetime benefit amount, one where it is 2%, and one where it is 3%. These three possible configurations result in inherent benefit periods of 100 months (8.3 years), 50 months (4.2 years), or 33 months (2.8 years), respectively.

Benefits are payable when the insured becomes disabled in two out of six Activities of Daily Living (ADL’s) for 90 days, or when he becomes severely cognitively impaired. The six ADL’s are: bathing, dressing, continence, eating, toileting and transferring. In order to be considered impaired in an ADL, a person must need substantial human assistance or supervision. Services must be provided pursuant to a Plan of Care.

The following describes the base plan and optional rider benefits provided by the policy:

Base Policy

- Pool of money approach: insured has lifetime benefit amount to use as needed.
- Maximum monthly benefit equals 1, 2, or 3% of lifetime benefit amount

- All nursing home, assisted living facility (ALF), and formal home care benefits are expense incurred subject to the monthly maximum. Bed reservation is included in the nursing home and ALF benefit.
- Informal caregiver benefits will also be paid, through a “Flexible Benefit”, assuming the benefit triggers are met and that the benefits provided are contained in the person’s Plan of Care. Usual and customary expenses will be paid. Informal caregiver benefits are paid with 50% of the remaining monthly benefit maximum, after formal care expenses have been paid. If no formal care was received and the benefit triggers have been met, the insured will have 50% of their monthly benefit maximum available for informal care.
- Caregiver training, home modification, and other ancillary benefits can be paid out of the Flexible Benefit, subject to the 50% of remaining monthly maximum limit.
- International benefit is provided which pays for 1-year of care, on an indemnity basis, at 100% of the monthly benefit for nursing facility care or at 50% of the monthly benefit for home care.
- Waiver of premium after the 90-day elimination period (not payable if international benefit is being paid).
- Endorsements LS-LTC-CNB-E ST 01/13 and LS-LTC-LPOCNB-E ST 01/13 provide the contingent non-forfeiture benefit (i.e., a shortened benefit period non-forfeiture option is provided if there is a substantial increase in premiums).
- Guaranteed future purchase endorsement (LS-LTC-GPO-E ST 01/13) is included if no other inflation is selected. An additional 15% of the current benefit will be offered every 3 years, until the insured reaches age 80, with the additional premium based on the person’s attained age at the time.

#### Optional Riders

- Rider LS-LTC-5P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 5% per year, compounded, for life.

- Rider LS-LTC-3P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 3% per year, compounded, for life.
- Rider LS-LTC-LPB-R ST 01/13: Non-forfeiture benefit rider, which provides the NAIC mandated shortened benefit non-forfeiture option.
- Rider LS-LTC-SCB-R ST 01/13: Shared care benefit rider. This rider must be sold to two spouses or domestic partners who are purchasing the same coverage. When either spouse's lifetime maximum is depleted, he is allowed to use benefits under the lifetime maximum of his spouse's pool (subject to leaving 365 days untouched while the spouse is alive).
- Rider LS-LTC-MBP-R ST 01/13: Money back promise rider, which provides a return of premiums paid on death. This return is 0% in the first four policy years, 25% in policy years 5-9, 50% in years 10-14, and 75% in years 15+. Cumulative premiums, less benefits paid, times the durational factor are returned on policyholder death. There is no age maximum.

B. Exclusions and Limitations

The policy will not pay benefits for care, treatment, services or charges:

- for a loss that occurs while this Policy is not in force;
- for alcoholism or drug addiction (except for an addiction to a prescribed medication administered on the advice of a Physician);
- due to declared or undeclared war or act of war;
- due to participation in a felony, riot or insurrection or involvement in an illegal occupation;
- due to suicide, attempted suicide or intentionally self-inflicted injury;
- that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount;
- that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law;
- provided outside the United States, Canada or their territories or possessions, except as provided under the International Coverage Benefit;
- for which no charge is made in the absence of insurance, except as provided under the Flexible Benefit; or

- provided by an Immediate Family member (except as provided under the Flexible Benefit), unless:
  - he or she is a regular employee of an organization which is providing the care, treatment or service;
  - he or she receives no compensation other than the normal compensation for employees in his or her job category; and
  - the organization receives the payment for the care, treatment, service or charge.

C. Issue Ages

Policies can be issued from ages 18 - 79.

D. Marketing and Underwriting

The policy will be marketed to individuals, to members of employer-based groups that will be list-billed and/or marketed together, and to members of associations, through direct agents and brokers. Applicants will be home-office underwritten, based on questions on the application and protective information, such as telephone interviews, face-to-face assessments, medical records, cognitive screening, MIB Inc. screening and prescription drug histories. Simplified underwriting may be used for some employer-based groups, based on group size and participation level.

**II. ASSUMPTIONS**

A. Claim Costs

Claim costs based on Milliman's *2011 Long Term Care Cost Guidelines* were utilized. The basis for the cost guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman actuaries.

To these claim costs, durational select factors were applied to allow for the impact of underwriting. Durational select factors vary by married and single applicants, to reflect the different morbidity experienced by those two groups. Different selection factors were used for sales made using simplified underwriting and for sales to groups where the employer contributes to the premium.

Claim costs for the various available options were developed to be consistent with those of the policies.

B. Lapse Rates and Mortality

The following annual lapse rates (excluding mortality) were assumed:

<b>Voluntary Lapse Rates – Individuals and Employee-paid Members of Groups</b>			
<b>Policy Duration</b>	<b>Issue Ages &lt;50</b>	<b>Issue Ages 50-64</b>	<b>Issue Ages 65+</b>
1	8.00%	5.50%	4.00%
2	6.00	3.75	3.00
3	4.00	2.50	2.00
4	3.00	1.75	1.75
5	2.50	1.50	1.50
6	2.00	1.25	1.25
7	1.50	1.25	1.25
8+	1.00	1.00	1.00

<b>Voluntary Lapse Rates – Individuals where Employer is Contributing</b>	
<b>Policy Duration</b>	<b>Lapse Rates (All Issue Ages)</b>
1	8.0%
2	5.0
3	5.0
4	4.0
5	3.5
6+ (through age 64)	3.0
Attained ages 65+	1.0

Lapse rates for the limited pay plan was assumed to be half of the above during the premium paying period and were assumed to be 0% once the policy was paid up.

In addition to the above voluntary lapse rates, mortality was assumed. For non-claimant lives, mortality was assumed to be equal to the 1994 Group Annuity Mortality table, with selection applied. Mortality selection was assumed to increase from 0.2 in the first policy year to 0.9 for the tenth and later years. The mortality of claimant lives was assumed to be equal to four times the 1979 - 1981 US Life Mortality Table.

For the purpose of determining reserve factors, the mortality rates were assumed to be the 1994 GAM.

C. Expenses

Expense Assumptions				
Type of Expense	Individual	Multi-life Long Form	Multi-Life Short Form	Unit
Underwriting/ Protective Info	\$142	\$117	\$56	Per Policy Issued:
	\$181	\$148	\$58	Issue ages 18-54
	\$325	\$322	N/A	Issue ages 55-64
	\$1622	\$1193	N/A	Issue ages 65-74
				Issue ages 75-79+
	4.5%	4.5%	4.5%	Of Premium Issued
Administrative	\$75	\$75	\$75	Per policy per year inflated 3% per year for 20 years
Claims Payment	8.0%	8.0%	8.0%	Of Claims Paid
Premium Taxes	2.0%	2.0%	2.0%	Of Premium
Overhead	3.0%	3.0%	3.0%	Of Premium

D. Commissions/Marketing Expenses

Commissions were assumed to be paid on original premium and not on waived premiums. Actual commission schedules will vary by level of production. The following tables show the average commission plus marketing percentages that were assumed in pricing:

Commissions/Marketing Expenses; Lifetime Pay Individuals and Multi-life*				
Policy Duration	Issue Age			
	0 – 64	65 – 69	70 - 74	75 - 79
1	110.0%	110.0%	110.0%	105.0%
2-10	15.0	15.0	15.0	15.0
11+	6.0	6.0	6.0	6.0

\*For some multi-life sales, where the employer is contributing, the first year commissions are increased 5 points.

For associations, commissions are shown in the table below.

<b>Commissions/Marketing Expenses; Lifetime Pay Association Sales</b>				
<b>Policy Duration</b>	<b>Issue Age</b>			
	<b>0 – 64</b>	<b>65 – 69</b>	<b>70 - 74</b>	<b>75 - 79</b>
1	101.0%	101.0%	101.0%	96.5%
2-10	12.9	12.9	12.9	12.9
11+	5.4	5.4	5.4	5.4

For the limited pay option, renewal commissions and marketing expenses were assumed to be reduced to 3% in years 2+.

E. Distributions

The following issue age distribution of insureds was assumed by gender, inflation option and marital status. Separate distributions are provided for individual sales, sales to multi-life groups where the employee pays, and sales to multi-life groups where the employer contributes to the premium. The distributions were based on actual company sales under its existing policy.

<b>Individual Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	2.3%	0.5%	3.8%	0.0%	0.0%	1.3%	1.2%
<35 – F	2.9	1.2	0.0	3.0	0.0	0.6	1.7
35-39 – M	1.9	1.3	2.1	0.0	0.0	0.6	1.3
35-39 – F	2.4	2.3	0.0	3.0	0.4	0.6	2.0
40-44 – M	2.4	2.5	3.8	9.1	1.0	0.0	2.3
40-44 – F	3.1	3.7	0.0	9.1	0.7	1.3	3.1
45-49 – M	4.9	4.3	5.8	6.1	1.0	3.2	4.2
45-49 – F	5.1	5.5	7.9	0.0	2.0	5.2	5.0
50-54 – M	4.4	5.6	9.6	9.1	2.7	6.5	5.3
50-54 – F	7.5	7.3	9.6	12.1	7.1	9.1	7.7
55-59 – M	5.7	8.3	3.8	6.1	6.9	6.5	7.1
55-59 – F	10.8	9.8	17.5	27.3	10.4	7.8	10.5
60-64 – M	6.9	14.1	9.6	12.1	9.6	15.6	11.5
60-64 – F	14.5	12.5	2.1	0.0	22.8	14.3	13.5
65-69 – M	5.0	8.0	3.8	0.0	6.2	13.0	7.2
65-69 – F	10.5	5.1	18.8	3.0	19.9	11.7	8.6
70-74 – M	2.0	4.7	2.1	0.0	1.7	1.3	3.1
70-74 – F	4.1	2.5	0.0	0.0	4.9	1.3	2.9
75-79 – M	1.5	0.5	0.0	0.0	0.7	0.0	0.8
75-79 – F	2.2	0.3	0.0	0.0	2.0	0.0	1.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<b>Employee-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	2.2%	0.3%	1.6%	0.0%	2.1%	1.4%	1.4%
<35 – F	2.0	2.8	4.8	0.0	2.7	3.3	2.6
35-39 – M	1.6	1.6	1.4	1.1	1.7	2.1	1.7
35-39 – F	3.2	3.1	4.0	4.6	1.8	3.3	3.0
40-44 – M	3.7	3.4	0.9	4.0	3.6	4.5	3.7
40-44 – F	4.7	5.9	3.2	9.2	5.9	3.3	5.1
45-49 – M	3.3	4.6	6.8	1.7	6.1	4.9	4.5
45-49 – F	9.4	7.2	0.4	11.5	6.8	8.2	8.0
50-54 – M	8.0	6.9	10.9	9.9	7.6	5.5	7.2
50-54 – F	14.6	15.6	6.4	18.4	14.0	18.4	15.6
55-59 – M	9.4	9.6	14.2	13.7	8.6	10.8	9.9
55-59 – F	18.3	15.9	18.3	18.4	16.5	18.4	17.3
60-64 – M	5.8	7.9	11.7	5.3	7.0	6.6	6.9
60-64 – F	8.9	8.7	9.1	2.3	11.7	6.6	8.6
65-69 – M	2.3	3.8	3.9	0.0	1.8	1.5	2.5
65-69 – F	2.2	2.3	2.4	0.0	2.1	0.8	1.9
70-74 – M	0.2	0.2	0.0	0.0	0.0	0.2	0.2
70-74 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Employer-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status**

Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	11.9%	7.6%	18.5%	0.0%	5.8%	2.3%	6.5%
<35 – F	19.5	8.7	0.0	7.4	15.5	2.3	9.6
35-39 – M	5.2	6.0	3.7	5.6	1.9	1.7	3.8
35-39 – F	4.8	6.0	3.7	7.4	7.8	1.7	4.4
40-44 – M	5.2	6.0	0.0	5.6	1.0	4.3	4.4
40-44 – F	7.1	7.6	3.7	11.1	2.9	4.3	5.9
45-49 – M	2.9	7.6	18.5	11.1	6.8	5.7	6.3
45-49 – F	5.7	8.2	0.0	1.9	7.8	7.4	6.6
50-54 – M	4.8	5.4	18.5	13.0	5.8	7.7	7.0
50-54 – F	8.6	6.5	7.4	5.6	4.9	11.0	8.3
55-59 – M	4.3	6.0	7.4	5.6	6.8	14.0	8.4
55-59 – F	6.7	6.5	7.4	9.3	10.7	13.0	9.5
60-64 – M	4.8	7.1	7.4	3.7	3.9	8.4	6.4
60-64 – F	6.2	3.8	0.0	3.7	9.7	7.0	6.0
65-69 – M	0.0	2.7	3.7	5.6	6.8	6.0	3.9
65-69 – F	1.4	3.3	0.0	3.7	1.9	3.0	2.5
70-74 – M	0.5	0.0	0.0	0.0	0.0	0.0	0.1
70-74 – F	0.5	0.5	0.0	0.0	0.0	0.0	0.2
75-79 – M	0.0	0.5	0.0	0.0	0.0	0.0	0.1
75-79 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following sex and marital status distribution was assumed:

<b>Distribution by Marital Status</b>			
<b>Issue Age</b>	<b>% Married</b>		
	<b>Individual</b>	<b>Employee Pay Multi-Life</b>	<b>Employer Pay Multi-Life</b>
30 – 34	37.5%	49.1%	34.0%
35 – 39	56.0%	57.9%	54.2%
40 – 44	63.6%	56.2%	65.9%
45 – 49	60.9%	54.8%	66.4%
50 – 54	63.8%	56.5%	65.7%
55 – 59	61.7%	55.3%	71.3%
60 – 64	63.8%	52.7%	64.2%
65 – 69	56.6%	55.1%	76.8%
70 – 74	59.6%	64.8%	33.3%
75 – 79	21.9%	NA	100.0%
Average	60.0%	55.1%	61.2%

The “Single” category of insureds includes individuals who are married, but only one spouse is insured. The percent married and the married discount pertains only to couples, where both purchase.

Fully underwritten premium rates will be adjusted based on perceived health status of the insured. Three rating categories will be used: Preferred, Standard, and Substandard. The following outlines the assumed distribution of business and corresponding premium rating factors assumed in our pricing.

<b>Distribution of Business by Health Status – Individual</b>		
<b>Rating Category</b>	<b>% of Issues</b>	<b>Rating Factor</b>
Preferred	43.8%	0.90
Standard	49.0%	1.00
Substandard	7.2%	1.40

No preferred, standard and substandard rating classes will be used for sales in the multi-life market.

The following tables provide the distribution of business for benefit options and for optional benefits assumed in the pricing.

<b>Distribution of Business by Benefit Option</b>			
<b>% of Monthly Bank</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
1%	65.5%	64.2%	49.7%
2%	20.2	24.9	35.9
3%	14.4	10.9	14.4

<b>Distribution of Business Selecting Options</b>			
<b>Optional Rider</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
5% Compound Inflation	3.5%	5.5%	9.2%
3% Compound Inflation	17.4%	34.4%	45.8%
Shared Care Rider	15.0%	15.0%	15.0%
Money Back Promise	2.8%	6.5%	4.0%

F. Average Annual Premium

Based upon the above stated distributions, the average annual premium for the policy at issue (including riders) is expected to be \$1401, assuming an average daily benefit of \$100.

G. Investment Income

Investment income was assumed to accrue at the rate of 4.5% per year on reserves, cash flows, and required capital and surplus.

**III. GROSS PREMIUMS**

Gross premiums were computed to pay for benefits and expenses and to provide the desired overall return on equity.

The resulting gross annual premiums for single, standard insureds are attached. A 30% spouse/domestic partners discount will apply to both husband and wife/partners when both are issued policies. If applicable, the spouse discount will continue throughout the life of the insured.

Fully underwritten policyholders can be classified as preferred risks, or as standard or substandard risks. Preferred rates are 10% lower than standard, and substandard rates are 40% higher than standard.

Rates will be discounted for individuals who are members of groups, with a larger discount applying if the employer contributes to the premium. Rates will also be discounted for individuals who are members of qualifying associations.

No modal factors are used.

Factors are available which would convert the annual premiums into premiums which are paid up after 10 years.

Rates sheets are attached which show the annual premiums for a single, standard insured by benefit period. Factors are then shown which would convert these rates to annual premiums with other optional benefits or for changing the payment parameters. The resulting annual premiums for the particular option selected will be rounded to the nearest dollar.

#### **IV. LOSS RATIO**

The expected lifetime loss ratio, calculated as claims incurred divided by premiums earned, discounted at 3.5%, is 59.9%.

#### **V. CERTIFICATION**

I, Dawn Helwig, am a consulting actuary for Milliman, Inc. and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the current and proposed requirements for filing long-term care insurance premiums.

In my opinion the initial premium rate schedules, based on my review as of July 2013, are sufficient to cover anticipated costs under moderately adverse experience and the premium rate schedules are reasonably expected to be sustainable over the life of the forms with no future premium increases anticipated.

The following moderately adverse assumptions were tested:

- Morbidity increased by 10%
- Lapses reduced by 50%
- Mortality reduced by 20%
- Investment rate reduced by 50 basis points.

The policy was priced to yield a pre-tax profit margin of at least 15%. Each of these assumption changes, taken alone, resulted in a pre-tax profit margin that dropped by less than five percentage points. Any assumption deviation, or combination of assumption changes, that result in the pre-tax profit margin dropping by more than five points could result in a rate increase being needed.

My analysis of moderately adverse assumptions included a review of the projected slope of the claim costs, which was determined to be reasonable. The 10% overall morbidity increase sensitivity was thus the only morbidity change tested.

I have reviewed and taken into consideration the policy design and coverage provided.

I have reviewed and taken into consideration the company's planned underwriting and claims adjudication processes. I have relied upon information provided to me by the company's administrator for a description of these processes. I have reviewed and considered but not audited these procedures.

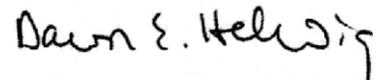
In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary.

The reserves to be held will consist of active life reserves, unearned premium reserves, and claim reserves. The contract reserves will be the mid-terminal reserves calculated using a one year preliminary term basis plus the net unearned premium reserves, but never less than the gross unearned premium reserve. The contract reserves anticipated to be held under the form will be calculated using NAIC minimum reserve standards, currently using expected claim costs with selection, lapses based on 80% of the assumed voluntary lapse rate up to 6% in policy year 1, 80% of the assumed voluntary lapse rate up to 4% in policy year 2-4, and 100% of the assumed voluntary lapse rate for years 5+ up to 2%, the mortality table specified in the NAIC minimum reserve standards for health insurance contracts (currently 1994 GAM) and the interest rate specified in the NAIC minimum reserve standards (currently 3.5% - the maximum rate permitted in the valuation of whole life insurance). These assumptions provide reasonable margins for adverse experience.

The net renewal valuation premiums do not increase.

The difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. This condition is not met for each issue age and option, though it is met in aggregate. I believe this is reasonable because the underlying gross premium maintains a reasonably consistent relationship by age. Also, each issue age and option is expected to result in lifetime statutory pre-tax profits, when investment income is incorporated.

The premium rate schedule for this policy is not less than the premium rate schedule for existing similar policy forms also available from the carrier.



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Dawn E. Helwig, F.S.A., M.A.A.A.  
Member, American Academy of Actuaries

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LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Standard Risks\*

Issue Age	Base Premiums		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$517	\$432	\$368
31	529	441	375
32	542	451	382
33	555	461	390
34	568	470	397
35	581	480	404
36	593	490	412
37	606	500	419
38	624	513	430
39	642	527	440
40	660	541	451
41	678	555	462
42	696	569	472
43	718	586	486
44	740	603	499
45	762	621	513
46	784	638	526
47	807	655	540
48	839	681	560
49	871	706	579
50	903	731	599
51	935	756	619
52	967	781	639
53	1,013	819	669
54	1,059	856	700
55	1,105	893	730
56	1,151	930	760
57	1,197	967	791
58	1,289	1,040	848
59	1,382	1,113	905
60	1,474	1,186	962
61	1,566	1,258	1,019
62	1,658	1,331	1,076
63	1,810	1,452	1,173
64	1,961	1,573	1,271
65	2,113	1,695	1,368
66	2,265	1,816	1,465
67	2,416	1,937	1,562
68	2,845	2,277	1,832
69	3,274	2,617	2,102
70	3,703	2,956	2,372
71	4,132	3,296	2,642
72	4,561	3,636	2,912
73	5,353	4,261	3,405
74	6,144	4,887	3,898
75	6,936	5,512	4,391
76	7,727	6,137	4,884
77	8,519	6,763	5,377
78	9,093	7,241	5,769
79	9,667	7,719	6,160

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	Employee Pay Base Premiums**		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$512	\$428	\$364
31	524	437	371
32	537	446	378
33	549	456	386
34	562	465	393
35	575	475	400
36	587	485	408
37	600	495	415
38	618	508	426
39	636	522	436
40	653	536	446
41	671	549	457
42	689	563	467
43	711	580	481
44	733	597	494
45	754	615	508
46	776	632	521
47	799	648	535
48	831	674	554
49	862	699	573
50	894	724	593
51	926	748	613
52	957	773	633
53	1,003	811	662
54	1,048	847	693
55	1,094	884	723
56	1,139	921	752
57	1,185	957	783
58	1,276	1,030	840
59	1,368	1,102	896
60	1,459	1,174	952
61	1,550	1,245	1,009
62	1,641	1,318	1,065
63	1,792	1,437	1,161
64	1,941	1,557	1,258
65	2,092	1,678	1,354
66	2,242	1,798	1,450
67	2,392	1,918	1,546
68	2,817	2,254	1,814
69	3,241	2,591	2,081
70	3,666	2,926	2,348
71	4,091	3,263	2,616
72	4,515	3,600	2,883
73	5,299	4,218	3,371
74	6,083	4,838	3,859
75	6,867	5,457	4,347
76	7,650	6,076	4,835
77	8,434	6,695	5,323
78	9,002	7,169	5,711
79	9,570	7,642	6,098

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

- \*\* Employer Pay Factor:  
 - No further discount if employer pays 100% of premium (groups under 10)  
 - Apply 5% discount if employer contributes to premium (groups 10+).

\* Applicability of multi-life rates are subject to certain group size and participation requirements.

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**90 Day Elimination Period; Daily Benefit = \$100**  
**Single, Standard Premiums; Sales to Individuals in Associations\***

Issue Age	Base Premiums		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$491	\$410	\$350
31	503	419	356
32	515	428	363
33	527	438	371
34	540	447	377
35	552	456	384
36	563	466	391
37	576	475	398
38	593	487	409
39	610	501	418
40	627	514	428
41	644	527	439
42	661	541	448
43	682	557	462
44	703	573	474
45	724	590	487
46	745	606	500
47	767	622	513
48	797	647	532
49	827	671	550
50	858	694	569
51	888	718	588
52	919	742	607
53	962	778	636
54	1,006	813	665
55	1,050	848	694
56	1,093	884	722
57	1,137	919	751
58	1,225	988	806
59	1,313	1,057	860
60	1,400	1,127	914
61	1,488	1,195	968
62	1,575	1,264	1,022
63	1,720	1,379	1,114
64	1,863	1,494	1,207
65	2,007	1,610	1,300
66	2,152	1,725	1,392
67	2,295	1,840	1,484
68	2,703	2,163	1,740
69	3,110	2,486	1,997
70	3,518	2,808	2,253
71	3,925	3,131	2,510
72	4,333	3,454	2,766
73	5,085	4,048	3,235
74	5,837	4,643	3,703
75	6,589	5,236	4,171
76	7,341	5,830	4,640
77	8,093	6,425	5,108
78	8,638	6,879	5,481
79	9,184	7,333	5,852

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
Factors to Apply to Base Policy to get Total Rates for Base Plus Inflation

Issue Age	5% Compound Factors	3% Compound Factors
	All Benefit Banks LS-LTC-5P-R ST 01/13	All Benefit Banks LS-LTC-3P-R ST 01/13
30 and under	5.89	2.72
31	5.80	2.69
32	5.70	2.66
33	5.61	2.63
34	5.51	2.60
35	5.42	2.57
36	5.32	2.55
37	5.23	2.52
38	5.13	2.49
39	5.04	2.46
40	4.94	2.43
41	4.85	2.40
42	4.75	2.38
43	4.66	2.35
44	4.56	2.32
45	4.47	2.29
46	4.37	2.26
47	4.28	2.23
48	4.18	2.20
49	4.09	2.18
50	3.99	2.15
51	3.90	2.12
52	3.80	2.09
53	3.71	2.06
54	3.61	2.03
55	3.52	2.00
56	3.42	1.98
57	3.33	1.95
58	3.23	1.92
59	3.14	1.89
60	3.04	1.86
61	2.95	1.83
62	2.85	1.81
63	2.76	1.78
64	2.66	1.75
65	2.57	1.72
66	2.47	1.69
67	2.38	1.66
68	2.26	1.60
69	2.15	1.54
70	2.04	1.49
71	1.93	1.43
72	1.81	1.37
73	1.76	1.34
74	1.70	1.32
75	1.64	1.30
76	1.59	1.28
77	1.53	1.25
78	1.49	1.24
79	1.45	1.22

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Premium with Limited Pay Option**

**Issue Age**                      **Limited Pay Option:**  
    **10 Pay**

30 and under	4.37
31	4.34
32	4.30
33	4.26
34	4.23
35	4.19
36	4.16
37	4.12
38	4.03
39	3.94
40	3.86
41	3.77
42	3.68
43	3.58
44	3.48
45	3.38
46	3.28
47	3.18
48	3.12
49	3.05
50	2.99
51	2.92
52	2.86
53	2.79
54	2.72
55	2.65
56	2.58
57	2.51
58	2.40
59	2.29
60	2.19
61	2.08
62	1.97
63	1.91
64	1.85
65	1.80
66	1.74
67	1.68
68	1.60
69	1.52
70	1.44
71	1.36
72	1.28
73	1.24
74	1.21
75	1.17
76	1.14
77	1.10
78	1.10
79	1.10

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
 Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option

Issue Age	Money Back Guarantee Rider (Return of Premium on Death) LS-LTC-MBP-R ST 01/13	Non-forfeiture Benefit Rider (NAIC Shortened BP) LS-LTC-LPB-R ST 01/13
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
Factors to Apply to Base Policy to get Total Rates for Base Plus Shared Care

Shared Care Rider  
LS-LTS-SCB-R ST 01/13

<u>Benefit Pool</u>	<u>Factor</u>
100 months (8.3 years)	1.03
50 months (4.2 years)	1.13
33 months (2.8 years)	1.20

**SERFF Tracking #:**

LFSC-129151859

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

LS-LTC-0004 01/13

**State:**

District of Columbia

**Filing Company:**

LifeSecure Insurance Company

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.001 Qualified

**Product Name:**

LTC Refresh

**Project Name/Number:**

LTC Refresh (States)/LS-LTC-0004 01/13

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	These actuarial memoranda and rates are also posted to the Rate/Rule Schedule.
<b>Attachment(s):</b>	ACTMEM_UnisexRates_Generic(RS)_091213.pdf ACTMEM_GenderDistinctRates_Generic(RS)_091213.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Third Party Filer Authorization
<b>Comments:</b>	
<b>Attachment(s):</b>	Univita Third Party Filing Authorization - 6.20113.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Cover Letter
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Rate Filing LifeSecure Cover Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**LifeSecure Insurance Company**  
Long Term Care Policy Form LS-LTC-0005 ST 01/13  
Rider Forms LS-LTC-3P-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-LPB-R  
ST 01/13, LS-LTC-MBP-R ST 01/13, and LS-LTC-SCB-R ST 01/13

ACTUARIAL MEMORANDUM

**I. PLAN DESCRIPTION**

This policy is an individual, guaranteed renewable form providing benefits for long term care. The policy is intended to be tax-qualified and includes rates for use with employer-based groups whose members are list billed or marketed together and for associations. Several options are available, including 3% and 5% compound inflation, money back promise option, non-forfeiture benefit option, contingent non-forfeiture benefit option, guaranteed purchase option, and shared care.

A. Benefits

The elimination period is 90 calendar days. The benefit period is administered on a “pool of money” basis, with a lifetime benefit amount available. Three possible maximum monthly benefit/lifetime benefit amount configurations will be available: one where the maximum monthly benefit is 1% of the lifetime benefit amount, one where it is 2%, and one where it is 3%. These three possible configurations result in inherent benefit periods of 100 months (8.3 years), 50 months (4.2 years), or 33 months (2.8 years), respectively.

Benefits are payable when the insured becomes disabled in two out of six Activities of Daily Living (ADL’s) for 90 days, or when he becomes severely cognitively impaired. The six ADL’s are: bathing, dressing, continence, eating, toileting and transferring. In order to be considered impaired in an ADL, a person must need substantial human assistance or supervision. Services must be provided pursuant to a Plan of Care.

The following describes the base plan and optional rider benefits provided by the policy:

Base Policy

- Pool of money approach: insured has lifetime benefit amount to use as needed.
- Maximum monthly benefit equals 1, 2, or 3% of lifetime benefit amount

- All nursing home, assisted living facility (ALF), and formal home care benefits are expense incurred subject to the monthly maximum. Bed reservation is included in the nursing home and ALF benefit.
- Informal caregiver benefits will also be paid, through a “Flexible Benefit”, assuming the benefit triggers are met and that the benefits provided are contained in the person’s Plan of Care. Usual and customary expenses will be paid. Informal caregiver benefits are paid with 50% of the remaining monthly benefit maximum, after formal care expenses have been paid. If no formal care was received and the benefit triggers have been met, the insured will have 50% of their monthly benefit maximum available for informal care.
- Caregiver training, home modification, and other ancillary benefits can be paid out of the Flexible Benefit, subject to the 50% of remaining monthly maximum limit.
- International benefit is provided which pays for 1-year of care, on an indemnity basis, at 100% of the monthly benefit for nursing facility care or at 50% of the monthly benefit for home care.
- Waiver of premium after the 90-day elimination period (not payable if international benefit is being paid).
- Endorsements LS-LTC-CNB-E ST 01/13 and LS-LTC-LPOCNB-E ST 01/13 provide the contingent non-forfeiture benefit (i.e., a shortened benefit period non-forfeiture option is provided if there is a substantial increase in premiums).
- Guaranteed future purchase endorsement (LS-LTC-GPO-E ST 01/13) is included if no other inflation is selected. An additional 15% of the current benefit will be offered every 3 years, until the insured reaches age 80, with the additional premium based on the person’s attained age at the time.

#### Optional Riders

- Rider LS-LTC-5P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 5% per year, compounded, for life.

- Rider LS-LTC-3P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 3% per year, compounded, for life.
- Rider LS-LTC-LPB-R ST 01/13: Non-forfeiture benefit rider, which provides the NAIC mandated shortened benefit non-forfeiture option.
- Rider LS-LTC-SCB-R ST 01/13: Shared care benefit rider. This rider must be sold to two spouses or domestic partners who are purchasing the same coverage. When either spouse's lifetime maximum is depleted, he is allowed to use benefits under the lifetime maximum of his spouse's pool (subject to leaving 365 days untouched while the spouse is alive).
- Rider LS-LTC-MBP-R ST 01/13: Money back promise rider, which provides a return of premiums paid on death. This return is 0% in the first four policy years, 25% in policy years 5-9, 50% in years 10-14, and 75% in years 15+. Cumulative premiums, less benefits paid, times the durational factor are returned on policyholder death. There is no age maximum.

B. Exclusions and Limitations

The policy will not pay benefits for care, treatment, services or charges:

- for a loss that occurs while this Policy is not in force;
- for alcoholism or drug addiction (except for an addiction to a prescribed medication administered on the advice of a Physician);
- due to declared or undeclared war or act of war;
- due to participation in a felony, riot or insurrection or involvement in an illegal occupation;
- due to suicide, attempted suicide or intentionally self-inflicted injury;
- that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount;
- that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law;
- provided outside the United States, Canada or their territories or possessions, except as provided under the International Coverage Benefit;
- for which no charge is made in the absence of insurance, except as provided under the Flexible Benefit; or

- provided by an Immediate Family member (except as provided under the Flexible Benefit), unless:
  - he or she is a regular employee of an organization which is providing the care, treatment or service;
  - he or she receives no compensation other than the normal compensation for employees in his or her job category; and
  - the organization receives the payment for the care, treatment, service or charge.

C. Issue Ages

Policies can be issued from ages 18 - 79.

D. Marketing and Underwriting

The policy will be marketed to individuals, to members of employer-based groups that will be list-billed and/or marketed together, and to members of associations, through direct agents and brokers. Applicants will be home-office underwritten, based on questions on the application and protective information, such as telephone interviews, face-to-face assessments, medical records, cognitive screening, MIB Inc. screening and prescription drug histories. Simplified underwriting may be used for some employer-based groups, based on group size and participation level.

## II. ASSUMPTIONS

A. Claim Costs

Claim costs based on Milliman's *2011 Long Term Care Cost Guidelines* were utilized. The basis for the cost guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman actuaries.

To these claim costs, durational select factors were applied to allow for the impact of underwriting. Durational select factors vary by married and single applicants, to reflect the different morbidity experienced by those two groups. Different selection factors were used for sales made using simplified underwriting and for sales to groups where the employer contributes to the premium.

Claim costs for the various available options were developed to be consistent with those of the policies.

B. Lapse Rates and Mortality

The following annual lapse rates (excluding mortality) were assumed:

<b>Voluntary Lapse Rates – Individuals and Employee-paid Members of Groups</b>			
<b>Policy Duration</b>	<b>Issue Ages &lt;50</b>	<b>Issue Ages 50-64</b>	<b>Issue Ages 65+</b>
1	8.00%	5.50%	4.00%
2	6.00	3.75	3.00
3	4.00	2.50	2.00
4	3.00	1.75	1.75
5	2.50	1.50	1.50
6	2.00	1.25	1.25
7	1.50	1.25	1.25
8+	1.00	1.00	1.00

<b>Voluntary Lapse Rates – Individuals where Employer is Contributing</b>	
<b>Policy Duration</b>	<b>Lapse Rates (All Issue Ages)</b>
1	8.0%
2	5.0
3	5.0
4	4.0
5	3.5
6+ (through age 64)	3.0
Attained ages 65+	1.0

Lapse rates for the limited pay plan was assumed to be half of the above during the premium paying period and were assumed to be 0% once the policy was paid up.

In addition to the above voluntary lapse rates, mortality was assumed. For non-claimant lives, mortality was assumed to be equal to the 1994 Group Annuity Mortality table, with selection applied. Mortality selection was assumed to increase from 0.2 in the first policy year to 0.9 for the tenth and later years. The mortality of claimant lives was assumed to be equal to four times the 1979 - 1981 US Life Mortality Table.

For the purpose of determining reserve factors, the mortality rates were assumed to be the 1994 GAM.

C. Expenses

Expense Assumptions				
Type of Expense	Individual	Multi-life Long Form	Multi-Life Short Form	Unit
Underwriting/ Protective Info	\$142	\$117	\$56	Per Policy Issued: Issue ages 18-54
	\$181	\$148	\$58	Issue ages 55-64
	\$325	\$322	N/A	Issue ages 65-74
	\$1622	\$1193	N/A	Issue ages 75-79+
	4.5%	4.5%	4.5%	Of Premium Issued
Administrative	\$75	\$75	\$75	Per policy per year inflated 3% per year for 20 years
Claims Payment	8.0%	8.0%	8.0%	Of Claims Paid
Premium Taxes	2.0%	2.0%	2.0%	Of Premium
Overhead	3.0%	3.0%	3.0%	Of Premium

D. Commissions/Marketing Expenses

Commissions were assumed to be paid on original premium and not on waived premiums. Actual commission schedules will vary by level of production. The following tables show the average commission plus marketing percentages that were assumed in pricing:

Commissions/Marketing Expenses; Lifetime Pay Individuals and Multi-life*				
Policy Duration	Issue Age			
	0 – 64	65 – 69	70 - 74	75 - 79
1	110.0%	110.0%	110.0%	105.0%
2-10	15.0	15.0	15.0	15.0
11+	6.0	6.0	6.0	6.0

\*For some multi-life sales, where the employer is contributing, the first year commissions are increased 5 points.

For associations, commissions are shown in the table below.

<b>Commissions/Marketing Expenses; Lifetime Pay Association Sales</b>				
<b>Policy Duration</b>	<b>Issue Age</b>			
	<b>0 – 64</b>	<b>65 – 69</b>	<b>70 - 74</b>	<b>75 - 79</b>
1	101.0%	101.0%	101.0%	96.5%
2-10	12.9	12.9	12.9	12.9
11+	5.4	5.4	5.4	5.4

For the limited pay option, renewal commissions and marketing expenses were assumed to be reduced to 3% in years 2+.

E. Distributions

The following issue age distribution of insureds was assumed by gender, inflation option and marital status. Separate distributions are provided for individual sales, sales to multi-life groups where the employee pays, and sales to multi-life groups where the employer contributes to the premium. The distributions were based on actual company sales under its existing policy.

<b>Individual Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	2.3%	0.5%	3.8%	0.0%	0.0%	1.3%	1.2%
<35 – F	2.9	1.2	0.0	3.0	0.0	0.6	1.7
35-39 – M	1.9	1.3	2.1	0.0	0.0	0.6	1.3
35-39 – F	2.4	2.3	0.0	3.0	0.4	0.6	2.0
40-44 – M	2.4	2.5	3.8	9.1	1.0	0.0	2.3
40-44 – F	3.1	3.7	0.0	9.1	0.7	1.3	3.1
45-49 – M	4.9	4.3	5.8	6.1	1.0	3.2	4.2
45-49 – F	5.1	5.5	7.9	0.0	2.0	5.2	5.0
50-54 – M	4.4	5.6	9.6	9.1	2.7	6.5	5.3
50-54 – F	7.5	7.3	9.6	12.1	7.1	9.1	7.7
55-59 – M	5.7	8.3	3.8	6.1	6.9	6.5	7.1
55-59 – F	10.8	9.8	17.5	27.3	10.4	7.8	10.5
60-64 – M	6.9	14.1	9.6	12.1	9.6	15.6	11.5
60-64 – F	14.5	12.5	2.1	0.0	22.8	14.3	13.5
65-69 – M	5.0	8.0	3.8	0.0	6.2	13.0	7.2
65-69 – F	10.5	5.1	18.8	3.0	19.9	11.7	8.6
70-74 – M	2.0	4.7	2.1	0.0	1.7	1.3	3.1
70-74 – F	4.1	2.5	0.0	0.0	4.9	1.3	2.9
75-79 – M	1.5	0.5	0.0	0.0	0.7	0.0	0.8
75-79 – F	2.2	0.3	0.0	0.0	2.0	0.0	1.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<b>Employee-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	2.2%	0.3%	1.6%	0.0%	2.1%	1.4%	1.4%
<35 – F	2.0	2.8	4.8	0.0	2.7	3.3	2.6
35-39 – M	1.6	1.6	1.4	1.1	1.7	2.1	1.7
35-39 – F	3.2	3.1	4.0	4.6	1.8	3.3	3.0
40-44 – M	3.7	3.4	0.9	4.0	3.6	4.5	3.7
40-44 – F	4.7	5.9	3.2	9.2	5.9	3.3	5.1
45-49 – M	3.3	4.6	6.8	1.7	6.1	4.9	4.5
45-49 – F	9.4	7.2	0.4	11.5	6.8	8.2	8.0
50-54 – M	8.0	6.9	10.9	9.9	7.6	5.5	7.2
50-54 – F	14.6	15.6	6.4	18.4	14.0	18.4	15.6
55-59 – M	9.4	9.6	14.2	13.7	8.6	10.8	9.9
55-59 – F	18.3	15.9	18.3	18.4	16.5	18.4	17.3
60-64 – M	5.8	7.9	11.7	5.3	7.0	6.6	6.9
60-64 – F	8.9	8.7	9.1	2.3	11.7	6.6	8.6
65-69 – M	2.3	3.8	3.9	0.0	1.8	1.5	2.5
65-69 – F	2.2	2.3	2.4	0.0	2.1	0.8	1.9
70-74 – M	0.2	0.2	0.0	0.0	0.0	0.2	0.2
70-74 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Employer-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status**

Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	11.9%	7.6%	18.5%	0.0%	5.8%	2.3%	6.5%
<35 – F	19.5	8.7	0.0	7.4	15.5	2.3	9.6
35-39 – M	5.2	6.0	3.7	5.6	1.9	1.7	3.8
35-39 – F	4.8	6.0	3.7	7.4	7.8	1.7	4.4
40-44 – M	5.2	6.0	0.0	5.6	1.0	4.3	4.4
40-44 – F	7.1	7.6	3.7	11.1	2.9	4.3	5.9
45-49 – M	2.9	7.6	18.5	11.1	6.8	5.7	6.3
45-49 – F	5.7	8.2	0.0	1.9	7.8	7.4	6.6
50-54 – M	4.8	5.4	18.5	13.0	5.8	7.7	7.0
50-54 – F	8.6	6.5	7.4	5.6	4.9	11.0	8.3
55-59 – M	4.3	6.0	7.4	5.6	6.8	14.0	8.4
55-59 – F	6.7	6.5	7.4	9.3	10.7	13.0	9.5
60-64 – M	4.8	7.1	7.4	3.7	3.9	8.4	6.4
60-64 – F	6.2	3.8	0.0	3.7	9.7	7.0	6.0
65-69 – M	0.0	2.7	3.7	5.6	6.8	6.0	3.9
65-69 – F	1.4	3.3	0.0	3.7	1.9	3.0	2.5
70-74 – M	0.5	0.0	0.0	0.0	0.0	0.0	0.1
70-74 – F	0.5	0.5	0.0	0.0	0.0	0.0	0.2
75-79 – M	0.0	0.5	0.0	0.0	0.0	0.0	0.1
75-79 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following sex and marital status distribution was assumed:

<b>Distribution by Marital Status</b>			
<b>Issue Age</b>	<b>% Married</b>		
	<b>Individual</b>	<b>Employee Pay Multi-Life</b>	<b>Employer Pay Multi-Life</b>
30 – 34	37.5%	49.1%	34.0%
35 – 39	56.0%	57.9%	54.2%
40 – 44	63.6%	56.2%	65.9%
45 – 49	60.9%	54.8%	66.4%
50 – 54	63.8%	56.5%	65.7%
55 – 59	61.7%	55.3%	71.3%
60 – 64	63.8%	52.7%	64.2%
65 – 69	56.6%	55.1%	76.8%
70 – 74	59.6%	64.8%	33.3%
75 – 79	21.9%	NA	100.0%
Average	60.0%	55.1%	61.2%

The “Single” category of insureds includes individuals who are married, but only one spouse is insured. The percent married and the married discount pertains only to couples, where both purchase.

Fully underwritten premium rates will be adjusted based on perceived health status of the insured. Three rating categories will be used: Preferred, Standard, and Substandard. The following outlines the assumed distribution of business and corresponding premium rating factors assumed in our pricing.

<b>Distribution of Business by Health Status – Individual</b>		
<b>Rating Category</b>	<b>% of Issues</b>	<b>Rating Factor</b>
Preferred	43.8%	0.90
Standard	49.0%	1.00
Substandard	7.2%	1.40

No preferred, standard and substandard rating classes will be used for sales in the multi-life market.

The following tables provide the distribution of business for benefit options and for optional benefits assumed in the pricing.

<b>Distribution of Business by Benefit Option</b>			
<b>% of Monthly Bank</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
1%	65.5%	64.2%	49.7%
2%	20.2	24.9	35.9
3%	14.4	10.9	14.4

<b>Distribution of Business Selecting Options</b>			
<b>Optional Rider</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
5% Compound Inflation	3.5%	5.5%	9.2%
3% Compound Inflation	17.4%	34.4%	45.8%
Shared Care Rider	15.0%	15.0%	15.0%
Money Back Promise	2.8%	6.5%	4.0%

F. Average Annual Premium

Based upon the above stated distributions, the average annual premium for the policy at issue (including riders) is expected to be \$1401, assuming an average daily benefit of \$100.

G. Investment Income

Investment income was assumed to accrue at the rate of 4.5% per year on reserves, cash flows, and required capital and surplus.

**III. GROSS PREMIUMS**

Gross premiums were computed to pay for benefits and expenses and to provide the desired overall return on equity.

The resulting gross annual premiums for single, standard insureds are attached. A 30% spouse/domestic partners discount will apply to both husband and wife/partners when both are issued policies. If applicable, the spouse discount will continue throughout the life of the insured.

Fully underwritten policyholders can be classified as preferred risks, or as standard or substandard risks. Preferred rates are 10% lower than standard, and substandard rates are 40% higher than standard.

Rates will be discounted for individuals who are members of groups, with a larger discount applying if the employer contributes to the premium. Rates will also be discounted for individuals who are members of qualifying associations.

No modal factors are used.

Factors are available which would convert the annual premiums into premiums which are paid up after 10 years.

Rates sheets are attached which show the annual premiums for a single, standard insured by benefit period. Factors are then shown which would convert these rates to annual premiums with other optional benefits or for changing the payment parameters. The resulting annual premiums for the particular option selected will be rounded to the nearest dollar.

#### **IV. LOSS RATIO**

The expected lifetime loss ratio, calculated as claims incurred divided by premiums earned, discounted at 3.5%, is 59.9%.

#### **V. CERTIFICATION**

I, Dawn Helwig, am a consulting actuary for Milliman, Inc. and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the current and proposed requirements for filing long-term care insurance premiums.

In my opinion the initial premium rate schedules, based on my review as of July 2013, are sufficient to cover anticipated costs under moderately adverse experience and the premium rate schedules are reasonably expected to be sustainable over the life of the forms with no future premium increases anticipated.

The following moderately adverse assumptions were tested:

- Morbidity increased by 10%
- Lapses reduced by 50%
- Mortality reduced by 20%
- Investment rate reduced by 50 basis points.

The policy was priced to yield a pre-tax profit margin of at least 15%. Each of these assumption changes, taken alone, resulted in a pre-tax profit margin that dropped by less than five percentage points. Any assumption deviation, or combination of assumption changes, that result in the pre-tax profit margin dropping by more than five points could result in a rate increase being needed.

My analysis of moderately adverse assumptions included a review of the projected slope of the claim costs, which was determined to be reasonable. The 10% overall morbidity increase sensitivity was thus the only morbidity change tested.

I have reviewed and taken into consideration the policy design and coverage provided.

I have reviewed and taken into consideration the company's planned underwriting and claims adjudication processes. I have relied upon information provided to me by the company's administrator for a description of these processes. I have reviewed and considered but not audited these procedures.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary.

The reserves to be held will consist of active life reserves, unearned premium reserves, and claim reserves. The contract reserves will be the mid-terminal reserves calculated using a one year preliminary term basis plus the net unearned premium reserves, but never less than the gross unearned premium reserve. The contract reserves anticipated to be held under the form will be calculated using NAIC minimum reserve standards, currently using expected claim costs with selection, lapses based on 80% of the assumed voluntary lapse rate up to 6% in policy year 1, 80% of the assumed voluntary lapse rate up to 4% in policy year 2-4, and 100% of the assumed voluntary lapse rate for years 5+ up to 2%, the mortality table specified in the NAIC minimum reserve standards for health insurance contracts (currently 1994 GAM) and the interest rate specified in the NAIC minimum reserve standards (currently 3.5% - the maximum rate permitted in the valuation of whole life insurance). These assumptions provide reasonable margins for adverse experience.

The net renewal valuation premiums do not increase.

The difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. This condition is not met for each issue age and option, though it is met in aggregate. I believe this is reasonable because the underlying gross premium maintains a reasonably consistent relationship by age. Also, each issue age and option is expected to result in lifetime statutory pre-tax profits, when investment income is incorporated.

The premium rate schedule for this policy is not less than the premium rate schedule for existing similar policy forms also available from the carrier.

*Dawn E. Helwig*

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Dawn E. Helwig, F.S.A., M.A.A.A.  
Member, American Academy of Actuaries

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LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Standard Risks\*

Issue Age	Base Premiums		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$517	\$432	\$368
31	529	441	375
32	542	451	382
33	555	461	390
34	568	470	397
35	581	480	404
36	593	490	412
37	606	500	419
38	624	513	430
39	642	527	440
40	660	541	451
41	678	555	462
42	696	569	472
43	718	586	486
44	740	603	499
45	762	621	513
46	784	638	526
47	807	655	540
48	839	681	560
49	871	706	579
50	903	731	599
51	935	756	619
52	967	781	639
53	1,013	819	669
54	1,059	856	700
55	1,105	893	730
56	1,151	930	760
57	1,197	967	791
58	1,289	1,040	848
59	1,382	1,113	905
60	1,474	1,186	962
61	1,566	1,258	1,019
62	1,658	1,331	1,076
63	1,810	1,452	1,173
64	1,961	1,573	1,271
65	2,113	1,695	1,368
66	2,265	1,816	1,465
67	2,416	1,937	1,562
68	2,845	2,277	1,832
69	3,274	2,617	2,102
70	3,703	2,956	2,372
71	4,132	3,296	2,642
72	4,561	3,636	2,912
73	5,353	4,261	3,405
74	6,144	4,887	3,898
75	6,936	5,512	4,391
76	7,727	6,137	4,884
77	8,519	6,763	5,377
78	9,093	7,241	5,769
79	9,667	7,719	6,160

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	Employee Pay Base Premiums**		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$512	\$428	\$364
31	524	437	371
32	537	446	378
33	549	456	386
34	562	465	393
35	575	475	400
36	587	485	408
37	600	495	415
38	618	508	426
39	636	522	436
40	653	536	446
41	671	549	457
42	689	563	467
43	711	580	481
44	733	597	494
45	754	615	508
46	776	632	521
47	799	648	535
48	831	674	554
49	862	699	573
50	894	724	593
51	926	748	613
52	957	773	633
53	1,003	811	662
54	1,048	847	693
55	1,094	884	723
56	1,139	921	752
57	1,185	957	783
58	1,276	1,030	840
59	1,368	1,102	896
60	1,459	1,174	952
61	1,550	1,245	1,009
62	1,641	1,318	1,065
63	1,792	1,437	1,161
64	1,941	1,557	1,258
65	2,092	1,678	1,354
66	2,242	1,798	1,450
67	2,392	1,918	1,546
68	2,817	2,254	1,814
69	3,241	2,591	2,081
70	3,666	2,926	2,348
71	4,091	3,263	2,616
72	4,515	3,600	2,883
73	5,299	4,218	3,371
74	6,083	4,838	3,859
75	6,867	5,457	4,347
76	7,650	6,076	4,835
77	8,434	6,695	5,323
78	9,002	7,169	5,711
79	9,570	7,642	6,098

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

- \*\* Employer Pay Factor:
- No further discount if employer pays 100% of premium (groups under 10)
  - Apply 5% discount if employer contributes to premium (groups 10+).

\* Applicability of multi-life rates are subject to certain group size and participation requirements.

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**90 Day Elimination Period; Daily Benefit = \$100**  
**Single, Standard Premiums; Sales to Individuals in Associations\***

Issue Age	Base Premiums		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$491	\$410	\$350
31	503	419	356
32	515	428	363
33	527	438	371
34	540	447	377
35	552	456	384
36	563	466	391
37	576	475	398
38	593	487	409
39	610	501	418
40	627	514	428
41	644	527	439
42	661	541	448
43	682	557	462
44	703	573	474
45	724	590	487
46	745	606	500
47	767	622	513
48	797	647	532
49	827	671	550
50	858	694	569
51	888	718	588
52	919	742	607
53	962	778	636
54	1,006	813	665
55	1,050	848	694
56	1,093	884	722
57	1,137	919	751
58	1,225	988	806
59	1,313	1,057	860
60	1,400	1,127	914
61	1,488	1,195	968
62	1,575	1,264	1,022
63	1,720	1,379	1,114
64	1,863	1,494	1,207
65	2,007	1,610	1,300
66	2,152	1,725	1,392
67	2,295	1,840	1,484
68	2,703	2,163	1,740
69	3,110	2,486	1,997
70	3,518	2,808	2,253
71	3,925	3,131	2,510
72	4,333	3,454	2,766
73	5,085	4,048	3,235
74	5,837	4,643	3,703
75	6,589	5,236	4,171
76	7,341	5,830	4,640
77	8,093	6,425	5,108
78	8,638	6,879	5,481
79	9,184	7,333	5,852

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Inflation**

Issue Age	5% Compound Factors	3% Compound Factors
	All Benefit Banks LS-LTC-5P-R ST 01/13	All Benefit Banks LS-LTC-3P-R ST 01/13
30 and under	5.89	2.72
31	5.80	2.69
32	5.70	2.66
33	5.61	2.63
34	5.51	2.60
35	5.42	2.57
36	5.32	2.55
37	5.23	2.52
38	5.13	2.49
39	5.04	2.46
40	4.94	2.43
41	4.85	2.40
42	4.75	2.38
43	4.66	2.35
44	4.56	2.32
45	4.47	2.29
46	4.37	2.26
47	4.28	2.23
48	4.18	2.20
49	4.09	2.18
50	3.99	2.15
51	3.90	2.12
52	3.80	2.09
53	3.71	2.06
54	3.61	2.03
55	3.52	2.00
56	3.42	1.98
57	3.33	1.95
58	3.23	1.92
59	3.14	1.89
60	3.04	1.86
61	2.95	1.83
62	2.85	1.81
63	2.76	1.78
64	2.66	1.75
65	2.57	1.72
66	2.47	1.69
67	2.38	1.66
68	2.26	1.60
69	2.15	1.54
70	2.04	1.49
71	1.93	1.43
72	1.81	1.37
73	1.76	1.34
74	1.70	1.32
75	1.64	1.30
76	1.59	1.28
77	1.53	1.25
78	1.49	1.24
79	1.45	1.22

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Premium with Limited Pay Option**

**Issue Age**                      **Limited Pay Option:**  
    **10 Pay**

30 and under	4.37
31	4.34
32	4.30
33	4.26
34	4.23
35	4.19
36	4.16
37	4.12
38	4.03
39	3.94
40	3.86
41	3.77
42	3.68
43	3.58
44	3.48
45	3.38
46	3.28
47	3.18
48	3.12
49	3.05
50	2.99
51	2.92
52	2.86
53	2.79
54	2.72
55	2.65
56	2.58
57	2.51
58	2.40
59	2.29
60	2.19
61	2.08
62	1.97
63	1.91
64	1.85
65	1.80
66	1.74
67	1.68
68	1.60
69	1.52
70	1.44
71	1.36
72	1.28
73	1.24
74	1.21
75	1.17
76	1.14
77	1.10
78	1.10
79	1.10

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option

Issue Age	Money Back Guarantee Rider (Return of Premium on Death) LS-LTC-MBP-R ST 01/13	Non-forfeiture Benefit Rider (NAIC Shortened BP) LS-LTC-LPB-R ST 01/13
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
Factors to Apply to Base Policy to get Total Rates for Base Plus Shared Care

Shared Care Rider  
LS-LTS-SCB-R ST 01/13

<u>Benefit Pool</u>	<u>Factor</u>
100 months (8.3 years)	1.03
50 months (4.2 years)	1.13
33 months (2.8 years)	1.20

**LifeSecure Insurance Company**  
Long Term Care Policy Form LS-LTC-0004 ST 01/13  
Rider Forms LS-LTC-3P-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-LPB-R  
ST 01/13, LS-LTC-MBP-R ST 01/13, and LS-LTC-SCB-R ST 01/13

ACTUARIAL MEMORANDUM

**I. PLAN DESCRIPTION**

This policy is an individual, guaranteed renewable form providing benefits for long term care. The policy is intended to be tax-qualified with gender-distinct rates, and it includes rates for use with employer-based groups whose members are list billed or marketed together and for associations. Several options are available, including 3% and 5% compound inflation, money back promise option, non-forfeiture benefit option, contingent non-forfeiture benefit option, guaranteed purchase option, and shared care.

A. Benefits

The elimination period is 90 calendar days. The benefit period is administered on a “pool of money” basis, with a lifetime benefit amount available. Three possible maximum monthly benefit/lifetime benefit amount configurations will be available: one where the maximum monthly benefit is 1% of the lifetime benefit amount, one where it is 2%, and one where it is 3%. These three possible configurations result in inherent benefit periods of 100 months (8.3 years), 50 months (4.2 years), or 33 months (2.8 years), respectively.

Benefits are payable when the insured becomes disabled in two out of six Activities of Daily Living (ADL’s) for 90 days, or when he becomes severely cognitively impaired. The six ADL’s are: bathing, dressing, continence, eating, toileting and transferring. In order to be considered impaired in an ADL, a person must need substantial human assistance or supervision. Services must be provided pursuant to a Plan of Care.

The following describes the base plan and optional rider benefits provided by the policy:

Base Policy

- Pool of money approach: insured has lifetime benefit amount to use as needed.
- Maximum monthly benefit equals 1, 2, or 3% of lifetime benefit amount

- All nursing home, assisted living facility (ALF), and formal home care benefits are expense incurred subject to the monthly maximum. Bed reservation is included in the nursing home and ALF benefit.
- Informal caregiver benefits will also be paid, through a “Flexible Benefit”, assuming the benefit triggers are met and that the benefits provided are contained in the person’s Plan of Care. Usual and customary expenses will be paid. Informal caregiver benefits are paid with 50% of the remaining monthly benefit maximum, after formal care expenses have been paid. If no formal care was received and the benefit triggers have been met, the insured will have 50% of their monthly benefit maximum available for informal care.
- Caregiver training, home modification, and other ancillary benefits can be paid out of the Flexible Benefit, subject to the 50% of remaining monthly maximum limit.
- International benefit is provided which pays for 1-year of care, on an indemnity basis, at 100% of the monthly benefit for nursing facility care or at 50% of the monthly benefit for home care.
- Waiver of premium after the 90-day elimination period (not payable if international benefit is being paid).
- Endorsements LS-LTC-CNB-E ST 01/13 and LS-LTC-LPOCNB-E ST 01/13 provide the contingent non-forfeiture benefit (i.e., a shortened benefit period non-forfeiture option is provided if there is a substantial increase in premiums).
- Guaranteed future purchase endorsement (LS-LTC-GPO-E ST 01/13) is included if no other inflation is selected. An additional 15% of the current benefit will be offered every 3 years, until the insured reaches age 80, with the additional premium based on the person’s attained age at the time.

#### Optional Riders

- Rider LS-LTC-5P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 5% per year, compounded, for life

- Rider LS-LTC-3P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 3% per year, compounded, for life.
- Rider LS-LTC-LPB-R ST 01/13: Non-forfeiture benefit rider, which provides the NAIC mandated shortened benefit non-forfeiture option.
- Rider LS-LTC-SCB-R ST 01/13: Shared care benefit rider. This rider must be sold to two spouses or domestic partners who are purchasing the same coverage. When either spouse's lifetime maximum is depleted, he is allowed to use benefits under the lifetime maximum of his spouse's pool (subject to leaving 365 days untouched while the spouse is alive).
- Rider LS-LTC-MBP-R ST 01/13: Money back promise rider, which provides a return of premiums paid on death. This return is 0% in the first four policy years, 25% in policy years 5-9, 50% in years 10-14, and 75% in years 15+. Cumulative premiums, less benefits paid, times the durational factor are returned on policyholder death. There is no age maximum.

B. Exclusions and Limitations

The policy will not pay benefits for care, treatment, services or charges:

- for a loss that occurs while this Policy is not in force;
- for alcoholism or drug addiction (except for an addiction to a prescribed medication administered on the advice of a Physician);
- due to declared or undeclared war or act of war;
- due to participation in a felony, riot or insurrection or involvement in an illegal occupation;
- due to suicide, attempted suicide or intentionally self-inflicted injury;
- that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount;
- that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law;
- provided outside the United States, Canada or their territories or possessions, except as provided under the International Coverage Benefit;
- for which no charge is made in the absence of insurance, except as provided under the Flexible Benefit; or

- provided by an Immediate Family member (except as provided under the Flexible Benefit), unless:
  - he or she is a regular employee of an organization which is providing the care, treatment or service;
  - he or she receives no compensation other than the normal compensation for employees in his or her job category; and
  - the organization receives the payment for the care, treatment, service or charge.

C. Issue Ages

Policies can be issued from ages 18 - 79.

D. Marketing and Underwriting

The policy will be marketed to individuals, to members of employer-based groups that will be list-billed and/or marketed together, and to members of associations, through direct agents and brokers. Applicants will be home-office underwritten, based on questions on the application and protective information, such as telephone interviews, face-to-face assessments, medical records, cognitive screening, MIB Inc. screening and prescription drug histories. Simplified underwriting may be used for some employer-based groups, based on group size and participation level.

## II. ASSUMPTIONS

A. Claim Costs

Claim costs based on Milliman's *2011 Long Term Care Cost Guidelines* were utilized. The basis for the cost guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman actuaries.

To these claim costs, durational select factors were applied to allow for the impact of underwriting. Durational select factors vary by married and single applicants, to reflect the different morbidity experienced by those two groups. Different selection factors were used for sales made using simplified underwriting and for sales to groups where the employer contributes to the premium.

Claim costs for the various available options were developed to be consistent with those of the policies.

B. Lapse Rates and Mortality

The following annual lapse rates (excluding mortality) were assumed:

<b>Voluntary Lapse Rates – Individuals and Employee-paid Members of Groups</b>			
<b>Policy Duration</b>	<b>Issue Ages &lt;50</b>	<b>Issue Ages 50-64</b>	<b>Issue Ages 65+</b>
1	8.00%	5.50%	4.00%
2	6.00	3.75	3.00
3	4.00	2.50	2.00
4	3.00	1.75	1.75
5	2.50	1.50	1.50
6	2.00	1.25	1.25
7	1.50	1.25	1.25
8+	1.00	1.00	1.00

<b>Voluntary Lapse Rates – Individuals where Employer is Contributing</b>	
<b>Policy Duration</b>	<b>Lapse Rates (All Issue Ages)</b>
1	8.0%
2	5.0
3	5.0
4	4.0
5	3.5
6+ (through age 64)	3.0
Attained ages 65+	1.0

Lapse rates for the limited pay plan was assumed to be half of the above during the premium paying period and were assumed to be 0% once the policy was paid up.

In addition to the above voluntary lapse rates, mortality was assumed. For non-claimant lives, mortality was assumed to be equal to the 1994 Group Annuity Mortality table, with selection applied. Mortality selection was assumed to increase from 0.2 in the first policy year to 0.9 for the tenth and later years. The mortality of claimant lives was assumed to be equal to four times the 1979 - 1981 US Life Mortality Table.

For the purpose of determining reserve factors, the mortality rates were assumed to be the 1994 GAM.

C. Expenses

Expense Assumptions				
Type of Expense	Individual	Multi-life Long Form	Multi-Life Short Form	Unit
Underwriting/ Protective Info	\$142	\$117	\$56	Per Policy Issued:
	\$181	\$148	\$58	Issue ages 18-54
	\$325	\$322	N/A	Issue ages 55-64
	\$1622	\$1193	N/A	Issue ages 65-74
				Issue ages 75-79+
	4.5%	4.5%	4.5%	Of Premium Issued
Administrative	\$75	\$75	\$75	Per policy per year inflated 3% per year for 20 years
Claims Payment	8.0%	8.0%	8.0%	Of Claims Paid
Premium Taxes	2.0%	2.0%	2.0%	Of Premium
Overhead	3.0%	3.0%	3.0%	Of Premium

D. Commissions/Marketing Expenses

Commissions were assumed to be paid on original premium and not on waived premiums. Actual commission schedules will vary by level of production. The following tables show the average commission plus marketing percentages that were assumed in pricing:

Commissions/Marketing Expenses; Lifetime Pay Individuals and Multi-life*				
Policy Duration	Issue Age			
	0 – 64	65 – 69	70 - 74	75 - 79
1	110.0%	110.0%	110.0%	105.0%
2-10	15.0	15.0	15.0	15.0
11+	6.0	6.0	6.0	6.0

\*For some multi-life sales, where the employer is contributing, the first year commissions are increased 5 points.

For associations, commissions are shown in the table below.

<b>Commissions/Marketing Expenses; Lifetime Pay Association Sales</b>				
<b>Policy Duration</b>	<b>Issue Age</b>			
	<b>0 – 64</b>	<b>65 – 69</b>	<b>70 - 74</b>	<b>75 - 79</b>
1	101.0%	101.0%	101.0%	96.5%
2-10	12.9	12.9	12.9	12.9
11+	5.4	5.4	5.4	5.4

For the limited pay option, renewal commissions and marketing expenses were assumed to be reduced to 3% in years 2+.

E. Distributions

The following issue age distribution of insureds was assumed by gender, inflation option and marital status. Separate distributions are provided for individual sales, sales to multi-life groups where the employee pays, and sales to multi-life groups where the employer contributes to the premium. The distributions were based on actual company sales under its existing policy.

**Individual Distribution by Issue Age, Gender, Inflation Option and Marital Status**

Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	2.3%	0.5%	3.8%	0.0%	0.0%	1.3%	1.2%
<35 – F	2.9	1.2	0.0	3.0	0.0	0.6	1.7
35-39 – M	1.9	1.3	2.1	0.0	0.0	0.6	1.3
35-39 – F	2.4	2.3	0.0	3.0	0.4	0.6	2.0
40-44 – M	2.4	2.5	3.8	9.1	1.0	0.0	2.3
40-44 – F	3.1	3.7	0.0	9.1	0.7	1.3	3.1
45-49 – M	4.9	4.3	5.8	6.1	1.0	3.2	4.2
45-49 – F	5.1	5.5	7.9	0.0	2.0	5.2	5.0
50-54 – M	4.4	5.6	9.6	9.1	2.7	6.5	5.3
50-54 – F	7.5	7.3	9.6	12.1	7.1	9.1	7.7
55-59 – M	5.7	8.3	3.8	6.1	6.9	6.5	7.1
55-59 – F	10.8	9.8	17.5	27.3	10.4	7.8	10.5
60-64 – M	6.9	14.1	9.6	12.1	9.6	15.6	11.5
60-64 – F	14.5	12.5	2.1	0.0	22.8	14.3	13.5
65-69 – M	5.0	8.0	3.8	0.0	6.2	13.0	7.2
65-69 – F	10.5	5.1	18.8	3.0	19.9	11.7	8.6
70-74 – M	2.0	4.7	2.1	0.0	1.7	1.3	3.1
70-74 – F	4.1	2.5	0.0	0.0	4.9	1.3	2.9
75-79 – M	1.5	0.5	0.0	0.0	0.7	0.0	0.8
75-79 – F	2.2	0.3	0.0	0.0	2.0	0.0	1.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Employee-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status**

Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	2.2%	0.3%	1.6%	0.0%	2.1%	1.4%	1.4%
<35 – F	2.0	2.8	4.8	0.0	2.7	3.3	2.6
35-39 – M	1.6	1.6	1.4	1.1	1.7	2.1	1.7
35-39 – F	3.2	3.1	4.0	4.6	1.8	3.3	3.0
40-44 – M	3.7	3.4	0.9	4.0	3.6	4.5	3.7
40-44 – F	4.7	5.9	3.2	9.2	5.9	3.3	5.1
45-49 – M	3.3	4.6	6.8	1.7	6.1	4.9	4.5
45-49 – F	9.4	7.2	0.4	11.5	6.8	8.2	8.0
50-54 – M	8.0	6.9	10.9	9.9	7.6	5.5	7.2
50-54 – F	14.6	15.6	6.4	18.4	14.0	18.4	15.6
55-59 – M	9.4	9.6	14.2	13.7	8.6	10.8	9.9
55-59 – F	18.3	15.9	18.3	18.4	16.5	18.4	17.3
60-64 – M	5.8	7.9	11.7	5.3	7.0	6.6	6.9
60-64 – F	8.9	8.7	9.1	2.3	11.7	6.6	8.6
65-69 – M	2.3	3.8	3.9	0.0	1.8	1.5	2.5
65-69 – F	2.2	2.3	2.4	0.0	2.1	0.8	1.9
70-74 – M	0.2	0.2	0.0	0.0	0.0	0.2	0.2
70-74 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Employer-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status**

Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	11.9%	7.6%	18.5%	0.0%	5.8%	2.3%	6.5%
<35 – F	19.5	8.7	0.0	7.4	15.5	2.3	9.6
35-39 – M	5.2	6.0	3.7	5.6	1.9	1.7	3.8
35-39 – F	4.8	6.0	3.7	7.4	7.8	1.7	4.4
40-44 – M	5.2	6.0	0.0	5.6	1.0	4.3	4.4
40-44 – F	7.1	7.6	3.7	11.1	2.9	4.3	5.9
45-49 – M	2.9	7.6	18.5	11.1	6.8	5.7	6.3
45-49 – F	5.7	8.2	0.0	1.9	7.8	7.4	6.6
50-54 – M	4.8	5.4	18.5	13.0	5.8	7.7	7.0
50-54 – F	8.6	6.5	7.4	5.6	4.9	11.0	8.3
55-59 – M	4.3	6.0	7.4	5.6	6.8	14.0	8.4
55-59 – F	6.7	6.5	7.4	9.3	10.7	13.0	9.5
60-64 – M	4.8	7.1	7.4	3.7	3.9	8.4	6.4
60-64 – F	6.2	3.8	0.0	3.7	9.7	7.0	6.0
65-69 – M	0.0	2.7	3.7	5.6	6.8	6.0	3.9
65-69 – F	1.4	3.3	0.0	3.7	1.9	3.0	2.5
70-74 – M	0.5	0.0	0.0	0.0	0.0	0.0	0.1
70-74 – F	0.5	0.5	0.0	0.0	0.0	0.0	0.2
75-79 – M	0.0	0.5	0.0	0.0	0.0	0.0	0.1
75-79 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following sex and marital status distribution was assumed:

<b>Distribution by Marital Status</b>			
<b>Issue Age</b>	<b>% Married</b>		
	<b>Individual</b>	<b>Employee Pay Multi-Life</b>	<b>Employer Pay Multi-Life</b>
30 – 34	37.5%	49.1%	34.0%
35 – 39	56.0%	57.9%	54.2%
40 – 44	63.6%	56.2%	65.9%
45 – 49	60.9%	54.8%	66.4%
50 – 54	63.8%	56.5%	65.7%
55 – 59	61.7%	55.3%	71.3%
60 – 64	63.8%	52.7%	64.2%
65 – 69	56.6%	55.1%	76.8%
70 – 74	59.6%	64.8%	33.3%
75 – 79	21.9%	NA	100.0%
Average	60.0%	55.1%	61.2%

The “Single” category of insureds includes individuals who are married, but only one spouse is insured. The percent married and the married discount pertains only to couples, where both purchase.

Fully underwritten premium rates will be adjusted based on perceived health status of the insured. Three rating categories will be used: Preferred, Standard, and Substandard. The following outlines the assumed distribution of business and corresponding premium rating factors assumed in our pricing.

<b>Distribution of Business by Health Status – Individual</b>		
<b>Rating Category</b>	<b>% of Issues</b>	<b>Rating Factor</b>
Preferred	43.8%	0.90
Standard	49.0%	1.00
Substandard	7.2%	1.40

No preferred, standard and substandard rating classes will be used for sales in the multi-life market.

The following tables provide the distribution of business for benefit options and for optional benefits assumed in the pricing.

<b>Distribution of Business by Benefit Option</b>			
<b>% of Monthly Bank</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
1%	65.5%	64.2%	49.7%
2%	20.2	24.9	35.9
3%	14.4	10.9	14.4

<b>Distribution of Business Selecting Options</b>			
<b>Optional Rider</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
5% Compound Inflation	3.5%	5.5%	9.2%
3% Compound Inflation	17.4%	34.4%	45.8%
Shared Care Rider	15.0%	15.0%	15.0%
Money Back Promise	2.8%	6.5%	4.0%

F. Average Annual Premium

Based upon the above stated distributions, the average annual premium for the policy at issue (including riders) is expected to be \$1434, assuming an average daily benefit of \$100.

G. Investment Income

Investment income was assumed to accrue at the rate of 4.5% per year on reserves, cash flows, and required capital and surplus.

**III. GROSS PREMIUMS**

Gross premiums were computed to pay for benefits and expenses and to provide the desired overall return on equity.

The resulting gross annual premiums for single, standard insureds are attached, separate for males and females. A 30% spouse/domestic partners discount will apply to both husband and wife/partners when both are issued policies. If applicable, the spouse discount will continue throughout the life of the insured.

Fully underwritten policyholders can be classified as preferred risks, or as standard or substandard risks. Preferred rates are 10% lower than standard, and substandard rates are 40% higher than standard.

Rates will be discounted for individuals who are members of groups, with a larger discount applying if the employer contributes to the premium. Rates will also be discounted for individuals who are members of qualifying associations.

No modal factors are used.

Factors are available which would convert the annual premiums into premiums which are paid up after 10 years.

Rates sheets are attached which show the annual premiums for a single, standard insured by benefit period. Factors are then shown which would convert these rates to annual premiums with other optional benefits or for changing the payment parameters. The resulting annual premiums for the particular option selected will be rounded to the nearest dollar.

#### **IV. LOSS RATIO**

The expected lifetime loss ratio, calculated as claims incurred divided by premiums earned, discounted at 3.5%, is 58.3%.

#### **V. CERTIFICATION**

I, Dawn Helwig, am a consulting actuary for Milliman, Inc. and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the current and proposed requirements for filing long-term care insurance premiums.

In my opinion the initial premium rate schedules, based on my review as of June 2013, are sufficient to cover anticipated costs under moderately adverse experience and the premium rate schedules are reasonably expected to be sustainable over the life of the forms with no future premium increases anticipated.

The following moderately adverse assumptions were tested:

- Morbidity increased by 10%
- Lapses reduced by 50%
- Mortality reduced by 20%
- Investment rate reduced by 50 basis points.

The policy was priced to yield a pre-tax profit margin of at least 15%. Each of these assumption changes, taken alone, resulted in a pre-tax profit margin that dropped by less than five percentage points. Any assumption deviation, or combination of assumption changes, that result in the pre-tax profit margin dropping by more than five points could result in a rate increase being needed.

My analysis of moderately adverse assumptions included a review of the projected slope of the claim costs, which was determined to be reasonable. The 10% overall morbidity increase sensitivity was thus the only morbidity change tested.

I have reviewed and taken into consideration the policy design and coverage provided.

I have reviewed and taken into consideration the company's planned underwriting and claims adjudication processes. I have relied upon information provided to me by the company's administrator for a description of these processes. I have reviewed and considered but not audited these procedures.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary.

The reserves to be held will consist of active life reserves, unearned premium reserves, and claim reserves. The contract reserves will be the mid-terminal reserves calculated using a one year preliminary term basis plus the net unearned premium reserves, but never less than the gross unearned premium reserve. The contract reserves anticipated to be held under the form will be calculated using NAIC minimum reserve standards, currently using expected claim costs with selection, lapses based on 80% of the assumed voluntary lapse rate up to 6% in policy year 1, 80% of the assumed voluntary lapse rate up to 4% in policy year 2-4, and 100% of the assumed voluntary lapse rate for years 5+ up to 2%, the mortality table specified in the NAIC minimum reserve standards for health insurance contracts (currently 1994 GAM) and the interest rate specified in the NAIC minimum reserve standards (currently 3.5% - the maximum rate permitted in the valuation of whole life insurance). These assumptions provide reasonable margins for adverse experience.

The net renewal valuation premiums do not increase.

The difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. This condition is not met for each issue age and option, though it is met in aggregate. I believe this is reasonable because the underlying gross premium maintains a reasonably consistent relationship by age. Also, each issue age and option is expected to result in lifetime statutory pre-tax profits, when investment income is incorporated.

The premium rate schedule being submitted, with male and female rates aggregated, is not less than the rate schedule for existing similar forms with issue age rates and comparable premium-paying periods also available from the company. However, the gender-distinct male rates on this form are lower than the unisex rates on existing similar forms.

*Dawn E. Helwig*

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Dawn E. Helwig, F.S.A., M.A.A.A.  
Member, American Academy of Actuaries

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LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Standard Risks\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$414	\$346	\$294	\$620	\$518	\$442
31	423	353	300	635	529	450
32	434	361	306	650	541	458
33	444	369	312	666	553	468
34	454	376	318	682	564	476
35	465	384	323	697	576	485
36	474	392	330	712	588	494
37	485	400	335	727	600	503
38	499	410	344	749	616	516
39	514	422	352	770	632	528
40	528	433	361	792	649	541
41	542	444	370	814	666	554
42	557	455	378	835	683	566
43	574	469	389	862	703	583
44	592	482	399	888	724	599
45	610	497	410	914	745	616
46	627	510	421	941	766	631
47	646	524	432	968	786	648
48	671	545	448	1,007	817	672
49	697	565	463	1,045	847	695
50	722	585	479	1,084	877	719
51	748	605	495	1,122	907	743
52	774	625	511	1,160	937	767
53	810	655	535	1,216	983	803
54	847	685	560	1,271	1,027	840
55	884	714	584	1,326	1,072	876
56	921	744	608	1,381	1,116	912
57	958	774	633	1,436	1,160	949
58	1,031	832	678	1,547	1,248	1,018
59	1,106	890	724	1,658	1,336	1,086
60	1,179	949	770	1,769	1,423	1,154
61	1,253	1,006	815	1,879	1,510	1,223
62	1,326	1,065	861	1,990	1,597	1,291
63	1,448	1,162	938	2,172	1,742	1,408
64	1,569	1,258	1,017	2,353	1,888	1,525
65	1,690	1,356	1,094	2,536	2,034	1,642
66	1,812	1,453	1,172	2,718	2,179	1,758
67	1,933	1,550	1,250	2,899	2,324	1,874
68	2,276	1,822	1,466	3,414	2,732	2,198
69	2,619	2,094	1,682	3,929	3,140	2,522
70	2,962	2,365	1,898	4,444	3,547	2,846
71	3,306	2,637	2,114	4,958	3,955	3,170
72	3,649	2,909	2,330	5,473	4,363	3,494
73	4,282	3,409	2,724	6,424	5,113	4,086
74	4,915	3,910	3,118	7,373	5,864	4,678
75	5,549	4,410	3,513	8,323	6,614	5,269
76	6,182	4,910	3,907	9,272	7,364	5,861
77	6,815	5,410	4,302	10,223	8,116	6,452
78	7,274	5,793	4,615	10,912	8,689	6,923
79	7,734	6,175	4,928	11,600	9,263	7,392

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Standard Risks\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,055	\$881	\$751	\$1,730	\$1,445	\$1,231
31	1,067	890	757	1,750	1,459	1,241
32	1,081	900	762	1,773	1,476	1,250
33	1,095	909	769	1,795	1,491	1,262
34	1,108	917	774	1,816	1,503	1,270
35	1,120	925	779	1,837	1,517	1,277
36	1,134	937	788	1,860	1,537	1,292
37	1,145	945	792	1,878	1,550	1,299
38	1,165	958	803	1,911	1,571	1,317
39	1,184	972	812	1,943	1,595	1,331
40	1,203	986	822	1,973	1,617	1,348
41	1,220	999	832	2,001	1,638	1,364
42	1,242	1,016	843	2,037	1,666	1,382
43	1,265	1,033	857	2,075	1,694	1,405
44	1,288	1,049	868	2,112	1,721	1,424
45	1,309	1,067	881	2,146	1,749	1,445
46	1,329	1,081	892	2,179	1,774	1,462
47	1,350	1,095	903	2,214	1,797	1,481
48	1,384	1,124	924	2,270	1,843	1,515
49	1,424	1,154	947	2,335	1,893	1,553
50	1,456	1,179	966	2,388	1,933	1,584
51	1,487	1,202	984	2,438	1,971	1,614
52	1,516	1,224	1,002	2,486	2,008	1,643
53	1,565	1,265	1,034	2,567	2,075	1,695
54	1,612	1,303	1,066	2,644	2,137	1,748
55	1,658	1,340	1,095	2,718	2,197	1,796
56	1,709	1,381	1,129	2,803	2,265	1,851
57	1,751	1,414	1,157	2,871	2,319	1,897
58	1,856	1,498	1,221	3,044	2,456	2,003
59	1,959	1,578	1,283	3,213	2,587	2,104
60	2,056	1,654	1,342	3,372	2,713	2,201
61	2,149	1,727	1,399	3,525	2,832	2,294
62	2,251	1,807	1,461	3,691	2,963	2,395
63	2,416	1,938	1,566	3,963	3,179	2,568
64	2,574	2,065	1,668	4,221	3,386	2,736
65	2,726	2,187	1,765	4,470	3,586	2,894
66	2,871	2,302	1,857	4,708	3,775	3,045
67	3,008	2,412	1,945	4,933	3,955	3,189
68	3,414	2,732	2,198	5,599	4,481	3,605
69	3,781	3,023	2,428	6,202	4,957	3,982
70	4,138	3,303	2,651	6,786	5,417	4,347
71	4,432	3,535	2,834	7,268	5,797	4,647
72	4,686	3,736	2,992	7,686	6,127	4,907
73	5,380	4,282	3,422	8,823	7,023	5,612
74	6,083	4,838	3,859	9,975	7,935	6,329
75	6,763	5,374	4,281	11,091	8,814	7,021
76	7,418	5,892	4,689	12,165	9,662	7,689
77	7,987	6,340	5,041	13,098	10,398	8,267
78	8,456	6,734	5,365	13,869	11,044	8,799
79	8,845	7,063	5,636	14,506	11,583	9,244

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Standard Risks\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,132	\$1,781	\$1,517	\$3,806	\$3,181	\$2,709
31	2,148	1,790	1,523	3,835	3,197	2,719
32	2,163	1,799	1,524	3,862	3,213	2,722
33	2,179	1,810	1,532	3,892	3,233	2,735
34	2,191	1,813	1,531	3,912	3,237	2,734
35	2,204	1,821	1,533	3,936	3,252	2,737
36	2,208	1,825	1,534	3,943	3,259	2,740
37	2,219	1,831	1,534	3,962	3,269	2,739
38	2,241	1,842	1,544	4,001	3,290	2,757
39	2,265	1,859	1,552	4,045	3,320	2,772
40	2,282	1,871	1,560	4,076	3,341	2,785
41	2,302	1,884	1,568	4,110	3,365	2,801
42	2,314	1,892	1,569	4,133	3,378	2,803
43	2,342	1,912	1,585	4,182	3,413	2,831
44	2,362	1,925	1,593	4,218	3,437	2,844
45	2,384	1,943	1,605	4,258	3,470	2,866
46	2,398	1,952	1,609	4,283	3,485	2,873
47	2,418	1,962	1,618	4,317	3,504	2,889
48	2,455	1,993	1,639	4,384	3,558	2,926
49	2,494	2,021	1,658	4,453	3,609	2,960
50	2,522	2,042	1,673	4,504	3,646	2,988
51	2,553	2,064	1,690	4,558	3,686	3,018
52	2,572	2,077	1,700	4,593	3,710	3,035
53	2,631	2,127	1,737	4,698	3,798	3,102
54	2,676	2,163	1,769	4,779	3,863	3,159
55	2,723	2,200	1,799	4,862	3,929	3,212
56	2,755	2,226	1,819	4,921	3,976	3,249
57	2,790	2,254	1,844	4,983	4,025	3,293
58	2,914	2,351	1,917	5,204	4,199	3,424
59	3,038	2,446	1,989	5,424	4,369	3,552
60	3,137	2,524	2,047	5,601	4,507	3,656
61	3,234	2,598	2,104	5,775	4,639	3,758
62	3,308	2,655	2,147	5,907	4,742	3,833
63	3,497	2,805	2,266	6,245	5,009	4,047
64	3,651	2,929	2,367	6,520	5,230	4,226
65	3,801	3,049	2,461	6,788	5,445	4,395
66	3,916	3,140	2,533	6,993	5,607	4,523
67	4,025	3,227	2,602	7,188	5,763	4,647
68	4,501	3,602	2,898	8,037	6,433	5,175
69	4,927	3,939	3,164	8,799	7,033	5,649
70	5,288	4,221	3,387	9,443	7,538	6,049
71	5,582	4,453	3,569	9,968	7,952	6,374
72	5,779	4,607	3,690	10,319	8,226	6,588
73	6,595	5,250	4,195	11,777	9,374	7,491
74	7,311	5,816	4,639	13,056	10,385	8,283
75	7,963	6,328	5,041	14,219	11,300	9,002
76	8,600	6,830	5,436	15,357	12,197	9,707
77	9,124	7,243	5,759	16,293	12,934	10,284
78	9,484	7,552	6,017	16,936	13,486	10,745
79	9,812	7,835	6,252	17,521	13,991	11,165

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1%	2%	3%	1%	2%	3%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	\$410	\$343	\$291	\$614	\$513	\$438
31	419	349	297	629	524	446
32	430	357	303	644	536	453
33	440	365	309	659	547	463
34	449	372	315	675	558	471
35	460	380	320	690	570	480
36	469	388	327	705	582	489
37	480	396	332	720	594	498
38	494	406	341	742	610	511
39	509	418	348	762	626	523
40	523	429	357	784	643	536
41	537	440	366	806	659	548
42	551	450	374	827	676	560
43	568	464	385	853	696	577
44	586	477	395	879	717	593
45	604	492	406	905	738	610
46	621	505	417	932	758	625
47	640	519	428	958	778	642
48	664	540	444	997	809	665
49	690	559	458	1,035	839	688
50	715	579	474	1,073	868	712
51	741	599	490	1,111	898	736
52	766	619	506	1,148	928	759
53	802	648	530	1,204	973	795
54	839	678	554	1,258	1,017	832
55	875	707	578	1,313	1,061	867
56	912	737	602	1,367	1,105	903
57	948	766	627	1,422	1,148	940
58	1,021	824	671	1,532	1,236	1,008
59	1,095	881	717	1,641	1,323	1,075
60	1,167	940	762	1,751	1,409	1,142
61	1,240	996	807	1,860	1,495	1,211
62	1,313	1,054	852	1,970	1,581	1,278
63	1,434	1,150	929	2,150	1,725	1,394
64	1,553	1,245	1,007	2,329	1,869	1,510
65	1,673	1,342	1,083	2,511	2,014	1,626
66	1,794	1,438	1,160	2,691	2,157	1,740
67	1,914	1,535	1,238	2,870	2,301	1,855
68	2,253	1,804	1,451	3,380	2,705	2,176
69	2,593	2,073	1,665	3,890	3,109	2,497
70	2,932	2,341	1,879	4,400	3,512	2,818
71	3,273	2,611	2,093	4,908	3,915	3,138
72	3,613	2,880	2,307	5,418	4,319	3,459
73	4,239	3,375	2,697	6,360	5,062	4,045
74	4,866	3,871	3,087	7,299	5,805	4,631
75	5,494	4,366	3,478	8,240	6,548	5,216
76	6,120	4,861	3,868	9,179	7,290	5,802
77	6,747	5,356	4,259	10,121	8,035	6,387
78	7,201	5,735	4,569	10,803	8,602	6,854
79	7,657	6,113	4,879	11,484	9,170	7,318

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

**\*\* Employer Pay Factor:**

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

\* Applicability of multi-life rates are subject to certain group size and participation requirements.

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,044	\$872	\$743	\$1,713	\$1,431	\$1,219
31	1,056	881	749	1,733	1,444	1,229
32	1,070	891	754	1,755	1,461	1,238
33	1,084	900	761	1,777	1,476	1,249
34	1,097	908	766	1,798	1,488	1,257
35	1,109	916	771	1,819	1,502	1,264
36	1,123	928	780	1,841	1,522	1,279
37	1,134	936	784	1,859	1,535	1,286
38	1,153	948	795	1,892	1,555	1,304
39	1,172	962	804	1,924	1,579	1,318
40	1,191	976	814	1,953	1,601	1,335
41	1,208	989	824	1,981	1,622	1,350
42	1,230	1,006	835	2,017	1,649	1,368
43	1,252	1,023	848	2,054	1,677	1,391
44	1,275	1,039	859	2,091	1,704	1,410
45	1,296	1,056	872	2,125	1,732	1,431
46	1,316	1,070	883	2,157	1,756	1,447
47	1,337	1,084	894	2,192	1,779	1,466
48	1,370	1,113	915	2,247	1,825	1,500
49	1,410	1,142	938	2,312	1,874	1,537
50	1,441	1,167	956	2,364	1,914	1,568
51	1,472	1,190	974	2,414	1,951	1,598
52	1,501	1,212	992	2,461	1,988	1,627
53	1,549	1,252	1,024	2,541	2,054	1,678
54	1,596	1,290	1,055	2,618	2,116	1,731
55	1,641	1,327	1,084	2,691	2,175	1,778
56	1,692	1,367	1,118	2,775	2,242	1,832
57	1,733	1,400	1,145	2,842	2,296	1,878
58	1,837	1,483	1,209	3,014	2,431	1,983
59	1,939	1,562	1,270	3,181	2,561	2,083
60	2,035	1,637	1,329	3,338	2,686	2,179
61	2,128	1,710	1,385	3,490	2,804	2,271
62	2,228	1,789	1,446	3,654	2,933	2,371
63	2,392	1,919	1,550	3,923	3,147	2,542
64	2,548	2,044	1,651	4,179	3,352	2,709
65	2,699	2,165	1,747	4,425	3,550	2,865
66	2,842	2,279	1,838	4,661	3,737	3,015
67	2,978	2,388	1,926	4,884	3,915	3,157
68	3,380	2,705	2,176	5,543	4,436	3,569
69	3,743	2,993	2,404	6,140	4,907	3,942
70	4,097	3,270	2,624	6,718	5,363	4,304
71	4,388	3,500	2,806	7,195	5,739	4,601
72	4,639	3,699	2,962	7,609	6,066	4,858
73	5,326	4,239	3,388	8,735	6,953	5,556
74	6,022	4,790	3,820	9,875	7,856	6,266
75	6,695	5,320	4,238	10,980	8,726	6,951
76	7,344	5,833	4,642	12,043	9,565	7,612
77	7,907	6,277	4,991	12,967	10,294	8,184
78	8,371	6,667	5,311	13,730	10,934	8,711
79	8,757	6,992	5,580	14,361	11,467	9,152

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

**\*\* Employer Pay Factor:**

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	5% Compound Premiums - Males Monthly Payment, as % of Benefit Bank:			5% Compound Premiums - Females Monthly Payment, as % of Benefit Bank:		
	1%	2%	3%	1%	2%	3%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	\$2,111	\$1,763	\$1,502	\$3,768	\$3,149	\$2,682
31	2,127	1,772	1,508	3,797	3,165	2,692
32	2,141	1,781	1,509	3,823	3,181	2,695
33	2,157	1,792	1,517	3,853	3,201	2,708
34	2,169	1,795	1,516	3,873	3,205	2,707
35	2,182	1,803	1,518	3,897	3,219	2,710
36	2,186	1,807	1,519	3,904	3,226	2,713
37	2,197	1,813	1,519	3,922	3,236	2,712
38	2,219	1,824	1,529	3,961	3,257	2,729
39	2,242	1,840	1,536	4,005	3,287	2,744
40	2,259	1,852	1,544	4,035	3,308	2,757
41	2,279	1,865	1,552	4,069	3,331	2,773
42	2,291	1,873	1,553	4,092	3,344	2,775
43	2,319	1,893	1,569	4,140	3,379	2,803
44	2,338	1,906	1,577	4,176	3,403	2,816
45	2,360	1,924	1,589	4,215	3,435	2,837
46	2,374	1,932	1,593	4,240	3,450	2,844
47	2,394	1,942	1,602	4,274	3,469	2,860
48	2,430	1,973	1,623	4,340	3,522	2,897
49	2,469	2,001	1,641	4,408	3,573	2,930
50	2,497	2,022	1,656	4,459	3,610	2,958
51	2,527	2,043	1,673	4,512	3,649	2,988
52	2,546	2,056	1,683	4,547	3,673	3,005
53	2,605	2,106	1,720	4,651	3,760	3,071
54	2,649	2,141	1,751	4,731	3,824	3,127
55	2,696	2,178	1,781	4,813	3,890	3,180
56	2,727	2,204	1,801	4,872	3,936	3,217
57	2,762	2,231	1,826	4,933	3,985	3,260
58	2,885	2,327	1,898	5,152	4,157	3,390
59	3,008	2,422	1,969	5,370	4,325	3,516
60	3,106	2,499	2,027	5,545	4,462	3,619
61	3,202	2,572	2,083	5,717	4,593	3,720
62	3,275	2,628	2,126	5,848	4,695	3,795
63	3,462	2,777	2,243	6,183	4,959	4,007
64	3,614	2,900	2,343	6,455	5,178	4,184
65	3,763	3,019	2,436	6,720	5,391	4,351
66	3,877	3,109	2,508	6,923	5,551	4,478
67	3,985	3,195	2,576	7,116	5,705	4,601
68	4,456	3,566	2,869	7,957	6,369	5,123
69	4,878	3,900	3,132	8,711	6,963	5,593
70	5,235	4,179	3,353	9,349	7,463	5,989
71	5,526	4,408	3,533	9,868	7,872	6,310
72	5,721	4,561	3,653	10,216	8,144	6,522
73	6,529	5,198	4,153	11,659	9,280	7,416
74	7,238	5,758	4,593	12,925	10,281	8,200
75	7,883	6,265	4,991	14,077	11,187	8,912
76	8,514	6,762	5,382	15,203	12,075	9,610
77	9,033	7,171	5,701	16,130	12,805	10,181
78	9,389	7,476	5,957	16,767	13,351	10,638
79	9,714	7,757	6,189	17,346	13,851	11,053

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

**\*\* Employer Pay Factor:**

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1%	2%	3%	1%	2%	3%
	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)	(8.3 year BP)	(4.2 year BP)	(2.8 year BP)
30 and under	\$393	\$329	\$279	\$589	\$492	\$420
31	402	335	285	603	503	428
32	412	343	291	618	514	435
33	422	351	296	633	525	445
34	431	357	302	648	536	452
35	442	365	307	662	547	461
36	450	372	314	676	559	469
37	461	380	318	691	570	478
38	474	390	327	712	585	490
39	488	401	334	732	600	502
40	502	411	343	752	617	514
41	515	422	352	773	633	526
42	529	432	359	793	649	538
43	545	446	370	819	668	554
44	562	458	379	844	688	569
45	580	472	390	868	708	585
46	596	485	400	894	728	599
47	614	498	410	920	747	616
48	637	518	426	957	776	638
49	662	537	440	993	805	660
50	686	556	455	1,030	833	683
51	711	575	470	1,066	862	706
52	735	594	485	1,102	890	729
53	770	622	508	1,155	934	763
54	805	651	532	1,207	976	798
55	840	678	555	1,260	1,018	832
56	875	707	578	1,312	1,060	866
57	910	735	601	1,364	1,102	902
58	979	790	644	1,470	1,186	967
59	1,051	846	688	1,575	1,269	1,032
60	1,120	902	732	1,681	1,352	1,096
61	1,190	956	774	1,785	1,435	1,162
62	1,260	1,012	818	1,891	1,517	1,226
63	1,376	1,104	891	2,063	1,655	1,338
64	1,491	1,195	966	2,235	1,794	1,449
65	1,606	1,288	1,039	2,409	1,932	1,560
66	1,721	1,380	1,113	2,582	2,070	1,670
67	1,836	1,473	1,188	2,754	2,208	1,780
68	2,162	1,731	1,393	3,243	2,595	2,088
69	2,488	1,989	1,598	3,733	2,983	2,396
70	2,814	2,247	1,803	4,222	3,370	2,704
71	3,141	2,505	2,008	4,710	3,757	3,012
72	3,467	2,764	2,214	5,199	4,145	3,319
73	4,068	3,239	2,588	6,103	4,857	3,882
74	4,669	3,715	2,962	7,004	5,571	4,444
75	5,272	4,190	3,337	7,907	6,283	5,006
76	5,873	4,665	3,712	8,808	6,996	5,568
77	6,474	5,140	4,087	9,712	7,710	6,129
78	6,910	5,503	4,384	10,366	8,255	6,577
79	7,347	5,866	4,682	11,020	8,800	7,022

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,002	\$837	\$713	\$1,644	\$1,373	\$1,169
31	1,014	846	719	1,663	1,386	1,179
32	1,027	855	724	1,684	1,402	1,188
33	1,040	864	731	1,705	1,416	1,199
34	1,053	871	735	1,725	1,428	1,207
35	1,064	879	740	1,745	1,441	1,213
36	1,077	890	749	1,767	1,460	1,227
37	1,088	898	752	1,784	1,473	1,234
38	1,107	910	763	1,815	1,492	1,251
39	1,125	923	771	1,846	1,515	1,264
40	1,143	937	781	1,874	1,536	1,281
41	1,159	949	790	1,901	1,556	1,296
42	1,180	965	801	1,935	1,583	1,313
43	1,202	981	814	1,971	1,609	1,335
44	1,224	997	825	2,006	1,635	1,353
45	1,244	1,014	837	2,039	1,662	1,373
46	1,263	1,027	847	2,070	1,685	1,389
47	1,283	1,040	858	2,103	1,707	1,407
48	1,315	1,068	878	2,157	1,751	1,439
49	1,353	1,096	900	2,218	1,798	1,475
50	1,383	1,120	918	2,269	1,836	1,505
51	1,413	1,142	935	2,316	1,872	1,533
52	1,440	1,163	952	2,362	1,908	1,561
53	1,487	1,202	982	2,439	1,971	1,610
54	1,531	1,238	1,013	2,512	2,030	1,661
55	1,575	1,273	1,040	2,582	2,087	1,706
56	1,624	1,312	1,073	2,663	2,152	1,758
57	1,663	1,343	1,099	2,727	2,203	1,802
58	1,763	1,423	1,160	2,892	2,333	1,903
59	1,861	1,499	1,219	3,052	2,458	1,999
60	1,953	1,571	1,275	3,203	2,577	2,091
61	2,042	1,641	1,329	3,349	2,690	2,179
62	2,138	1,717	1,388	3,506	2,815	2,275
63	2,295	1,841	1,488	3,765	3,020	2,440
64	2,445	1,962	1,585	4,010	3,217	2,599
65	2,590	2,078	1,677	4,247	3,407	2,749
66	2,727	2,187	1,764	4,473	3,586	2,893
67	2,858	2,291	1,848	4,686	3,757	3,030
68	3,243	2,595	2,088	5,319	4,257	3,425
69	3,582	2,872	2,307	5,892	4,709	3,783
70	3,931	3,138	2,518	6,447	5,146	4,130
71	4,210	3,358	2,692	6,905	5,507	4,415
72	4,452	3,549	2,842	7,302	5,821	4,662
73	5,111	4,068	3,251	8,382	6,672	5,331
74	5,779	4,596	3,666	9,476	7,538	6,013
75	6,425	5,105	4,067	10,536	8,373	6,670
76	7,047	5,597	4,455	11,557	9,179	7,305
77	7,588	6,023	4,789	12,443	9,878	7,854
78	8,033	6,397	5,097	13,176	10,492	8,359
79	8,403	6,710	5,354	13,781	11,004	8,782

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,025	\$1,692	\$1,441	\$3,616	\$3,022	\$2,574
31	2,041	1,701	1,447	3,643	3,037	2,583
32	2,055	1,709	1,448	3,669	3,052	2,586
33	2,070	1,720	1,455	3,697	3,071	2,598
34	2,081	1,722	1,454	3,716	3,075	2,597
35	2,094	1,730	1,456	3,739	3,089	2,600
36	2,098	1,734	1,457	3,746	3,096	2,603
37	2,108	1,739	1,457	3,764	3,106	2,602
38	2,129	1,750	1,467	3,801	3,126	2,619
39	2,152	1,766	1,474	3,843	3,154	2,633
40	2,168	1,777	1,482	3,872	3,174	2,646
41	2,187	1,790	1,490	3,905	3,197	2,661
42	2,198	1,797	1,491	3,926	3,209	2,663
43	2,225	1,816	1,506	3,973	3,242	2,689
44	2,244	1,829	1,513	4,007	3,265	2,702
45	2,265	1,846	1,525	4,045	3,297	2,723
46	2,278	1,854	1,529	4,069	3,311	2,729
47	2,297	1,864	1,537	4,101	3,329	2,745
48	2,332	1,893	1,557	4,165	3,380	2,780
49	2,369	1,920	1,575	4,230	3,429	2,812
50	2,396	1,940	1,589	4,279	3,464	2,839
51	2,425	1,961	1,606	4,330	3,502	2,867
52	2,443	1,973	1,615	4,363	3,525	2,883
53	2,499	2,021	1,650	4,463	3,608	2,947
54	2,542	2,055	1,681	4,540	3,670	3,001
55	2,587	2,090	1,709	4,619	3,733	3,051
56	2,617	2,115	1,728	4,675	3,777	3,087
57	2,651	2,141	1,752	4,734	3,824	3,128
58	2,768	2,233	1,821	4,944	3,989	3,253
59	2,886	2,324	1,890	5,153	4,151	3,374
60	2,980	2,398	1,945	5,321	4,282	3,473
61	3,072	2,468	1,999	5,486	4,407	3,570
62	3,143	2,522	2,040	5,612	4,505	3,641
63	3,322	2,665	2,153	5,933	4,759	3,845
64	3,468	2,783	2,249	6,194	4,969	4,015
65	3,611	2,897	2,338	6,449	5,173	4,175
66	3,720	2,983	2,406	6,643	5,327	4,297
67	3,824	3,066	2,472	6,829	5,475	4,415
68	4,276	3,422	2,753	7,635	6,111	4,916
69	4,681	3,742	3,006	8,359	6,681	5,367
70	5,024	4,010	3,218	8,971	7,161	5,747
71	5,303	4,230	3,391	9,470	7,554	6,055
72	5,490	4,377	3,506	9,803	7,815	6,259
73	6,265	4,988	3,985	11,188	8,905	7,116
74	6,945	5,525	4,407	12,403	9,866	7,869
75	7,565	6,012	4,789	13,508	10,735	8,552
76	8,170	6,489	5,164	14,589	11,587	9,222
77	8,668	6,881	5,471	15,478	12,287	9,770
78	9,010	7,174	5,716	16,089	12,812	10,208
79	9,321	7,443	5,939	16,645	13,291	10,607

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Premium with Limited Pay Option**

**Issue Age**                      **Limited Pay Option:**  
    **10 Pay**

30 and under	4.37
31	4.34
32	4.30
33	4.26
34	4.23
35	4.19
36	4.16
37	4.12
38	4.03
39	3.94
40	3.86
41	3.77
42	3.68
43	3.58
44	3.48
45	3.38
46	3.28
47	3.18
48	3.12
49	3.05
50	2.99
51	2.92
52	2.86
53	2.79
54	2.72
55	2.65
56	2.58
57	2.51
58	2.40
59	2.29
60	2.19
61	2.08
62	1.97
63	1.91
64	1.85
65	1.80
66	1.74
67	1.68
68	1.60
69	1.52
70	1.44
71	1.36
72	1.28
73	1.24
74	1.21
75	1.17
76	1.14
77	1.10
78	1.10
79	1.10

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option**

Issue Age	<b>Money Back Guarantee Rider</b> <b>(Return of Premium on Death)</b> <b>LS-LTC-MBP-R ST 01/13</b>	<b>Non-forfeiture Benefit Rider</b> <b>(NAIC Shortened BP)</b> <b>LS-LTC-LPB-R ST 01/13</b>
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
Factors to Apply to Base Policy to get Total Rates for Base Plus Shared Care

Shared Care Rider  
LS-LTS-SCB-R ST 01/13

<u>Benefit Pool</u>	<u>Factor</u>
100 months (8.3 years)	1.03
50 months (4.2 years)	1.13
33 months (2.8 years)	1.20



Dear Insurance Commissioner or IIPRC Executive Director:

This letter authorizes Univita Health Inc. to make various policy form filings on behalf of LifeSecure Insurance Company.

This authorization will remain in full force and effect until the earlier of: (a) your receipt of a written notification from LifeSecure Insurance Company expressly terminating this authorization; or (b) June 30, 2014.

Please feel free to contact Sue Howard, 810-220-8774 or [showard@yourlifesecond.com](mailto:showard@yourlifesecond.com) if you have any questions regarding this authorization.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Vestergaard", is written over a faint, light-colored signature line.

Brian Vestergaard  
Vice President, Product & Marketing



Timothy P. Cassidy  
Director, Compliance Services  
Univita Health, Inc.  
5 Commonwealth Rd  
Suite 2B  
Natick MA 01760

Tel: 952.516.6195  
Fax: 952.983.5128

[www.univitahealth.com](http://www.univitahealth.com)

September 4, 2013

District of Columbia Department of Insurance  
Attn: Life and Health Form and Rate Review

**Re: LifeSecure Insurance Company**

**FEIN # 75-0956156**

**NAIC # 77720**

**ACCIDENT AND HEALTH INSURANCE**

Individual Long Term Care Insurance Rate Filing for Use With Policies LS-LTC-004 ST 01/13, et al and LS-LTC-005 ST 01/13, et al

Dear Sir or Madam:

We at Univita Health Inc. are submitting, on behalf of LifeSecure Insurance Company (LifeSecure) and for your review and approval, the enclosed individual long term care insurance rates. These rates are for use with policy forms LS-LTC-0004 ST 01/13 and LS-LTC-0005 ST 01/13, which are being submitted concurrently in a separate filing, SERFF File Number LFSC-129151860. A Third Party Filer Authorization from LifeSecure is included under the Supporting Documentation tab of this filing.

The forms with which these rates are to be used are new to LifeSecure's portfolio and will not replace any forms previously filed or approved by your Department. However, these forms are intended, upon approval, to replace policy form series LS-0002 ST 07/07, which was previously approved by your department.

We trust that this submission will be acceptable to your Department. However, please let me know if you should have any questions or comments. I may be reached directly at (952) 516-6195 or toll free at (888) 312-5824. You may also send me an email at [tcassidy@univitahealth.com](mailto:tcassidy@univitahealth.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy P. Cassidy".

Timothy P. Cassidy

State: District of Columbia

Filing Company:

LifeSecure Insurance Company

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

Product Name: LTC Refresh

Project Name/Number: LTC Refresh (States)/LS-LTC-0004 01/13

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/04/2013		Rate	Gender Distinct Actuarial Memorandum and Rates	09/17/2013	ACTMEM_GenderDistinctRates_Generic(RS)_073113.pdf (Superseded)
09/04/2013		Rate	Unisex Actuarial Memorandum and Rates	09/17/2013	ACTMEM_UnisexRates_Generic(RS)_073113.pdf (Superseded)
08/07/2013		Supporting Document	Actuarial Justification	09/17/2013	ACTMEM_UnisexRates_Generic(RS)_073113.pdf (Superseded) ACTMEM_GenderDistinctRates_Generic(RS)_073113.pdf (Superseded)

**LifeSecure Insurance Company**  
**Long Term Care Policy Form LS-LTC-0004 ST 01/13**  
**Rider Forms LS-LTC-3P-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-LPB-R**  
**ST 01/13, LS-LTC-MBP-R ST 01/13, and LS-LTC-SCB-R ST 01/13**

**ACTUARIAL MEMORANDUM**

**I. PLAN DESCRIPTION**

This policy is an individual, guaranteed renewable form providing benefits for long term care. The policy is intended to be tax-qualified with gender-distinct rates, and it includes rates for use with employer-based groups whose members are list billed or marketed together and for associations. Several options are available, including 3% and 5% compound inflation, money back promise option, lapse protection benefit option, contingent non-forfeiture benefit option, guaranteed purchase option, and shared care.

A. Benefits

The elimination period is 90 calendar days. The benefit period is administered on a “pool of money” basis, with a lifetime benefit amount available. Three possible maximum monthly benefit/lifetime benefit amount configurations will be available: one where the maximum monthly benefit is 1% of the lifetime benefit amount, one where it is 2%, and one where it is 3%. These three possible configurations result in inherent benefit periods of 100 months (8.3 years), 50 months (4.2 years), or 33 months (2.8 years), respectively.

Benefits are payable when the insured becomes disabled in two out of six Activities of Daily Living (ADL’s) for 90 days, or when he becomes severely cognitively impaired. The six ADL’s are: bathing, dressing, continence, eating, toileting and transferring. In order to be considered impaired in an ADL, a person must need substantial human assistance or supervision. Services must be provided pursuant to a Plan of Care.

The following describes the base plan and optional rider benefits provided by the policy:

Base Policy

- Pool of money approach: insured has lifetime benefit amount to use as needed.
- Maximum monthly benefit equals 1, 2, or 3% of lifetime benefit amount

- All nursing home, assisted living facility (ALF), and formal home care benefits are expense incurred subject to the monthly maximum. Bed reservation is included in the nursing home and ALF benefit.
- Informal caregiver benefits will also be paid, through a “Flexible Benefit”, assuming the benefit triggers are met and that the benefits provided are contained in the person’s Plan of Care. Usual and customary expenses will be paid. Informal caregiver benefits are paid with 50% of the remaining monthly benefit maximum, after formal care expenses have been paid. If no formal care was received and the benefit triggers have been met, the insured will have 50% of their monthly benefit maximum available for informal care.
- Caregiver training, home modification, and other ancillary benefits can be paid out of the Flexible Benefit, subject to the 50% of remaining monthly maximum limit.
- International benefit is provided which pays for 1-year of care, on an indemnity basis, at 100% of the monthly benefit for nursing facility care or at 50% of the monthly benefit for home care.
- Waiver of premium after the 90-day elimination period (not payable if international benefit is being paid).
- Endorsements LS-LTC-CNB-E ST 01/13 and LS-LTC-LPOCNB-E ST 01/13 provide the contingent non-forfeiture benefit (i.e., a shortened benefit period non-forfeiture option is provided if there is a substantial increase in premiums).
- Guaranteed future purchase endorsement (LS-LTC-GPO-E ST 01/13) is included if no other inflation is selected. An additional 15% of the current benefit will be offered every 3 years, until the insured reaches age 80, with the additional premium based on the person’s attained age at the time.

#### Optional Riders

- Rider LS-LTC-5P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 5% per year, compounded, for life

- Rider LS-LTC-3P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 3% per year, compounded, for life.
- Rider LS-LTC-LPB-R ST 01/13: Lapse protection benefit rider, which provides the NAIC mandated shortened benefit non-forfeiture option.
- Rider LS-LTC-SCB-R ST 01/13: Shared care benefit rider. This rider must be sold to two spouses or domestic partners who are purchasing the same coverage. When either spouse's lifetime maximum is depleted, he is allowed to use benefits under the lifetime maximum of his spouse's pool (subject to leaving 365 days untouched while the spouse is alive).
- Rider LS-LTC-MBP-R ST 01/13: Money back promise rider, which provides a return of premiums paid on death. This return is 0% in the first four policy years, 25% in policy years 5-9, 50% in years 10-14, and 75% in years 15+. Cumulative premiums, less benefits paid, times the durational factor are returned on policyholder death. There is no age maximum.

B. Exclusions and Limitations

The policy will not pay benefits for care, treatment, services or charges:

- for a loss that occurs while this Policy is not in force;
- for alcoholism or drug addiction (except for an addiction to a prescribed medication administered on the advice of a Physician);
- due to declared or undeclared war or act of war;
- due to participation in a felony, riot or insurrection or involvement in an illegal occupation;
- due to suicide, attempted suicide or intentionally self-inflicted injury;
- that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount;
- that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law;
- provided outside the United States, Canada or their territories or possessions, except as provided under the International Coverage Benefit;
- for which no charge is made in the absence of insurance, except as provided under the Flexible Benefit; or

- provided by an Immediate Family member (except as provided under the Flexible Benefit), unless:
  - he or she is a regular employee of an organization which is providing the care, treatment or service;
  - he or she receives no compensation other than the normal compensation for employees in his or her job category; and
  - the organization receives the payment for the care, treatment, service or charge.

C. Issue Ages

Policies can be issued from ages 18 - 79.

D. Marketing and Underwriting

The policy will be marketed to individuals, to members of employer-based groups that will be list-billed and/or marketed together, and to members of associations, through direct agents and brokers. Applicants will be home-office underwritten, based on questions on the application and protective information, such as telephone interviews, face-to-face assessments, medical records, cognitive screening, MIB Inc. screening and prescription drug histories. Simplified underwriting may be used for some employer-based groups, based on group size and participation level.

**II. ASSUMPTIONS**

A. Claim Costs

Claim costs based on Milliman's *2011 Long Term Care Cost Guidelines* were utilized. The basis for the cost guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman actuaries.

To these claim costs, durational select factors were applied to allow for the impact of underwriting. Durational select factors vary by married and single applicants, to reflect the different morbidity experienced by those two groups. Different selection factors were used for sales made using simplified underwriting and for sales to groups where the employer contributes to the premium.

Claim costs for the various available options were developed to be consistent with those of the policies.

B. Lapse Rates and Mortality

The following annual lapse rates (excluding mortality) were assumed:

<b>Voluntary Lapse Rates – Individuals and Employee-paid Members of Groups</b>			
<b>Policy Duration</b>	<b>Issue Ages &lt;50</b>	<b>Issue Ages 50-64</b>	<b>Issue Ages 65+</b>
1	8.00%	5.50%	4.00%
2	6.00	3.75	3.00
3	4.00	2.50	2.00
4	3.00	1.75	1.75
5	2.50	1.50	1.50
6	2.00	1.25	1.25
7	1.50	1.25	1.25
8+	1.00	1.00	1.00

<b>Voluntary Lapse Rates – Individuals where Employer is Contributing</b>	
<b>Policy Duration</b>	<b>Lapse Rates (All Issue Ages)</b>
1	8.0%
2	5.0
3	5.0
4	4.0
5	3.5
6+ (through age 64)	3.0
Attained ages 65+	1.0

Lapse rates for the limited pay plan was assumed to be half of the above during the premium paying period and were assumed to be 0% once the policy was paid up.

In addition to the above voluntary lapse rates, mortality was assumed. For non-claimant lives, mortality was assumed to be equal to the 1994 Group Annuity Mortality table, with selection applied. Mortality selection was assumed to increase from 0.2 in the first policy year to 0.9 for the tenth and later years. The mortality of claimant lives was assumed to be equal to four times the 1979 - 1981 US Life Mortality Table.

For the purpose of determining reserve factors, the mortality rates were assumed to be the 1994 GAM.

C. Expenses

Expense Assumptions				
Type of Expense	Individual	Multi-life Long Form	Multi-Life Short Form	Unit
Underwriting/ Protective Info	\$142	\$117	\$56	Per Policy Issued: Issue ages 18-54
	\$181	\$148	\$58	Issue ages 55-64
	\$325	\$322	N/A	Issue ages 65-74
	\$1622	\$1193	N/A	Issue ages 75-79+
	4.5%	4.5%	4.5%	Of Premium Issued
Administrative	\$75	\$75	\$75	Per policy per year inflated 3% per year for 20 years
Claims Payment	8.0%	8.0%	8.0%	Of Claims Paid
Premium Taxes	2.0%	2.0%	2.0%	Of Premium
Overhead	3.0%	3.0%	3.0%	Of Premium

D. Commissions/Marketing Expenses

Commissions were assumed to be paid on original premium and not on waived premiums. Actual commission schedules will vary by level of production. The following tables show the average commission plus marketing percentages that were assumed in pricing:

Commissions/Marketing Expenses; Lifetime Pay Individuals and Multi-life*				
Policy Duration	Issue Age			
	0 – 64	65 – 69	70 - 74	75 - 79
1	110.0%	110.0%	110.0%	105.0%
2-10	15.0	15.0	15.0	15.0
11+	6.0	6.0	6.0	6.0

\*For some multi-life sales, where the employer is contributing, the first year commissions are increased 5 points.

For associations, commissions are shown in the table below.

<b>Commissions/Marketing Expenses; Lifetime Pay Association Sales</b>				
<b>Policy Duration</b>	<b>Issue Age</b>			
	<b>0 – 64</b>	<b>65 – 69</b>	<b>70 - 74</b>	<b>75 - 79</b>
1	101.0%	101.0%	101.0%	96.5%
2-10	12.9	12.9	12.9	12.9
11+	5.4	5.4	5.4	5.4

For the limited pay option, renewal commissions and marketing expenses were assumed to be reduced to 3% in years 2+.

E. Distributions

The following issue age distribution of insureds was assumed by gender, inflation option and marital status. Separate distributions are provided for individual sales, sales to multi-life groups where the employee pays, and sales to multi-life groups where the employer contributes to the premium. The distributions were based on actual company sales under its existing policy.

<b>Individual Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	2.3%	0.5%	3.8%	0.0%	0.0%	1.3%	1.2%
<35 – F	2.9	1.2	0.0	3.0	0.0	0.6	1.7
35-39 – M	1.9	1.3	2.1	0.0	0.0	0.6	1.3
35-39 – F	2.4	2.3	0.0	3.0	0.4	0.6	2.0
40-44 – M	2.4	2.5	3.8	9.1	1.0	0.0	2.3
40-44 – F	3.1	3.7	0.0	9.1	0.7	1.3	3.1
45-49 – M	4.9	4.3	5.8	6.1	1.0	3.2	4.2
45-49 – F	5.1	5.5	7.9	0.0	2.0	5.2	5.0
50-54 – M	4.4	5.6	9.6	9.1	2.7	6.5	5.3
50-54 – F	7.5	7.3	9.6	12.1	7.1	9.1	7.7
55-59 – M	5.7	8.3	3.8	6.1	6.9	6.5	7.1
55-59 – F	10.8	9.8	17.5	27.3	10.4	7.8	10.5
60-64 – M	6.9	14.1	9.6	12.1	9.6	15.6	11.5
60-64 – F	14.5	12.5	2.1	0.0	22.8	14.3	13.5
65-69 – M	5.0	8.0	3.8	0.0	6.2	13.0	7.2
65-69 – F	10.5	5.1	18.8	3.0	19.9	11.7	8.6
70-74 – M	2.0	4.7	2.1	0.0	1.7	1.3	3.1
70-74 – F	4.1	2.5	0.0	0.0	4.9	1.3	2.9
75-79 – M	1.5	0.5	0.0	0.0	0.7	0.0	0.8
75-79 – F	2.2	0.3	0.0	0.0	2.0	0.0	1.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Employee-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	2.2%	0.3%	1.6%	0.0%	2.1%	1.4%	1.4%
<35 – F	2.0	2.8	4.8	0.0	2.7	3.3	2.6
35-39 – M	1.6	1.6	1.4	1.1	1.7	2.1	1.7
35-39 – F	3.2	3.1	4.0	4.6	1.8	3.3	3.0
40-44 – M	3.7	3.4	0.9	4.0	3.6	4.5	3.7
40-44 – F	4.7	5.9	3.2	9.2	5.9	3.3	5.1
45-49 – M	3.3	4.6	6.8	1.7	6.1	4.9	4.5
45-49 – F	9.4	7.2	0.4	11.5	6.8	8.2	8.0
50-54 – M	8.0	6.9	10.9	9.9	7.6	5.5	7.2
50-54 – F	14.6	15.6	6.4	18.4	14.0	18.4	15.6
55-59 – M	9.4	9.6	14.2	13.7	8.6	10.8	9.9
55-59 – F	18.3	15.9	18.3	18.4	16.5	18.4	17.3
60-64 – M	5.8	7.9	11.7	5.3	7.0	6.6	6.9
60-64 – F	8.9	8.7	9.1	2.3	11.7	6.6	8.6
65-69 – M	2.3	3.8	3.9	0.0	1.8	1.5	2.5
65-69 – F	2.2	2.3	2.4	0.0	2.1	0.8	1.9
70-74 – M	0.2	0.2	0.0	0.0	0.0	0.2	0.2
70-74 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Employer-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	11.9%	7.6%	18.5%	0.0%	5.8%	2.3%	6.5%
<35 – F	19.5	8.7	0.0	7.4	15.5	2.3	9.6
35-39 – M	5.2	6.0	3.7	5.6	1.9	1.7	3.8
35-39 – F	4.8	6.0	3.7	7.4	7.8	1.7	4.4
40-44 – M	5.2	6.0	0.0	5.6	1.0	4.3	4.4
40-44 – F	7.1	7.6	3.7	11.1	2.9	4.3	5.9
45-49 – M	2.9	7.6	18.5	11.1	6.8	5.7	6.3
45-49 – F	5.7	8.2	0.0	1.9	7.8	7.4	6.6
50-54 – M	4.8	5.4	18.5	13.0	5.8	7.7	7.0
50-54 – F	8.6	6.5	7.4	5.6	4.9	11.0	8.3
55-59 – M	4.3	6.0	7.4	5.6	6.8	14.0	8.4
55-59 – F	6.7	6.5	7.4	9.3	10.7	13.0	9.5
60-64 – M	4.8	7.1	7.4	3.7	3.9	8.4	6.4
60-64 – F	6.2	3.8	0.0	3.7	9.7	7.0	6.0
65-69 – M	0.0	2.7	3.7	5.6	6.8	6.0	3.9
65-69 – F	1.4	3.3	0.0	3.7	1.9	3.0	2.5
70-74 – M	0.5	0.0	0.0	0.0	0.0	0.0	0.1
70-74 – F	0.5	0.5	0.0	0.0	0.0	0.0	0.2
75-79 – M	0.0	0.5	0.0	0.0	0.0	0.0	0.1
75-79 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following sex and marital status distribution was assumed:

<b>Distribution by Marital Status</b>			
<b>Issue Age</b>	<b>% Married</b>		
	<b>Individual</b>	<b>Employee Pay Multi-Life</b>	<b>Employer Pay Multi-Life</b>
30 – 34	37.5%	49.1%	34.0%
35 – 39	56.0%	57.9%	54.2%
40 – 44	63.6%	56.2%	65.9%
45 – 49	60.9%	54.8%	66.4%
50 – 54	63.8%	56.5%	65.7%
55 – 59	61.7%	55.3%	71.3%
60 – 64	63.8%	52.7%	64.2%
65 – 69	56.6%	55.1%	76.8%
70 – 74	59.6%	64.8%	33.3%
75 – 79	21.9%	NA	100.0%
Average	60.0%	55.1%	61.2%

The “Single” category of insureds includes individuals who are married, but only one spouse is insured. The percent married and the married discount pertains only to couples, where both purchase.

Fully underwritten premium rates will be adjusted based on perceived health status of the insured. Three rating categories will be used: Preferred, Standard, and Substandard. The following outlines the assumed distribution of business and corresponding premium rating factors assumed in our pricing.

<b>Distribution of Business by Health Status – Individual</b>		
<b>Rating Category</b>	<b>% of Issues</b>	<b>Rating Factor</b>
Preferred	43.8%	0.90
Standard	49.0%	1.00
Substandard	7.2%	1.40

No preferred, standard and substandard rating classes will be used for sales in the multi-life market.

The following tables provide the distribution of business for benefit options and for optional benefits assumed in the pricing.

<b>Distribution of Business by Benefit Option</b>			
<b>% of Monthly Bank</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
1%	65.5%	64.2%	49.7%
2%	20.2	24.9	35.9
3%	14.4	10.9	14.4

<b>Distribution of Business Selecting Options</b>			
<b>Optional Rider</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
5% Compound Inflation	3.5%	5.5%	9.2%
3% Compound Inflation	17.4%	34.4%	45.8%
Shared Care Rider	15.0%	15.0%	15.0%
Money Back Promise	2.8%	6.5%	4.0%

F. Average Annual Premium

Based upon the above stated distributions, the average annual premium for the policy at issue (including riders) is expected to be \$1401, assuming an average daily benefit of \$100.

G. Investment Income

Investment income was assumed to accrue at the rate of 4.5% per year on reserves, cash flows, and required capital and surplus.

**III. GROSS PREMIUMS**

Gross premiums were computed to pay for benefits and expenses and to provide the desired overall return on equity.

The resulting gross annual premiums for single, standard insureds are attached, separate for males and females. A 30% spouse/domestic partners discount will apply to both husband and wife/partners when both are issued policies. If applicable, the spouse discount will continue throughout the life of the insured.

Fully underwritten policyholders can be classified as preferred risks, or as standard or substandard risks. Preferred rates are 10% lower than standard, and substandard rates are 40% higher than standard.

Rates will be discounted for individuals who are members of groups, with a larger discount applying if the employer contributes to the premium. Rates will also be discounted for individuals who are members of qualifying associations.

No modal factors are used.

Factors are available which would convert the annual premiums into premiums which are paid up after 10 years.

Rates sheets are attached which show the annual premiums for a single, standard insured by benefit period. Factors are then shown which would convert these rates to annual premiums with other optional benefits or for changing the payment parameters. The resulting annual premiums for the particular option selected will be rounded to the nearest dollar.

#### **IV. LOSS RATIO**

The expected lifetime loss ratio, calculated as claims incurred divided by premiums earned, discounted at 3.5%, is 58.3%.

#### **V. CERTIFICATION**

I, Dawn Helwig, am a consulting actuary for Milliman, Inc. and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the current and proposed requirements for filing long-term care insurance premiums.

In my opinion the initial premium rate schedules, based on my review as of June 2013, are sufficient to cover anticipated costs under moderately adverse experience and the premium rate schedules are reasonably expected to be sustainable over the life of the forms with no future premium increases anticipated.

The following moderately adverse assumptions were tested:

- Morbidity increased by 10%
- Lapses reduced by 50%
- Mortality reduced by 20%
- Investment rate reduced by 50 basis points.

The policy was priced to yield a pre-tax profit margin of at least 15%. Each of these assumption changes, taken alone, resulted in a pre-tax profit margin that dropped by less than five percentage points. Any assumption deviation, or combination of assumption changes, that result in the pre-tax profit margin dropping by more than five points could result in a rate increase being needed.

My analysis of moderately adverse assumptions included a review of the projected slope of the claim costs, which was determined to be reasonable. The 10% overall morbidity increase sensitivity was thus the only morbidity change tested.

I have reviewed and taken into consideration the policy design and coverage provided.

I have reviewed and taken into consideration the company's planned underwriting and claims adjudication processes. I have relied upon information provided to me by the company's administrator for a description of these processes. I have reviewed and considered but not audited these procedures.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary.

The reserves to be held will consist of active life reserves, unearned premium reserves, and claim reserves. The contract reserves will be the mid-terminal reserves calculated using a one year preliminary term basis plus the net unearned premium reserves, but never less than the gross unearned premium reserve. The contract reserves anticipated to be held under the form will be calculated using NAIC minimum reserve standards, currently using expected claim costs with selection, lapses based on 80% of the assumed voluntary lapse rate up to 6% in policy year 1, 80% of the assumed voluntary lapse rate up to 4% in policy year 2-4, and 100% of the assumed voluntary lapse rate for years 5+ up to 2%, the mortality table specified in the NAIC minimum reserve standards for health insurance contracts (currently 1994 GAM) and the interest rate specified in the NAIC minimum reserve standards (currently 3.5% - the maximum rate permitted in the valuation of whole life insurance). These assumptions provide reasonable margins for adverse experience.

The net renewal valuation premiums do not increase.

The difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. This condition is not met for each issue age and option, though it is met in aggregate. I believe this is reasonable because the underlying gross premium maintains a reasonably consistent relationship by age. Also, each issue age and option is expected to result in lifetime statutory pre-tax profits, when investment income is incorporated.

LifeSecure Insurance Company  
Long Term Care Policy Form LS-LTC-0004 ST 01/13 et al  
Actuarial Memorandum  
July 31, 2013  
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The premium rate schedule for this policy is not less than the premium rate schedule for existing similar policy forms also available from the carrier.

*Dawn E. Helwig*

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Dawn E. Helwig, F.S.A., M.A.A.A.  
Member, American Academy of Actuaries

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LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Standard Risks\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$414	\$346	\$294	\$620	\$518	\$442
31	423	353	300	635	529	450
32	434	361	306	650	541	458
33	444	369	312	666	553	468
34	454	376	318	682	564	476
35	465	384	323	697	576	485
36	474	392	330	712	588	494
37	485	400	335	727	600	503
38	499	410	344	749	616	516
39	514	422	352	770	632	528
40	528	433	361	792	649	541
41	542	444	370	814	666	554
42	557	455	378	835	683	566
43	574	469	389	862	703	583
44	592	482	399	888	724	599
45	610	497	410	914	745	616
46	627	510	421	941	766	631
47	646	524	432	968	786	648
48	671	545	448	1,007	817	672
49	697	565	463	1,045	847	695
50	722	585	479	1,084	877	719
51	748	605	495	1,122	907	743
52	774	625	511	1,160	937	767
53	810	655	535	1,216	983	803
54	847	685	560	1,271	1,027	840
55	884	714	584	1,326	1,072	876
56	921	744	608	1,381	1,116	912
57	958	774	633	1,436	1,160	949
58	1,031	832	678	1,547	1,248	1,018
59	1,106	890	724	1,658	1,336	1,086
60	1,179	949	770	1,769	1,423	1,154
61	1,253	1,006	815	1,879	1,510	1,223
62	1,326	1,065	861	1,990	1,597	1,291
63	1,448	1,162	938	2,172	1,742	1,408
64	1,569	1,258	1,017	2,353	1,888	1,525
65	1,690	1,356	1,094	2,536	2,034	1,642
66	1,812	1,453	1,172	2,718	2,179	1,758
67	1,933	1,550	1,250	2,899	2,324	1,874
68	2,276	1,822	1,466	3,414	2,732	2,198
69	2,619	2,094	1,682	3,929	3,140	2,522
70	2,962	2,365	1,898	4,444	3,547	2,846
71	3,306	2,637	2,114	4,958	3,955	3,170
72	3,649	2,909	2,330	5,473	4,363	3,494
73	4,282	3,409	2,724	6,424	5,113	4,086
74	4,915	3,910	3,118	7,373	5,864	4,678
75	5,549	4,410	3,513	8,323	6,614	5,269
76	6,182	4,910	3,907	9,272	7,364	5,861
77	6,815	5,410	4,302	10,223	8,116	6,452
78	7,274	5,793	4,615	10,912	8,689	6,923
79	7,734	6,175	4,928	11,600	9,263	7,392

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Standard Risks\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,055	\$881	\$751	\$1,730	\$1,445	\$1,231
31	1,067	890	757	1,750	1,459	1,241
32	1,081	900	762	1,773	1,476	1,250
33	1,095	909	769	1,795	1,491	1,262
34	1,108	917	774	1,816	1,503	1,270
35	1,120	925	779	1,837	1,517	1,277
36	1,134	937	788	1,860	1,537	1,292
37	1,145	945	792	1,878	1,550	1,299
38	1,165	958	803	1,911	1,571	1,317
39	1,184	972	812	1,943	1,595	1,331
40	1,203	986	822	1,973	1,617	1,348
41	1,220	999	832	2,001	1,638	1,364
42	1,242	1,016	843	2,037	1,666	1,382
43	1,265	1,033	857	2,075	1,694	1,405
44	1,288	1,049	868	2,112	1,721	1,424
45	1,309	1,067	881	2,146	1,749	1,445
46	1,329	1,081	892	2,179	1,774	1,462
47	1,350	1,095	903	2,214	1,797	1,481
48	1,384	1,124	924	2,270	1,843	1,515
49	1,424	1,154	947	2,335	1,893	1,553
50	1,456	1,179	966	2,388	1,933	1,584
51	1,487	1,202	984	2,438	1,971	1,614
52	1,516	1,224	1,002	2,486	2,008	1,643
53	1,565	1,265	1,034	2,567	2,075	1,695
54	1,612	1,303	1,066	2,644	2,137	1,748
55	1,658	1,340	1,095	2,718	2,197	1,796
56	1,709	1,381	1,129	2,803	2,265	1,851
57	1,751	1,414	1,157	2,871	2,319	1,897
58	1,856	1,498	1,221	3,044	2,456	2,003
59	1,959	1,578	1,283	3,213	2,587	2,104
60	2,056	1,654	1,342	3,372	2,713	2,201
61	2,149	1,727	1,399	3,525	2,832	2,294
62	2,251	1,807	1,461	3,691	2,963	2,395
63	2,416	1,938	1,566	3,963	3,179	2,568
64	2,574	2,065	1,668	4,221	3,386	2,736
65	2,726	2,187	1,765	4,470	3,586	2,894
66	2,871	2,302	1,857	4,708	3,775	3,045
67	3,008	2,412	1,945	4,933	3,955	3,189
68	3,414	2,732	2,198	5,599	4,481	3,605
69	3,781	3,023	2,428	6,202	4,957	3,982
70	4,138	3,303	2,651	6,786	5,417	4,347
71	4,432	3,535	2,834	7,268	5,797	4,647
72	4,686	3,736	2,992	7,686	6,127	4,907
73	5,380	4,282	3,422	8,823	7,023	5,612
74	6,083	4,838	3,859	9,975	7,935	6,329
75	6,763	5,374	4,281	11,091	8,814	7,021
76	7,418	5,892	4,689	12,165	9,662	7,689
77	7,987	6,340	5,041	13,098	10,398	8,267
78	8,456	6,734	5,365	13,869	11,044	8,799
79	8,845	7,063	5,636	14,506	11,583	9,244

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Standard Risks\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,132	\$1,781	\$1,517	\$3,806	\$3,181	\$2,709
31	2,148	1,790	1,523	3,835	3,197	2,719
32	2,163	1,799	1,524	3,862	3,213	2,722
33	2,179	1,810	1,532	3,892	3,233	2,735
34	2,191	1,813	1,531	3,912	3,237	2,734
35	2,204	1,821	1,533	3,936	3,252	2,737
36	2,208	1,825	1,534	3,943	3,259	2,740
37	2,219	1,831	1,534	3,962	3,269	2,739
38	2,241	1,842	1,544	4,001	3,290	2,757
39	2,265	1,859	1,552	4,045	3,320	2,772
40	2,282	1,871	1,560	4,076	3,341	2,785
41	2,302	1,884	1,568	4,110	3,365	2,801
42	2,314	1,892	1,569	4,133	3,378	2,803
43	2,342	1,912	1,585	4,182	3,413	2,831
44	2,362	1,925	1,593	4,218	3,437	2,844
45	2,384	1,943	1,605	4,258	3,470	2,866
46	2,398	1,952	1,609	4,283	3,485	2,873
47	2,418	1,962	1,618	4,317	3,504	2,889
48	2,455	1,993	1,639	4,384	3,558	2,926
49	2,494	2,021	1,658	4,453	3,609	2,960
50	2,522	2,042	1,673	4,504	3,646	2,988
51	2,553	2,064	1,690	4,558	3,686	3,018
52	2,572	2,077	1,700	4,593	3,710	3,035
53	2,631	2,127	1,737	4,698	3,798	3,102
54	2,676	2,163	1,769	4,779	3,863	3,159
55	2,723	2,200	1,799	4,862	3,929	3,212
56	2,755	2,226	1,819	4,921	3,976	3,249
57	2,790	2,254	1,844	4,983	4,025	3,293
58	2,914	2,351	1,917	5,204	4,199	3,424
59	3,038	2,446	1,989	5,424	4,369	3,552
60	3,137	2,524	2,047	5,601	4,507	3,656
61	3,234	2,598	2,104	5,775	4,639	3,758
62	3,308	2,655	2,147	5,907	4,742	3,833
63	3,497	2,805	2,266	6,245	5,009	4,047
64	3,651	2,929	2,367	6,520	5,230	4,226
65	3,801	3,049	2,461	6,788	5,445	4,395
66	3,916	3,140	2,533	6,993	5,607	4,523
67	4,025	3,227	2,602	7,188	5,763	4,647
68	4,501	3,602	2,898	8,037	6,433	5,175
69	4,927	3,939	3,164	8,799	7,033	5,649
70	5,288	4,221	3,387	9,443	7,538	6,049
71	5,582	4,453	3,569	9,968	7,952	6,374
72	5,779	4,607	3,690	10,319	8,226	6,588
73	6,595	5,250	4,195	11,777	9,374	7,491
74	7,311	5,816	4,639	13,056	10,385	8,283
75	7,963	6,328	5,041	14,219	11,300	9,002
76	8,600	6,830	5,436	15,357	12,197	9,707
77	9,124	7,243	5,759	16,293	12,934	10,284
78	9,484	7,552	6,017	16,936	13,486	10,745
79	9,812	7,835	6,252	17,521	13,991	11,165

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$410	\$343	\$291	\$614	\$513	\$438
31	419	349	297	629	524	446
32	430	357	303	644	536	453
33	440	365	309	659	547	463
34	449	372	315	675	558	471
35	460	380	320	690	570	480
36	469	388	327	705	582	489
37	480	396	332	720	594	498
38	494	406	341	742	610	511
39	509	418	348	762	626	523
40	523	429	357	784	643	536
41	537	440	366	806	659	548
42	551	450	374	827	676	560
43	568	464	385	853	696	577
44	586	477	395	879	717	593
45	604	492	406	905	738	610
46	621	505	417	932	758	625
47	640	519	428	958	778	642
48	664	540	444	997	809	665
49	690	559	458	1,035	839	688
50	715	579	474	1,073	868	712
51	741	599	490	1,111	898	736
52	766	619	506	1,148	928	759
53	802	648	530	1,204	973	795
54	839	678	554	1,258	1,017	832
55	875	707	578	1,313	1,061	867
56	912	737	602	1,367	1,105	903
57	948	766	627	1,422	1,148	940
58	1,021	824	671	1,532	1,236	1,008
59	1,095	881	717	1,641	1,323	1,075
60	1,167	940	762	1,751	1,409	1,142
61	1,240	996	807	1,860	1,495	1,211
62	1,313	1,054	852	1,970	1,581	1,278
63	1,434	1,150	929	2,150	1,725	1,394
64	1,553	1,245	1,007	2,329	1,869	1,510
65	1,673	1,342	1,083	2,511	2,014	1,626
66	1,794	1,438	1,160	2,691	2,157	1,740
67	1,914	1,535	1,238	2,870	2,301	1,855
68	2,253	1,804	1,451	3,380	2,705	2,176
69	2,593	2,073	1,665	3,890	3,109	2,497
70	2,932	2,341	1,879	4,400	3,512	2,818
71	3,273	2,611	2,093	4,908	3,915	3,138
72	3,613	2,880	2,307	5,418	4,319	3,459
73	4,239	3,375	2,697	6,360	5,062	4,045
74	4,866	3,871	3,087	7,299	5,805	4,631
75	5,494	4,366	3,478	8,240	6,548	5,216
76	6,120	4,861	3,868	9,179	7,290	5,802
77	6,747	5,356	4,259	10,121	8,035	6,387
78	7,201	5,735	4,569	10,803	8,602	6,854
79	7,657	6,113	4,879	11,484	9,170	7,318

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

**\*\* Employer Pay Factor:**

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

\* Applicability of multi-life rates are subject to certain group size and participation requirements.

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,044	\$872	\$743	\$1,713	\$1,431	\$1,219
31	1,056	881	749	1,733	1,444	1,229
32	1,070	891	754	1,755	1,461	1,238
33	1,084	900	761	1,777	1,476	1,249
34	1,097	908	766	1,798	1,488	1,257
35	1,109	916	771	1,819	1,502	1,264
36	1,123	928	780	1,841	1,522	1,279
37	1,134	936	784	1,859	1,535	1,286
38	1,153	948	795	1,892	1,555	1,304
39	1,172	962	804	1,924	1,579	1,318
40	1,191	976	814	1,953	1,601	1,335
41	1,208	989	824	1,981	1,622	1,350
42	1,230	1,006	835	2,017	1,649	1,368
43	1,252	1,023	848	2,054	1,677	1,391
44	1,275	1,039	859	2,091	1,704	1,410
45	1,296	1,056	872	2,125	1,732	1,431
46	1,316	1,070	883	2,157	1,756	1,447
47	1,337	1,084	894	2,192	1,779	1,466
48	1,370	1,113	915	2,247	1,825	1,500
49	1,410	1,142	938	2,312	1,874	1,537
50	1,441	1,167	956	2,364	1,914	1,568
51	1,472	1,190	974	2,414	1,951	1,598
52	1,501	1,212	992	2,461	1,988	1,627
53	1,549	1,252	1,024	2,541	2,054	1,678
54	1,596	1,290	1,055	2,618	2,116	1,731
55	1,641	1,327	1,084	2,691	2,175	1,778
56	1,692	1,367	1,118	2,775	2,242	1,832
57	1,733	1,400	1,145	2,842	2,296	1,878
58	1,837	1,483	1,209	3,014	2,431	1,983
59	1,939	1,562	1,270	3,181	2,561	2,083
60	2,035	1,637	1,329	3,338	2,686	2,179
61	2,128	1,710	1,385	3,490	2,804	2,271
62	2,228	1,789	1,446	3,654	2,933	2,371
63	2,392	1,919	1,550	3,923	3,147	2,542
64	2,548	2,044	1,651	4,179	3,352	2,709
65	2,699	2,165	1,747	4,425	3,550	2,865
66	2,842	2,279	1,838	4,661	3,737	3,015
67	2,978	2,388	1,926	4,884	3,915	3,157
68	3,380	2,705	2,176	5,543	4,436	3,569
69	3,743	2,993	2,404	6,140	4,907	3,942
70	4,097	3,270	2,624	6,718	5,363	4,304
71	4,388	3,500	2,806	7,195	5,739	4,601
72	4,639	3,699	2,962	7,609	6,066	4,858
73	5,326	4,239	3,388	8,735	6,953	5,556
74	6,022	4,790	3,820	9,875	7,856	6,266
75	6,695	5,320	4,238	10,980	8,726	6,951
76	7,344	5,833	4,642	12,043	9,565	7,612
77	7,907	6,277	4,991	12,967	10,294	8,184
78	8,371	6,667	5,311	13,730	10,934	8,711
79	8,757	6,992	5,580	14,361	11,467	9,152

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

**\*\* Employer Pay Factor:**

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,111	\$1,763	\$1,502	\$3,768	\$3,149	\$2,682
31	2,127	1,772	1,508	3,797	3,165	2,692
32	2,141	1,781	1,509	3,823	3,181	2,695
33	2,157	1,792	1,517	3,853	3,201	2,708
34	2,169	1,795	1,516	3,873	3,205	2,707
35	2,182	1,803	1,518	3,897	3,219	2,710
36	2,186	1,807	1,519	3,904	3,226	2,713
37	2,197	1,813	1,519	3,922	3,236	2,712
38	2,219	1,824	1,529	3,961	3,257	2,729
39	2,242	1,840	1,536	4,005	3,287	2,744
40	2,259	1,852	1,544	4,035	3,308	2,757
41	2,279	1,865	1,552	4,069	3,331	2,773
42	2,291	1,873	1,553	4,092	3,344	2,775
43	2,319	1,893	1,569	4,140	3,379	2,803
44	2,338	1,906	1,577	4,176	3,403	2,816
45	2,360	1,924	1,589	4,215	3,435	2,837
46	2,374	1,932	1,593	4,240	3,450	2,844
47	2,394	1,942	1,602	4,274	3,469	2,860
48	2,430	1,973	1,623	4,340	3,522	2,897
49	2,469	2,001	1,641	4,408	3,573	2,930
50	2,497	2,022	1,656	4,459	3,610	2,958
51	2,527	2,043	1,673	4,512	3,649	2,988
52	2,546	2,056	1,683	4,547	3,673	3,005
53	2,605	2,106	1,720	4,651	3,760	3,071
54	2,649	2,141	1,751	4,731	3,824	3,127
55	2,696	2,178	1,781	4,813	3,890	3,180
56	2,727	2,204	1,801	4,872	3,936	3,217
57	2,762	2,231	1,826	4,933	3,985	3,260
58	2,885	2,327	1,898	5,152	4,157	3,390
59	3,008	2,422	1,969	5,370	4,325	3,516
60	3,106	2,499	2,027	5,545	4,462	3,619
61	3,202	2,572	2,083	5,717	4,593	3,720
62	3,275	2,628	2,126	5,848	4,695	3,795
63	3,462	2,777	2,243	6,183	4,959	4,007
64	3,614	2,900	2,343	6,455	5,178	4,184
65	3,763	3,019	2,436	6,720	5,391	4,351
66	3,877	3,109	2,508	6,923	5,551	4,478
67	3,985	3,195	2,576	7,116	5,705	4,601
68	4,456	3,566	2,869	7,957	6,369	5,123
69	4,878	3,900	3,132	8,711	6,963	5,593
70	5,235	4,179	3,353	9,349	7,463	5,989
71	5,526	4,408	3,533	9,868	7,872	6,310
72	5,721	4,561	3,653	10,216	8,144	6,522
73	6,529	5,198	4,153	11,659	9,280	7,416
74	7,238	5,758	4,593	12,925	10,281	8,200
75	7,883	6,265	4,991	14,077	11,187	8,912
76	8,514	6,762	5,382	15,203	12,075	9,610
77	9,033	7,171	5,701	16,130	12,805	10,181
78	9,389	7,476	5,957	16,767	13,351	10,638
79	9,714	7,757	6,189	17,346	13,851	11,053

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

\*\* Employer Pay Factor:

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$393	\$329	\$279	\$589	\$492	\$420
31	402	335	285	603	503	428
32	412	343	291	618	514	435
33	422	351	296	633	525	445
34	431	357	302	648	536	452
35	442	365	307	662	547	461
36	450	372	314	676	559	469
37	461	380	318	691	570	478
38	474	390	327	712	585	490
39	488	401	334	732	600	502
40	502	411	343	752	617	514
41	515	422	352	773	633	526
42	529	432	359	793	649	538
43	545	446	370	819	668	554
44	562	458	379	844	688	569
45	580	472	390	868	708	585
46	596	485	400	894	728	599
47	614	498	410	920	747	616
48	637	518	426	957	776	638
49	662	537	440	993	805	660
50	686	556	455	1,030	833	683
51	711	575	470	1,066	862	706
52	735	594	485	1,102	890	729
53	770	622	508	1,155	934	763
54	805	651	532	1,207	976	798
55	840	678	555	1,260	1,018	832
56	875	707	578	1,312	1,060	866
57	910	735	601	1,364	1,102	902
58	979	790	644	1,470	1,186	967
59	1,051	846	688	1,575	1,269	1,032
60	1,120	902	732	1,681	1,352	1,096
61	1,190	956	774	1,785	1,435	1,162
62	1,260	1,012	818	1,891	1,517	1,226
63	1,376	1,104	891	2,063	1,655	1,338
64	1,491	1,195	966	2,235	1,794	1,449
65	1,606	1,288	1,039	2,409	1,932	1,560
66	1,721	1,380	1,113	2,582	2,070	1,670
67	1,836	1,473	1,188	2,754	2,208	1,780
68	2,162	1,731	1,393	3,243	2,595	2,088
69	2,488	1,989	1,598	3,733	2,983	2,396
70	2,814	2,247	1,803	4,222	3,370	2,704
71	3,141	2,505	2,008	4,710	3,757	3,012
72	3,467	2,764	2,214	5,199	4,145	3,319
73	4,068	3,239	2,588	6,103	4,857	3,882
74	4,669	3,715	2,962	7,004	5,571	4,444
75	5,272	4,190	3,337	7,907	6,283	5,006
76	5,873	4,665	3,712	8,808	6,996	5,568
77	6,474	5,140	4,087	9,712	7,710	6,129
78	6,910	5,503	4,384	10,366	8,255	6,577
79	7,347	5,866	4,682	11,020	8,800	7,022

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,002	\$837	\$713	\$1,644	\$1,373	\$1,169
31	1,014	846	719	1,663	1,386	1,179
32	1,027	855	724	1,684	1,402	1,188
33	1,040	864	731	1,705	1,416	1,199
34	1,053	871	735	1,725	1,428	1,207
35	1,064	879	740	1,745	1,441	1,213
36	1,077	890	749	1,767	1,460	1,227
37	1,088	898	752	1,784	1,473	1,234
38	1,107	910	763	1,815	1,492	1,251
39	1,125	923	771	1,846	1,515	1,264
40	1,143	937	781	1,874	1,536	1,281
41	1,159	949	790	1,901	1,556	1,296
42	1,180	965	801	1,935	1,583	1,313
43	1,202	981	814	1,971	1,609	1,335
44	1,224	997	825	2,006	1,635	1,353
45	1,244	1,014	837	2,039	1,662	1,373
46	1,263	1,027	847	2,070	1,685	1,389
47	1,283	1,040	858	2,103	1,707	1,407
48	1,315	1,068	878	2,157	1,751	1,439
49	1,353	1,096	900	2,218	1,798	1,475
50	1,383	1,120	918	2,269	1,836	1,505
51	1,413	1,142	935	2,316	1,872	1,533
52	1,440	1,163	952	2,362	1,908	1,561
53	1,487	1,202	982	2,439	1,971	1,610
54	1,531	1,238	1,013	2,512	2,030	1,661
55	1,575	1,273	1,040	2,582	2,087	1,706
56	1,624	1,312	1,073	2,663	2,152	1,758
57	1,663	1,343	1,099	2,727	2,203	1,802
58	1,763	1,423	1,160	2,892	2,333	1,903
59	1,861	1,499	1,219	3,052	2,458	1,999
60	1,953	1,571	1,275	3,203	2,577	2,091
61	2,042	1,641	1,329	3,349	2,690	2,179
62	2,138	1,717	1,388	3,506	2,815	2,275
63	2,295	1,841	1,488	3,765	3,020	2,440
64	2,445	1,962	1,585	4,010	3,217	2,599
65	2,590	2,078	1,677	4,247	3,407	2,749
66	2,727	2,187	1,764	4,473	3,586	2,893
67	2,858	2,291	1,848	4,686	3,757	3,030
68	3,243	2,595	2,088	5,319	4,257	3,425
69	3,592	2,872	2,307	5,892	4,709	3,783
70	3,931	3,138	2,518	6,447	5,146	4,130
71	4,210	3,358	2,692	6,905	5,507	4,415
72	4,452	3,549	2,842	7,302	5,821	4,662
73	5,111	4,068	3,251	8,382	6,672	5,331
74	5,779	4,596	3,666	9,476	7,538	6,013
75	6,425	5,105	4,067	10,536	8,373	6,670
76	7,047	5,597	4,455	11,557	9,179	7,305
77	7,588	6,023	4,789	12,443	9,878	7,854
78	8,033	6,397	5,097	13,176	10,492	8,359
79	8,403	6,710	5,354	13,781	11,004	8,782

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,025	\$1,692	\$1,441	\$3,616	\$3,022	\$2,574
31	2,041	1,701	1,447	3,643	3,037	2,583
32	2,055	1,709	1,448	3,669	3,052	2,586
33	2,070	1,720	1,455	3,697	3,071	2,598
34	2,081	1,722	1,454	3,716	3,075	2,597
35	2,094	1,730	1,456	3,739	3,089	2,600
36	2,098	1,734	1,457	3,746	3,096	2,603
37	2,108	1,739	1,457	3,764	3,106	2,602
38	2,129	1,750	1,467	3,801	3,126	2,619
39	2,152	1,766	1,474	3,843	3,154	2,633
40	2,168	1,777	1,482	3,872	3,174	2,646
41	2,187	1,790	1,490	3,905	3,197	2,661
42	2,198	1,797	1,491	3,926	3,209	2,663
43	2,225	1,816	1,506	3,973	3,242	2,689
44	2,244	1,829	1,513	4,007	3,265	2,702
45	2,265	1,846	1,525	4,045	3,297	2,723
46	2,278	1,854	1,529	4,069	3,311	2,729
47	2,297	1,864	1,537	4,101	3,329	2,745
48	2,332	1,893	1,557	4,165	3,380	2,780
49	2,369	1,920	1,575	4,230	3,429	2,812
50	2,396	1,940	1,589	4,279	3,464	2,839
51	2,425	1,961	1,606	4,330	3,502	2,867
52	2,443	1,973	1,615	4,363	3,525	2,883
53	2,499	2,021	1,650	4,463	3,608	2,947
54	2,542	2,055	1,681	4,540	3,670	3,001
55	2,587	2,090	1,709	4,619	3,733	3,051
56	2,617	2,115	1,728	4,675	3,777	3,087
57	2,651	2,141	1,752	4,734	3,824	3,128
58	2,768	2,233	1,821	4,944	3,989	3,253
59	2,886	2,324	1,890	5,153	4,151	3,374
60	2,980	2,398	1,945	5,321	4,282	3,473
61	3,072	2,468	1,999	5,486	4,407	3,570
62	3,143	2,522	2,040	5,612	4,505	3,641
63	3,322	2,665	2,153	5,933	4,759	3,845
64	3,468	2,783	2,249	6,194	4,969	4,015
65	3,611	2,897	2,338	6,449	5,173	4,175
66	3,720	2,983	2,406	6,643	5,327	4,297
67	3,824	3,066	2,472	6,829	5,475	4,415
68	4,276	3,422	2,753	7,635	6,111	4,916
69	4,681	3,742	3,006	8,359	6,681	5,367
70	5,024	4,010	3,218	8,971	7,161	5,747
71	5,303	4,230	3,391	9,470	7,554	6,055
72	5,490	4,377	3,506	9,803	7,815	6,259
73	6,265	4,988	3,985	11,188	8,905	7,116
74	6,945	5,525	4,407	12,403	9,866	7,869
75	7,565	6,012	4,789	13,508	10,735	8,552
76	8,170	6,489	5,164	14,589	11,587	9,222
77	8,668	6,881	5,471	15,478	12,287	9,770
78	9,010	7,174	5,716	16,089	12,812	10,208
79	9,321	7,443	5,939	16,645	13,291	10,607

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Premium with Limited Pay Option**

<b>Issue Age</b>	<b>Limited Pay Option: 10 Pay</b>
30 and under	4.37
31	4.34
32	4.30
33	4.26
34	4.23
35	4.19
36	4.16
37	4.12
38	4.03
39	3.94
40	3.86
41	3.77
42	3.68
43	3.58
44	3.48
45	3.38
46	3.28
47	3.18
48	3.12
49	3.05
50	2.99
51	2.92
52	2.86
53	2.79
54	2.72
55	2.65
56	2.58
57	2.51
58	2.40
59	2.29
60	2.19
61	2.08
62	1.97
63	1.91
64	1.85
65	1.80
66	1.74
67	1.68
68	1.60
69	1.52
70	1.44
71	1.36
72	1.28
73	1.24
74	1.21
75	1.17
76	1.14
77	1.10
78	1.10
79	1.10

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option**

Issue Age	Money Back Guarantee Rider (Return of Premium on Death) LS-LTC-MBP-R ST 01/13	Lapse Protection Benefit Rider (NAIC Shortened BP) LS-LTC-LPB-R ST 01/13
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Shared Care**

**Shared Care Rider**  
**LS-LTS-SCB-R ST 01/13**

<u>Benefit Pool</u>	<u>Factor</u>
100 months (8.3 years)	1.03
50 months (4.2 years)	1.13
33 months (2.8 years)	1.20

**LifeSecure Insurance Company**  
Long Term Care Policy Form LS-LTC-0005 ST 01/13  
Rider Forms LS-LTC-3P-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-LPB-R  
ST 01/13, LS-LTC-MBP-R ST 01/13, and LS-LTC-SCB-R ST 01/13

ACTUARIAL MEMORANDUM

**I. PLAN DESCRIPTION**

This policy is an individual, guaranteed renewable form providing benefits for long term care. The policy is intended to be tax-qualified and includes rates for use with employer-based groups whose members are list billed or marketed together and for associations. Several options are available, including 3% and 5% compound inflation, money back promise option, lapse protection benefit option, contingent non-forfeiture benefit option, guaranteed purchase option, and shared care.

A. Benefits

The elimination period is 90 calendar days. The benefit period is administered on a “pool of money” basis, with a lifetime benefit amount available. Three possible maximum monthly benefit/lifetime benefit amount configurations will be available: one where the maximum monthly benefit is 1% of the lifetime benefit amount, one where it is 2%, and one where it is 3%. These three possible configurations result in inherent benefit periods of 100 months (8.3 years), 50 months (4.2 years), or 33 months (2.8 years), respectively.

Benefits are payable when the insured becomes disabled in two out of six Activities of Daily Living (ADL’s) for 90 days, or when he becomes severely cognitively impaired. The six ADL’s are: bathing, dressing, continence, eating, toileting and transferring. In order to be considered impaired in an ADL, a person must need substantial human assistance or supervision. Services must be provided pursuant to a Plan of Care.

The following describes the base plan and optional rider benefits provided by the policy:

Base Policy

- Pool of money approach: insured has lifetime benefit amount to use as needed.
- Maximum monthly benefit equals 1, 2, or 3% of lifetime benefit amount

- All nursing home, assisted living facility (ALF), and formal home care benefits are expense incurred subject to the monthly maximum. Bed reservation is included in the nursing home and ALF benefit.
- Informal caregiver benefits will also be paid, through a “Flexible Benefit”, assuming the benefit triggers are met and that the benefits provided are contained in the person’s Plan of Care. Usual and customary expenses will be paid. Informal caregiver benefits are paid with 50% of the remaining monthly benefit maximum, after formal care expenses have been paid. If no formal care was received and the benefit triggers have been met, the insured will have 50% of their monthly benefit maximum available for informal care.
- Caregiver training, home modification, and other ancillary benefits can be paid out of the Flexible Benefit, subject to the 50% of remaining monthly maximum limit.
- International benefit is provided which pays for 1-year of care, on an indemnity basis, at 100% of the monthly benefit for nursing facility care or at 50% of the monthly benefit for home care.
- Waiver of premium after the 90-day elimination period (not payable if international benefit is being paid).
- Endorsements LS-LTC-CNB-E ST 01/13 and LS-LTC-LPOCNB-E ST 01/13 provide the contingent non-forfeiture benefit (i.e., a shortened benefit period non-forfeiture option is provided if there is a substantial increase in premiums).
- Guaranteed future purchase endorsement (LS-LTC-GPO-E ST 01/13) is included if no other inflation is selected. An additional 15% of the current benefit will be offered every 3 years, until the insured reaches age 80, with the additional premium based on the person’s attained age at the time.

#### Optional Riders

- Rider LS-LTC-5P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 5% per year, compounded, for life.
- Rider LS-LTC-3P-R ST 01/13: Inflation benefit where monthly maximum

and remaining lifetime benefit amount are both increased by 3% per year, compounded, for life.

- Rider LS-LTC-LPB-R ST 01/13: Lapse protection benefit rider, which provides the NAIC mandated shortened benefit non-forfeiture option.
- Rider LS-LTC-SCB-R ST 01/13: Shared care benefit rider. This rider must be sold to two spouses or domestic partners who are purchasing the same coverage. When either spouse's lifetime maximum is depleted, he is allowed to use benefits under the lifetime maximum of his spouse's pool (subject to leaving 365 days untouched while the spouse is alive).
- Rider LS-LTC-MBP-R ST 01/13: Money back promise rider, which provides a return of premiums paid on death. This return is 0% in the first four policy years, 25% in policy years 5-9, 50% in years 10-14, and 75% in years 15+. Cumulative premiums, less benefits paid, times the durational factor are returned on policyholder death. There is no age maximum.

B. Exclusions and Limitations

The policy will not pay benefits for care, treatment, services or charges:

- for a loss that occurs while this Policy is not in force;
- for alcoholism or drug addiction (except for an addiction to a prescribed medication administered on the advice of a Physician);
- due to declared or undeclared war or act of war;
- due to participation in a felony, riot or insurrection or involvement in an illegal occupation;
- due to suicide, attempted suicide or intentionally self-inflicted injury;
- that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount;
- that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law;
- provided outside the United States, Canada or their territories or possessions, except as provided under the International Coverage Benefit;
- for which no charge is made in the absence of insurance, except as provided under the Flexible Benefit; or
- provided by an Immediate Family member (except as provided under the Flexible Benefit), unless:

- he or she is a regular employee of an organization which is providing the care, treatment or service;
- he or she receives no compensation other than the normal compensation for employees in his or her job category; and
- the organization receives the payment for the care, treatment, service or charge.

C. Issue Ages

Policies can be issued from ages 18 - 79.

D. Marketing and Underwriting

The policy will be marketed to individuals, to members of employer-based groups that will be list-billed and/or marketed together, and to members of associations, through direct agents and brokers. Applicants will be home-office underwritten, based on questions on the application and protective information, such as telephone interviews, face-to-face assessments, medical records, cognitive screening, MIB Inc. screening and prescription drug histories. Simplified underwriting may be used for some employer-based groups, based on group size and participation level.

**II. ASSUMPTIONS**

A. Claim Costs

Claim costs based on Milliman's *2011 Long Term Care Cost Guidelines* were utilized. The basis for the cost guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman actuaries.

To these claim costs, durational select factors were applied to allow for the impact of underwriting. Durational select factors vary by married and single applicants, to reflect the different morbidity experienced by those two groups. Different selection factors were used for sales made using simplified underwriting and for sales to groups where the employer contributes to the premium.

Claim costs for the various available options were developed to be consistent with those of the policies.

B. Lapse Rates and Mortality

The following annual lapse rates (excluding mortality) were assumed:

<b>Voluntary Lapse Rates – Individuals and Employee-paid Members of Groups</b>			
<b>Policy Duration</b>	<b>Issue Ages &lt;50</b>	<b>Issue Ages 50-64</b>	<b>Issue Ages 65+</b>
1	8.00%	5.50%	4.00%
2	6.00	3.75	3.00
3	4.00	2.50	2.00
4	3.00	1.75	1.75
5	2.50	1.50	1.50
6	2.00	1.25	1.25
7	1.50	1.25	1.25
8+	1.00	1.00	1.00

<b>Voluntary Lapse Rates – Individuals where Employer is Contributing</b>	
<b>Policy Duration</b>	<b>Lapse Rates (All Issue Ages)</b>
1	8.0%
2	5.0
3	5.0
4	4.0
5	3.5
6+ (through age 64)	3.0
Attained ages 65+	1.0

Lapse rates for the limited pay plan was assumed to be half of the above during the premium paying period and were assumed to be 0% once the policy was paid up.

In addition to the above voluntary lapse rates, mortality was assumed. For non-claimant lives, mortality was assumed to be equal to the 1994 Group Annuity Mortality table, with selection applied. Mortality selection was assumed to increase from 0.2 in the first policy year to 0.9 for the tenth and later years. The mortality of claimant lives was assumed to be equal to four times the 1979 - 1981 US Life Mortality Table.

For the purpose of determining reserve factors, the mortality rates were assumed to be the 1994 GAM.

C. Expenses

Expense Assumptions				
Type of Expense	Individual	Multi-life Long Form	Multi-Life Short Form	Unit
Underwriting/ Protective Info	\$142	\$117	\$56	Per Policy Issued:
	\$181	\$148	\$58	Issue ages 18-54
	\$325	\$322	N/A	Issue ages 55-64
	\$1622	\$1193	N/A	Issue ages 65-74
				Issue ages 75-79+
	4.5%	4.5%	4.5%	Of Premium Issued
Administrative	\$75	\$75	\$75	Per policy per year inflated 3% per year for 20 years
Claims Payment	8.0%	8.0%	8.0%	Of Claims Paid
Premium Taxes	2.0%	2.0%	2.0%	Of Premium
Overhead	3.0%	3.0%	3.0%	Of Premium

D. Commissions/Marketing Expenses

Commissions were assumed to be paid on original premium and not on waived premiums. Actual commission schedules will vary by level of production. The following tables show the average commission plus marketing percentages that were assumed in pricing:

Commissions/Marketing Expenses; Lifetime Pay Individuals and Multi-life*				
Policy Duration	Issue Age			
	0 – 64	65 – 69	70 - 74	75 - 79
1	110.0%	110.0%	110.0%	105.0%
2-10	15.0	15.0	15.0	15.0
11+	6.0	6.0	6.0	6.0

\*For some multi-life sales, where the employer is contributing, the first year commissions are increased 5 points.

For associations, commissions are shown in the table below.

<b>Commissions/Marketing Expenses; Lifetime Pay Association Sales</b>				
<b>Policy Duration</b>	<b>Issue Age</b>			
	<b>0 – 64</b>	<b>65 – 69</b>	<b>70 - 74</b>	<b>75 - 79</b>
1	101.0%	101.0%	101.0%	96.5%
2-10	12.9	12.9	12.9	12.9
11+	5.4	5.4	5.4	5.4

For the limited pay option, renewal commissions and marketing expenses were assumed to be reduced to 3% in years 2+.

E. Distributions

The following issue age distribution of insureds was assumed by gender, inflation option and marital status. Separate distributions are provided for individual sales, sales to multi-life groups where the employee pays, and sales to multi-life groups where the employer contributes to the premium. The distributions were based on actual company sales under its existing policy.

Individual Distribution by Issue Age, Gender, Inflation Option and Marital Status							
Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	2.3%	0.5%	3.8%	0.0%	0.0%	1.3%	1.2%
<35 – F	2.9	1.2	0.0	3.0	0.0	0.6	1.7
35-39 – M	1.9	1.3	2.1	0.0	0.0	0.6	1.3
35-39 – F	2.4	2.3	0.0	3.0	0.4	0.6	2.0
40-44 – M	2.4	2.5	3.8	9.1	1.0	0.0	2.3
40-44 – F	3.1	3.7	0.0	9.1	0.7	1.3	3.1
45-49 – M	4.9	4.3	5.8	6.1	1.0	3.2	4.2
45-49 – F	5.1	5.5	7.9	0.0	2.0	5.2	5.0
50-54 – M	4.4	5.6	9.6	9.1	2.7	6.5	5.3
50-54 – F	7.5	7.3	9.6	12.1	7.1	9.1	7.7
55-59 – M	5.7	8.3	3.8	6.1	6.9	6.5	7.1
55-59 – F	10.8	9.8	17.5	27.3	10.4	7.8	10.5
60-64 – M	6.9	14.1	9.6	12.1	9.6	15.6	11.5
60-64 – F	14.5	12.5	2.1	0.0	22.8	14.3	13.5
65-69 – M	5.0	8.0	3.8	0.0	6.2	13.0	7.2
65-69 – F	10.5	5.1	18.8	3.0	19.9	11.7	8.6
70-74 – M	2.0	4.7	2.1	0.0	1.7	1.3	3.1
70-74 – F	4.1	2.5	0.0	0.0	4.9	1.3	2.9
75-79 – M	1.5	0.5	0.0	0.0	0.7	0.0	0.8
75-79 – F	2.2	0.3	0.0	0.0	2.0	0.0	1.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Employee-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status							
Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	2.2%	0.3%	1.6%	0.0%	2.1%	1.4%	1.4%
<35 – F	2.0	2.8	4.8	0.0	2.7	3.3	2.6
35-39 – M	1.6	1.6	1.4	1.1	1.7	2.1	1.7
35-39 – F	3.2	3.1	4.0	4.6	1.8	3.3	3.0
40-44 – M	3.7	3.4	0.9	4.0	3.6	4.5	3.7
40-44 – F	4.7	5.9	3.2	9.2	5.9	3.3	5.1
45-49 – M	3.3	4.6	6.8	1.7	6.1	4.9	4.5
45-49 – F	9.4	7.2	0.4	11.5	6.8	8.2	8.0
50-54 – M	8.0	6.9	10.9	9.9	7.6	5.5	7.2
50-54 – F	14.6	15.6	6.4	18.4	14.0	18.4	15.6
55-59 – M	9.4	9.6	14.2	13.7	8.6	10.8	9.9
55-59 – F	18.3	15.9	18.3	18.4	16.5	18.4	17.3
60-64 – M	5.8	7.9	11.7	5.3	7.0	6.6	6.9
60-64 – F	8.9	8.7	9.1	2.3	11.7	6.6	8.6
65-69 – M	2.3	3.8	3.9	0.0	1.8	1.5	2.5
65-69 – F	2.2	2.3	2.4	0.0	2.1	0.8	1.9
70-74 – M	0.2	0.2	0.0	0.0	0.0	0.2	0.2
70-74 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<b>Employer-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	11.9%	7.6%	18.5%	0.0%	5.8%	2.3%	6.5%
<35 – F	19.5	8.7	0.0	7.4	15.5	2.3	9.6
35-39 – M	5.2	6.0	3.7	5.6	1.9	1.7	3.8
35-39 – F	4.8	6.0	3.7	7.4	7.8	1.7	4.4
40-44 – M	5.2	6.0	0.0	5.6	1.0	4.3	4.4
40-44 – F	7.1	7.6	3.7	11.1	2.9	4.3	5.9
45-49 – M	2.9	7.6	18.5	11.1	6.8	5.7	6.3
45-49 – F	5.7	8.2	0.0	1.9	7.8	7.4	6.6
50-54 – M	4.8	5.4	18.5	13.0	5.8	7.7	7.0
50-54 – F	8.6	6.5	7.4	5.6	4.9	11.0	8.3
55-59 – M	4.3	6.0	7.4	5.6	6.8	14.0	8.4
55-59 – F	6.7	6.5	7.4	9.3	10.7	13.0	9.5
60-64 – M	4.8	7.1	7.4	3.7	3.9	8.4	6.4
60-64 – F	6.2	3.8	0.0	3.7	9.7	7.0	6.0
65-69 – M	0.0	2.7	3.7	5.6	6.8	6.0	3.9
65-69 – F	1.4	3.3	0.0	3.7	1.9	3.0	2.5
70-74 – M	0.5	0.0	0.0	0.0	0.0	0.0	0.1
70-74 – F	0.5	0.5	0.0	0.0	0.0	0.0	0.2
75-79 – M	0.0	0.5	0.0	0.0	0.0	0.0	0.1
75-79 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following sex and marital status distribution was assumed:

<b>Distribution by Marital Status</b>			
<b>Issue Age</b>	<b>% Married</b>		
	<b>Individual</b>	<b>Employee Pay Multi-Life</b>	<b>Employer Pay Multi-Life</b>
30 – 34	37.5%	49.1%	34.0%
35 – 39	56.0%	57.9%	54.2%
40 – 44	63.6%	56.2%	65.9%
45 – 49	60.9%	54.8%	66.4%
50 – 54	63.8%	56.5%	65.7%
55 – 59	61.7%	55.3%	71.3%
60 – 64	63.8%	52.7%	64.2%
65 – 69	56.6%	55.1%	76.8%
70 – 74	59.6%	64.8%	33.3%
75 – 79	21.9%	NA	100.0%
Average	60.0%	55.1%	61.2%

The “Single” category of insureds includes individuals who are married, but only one spouse is insured. The percent married and the married discount pertains only to couples, where both purchase.

Fully underwritten premium rates will be adjusted based on perceived health status of the insured. Three rating categories will be used: Preferred, Standard, and Substandard. The following outlines the assumed distribution of business and corresponding premium rating factors assumed in our pricing.

<b>Distribution of Business by Health Status – Individual</b>		
<b>Rating Category</b>	<b>% of Issues</b>	<b>Rating Factor</b>
Preferred	43.8%	0.90
Standard	49.0%	1.00
Substandard	7.2%	1.40

No preferred, standard and substandard rating classes will be used for sales in the multi-life market.

The following tables provide the distribution of business for benefit options and for optional benefits assumed in the pricing.

<b>Distribution of Business by Benefit Option</b>			
<b>% of Monthly Bank</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
1%	65.5%	64.2%	49.7%
2%	20.2	24.9	35.9
3%	14.4	10.9	14.4

<b>Distribution of Business Selecting Options</b>			
<b>Optional Rider</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
5% Compound Inflation	3.5%	5.5%	9.2%
3% Compound Inflation	17.4%	34.4%	45.8%
Shared Care Rider	15.0%	15.0%	15.0%
Money Back Promise	2.8%	6.5%	4.0%

F. Average Annual Premium

Based upon the above stated distributions, the average annual premium for the policy at issue (including riders) is expected to be \$1401, assuming an average daily benefit of \$100.

G. Investment Income

Investment income was assumed to accrue at the rate of 4.5% per year on reserves, cash flows, and required capital and surplus.

**III. GROSS PREMIUMS**

Gross premiums were computed to pay for benefits and expenses and to provide the desired overall return on equity.

The resulting gross annual premiums for single, standard insureds are attached. A 30% spouse/domestic partners discount will apply to both husband and wife/partners when both are issued policies. If applicable, the spouse discount will continue throughout the life of the insured.

Fully underwritten policyholders can be classified as preferred risks, or as standard or substandard risks. Preferred rates are 10% lower than standard, and substandard rates are 40% higher than standard.

Rates will be discounted for individuals who are members of groups, with a larger discount applying if the employer contributes to the premium. Rates will also be discounted for individuals who are members of qualifying associations.

No modal factors are used.

Factors are available which would convert the annual premiums into premiums which are paid up after 10 years.

Rates sheets are attached which show the annual premiums for a single, standard insured by benefit period. Factors are then shown which would convert these rates to annual premiums with other optional benefits or for changing the payment parameters. The resulting annual premiums for the particular option selected will be rounded to the nearest dollar.

#### **IV. LOSS RATIO**

The expected lifetime loss ratio, calculated as claims incurred divided by premiums earned, discounted at 3.5%, is 59.9%.

#### **V. CERTIFICATION**

I, Dawn Helwig, am a consulting actuary for Milliman, Inc. and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the current and proposed requirements for filing long-term care insurance premiums.

In my opinion the initial premium rate schedules, based on my review as of July 2013, are sufficient to cover anticipated costs under moderately adverse experience and the premium rate schedules are reasonably expected to be sustainable over the life of the forms with no future premium increases anticipated.

The following moderately adverse assumptions were tested:

- Morbidity increased by 10%
- Lapses reduced by 50%
- Mortality reduced by 20%
- Investment rate reduced by 50 basis points.

The policy was priced to yield a pre-tax profit margin of at least 15%. Each of these assumption changes, taken alone, resulted in a pre-tax profit margin that dropped by less than five percentage points. Any assumption deviation, or combination of assumption changes, that result in the pre-tax profit margin dropping by more than five points could result in a rate increase being needed.

My analysis of moderately adverse assumptions included a review of the projected slope of the claim costs, which was determined to be reasonable. The 10% overall morbidity increase sensitivity was thus the only morbidity change tested.

I have reviewed and taken into consideration the policy design and coverage provided.

I have reviewed and taken into consideration the company's planned underwriting and claims adjudication processes. I have relied upon information provided to me by the company's administrator for a description of these processes. I have reviewed and considered but not audited these procedures.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary.

The reserves to be held will consist of active life reserves, unearned premium reserves, and claim reserves. The contract reserves will be the mid-terminal reserves calculated using a one year preliminary term basis plus the net unearned premium reserves, but never less than the gross unearned premium reserve. The contract reserves anticipated to be held under the form will be calculated using NAIC minimum reserve standards, currently using expected claim costs with selection, lapses based on 80% of the assumed voluntary lapse rate up to 6% in policy year 1, 80% of the assumed voluntary lapse rate up to 4% in policy year 2-4, and 100% of the assumed voluntary lapse rate for years 5+ up to 2%, the mortality table specified in the NAIC minimum reserve standards for health insurance contracts (currently 1994 GAM) and the interest rate specified in the NAIC minimum reserve standards (currently 3.5% - the maximum rate permitted in the valuation of whole life insurance). These assumptions provide reasonable margins for adverse experience.

The net renewal valuation premiums do not increase.

The difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. This condition is not met for each issue age and option, though it is met in aggregate. I believe this is reasonable because the underlying gross premium maintains a reasonably consistent relationship by age. Also, each issue age and option is expected to result in lifetime statutory pre-tax profits, when investment income is incorporated.

LifeSecure Insurance Company  
Long Term Care Policy Form LS-LTC-0005 ST 01/13 et al  
Actuarial Memorandum  
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The premium rate schedule for this policy is not less than the premium rate schedule for existing similar policy forms also available from the carrier.

*Dawn E. Helwig*

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Dawn E. Helwig, F.S.A., M.A.A.A.  
Member, American Academy of Actuaries

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LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Standard Risks\*

Issue Age	Base Premiums		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$517	\$432	\$368
31	529	441	375
32	542	451	382
33	555	461	390
34	568	470	397
35	581	480	404
36	593	490	412
37	606	500	419
38	624	513	430
39	642	527	440
40	660	541	451
41	678	555	462
42	696	569	472
43	718	586	486
44	740	603	499
45	762	621	513
46	784	638	526
47	807	655	540
48	839	681	560
49	871	706	579
50	903	731	599
51	935	756	619
52	967	781	639
53	1,013	819	669
54	1,059	856	700
55	1,105	893	730
56	1,151	930	760
57	1,197	967	791
58	1,289	1,040	848
59	1,382	1,113	905
60	1,474	1,186	962
61	1,566	1,258	1,019
62	1,658	1,331	1,076
63	1,810	1,452	1,173
64	1,961	1,573	1,271
65	2,113	1,695	1,368
66	2,265	1,816	1,465
67	2,416	1,937	1,562
68	2,845	2,277	1,832
69	3,274	2,617	2,102
70	3,703	2,956	2,372
71	4,132	3,296	2,642
72	4,561	3,636	2,912
73	5,353	4,261	3,405
74	6,144	4,887	3,898
75	6,936	5,512	4,391
76	7,727	6,137	4,884
77	8,519	6,763	5,377
78	9,093	7,241	5,769
79	9,667	7,719	6,160

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	Employee Pay Base Premiums**		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$512	\$428	\$364
31	524	437	371
32	537	446	378
33	549	456	386
34	562	465	393
35	575	475	400
36	587	485	408
37	600	495	415
38	618	508	426
39	636	522	436
40	653	536	446
41	671	549	457
42	689	563	467
43	711	580	481
44	733	597	494
45	754	615	508
46	776	632	521
47	799	648	535
48	831	674	554
49	862	699	573
50	894	724	593
51	926	748	613
52	957	773	633
53	1,003	811	662
54	1,048	847	693
55	1,094	884	723
56	1,139	921	752
57	1,185	957	783
58	1,276	1,030	840
59	1,368	1,102	896
60	1,459	1,174	952
61	1,550	1,245	1,009
62	1,641	1,318	1,065
63	1,792	1,437	1,161
64	1,941	1,557	1,258
65	2,092	1,678	1,354
66	2,242	1,798	1,450
67	2,392	1,918	1,546
68	2,817	2,254	1,814
69	3,241	2,591	2,081
70	3,666	2,926	2,348
71	4,091	3,263	2,616
72	4,515	3,600	2,883
73	5,299	4,218	3,371
74	6,083	4,838	3,859
75	6,867	5,457	4,347
76	7,650	6,076	4,835
77	8,434	6,695	5,323
78	9,002	7,169	5,711
79	9,570	7,642	6,098

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

- \*\* Employer Pay Factor:  
 - No further discount if employer pays 100% of premium (groups under 10)  
 - Apply 5% discount if employer contributes to premium (groups 10+).

\* Applicability of multi-life rates are subject to certain group size and participation requirements.

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**90 Day Elimination Period; Daily Benefit = \$100**  
**Single, Standard Premiums; Sales to Individuals in Associations\***

Issue Age	Base Premiums		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$491	\$410	\$350
31	503	419	356
32	515	428	363
33	527	438	371
34	540	447	377
35	552	456	384
36	563	466	391
37	576	475	398
38	593	487	409
39	610	501	418
40	627	514	428
41	644	527	439
42	661	541	448
43	682	557	462
44	703	573	474
45	724	590	487
46	745	606	500
47	767	622	513
48	797	647	532
49	827	671	550
50	858	694	569
51	888	718	588
52	919	742	607
53	962	778	636
54	1,006	813	665
55	1,050	848	694
56	1,093	884	722
57	1,137	919	751
58	1,225	988	806
59	1,313	1,057	860
60	1,400	1,127	914
61	1,488	1,195	968
62	1,575	1,264	1,022
63	1,720	1,379	1,114
64	1,863	1,494	1,207
65	2,007	1,610	1,300
66	2,152	1,725	1,392
67	2,295	1,840	1,484
68	2,703	2,163	1,740
69	3,110	2,486	1,997
70	3,518	2,808	2,253
71	3,925	3,131	2,510
72	4,333	3,454	2,766
73	5,085	4,048	3,235
74	5,837	4,643	3,703
75	6,589	5,236	4,171
76	7,341	5,830	4,640
77	8,093	6,425	5,108
78	8,638	6,879	5,481
79	9,184	7,333	5,852

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Inflation**

Issue Age	5% Compound Factors	3% Compound Factors
	All Benefit Banks LS-LTC-5P-R ST 01/13	All Benefit Banks LS-LTC-3P-R ST 01/13
30 and under	5.89	2.72
31	5.80	2.69
32	5.70	2.66
33	5.61	2.63
34	5.51	2.60
35	5.42	2.57
36	5.32	2.55
37	5.23	2.52
38	5.13	2.49
39	5.04	2.46
40	4.94	2.43
41	4.85	2.40
42	4.75	2.38
43	4.66	2.35
44	4.56	2.32
45	4.47	2.29
46	4.37	2.26
47	4.28	2.23
48	4.18	2.20
49	4.09	2.18
50	3.99	2.15
51	3.90	2.12
52	3.80	2.09
53	3.71	2.06
54	3.61	2.03
55	3.52	2.00
56	3.42	1.98
57	3.33	1.95
58	3.23	1.92
59	3.14	1.89
60	3.04	1.86
61	2.95	1.83
62	2.85	1.81
63	2.76	1.78
64	2.66	1.75
65	2.57	1.72
66	2.47	1.69
67	2.38	1.66
68	2.26	1.60
69	2.15	1.54
70	2.04	1.49
71	1.93	1.43
72	1.81	1.37
73	1.76	1.34
74	1.70	1.32
75	1.64	1.30
76	1.59	1.28
77	1.53	1.25
78	1.49	1.24
79	1.45	1.22

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Premium with Limited Pay Option**

<b>Issue Age</b>	<b>Limited Pay Option: 10 Pay</b>
30 and under	4.37
31	4.34
32	4.30
33	4.26
34	4.23
35	4.19
36	4.16
37	4.12
38	4.03
39	3.94
40	3.86
41	3.77
42	3.68
43	3.58
44	3.48
45	3.38
46	3.28
47	3.18
48	3.12
49	3.05
50	2.99
51	2.92
52	2.86
53	2.79
54	2.72
55	2.65
56	2.58
57	2.51
58	2.40
59	2.29
60	2.19
61	2.08
62	1.97
63	1.91
64	1.85
65	1.80
66	1.74
67	1.68
68	1.60
69	1.52
70	1.44
71	1.36
72	1.28
73	1.24
74	1.21
75	1.17
76	1.14
77	1.10
78	1.10
79	1.10

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option**

Issue Age	Money Back Guarantee Rider (Return of Premium on Death) LS-LTC-MBP-R ST 01/13	Lapse Protection Benefit Rider (NAIC Shortened BP) LS-LTC-LPB-R ST 01/13
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Shared Care**

**Shared Care Rider**  
**LS-LTS-SCB-R ST 01/13**

<u>Benefit Pool</u>	<u>Factor</u>
100 months (8.3 years)	1.03
50 months (4.2 years)	1.13
33 months (2.8 years)	1.20

**LifeSecure Insurance Company**  
Long Term Care Policy Form LS-LTC-0005 ST 01/13  
Rider Forms LS-LTC-3P-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-LPB-R  
ST 01/13, LS-LTC-MBP-R ST 01/13, and LS-LTC-SCB-R ST 01/13

ACTUARIAL MEMORANDUM

**I. PLAN DESCRIPTION**

This policy is an individual, guaranteed renewable form providing benefits for long term care. The policy is intended to be tax-qualified and includes rates for use with employer-based groups whose members are list billed or marketed together and for associations. Several options are available, including 3% and 5% compound inflation, money back promise option, lapse protection benefit option, contingent non-forfeiture benefit option, guaranteed purchase option, and shared care.

A. Benefits

The elimination period is 90 calendar days. The benefit period is administered on a “pool of money” basis, with a lifetime benefit amount available. Three possible maximum monthly benefit/lifetime benefit amount configurations will be available: one where the maximum monthly benefit is 1% of the lifetime benefit amount, one where it is 2%, and one where it is 3%. These three possible configurations result in inherent benefit periods of 100 months (8.3 years), 50 months (4.2 years), or 33 months (2.8 years), respectively.

Benefits are payable when the insured becomes disabled in two out of six Activities of Daily Living (ADL’s) for 90 days, or when he becomes severely cognitively impaired. The six ADL’s are: bathing, dressing, continence, eating, toileting and transferring. In order to be considered impaired in an ADL, a person must need substantial human assistance or supervision. Services must be provided pursuant to a Plan of Care.

The following describes the base plan and optional rider benefits provided by the policy:

Base Policy

- Pool of money approach: insured has lifetime benefit amount to use as needed.
- Maximum monthly benefit equals 1, 2, or 3% of lifetime benefit amount

- All nursing home, assisted living facility (ALF), and formal home care benefits are expense incurred subject to the monthly maximum. Bed reservation is included in the nursing home and ALF benefit.
- Informal caregiver benefits will also be paid, through a “Flexible Benefit”, assuming the benefit triggers are met and that the benefits provided are contained in the person’s Plan of Care. Usual and customary expenses will be paid. Informal caregiver benefits are paid with 50% of the remaining monthly benefit maximum, after formal care expenses have been paid. If no formal care was received and the benefit triggers have been met, the insured will have 50% of their monthly benefit maximum available for informal care.
- Caregiver training, home modification, and other ancillary benefits can be paid out of the Flexible Benefit, subject to the 50% of remaining monthly maximum limit.
- International benefit is provided which pays for 1-year of care, on an indemnity basis, at 100% of the monthly benefit for nursing facility care or at 50% of the monthly benefit for home care.
- Waiver of premium after the 90-day elimination period (not payable if international benefit is being paid).
- Endorsements LS-LTC-CNB-E ST 01/13 and LS-LTC-LPOCNB-E ST 01/13 provide the contingent non-forfeiture benefit (i.e., a shortened benefit period non-forfeiture option is provided if there is a substantial increase in premiums).
- Guaranteed future purchase endorsement (LS-LTC-GPO-E ST 01/13) is included if no other inflation is selected. An additional 15% of the current benefit will be offered every 3 years, until the insured reaches age 80, with the additional premium based on the person’s attained age at the time.

#### Optional Riders

- Rider LS-LTC-5P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 5% per year, compounded, for life.
- Rider LS-LTC-3P-R ST 01/13: Inflation benefit where monthly maximum

and remaining lifetime benefit amount are both increased by 3% per year, compounded, for life.

- Rider LS-LTC-LPB-R ST 01/13: Lapse protection benefit rider, which provides the NAIC mandated shortened benefit non-forfeiture option.
- Rider LS-LTC-SCB-R ST 01/13: Shared care benefit rider. This rider must be sold to two spouses or domestic partners who are purchasing the same coverage. When either spouse's lifetime maximum is depleted, he is allowed to use benefits under the lifetime maximum of his spouse's pool (subject to leaving 365 days untouched while the spouse is alive).
- Rider LS-LTC-MBP-R ST 01/13: Money back promise rider, which provides a return of premiums paid on death. This return is 0% in the first four policy years, 25% in policy years 5-9, 50% in years 10-14, and 75% in years 15+. Cumulative premiums, less benefits paid, times the durational factor are returned on policyholder death. There is no age maximum.

B. Exclusions and Limitations

The policy will not pay benefits for care, treatment, services or charges:

- for a loss that occurs while this Policy is not in force;
- for alcoholism or drug addiction (except for an addiction to a prescribed medication administered on the advice of a Physician);
- due to declared or undeclared war or act of war;
- due to participation in a felony, riot or insurrection or involvement in an illegal occupation;
- due to suicide, attempted suicide or intentionally self-inflicted injury;
- that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount;
- that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law;
- provided outside the United States, Canada or their territories or possessions, except as provided under the International Coverage Benefit;
- for which no charge is made in the absence of insurance, except as provided under the Flexible Benefit; or
- provided by an Immediate Family member (except as provided under the Flexible Benefit), unless:

- he or she is a regular employee of an organization which is providing the care, treatment or service;
- he or she receives no compensation other than the normal compensation for employees in his or her job category; and
- the organization receives the payment for the care, treatment, service or charge.

C. Issue Ages

Policies can be issued from ages 18 - 79.

D. Marketing and Underwriting

The policy will be marketed to individuals, to members of employer-based groups that will be list-billed and/or marketed together, and to members of associations, through direct agents and brokers. Applicants will be home-office underwritten, based on questions on the application and protective information, such as telephone interviews, face-to-face assessments, medical records, cognitive screening, MIB Inc. screening and prescription drug histories. Simplified underwriting may be used for some employer-based groups, based on group size and participation level.

**II. ASSUMPTIONS**

A. Claim Costs

Claim costs based on Milliman's *2011 Long Term Care Cost Guidelines* were utilized. The basis for the cost guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman actuaries.

To these claim costs, durational select factors were applied to allow for the impact of underwriting. Durational select factors vary by married and single applicants, to reflect the different morbidity experienced by those two groups. Different selection factors were used for sales made using simplified underwriting and for sales to groups where the employer contributes to the premium.

Claim costs for the various available options were developed to be consistent with those of the policies.

B. Lapse Rates and Mortality

The following annual lapse rates (excluding mortality) were assumed:

<b>Voluntary Lapse Rates – Individuals and Employee-paid Members of Groups</b>			
<b>Policy Duration</b>	<b>Issue Ages &lt;50</b>	<b>Issue Ages 50-64</b>	<b>Issue Ages 65+</b>
1	8.00%	5.50%	4.00%
2	6.00	3.75	3.00
3	4.00	2.50	2.00
4	3.00	1.75	1.75
5	2.50	1.50	1.50
6	2.00	1.25	1.25
7	1.50	1.25	1.25
8+	1.00	1.00	1.00

<b>Voluntary Lapse Rates – Individuals where Employer is Contributing</b>	
<b>Policy Duration</b>	<b>Lapse Rates (All Issue Ages)</b>
1	8.0%
2	5.0
3	5.0
4	4.0
5	3.5
6+ (through age 64)	3.0
Attained ages 65+	1.0

Lapse rates for the limited pay plan was assumed to be half of the above during the premium paying period and were assumed to be 0% once the policy was paid up.

In addition to the above voluntary lapse rates, mortality was assumed. For non-claimant lives, mortality was assumed to be equal to the 1994 Group Annuity Mortality table, with selection applied. Mortality selection was assumed to increase from 0.2 in the first policy year to 0.9 for the tenth and later years. The mortality of claimant lives was assumed to be equal to four times the 1979 - 1981 US Life Mortality Table.

For the purpose of determining reserve factors, the mortality rates were assumed to be the 1994 GAM.

C. Expenses

Expense Assumptions				
Type of Expense	Individual	Multi-life Long Form	Multi-Life Short Form	Unit
Underwriting/ Protective Info	\$142	\$117	\$56	Per Policy Issued:
	\$181	\$148	\$58	Issue ages 18-54
	\$325	\$322	N/A	Issue ages 55-64
	\$1622	\$1193	N/A	Issue ages 65-74
	4.5%	4.5%	4.5%	Issue ages 75-79+
Administrative	\$75	\$75	\$75	Of Premium Issued
				Per policy per year inflated 3% per year for 20 years
Claims Payment	8.0%	8.0%	8.0%	Of Claims Paid
Premium Taxes	2.0%	2.0%	2.0%	Of Premium
Overhead	3.0%	3.0%	3.0%	Of Premium

D. Commissions/Marketing Expenses

Commissions were assumed to be paid on original premium and not on waived premiums. Actual commission schedules will vary by level of production. The following tables show the average commission plus marketing percentages that were assumed in pricing:

Commissions/Marketing Expenses; Lifetime Pay Individuals and Multi-life*				
Policy Duration	Issue Age			
	0 – 64	65 – 69	70 - 74	75 - 79
1	110.0%	110.0%	110.0%	105.0%
2-10	15.0	15.0	15.0	15.0
11+	6.0	6.0	6.0	6.0

\*For some multi-life sales, where the employer is contributing, the first year commissions are increased 5 points.

For associations, commissions are shown in the table below.

<b>Commissions/Marketing Expenses; Lifetime Pay Association Sales</b>				
<b>Policy Duration</b>	<b>Issue Age</b>			
	<b>0 – 64</b>	<b>65 – 69</b>	<b>70 - 74</b>	<b>75 - 79</b>
1	101.0%	101.0%	101.0%	96.5%
2-10	12.9	12.9	12.9	12.9
11+	5.4	5.4	5.4	5.4

For the limited pay option, renewal commissions and marketing expenses were assumed to be reduced to 3% in years 2+.

E. Distributions

The following issue age distribution of insureds was assumed by gender, inflation option and marital status. Separate distributions are provided for individual sales, sales to multi-life groups where the employee pays, and sales to multi-life groups where the employer contributes to the premium. The distributions were based on actual company sales under its existing policy.

Individual Distribution by Issue Age, Gender, Inflation Option and Marital Status							
Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	2.3%	0.5%	3.8%	0.0%	0.0%	1.3%	1.2%
<35 – F	2.9	1.2	0.0	3.0	0.0	0.6	1.7
35-39 – M	1.9	1.3	2.1	0.0	0.0	0.6	1.3
35-39 – F	2.4	2.3	0.0	3.0	0.4	0.6	2.0
40-44 – M	2.4	2.5	3.8	9.1	1.0	0.0	2.3
40-44 – F	3.1	3.7	0.0	9.1	0.7	1.3	3.1
45-49 – M	4.9	4.3	5.8	6.1	1.0	3.2	4.2
45-49 – F	5.1	5.5	7.9	0.0	2.0	5.2	5.0
50-54 – M	4.4	5.6	9.6	9.1	2.7	6.5	5.3
50-54 – F	7.5	7.3	9.6	12.1	7.1	9.1	7.7
55-59 – M	5.7	8.3	3.8	6.1	6.9	6.5	7.1
55-59 – F	10.8	9.8	17.5	27.3	10.4	7.8	10.5
60-64 – M	6.9	14.1	9.6	12.1	9.6	15.6	11.5
60-64 – F	14.5	12.5	2.1	0.0	22.8	14.3	13.5
65-69 – M	5.0	8.0	3.8	0.0	6.2	13.0	7.2
65-69 – F	10.5	5.1	18.8	3.0	19.9	11.7	8.6
70-74 – M	2.0	4.7	2.1	0.0	1.7	1.3	3.1
70-74 – F	4.1	2.5	0.0	0.0	4.9	1.3	2.9
75-79 – M	1.5	0.5	0.0	0.0	0.7	0.0	0.8
75-79 – F	2.2	0.3	0.0	0.0	2.0	0.0	1.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Employee-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status							
Issue Age/Gender	No Inflation		5% Compound		3% Compound		Total
	Singles	Married	Singles	Married	Singles	Married	
<35 – M	2.2%	0.3%	1.6%	0.0%	2.1%	1.4%	1.4%
<35 – F	2.0	2.8	4.8	0.0	2.7	3.3	2.6
35-39 – M	1.6	1.6	1.4	1.1	1.7	2.1	1.7
35-39 – F	3.2	3.1	4.0	4.6	1.8	3.3	3.0
40-44 – M	3.7	3.4	0.9	4.0	3.6	4.5	3.7
40-44 – F	4.7	5.9	3.2	9.2	5.9	3.3	5.1
45-49 – M	3.3	4.6	6.8	1.7	6.1	4.9	4.5
45-49 – F	9.4	7.2	0.4	11.5	6.8	8.2	8.0
50-54 – M	8.0	6.9	10.9	9.9	7.6	5.5	7.2
50-54 – F	14.6	15.6	6.4	18.4	14.0	18.4	15.6
55-59 – M	9.4	9.6	14.2	13.7	8.6	10.8	9.9
55-59 – F	18.3	15.9	18.3	18.4	16.5	18.4	17.3
60-64 – M	5.8	7.9	11.7	5.3	7.0	6.6	6.9
60-64 – F	8.9	8.7	9.1	2.3	11.7	6.6	8.6
65-69 – M	2.3	3.8	3.9	0.0	1.8	1.5	2.5
65-69 – F	2.2	2.3	2.4	0.0	2.1	0.8	1.9
70-74 – M	0.2	0.2	0.0	0.0	0.0	0.2	0.2
70-74 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<b>Employer-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	11.9%	7.6%	18.5%	0.0%	5.8%	2.3%	6.5%
<35 – F	19.5	8.7	0.0	7.4	15.5	2.3	9.6
35-39 – M	5.2	6.0	3.7	5.6	1.9	1.7	3.8
35-39 – F	4.8	6.0	3.7	7.4	7.8	1.7	4.4
40-44 – M	5.2	6.0	0.0	5.6	1.0	4.3	4.4
40-44 – F	7.1	7.6	3.7	11.1	2.9	4.3	5.9
45-49 – M	2.9	7.6	18.5	11.1	6.8	5.7	6.3
45-49 – F	5.7	8.2	0.0	1.9	7.8	7.4	6.6
50-54 – M	4.8	5.4	18.5	13.0	5.8	7.7	7.0
50-54 – F	8.6	6.5	7.4	5.6	4.9	11.0	8.3
55-59 – M	4.3	6.0	7.4	5.6	6.8	14.0	8.4
55-59 – F	6.7	6.5	7.4	9.3	10.7	13.0	9.5
60-64 – M	4.8	7.1	7.4	3.7	3.9	8.4	6.4
60-64 – F	6.2	3.8	0.0	3.7	9.7	7.0	6.0
65-69 – M	0.0	2.7	3.7	5.6	6.8	6.0	3.9
65-69 – F	1.4	3.3	0.0	3.7	1.9	3.0	2.5
70-74 – M	0.5	0.0	0.0	0.0	0.0	0.0	0.1
70-74 – F	0.5	0.5	0.0	0.0	0.0	0.0	0.2
75-79 – M	0.0	0.5	0.0	0.0	0.0	0.0	0.1
75-79 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following sex and marital status distribution was assumed:

<b>Distribution by Marital Status</b>			
<b>Issue Age</b>	<b>% Married</b>		
	<b>Individual</b>	<b>Employee Pay Multi-Life</b>	<b>Employer Pay Multi-Life</b>
30 – 34	37.5%	49.1%	34.0%
35 – 39	56.0%	57.9%	54.2%
40 – 44	63.6%	56.2%	65.9%
45 – 49	60.9%	54.8%	66.4%
50 – 54	63.8%	56.5%	65.7%
55 – 59	61.7%	55.3%	71.3%
60 – 64	63.8%	52.7%	64.2%
65 – 69	56.6%	55.1%	76.8%
70 – 74	59.6%	64.8%	33.3%
75 – 79	21.9%	NA	100.0%
Average	60.0%	55.1%	61.2%

The “Single” category of insureds includes individuals who are married, but only one spouse is insured. The percent married and the married discount pertains only to couples, where both purchase.

Fully underwritten premium rates will be adjusted based on perceived health status of the insured. Three rating categories will be used: Preferred, Standard, and Substandard. The following outlines the assumed distribution of business and corresponding premium rating factors assumed in our pricing.

<b>Distribution of Business by Health Status – Individual</b>		
<b>Rating Category</b>	<b>% of Issues</b>	<b>Rating Factor</b>
Preferred	43.8%	0.90
Standard	49.0%	1.00
Substandard	7.2%	1.40

No preferred, standard and substandard rating classes will be used for sales in the multi-life market.

The following tables provide the distribution of business for benefit options and for optional benefits assumed in the pricing.

<b>Distribution of Business by Benefit Option</b>			
<b>% of Monthly Bank</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
1%	65.5%	64.2%	49.7%
2%	20.2	24.9	35.9
3%	14.4	10.9	14.4

<b>Distribution of Business Selecting Options</b>			
<b>Optional Rider</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
5% Compound Inflation	3.5%	5.5%	9.2%
3% Compound Inflation	17.4%	34.4%	45.8%
Shared Care Rider	15.0%	15.0%	15.0%
Money Back Promise	2.8%	6.5%	4.0%

F. Average Annual Premium

Based upon the above stated distributions, the average annual premium for the policy at issue (including riders) is expected to be \$1401, assuming an average daily benefit of \$100.

G. Investment Income

Investment income was assumed to accrue at the rate of 4.5% per year on reserves, cash flows, and required capital and surplus.

**III. GROSS PREMIUMS**

Gross premiums were computed to pay for benefits and expenses and to provide the desired overall return on equity.

The resulting gross annual premiums for single, standard insureds are attached. A 30% spouse/domestic partners discount will apply to both husband and wife/partners when both are issued policies. If applicable, the spouse discount will continue throughout the life of the insured.

Fully underwritten policyholders can be classified as preferred risks, or as standard or substandard risks. Preferred rates are 10% lower than standard, and substandard rates are 40% higher than standard.

Rates will be discounted for individuals who are members of groups, with a larger discount applying if the employer contributes to the premium. Rates will also be discounted for individuals who are members of qualifying associations.

No modal factors are used.

Factors are available which would convert the annual premiums into premiums which are paid up after 10 years.

Rates sheets are attached which show the annual premiums for a single, standard insured by benefit period. Factors are then shown which would convert these rates to annual premiums with other optional benefits or for changing the payment parameters. The resulting annual premiums for the particular option selected will be rounded to the nearest dollar.

#### **IV. LOSS RATIO**

The expected lifetime loss ratio, calculated as claims incurred divided by premiums earned, discounted at 3.5%, is 59.9%.

#### **V. CERTIFICATION**

I, Dawn Helwig, am a consulting actuary for Milliman, Inc. and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the current and proposed requirements for filing long-term care insurance premiums.

In my opinion the initial premium rate schedules, based on my review as of July 2013, are sufficient to cover anticipated costs under moderately adverse experience and the premium rate schedules are reasonably expected to be sustainable over the life of the forms with no future premium increases anticipated.

The following moderately adverse assumptions were tested:

- Morbidity increased by 10%
- Lapses reduced by 50%
- Mortality reduced by 20%
- Investment rate reduced by 50 basis points.

The policy was priced to yield a pre-tax profit margin of at least 15%. Each of these assumption changes, taken alone, resulted in a pre-tax profit margin that dropped by less than five percentage points. Any assumption deviation, or combination of assumption changes, that result in the pre-tax profit margin dropping by more than five points could result in a rate increase being needed.

My analysis of moderately adverse assumptions included a review of the projected slope of the claim costs, which was determined to be reasonable. The 10% overall morbidity increase sensitivity was thus the only morbidity change tested.

I have reviewed and taken into consideration the policy design and coverage provided.

I have reviewed and taken into consideration the company's planned underwriting and claims adjudication processes. I have relied upon information provided to me by the company's administrator for a description of these processes. I have reviewed and considered but not audited these procedures.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary.

The reserves to be held will consist of active life reserves, unearned premium reserves, and claim reserves. The contract reserves will be the mid-terminal reserves calculated using a one year preliminary term basis plus the net unearned premium reserves, but never less than the gross unearned premium reserve. The contract reserves anticipated to be held under the form will be calculated using NAIC minimum reserve standards, currently using expected claim costs with selection, lapses based on 80% of the assumed voluntary lapse rate up to 6% in policy year 1, 80% of the assumed voluntary lapse rate up to 4% in policy year 2-4, and 100% of the assumed voluntary lapse rate for years 5+ up to 2%, the mortality table specified in the NAIC minimum reserve standards for health insurance contracts (currently 1994 GAM) and the interest rate specified in the NAIC minimum reserve standards (currently 3.5% - the maximum rate permitted in the valuation of whole life insurance). These assumptions provide reasonable margins for adverse experience.

The net renewal valuation premiums do not increase.

The difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. This condition is not met for each issue age and option, though it is met in aggregate. I believe this is reasonable because the underlying gross premium maintains a reasonably consistent relationship by age. Also, each issue age and option is expected to result in lifetime statutory pre-tax profits, when investment income is incorporated.

LifeSecure Insurance Company  
Long Term Care Policy Form LS-LTC-0005 ST 01/13 et al  
Actuarial Memorandum  
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The premium rate schedule for this policy is not less than the premium rate schedule for existing similar policy forms also available from the carrier.

*Dawn E. Helwig*

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Dawn E. Helwig, F.S.A., M.A.A.A.  
Member, American Academy of Actuaries

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LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Standard Risks\*

Issue Age	Base Premiums		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$517	\$432	\$368
31	529	441	375
32	542	451	382
33	555	461	390
34	568	470	397
35	581	480	404
36	593	490	412
37	606	500	419
38	624	513	430
39	642	527	440
40	660	541	451
41	678	555	462
42	696	569	472
43	718	586	486
44	740	603	499
45	762	621	513
46	784	638	526
47	807	655	540
48	839	681	560
49	871	706	579
50	903	731	599
51	935	756	619
52	967	781	639
53	1,013	819	669
54	1,059	856	700
55	1,105	893	730
56	1,151	930	760
57	1,197	967	791
58	1,289	1,040	848
59	1,382	1,113	905
60	1,474	1,186	962
61	1,566	1,258	1,019
62	1,658	1,331	1,076
63	1,810	1,452	1,173
64	1,961	1,573	1,271
65	2,113	1,695	1,368
66	2,265	1,816	1,465
67	2,416	1,937	1,562
68	2,845	2,277	1,832
69	3,274	2,617	2,102
70	3,703	2,956	2,372
71	4,132	3,296	2,642
72	4,561	3,636	2,912
73	5,353	4,261	3,405
74	6,144	4,887	3,898
75	6,936	5,512	4,391
76	7,727	6,137	4,884
77	8,519	6,763	5,377
78	9,093	7,241	5,769
79	9,667	7,719	6,160

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	Employee Pay Base Premiums**		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$512	\$428	\$364
31	524	437	371
32	537	446	378
33	549	456	386
34	562	465	393
35	575	475	400
36	587	485	408
37	600	495	415
38	618	508	426
39	636	522	436
40	653	536	446
41	671	549	457
42	689	563	467
43	711	580	481
44	733	597	494
45	754	615	508
46	776	632	521
47	799	648	535
48	831	674	554
49	862	699	573
50	894	724	593
51	926	748	613
52	957	773	633
53	1,003	811	662
54	1,048	847	693
55	1,094	884	723
56	1,139	921	752
57	1,185	957	783
58	1,276	1,030	840
59	1,368	1,102	896
60	1,459	1,174	952
61	1,550	1,245	1,009
62	1,641	1,318	1,065
63	1,792	1,437	1,161
64	1,941	1,557	1,258
65	2,092	1,678	1,354
66	2,242	1,798	1,450
67	2,392	1,918	1,546
68	2,817	2,254	1,814
69	3,241	2,591	2,081
70	3,666	2,926	2,348
71	4,091	3,263	2,616
72	4,515	3,600	2,883
73	5,299	4,218	3,371
74	6,083	4,838	3,859
75	6,867	5,457	4,347
76	7,650	6,076	4,835
77	8,434	6,695	5,323
78	9,002	7,169	5,711
79	9,570	7,642	6,098

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

- \*\* Employer Pay Factor:  
 - No further discount if employer pays 100% of premium (groups under 10)  
 - Apply 5% discount if employer contributes to premium (groups 10+).

\* Applicability of multi-life rates are subject to certain group size and participation requirements.

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**90 Day Elimination Period; Daily Benefit = \$100**  
**Single, Standard Premiums; Sales to Individuals in Associations\***

Issue Age	Base Premiums		
	Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$491	\$410	\$350
31	503	419	356
32	515	428	363
33	527	438	371
34	540	447	377
35	552	456	384
36	563	466	391
37	576	475	398
38	593	487	409
39	610	501	418
40	627	514	428
41	644	527	439
42	661	541	448
43	682	557	462
44	703	573	474
45	724	590	487
46	745	606	500
47	767	622	513
48	797	647	532
49	827	671	550
50	858	694	569
51	888	718	588
52	919	742	607
53	962	778	636
54	1,006	813	665
55	1,050	848	694
56	1,093	884	722
57	1,137	919	751
58	1,225	988	806
59	1,313	1,057	860
60	1,400	1,127	914
61	1,488	1,195	968
62	1,575	1,264	1,022
63	1,720	1,379	1,114
64	1,863	1,494	1,207
65	2,007	1,610	1,300
66	2,152	1,725	1,392
67	2,295	1,840	1,484
68	2,703	2,163	1,740
69	3,110	2,486	1,997
70	3,518	2,808	2,253
71	3,925	3,131	2,510
72	4,333	3,454	2,766
73	5,085	4,048	3,235
74	5,837	4,643	3,703
75	6,589	5,236	4,171
76	7,341	5,830	4,640
77	8,093	6,425	5,108
78	8,638	6,879	5,481
79	9,184	7,333	5,852

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Inflation**

Issue Age	5% Compound Factors	3% Compound Factors
	All Benefit Banks LS-LTC-5P-R ST 01/13	All Benefit Banks LS-LTC-3P-R ST 01/13
30 and under	5.89	2.72
31	5.80	2.69
32	5.70	2.66
33	5.61	2.63
34	5.51	2.60
35	5.42	2.57
36	5.32	2.55
37	5.23	2.52
38	5.13	2.49
39	5.04	2.46
40	4.94	2.43
41	4.85	2.40
42	4.75	2.38
43	4.66	2.35
44	4.56	2.32
45	4.47	2.29
46	4.37	2.26
47	4.28	2.23
48	4.18	2.20
49	4.09	2.18
50	3.99	2.15
51	3.90	2.12
52	3.80	2.09
53	3.71	2.06
54	3.61	2.03
55	3.52	2.00
56	3.42	1.98
57	3.33	1.95
58	3.23	1.92
59	3.14	1.89
60	3.04	1.86
61	2.95	1.83
62	2.85	1.81
63	2.76	1.78
64	2.66	1.75
65	2.57	1.72
66	2.47	1.69
67	2.38	1.66
68	2.26	1.60
69	2.15	1.54
70	2.04	1.49
71	1.93	1.43
72	1.81	1.37
73	1.76	1.34
74	1.70	1.32
75	1.64	1.30
76	1.59	1.28
77	1.53	1.25
78	1.49	1.24
79	1.45	1.22

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Premium with Limited Pay Option**

<b>Issue Age</b>	<b>Limited Pay Option: 10 Pay</b>
30 and under	4.37
31	4.34
32	4.30
33	4.26
34	4.23
35	4.19
36	4.16
37	4.12
38	4.03
39	3.94
40	3.86
41	3.77
42	3.68
43	3.58
44	3.48
45	3.38
46	3.28
47	3.18
48	3.12
49	3.05
50	2.99
51	2.92
52	2.86
53	2.79
54	2.72
55	2.65
56	2.58
57	2.51
58	2.40
59	2.29
60	2.19
61	2.08
62	1.97
63	1.91
64	1.85
65	1.80
66	1.74
67	1.68
68	1.60
69	1.52
70	1.44
71	1.36
72	1.28
73	1.24
74	1.21
75	1.17
76	1.14
77	1.10
78	1.10
79	1.10

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option**

Issue Age	Money Back Guarantee Rider (Return of Premium on Death) LS-LTC-MBP-R ST 01/13	Lapse Protection Benefit Rider (NAIC Shortened BP) LS-LTC-LPB-R ST 01/13
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0005 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Shared Care**

**Shared Care Rider**  
**LS-LTS-SCB-R ST 01/13**

<u>Benefit Pool</u>	<u>Factor</u>
100 months (8.3 years)	1.03
50 months (4.2 years)	1.13
33 months (2.8 years)	1.20

**LifeSecure Insurance Company**  
Long Term Care Policy Form LS-LTC-0004 ST 01/13  
Rider Forms LS-LTC-3P-R ST 01/13, LS-LTC-5P-R ST 01/13, LS-LTC-LPB-R  
ST 01/13, LS-LTC-MBP-R ST 01/13, and LS-LTC-SCB-R ST 01/13

ACTUARIAL MEMORANDUM

**I. PLAN DESCRIPTION**

This policy is an individual, guaranteed renewable form providing benefits for long term care. The policy is intended to be tax-qualified with gender-distinct rates, and it includes rates for use with employer-based groups whose members are list billed or marketed together and for associations. Several options are available, including 3% and 5% compound inflation, money back promise option, lapse protection benefit option, contingent non-forfeiture benefit option, guaranteed purchase option, and shared care.

A. Benefits

The elimination period is 90 calendar days. The benefit period is administered on a “pool of money” basis, with a lifetime benefit amount available. Three possible maximum monthly benefit/lifetime benefit amount configurations will be available: one where the maximum monthly benefit is 1% of the lifetime benefit amount, one where it is 2%, and one where it is 3%. These three possible configurations result in inherent benefit periods of 100 months (8.3 years), 50 months (4.2 years), or 33 months (2.8 years), respectively.

Benefits are payable when the insured becomes disabled in two out of six Activities of Daily Living (ADL’s) for 90 days, or when he becomes severely cognitively impaired. The six ADL’s are: bathing, dressing, continence, eating, toileting and transferring. In order to be considered impaired in an ADL, a person must need substantial human assistance or supervision. Services must be provided pursuant to a Plan of Care.

The following describes the base plan and optional rider benefits provided by the policy:

Base Policy

- Pool of money approach: insured has lifetime benefit amount to use as needed.
- Maximum monthly benefit equals 1, 2, or 3% of lifetime benefit amount

- All nursing home, assisted living facility (ALF), and formal home care benefits are expense incurred subject to the monthly maximum. Bed reservation is included in the nursing home and ALF benefit.
- Informal caregiver benefits will also be paid, through a “Flexible Benefit”, assuming the benefit triggers are met and that the benefits provided are contained in the person’s Plan of Care. Usual and customary expenses will be paid. Informal caregiver benefits are paid with 50% of the remaining monthly benefit maximum, after formal care expenses have been paid. If no formal care was received and the benefit triggers have been met, the insured will have 50% of their monthly benefit maximum available for informal care.
- Caregiver training, home modification, and other ancillary benefits can be paid out of the Flexible Benefit, subject to the 50% of remaining monthly maximum limit.
- International benefit is provided which pays for 1-year of care, on an indemnity basis, at 100% of the monthly benefit for nursing facility care or at 50% of the monthly benefit for home care.
- Waiver of premium after the 90-day elimination period (not payable if international benefit is being paid).
- Endorsements LS-LTC-CNB-E ST 01/13 and LS-LTC-LPOCNB-E ST 01/13 provide the contingent non-forfeiture benefit (i.e., a shortened benefit period non-forfeiture option is provided if there is a substantial increase in premiums).
- Guaranteed future purchase endorsement (LS-LTC-GPO-E ST 01/13) is included if no other inflation is selected. An additional 15% of the current benefit will be offered every 3 years, until the insured reaches age 80, with the additional premium based on the person’s attained age at the time.

#### Optional Riders

- Rider LS-LTC-5P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 5% per year, compounded, for life

- Rider LS-LTC-3P-R ST 01/13: Inflation benefit where monthly maximum and remaining lifetime benefit amount are both increased by 3% per year, compounded, for life.
- Rider LS-LTC-LPB-R ST 01/13: Lapse protection benefit rider, which provides the NAIC mandated shortened benefit non-forfeiture option.
- Rider LS-LTC-SCB-R ST 01/13: Shared care benefit rider. This rider must be sold to two spouses or domestic partners who are purchasing the same coverage. When either spouse's lifetime maximum is depleted, he is allowed to use benefits under the lifetime maximum of his spouse's pool (subject to leaving 365 days untouched while the spouse is alive).
- Rider LS-LTC-MBP-R ST 01/13: Money back promise rider, which provides a return of premiums paid on death. This return is 0% in the first four policy years, 25% in policy years 5-9, 50% in years 10-14, and 75% in years 15+. Cumulative premiums, less benefits paid, times the durational factor are returned on policyholder death. There is no age maximum.

B. Exclusions and Limitations

The policy will not pay benefits for care, treatment, services or charges:

- for a loss that occurs while this Policy is not in force;
- for alcoholism or drug addiction (except for an addiction to a prescribed medication administered on the advice of a Physician);
- due to declared or undeclared war or act of war;
- due to participation in a felony, riot or insurrection or involvement in an illegal occupation;
- due to suicide, attempted suicide or intentionally self-inflicted injury;
- that are reimbursable under Medicare, or would be so reimbursable but for the application of a deductible or coinsurance amount;
- that are reimbursable or provided under a governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law;
- provided outside the United States, Canada or their territories or possessions, except as provided under the International Coverage Benefit;
- for which no charge is made in the absence of insurance, except as provided under the Flexible Benefit; or

- provided by an Immediate Family member (except as provided under the Flexible Benefit), unless:
  - he or she is a regular employee of an organization which is providing the care, treatment or service;
  - he or she receives no compensation other than the normal compensation for employees in his or her job category; and
  - the organization receives the payment for the care, treatment, service or charge.

C. Issue Ages

Policies can be issued from ages 18 - 79.

D. Marketing and Underwriting

The policy will be marketed to individuals, to members of employer-based groups that will be list-billed and/or marketed together, and to members of associations, through direct agents and brokers. Applicants will be home-office underwritten, based on questions on the application and protective information, such as telephone interviews, face-to-face assessments, medical records, cognitive screening, MIB Inc. screening and prescription drug histories. Simplified underwriting may be used for some employer-based groups, based on group size and participation level.

**II. ASSUMPTIONS**

A. Claim Costs

Claim costs based on Milliman's *2011 Long Term Care Cost Guidelines* were utilized. The basis for the cost guidelines is governmental studies, experience of clients, and the expertise and judgment of Milliman actuaries.

To these claim costs, durational select factors were applied to allow for the impact of underwriting. Durational select factors vary by married and single applicants, to reflect the different morbidity experienced by those two groups. Different selection factors were used for sales made using simplified underwriting and for sales to groups where the employer contributes to the premium.

Claim costs for the various available options were developed to be consistent with those of the policies.

B. Lapse Rates and Mortality

The following annual lapse rates (excluding mortality) were assumed:

<b>Voluntary Lapse Rates – Individuals and Employee-paid Members of Groups</b>			
<b>Policy Duration</b>	<b>Issue Ages &lt;50</b>	<b>Issue Ages 50-64</b>	<b>Issue Ages 65+</b>
1	8.00%	5.50%	4.00%
2	6.00	3.75	3.00
3	4.00	2.50	2.00
4	3.00	1.75	1.75
5	2.50	1.50	1.50
6	2.00	1.25	1.25
7	1.50	1.25	1.25
8+	1.00	1.00	1.00

<b>Voluntary Lapse Rates – Individuals where Employer is Contributing</b>	
<b>Policy Duration</b>	<b>Lapse Rates (All Issue Ages)</b>
1	8.0%
2	5.0
3	5.0
4	4.0
5	3.5
6+ (through age 64)	3.0
Attained ages 65+	1.0

Lapse rates for the limited pay plan was assumed to be half of the above during the premium paying period and were assumed to be 0% once the policy was paid up.

In addition to the above voluntary lapse rates, mortality was assumed. For non-claimant lives, mortality was assumed to be equal to the 1994 Group Annuity Mortality table, with selection applied. Mortality selection was assumed to increase from 0.2 in the first policy year to 0.9 for the tenth and later years. The mortality of claimant lives was assumed to be equal to four times the 1979 - 1981 US Life Mortality Table.

For the purpose of determining reserve factors, the mortality rates were assumed to be the 1994 GAM.

C. Expenses

Expense Assumptions				
Type of Expense	Individual	Multi-life Long Form	Multi-Life Short Form	Unit
Underwriting/ Protective Info	\$142	\$117	\$56	Per Policy Issued: Issue ages 18-54
	\$181	\$148	\$58	Issue ages 55-64
	\$325	\$322	N/A	Issue ages 65-74
	\$1622	\$1193	N/A	Issue ages 75-79+
	4.5%	4.5%	4.5%	Of Premium Issued
Administrative	\$75	\$75	\$75	Per policy per year inflated 3% per year for 20 years
Claims Payment	8.0%	8.0%	8.0%	Of Claims Paid
Premium Taxes	2.0%	2.0%	2.0%	Of Premium
Overhead	3.0%	3.0%	3.0%	Of Premium

D. Commissions/Marketing Expenses

Commissions were assumed to be paid on original premium and not on waived premiums. Actual commission schedules will vary by level of production. The following tables show the average commission plus marketing percentages that were assumed in pricing:

Commissions/Marketing Expenses; Lifetime Pay Individuals and Multi-life*				
Policy Duration	Issue Age			
	0 – 64	65 – 69	70 - 74	75 - 79
1	110.0%	110.0%	110.0%	105.0%
2-10	15.0	15.0	15.0	15.0
11+	6.0	6.0	6.0	6.0

\*For some multi-life sales, where the employer is contributing, the first year commissions are increased 5 points.

For associations, commissions are shown in the table below.

<b>Commissions/Marketing Expenses; Lifetime Pay Association Sales</b>				
<b>Policy Duration</b>	<b>Issue Age</b>			
	<b>0 – 64</b>	<b>65 – 69</b>	<b>70 - 74</b>	<b>75 - 79</b>
1	101.0%	101.0%	101.0%	96.5%
2-10	12.9	12.9	12.9	12.9
11+	5.4	5.4	5.4	5.4

For the limited pay option, renewal commissions and marketing expenses were assumed to be reduced to 3% in years 2+.

E. Distributions

The following issue age distribution of insureds was assumed by gender, inflation option and marital status. Separate distributions are provided for individual sales, sales to multi-life groups where the employee pays, and sales to multi-life groups where the employer contributes to the premium. The distributions were based on actual company sales under its existing policy.

<b>Individual Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	2.3%	0.5%	3.8%	0.0%	0.0%	1.3%	1.2%
<35 – F	2.9	1.2	0.0	3.0	0.0	0.6	1.7
35-39 – M	1.9	1.3	2.1	0.0	0.0	0.6	1.3
35-39 – F	2.4	2.3	0.0	3.0	0.4	0.6	2.0
40-44 – M	2.4	2.5	3.8	9.1	1.0	0.0	2.3
40-44 – F	3.1	3.7	0.0	9.1	0.7	1.3	3.1
45-49 – M	4.9	4.3	5.8	6.1	1.0	3.2	4.2
45-49 – F	5.1	5.5	7.9	0.0	2.0	5.2	5.0
50-54 – M	4.4	5.6	9.6	9.1	2.7	6.5	5.3
50-54 – F	7.5	7.3	9.6	12.1	7.1	9.1	7.7
55-59 – M	5.7	8.3	3.8	6.1	6.9	6.5	7.1
55-59 – F	10.8	9.8	17.5	27.3	10.4	7.8	10.5
60-64 – M	6.9	14.1	9.6	12.1	9.6	15.6	11.5
60-64 – F	14.5	12.5	2.1	0.0	22.8	14.3	13.5
65-69 – M	5.0	8.0	3.8	0.0	6.2	13.0	7.2
65-69 – F	10.5	5.1	18.8	3.0	19.9	11.7	8.6
70-74 – M	2.0	4.7	2.1	0.0	1.7	1.3	3.1
70-74 – F	4.1	2.5	0.0	0.0	4.9	1.3	2.9
75-79 – M	1.5	0.5	0.0	0.0	0.7	0.0	0.8
75-79 – F	2.2	0.3	0.0	0.0	2.0	0.0	1.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Employee-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	2.2%	0.3%	1.6%	0.0%	2.1%	1.4%	1.4%
<35 – F	2.0	2.8	4.8	0.0	2.7	3.3	2.6
35-39 – M	1.6	1.6	1.4	1.1	1.7	2.1	1.7
35-39 – F	3.2	3.1	4.0	4.6	1.8	3.3	3.0
40-44 – M	3.7	3.4	0.9	4.0	3.6	4.5	3.7
40-44 – F	4.7	5.9	3.2	9.2	5.9	3.3	5.1
45-49 – M	3.3	4.6	6.8	1.7	6.1	4.9	4.5
45-49 – F	9.4	7.2	0.4	11.5	6.8	8.2	8.0
50-54 – M	8.0	6.9	10.9	9.9	7.6	5.5	7.2
50-54 – F	14.6	15.6	6.4	18.4	14.0	18.4	15.6
55-59 – M	9.4	9.6	14.2	13.7	8.6	10.8	9.9
55-59 – F	18.3	15.9	18.3	18.4	16.5	18.4	17.3
60-64 – M	5.8	7.9	11.7	5.3	7.0	6.6	6.9
60-64 – F	8.9	8.7	9.1	2.3	11.7	6.6	8.6
65-69 – M	2.3	3.8	3.9	0.0	1.8	1.5	2.5
65-69 – F	2.2	2.3	2.4	0.0	2.1	0.8	1.9
70-74 – M	0.2	0.2	0.0	0.0	0.0	0.2	0.2
70-74 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>Employer-Pay Multi-life Distribution by Issue Age, Gender, Inflation Option and Marital Status</b>							
<b>Issue Age/Gender</b>	<b>No Inflation</b>		<b>5% Compound</b>		<b>3% Compound</b>		<b>Total</b>
	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	<b>Singles</b>	<b>Married</b>	
<35 – M	11.9%	7.6%	18.5%	0.0%	5.8%	2.3%	6.5%
<35 – F	19.5	8.7	0.0	7.4	15.5	2.3	9.6
35-39 – M	5.2	6.0	3.7	5.6	1.9	1.7	3.8
35-39 – F	4.8	6.0	3.7	7.4	7.8	1.7	4.4
40-44 – M	5.2	6.0	0.0	5.6	1.0	4.3	4.4
40-44 – F	7.1	7.6	3.7	11.1	2.9	4.3	5.9
45-49 – M	2.9	7.6	18.5	11.1	6.8	5.7	6.3
45-49 – F	5.7	8.2	0.0	1.9	7.8	7.4	6.6
50-54 – M	4.8	5.4	18.5	13.0	5.8	7.7	7.0
50-54 – F	8.6	6.5	7.4	5.6	4.9	11.0	8.3
55-59 – M	4.3	6.0	7.4	5.6	6.8	14.0	8.4
55-59 – F	6.7	6.5	7.4	9.3	10.7	13.0	9.5
60-64 – M	4.8	7.1	7.4	3.7	3.9	8.4	6.4
60-64 – F	6.2	3.8	0.0	3.7	9.7	7.0	6.0
65-69 – M	0.0	2.7	3.7	5.6	6.8	6.0	3.9
65-69 – F	1.4	3.3	0.0	3.7	1.9	3.0	2.5
70-74 – M	0.5	0.0	0.0	0.0	0.0	0.0	0.1
70-74 – F	0.5	0.5	0.0	0.0	0.0	0.0	0.2
75-79 – M	0.0	0.5	0.0	0.0	0.0	0.0	0.1
75-79 – F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The following sex and marital status distribution was assumed:

<b>Distribution by Marital Status</b>			
<b>Issue Age</b>	<b>% Married</b>		
	<b>Individual</b>	<b>Employee Pay Multi-Life</b>	<b>Employer Pay Multi-Life</b>
30 – 34	37.5%	49.1%	34.0%
35 – 39	56.0%	57.9%	54.2%
40 – 44	63.6%	56.2%	65.9%
45 – 49	60.9%	54.8%	66.4%
50 – 54	63.8%	56.5%	65.7%
55 – 59	61.7%	55.3%	71.3%
60 – 64	63.8%	52.7%	64.2%
65 – 69	56.6%	55.1%	76.8%
70 – 74	59.6%	64.8%	33.3%
75 – 79	21.9%	NA	100.0%
Average	60.0%	55.1%	61.2%

The “Single” category of insureds includes individuals who are married, but only one spouse is insured. The percent married and the married discount pertains only to couples, where both purchase.

Fully underwritten premium rates will be adjusted based on perceived health status of the insured. Three rating categories will be used: Preferred, Standard, and Substandard. The following outlines the assumed distribution of business and corresponding premium rating factors assumed in our pricing.

<b>Distribution of Business by Health Status – Individual</b>		
<b>Rating Category</b>	<b>% of Issues</b>	<b>Rating Factor</b>
Preferred	43.8%	0.90
Standard	49.0%	1.00
Substandard	7.2%	1.40

No preferred, standard and substandard rating classes will be used for sales in the multi-life market.

The following tables provide the distribution of business for benefit options and for optional benefits assumed in the pricing.

<b>Distribution of Business by Benefit Option</b>			
<b>% of Monthly Bank</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
1%	65.5%	64.2%	49.7%
2%	20.2	24.9	35.9
3%	14.4	10.9	14.4

<b>Distribution of Business Selecting Options</b>			
<b>Optional Rider</b>	<b>% of Issues</b>		
	<b>Individual</b>	<b>Employee-Pay Multi-life</b>	<b>Employer-Pay Multi-Life</b>
5% Compound Inflation	3.5%	5.5%	9.2%
3% Compound Inflation	17.4%	34.4%	45.8%
Shared Care Rider	15.0%	15.0%	15.0%
Money Back Promise	2.8%	6.5%	4.0%

F. Average Annual Premium

Based upon the above stated distributions, the average annual premium for the policy at issue (including riders) is expected to be \$1401, assuming an average daily benefit of \$100.

G. Investment Income

Investment income was assumed to accrue at the rate of 4.5% per year on reserves, cash flows, and required capital and surplus.

**III. GROSS PREMIUMS**

Gross premiums were computed to pay for benefits and expenses and to provide the desired overall return on equity.

The resulting gross annual premiums for single, standard insureds are attached, separate for males and females. A 30% spouse/domestic partners discount will apply to both husband and wife/partners when both are issued policies. If applicable, the spouse discount will continue throughout the life of the insured.

Fully underwritten policyholders can be classified as preferred risks, or as standard or substandard risks. Preferred rates are 10% lower than standard, and substandard rates are 40% higher than standard.

Rates will be discounted for individuals who are members of groups, with a larger discount applying if the employer contributes to the premium. Rates will also be discounted for individuals who are members of qualifying associations.

No modal factors are used.

Factors are available which would convert the annual premiums into premiums which are paid up after 10 years.

Rates sheets are attached which show the annual premiums for a single, standard insured by benefit period. Factors are then shown which would convert these rates to annual premiums with other optional benefits or for changing the payment parameters. The resulting annual premiums for the particular option selected will be rounded to the nearest dollar.

#### **IV. LOSS RATIO**

The expected lifetime loss ratio, calculated as claims incurred divided by premiums earned, discounted at 3.5%, is 58.3%.

#### **V. CERTIFICATION**

I, Dawn Helwig, am a consulting actuary for Milliman, Inc. and a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the current and proposed requirements for filing long-term care insurance premiums.

In my opinion the initial premium rate schedules, based on my review as of June 2013, are sufficient to cover anticipated costs under moderately adverse experience and the premium rate schedules are reasonably expected to be sustainable over the life of the forms with no future premium increases anticipated.

The following moderately adverse assumptions were tested:

- Morbidity increased by 10%
- Lapses reduced by 50%
- Mortality reduced by 20%
- Investment rate reduced by 50 basis points.

The policy was priced to yield a pre-tax profit margin of at least 15%. Each of these assumption changes, taken alone, resulted in a pre-tax profit margin that dropped by less than five percentage points. Any assumption deviation, or combination of assumption changes, that result in the pre-tax profit margin dropping by more than five points could result in a rate increase being needed.

My analysis of moderately adverse assumptions included a review of the projected slope of the claim costs, which was determined to be reasonable. The 10% overall morbidity increase sensitivity was thus the only morbidity change tested.

I have reviewed and taken into consideration the policy design and coverage provided.

I have reviewed and taken into consideration the company's planned underwriting and claims adjudication processes. I have relied upon information provided to me by the company's administrator for a description of these processes. I have reviewed and considered but not audited these procedures.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary.

The reserves to be held will consist of active life reserves, unearned premium reserves, and claim reserves. The contract reserves will be the mid-terminal reserves calculated using a one year preliminary term basis plus the net unearned premium reserves, but never less than the gross unearned premium reserve. The contract reserves anticipated to be held under the form will be calculated using NAIC minimum reserve standards, currently using expected claim costs with selection, lapses based on 80% of the assumed voluntary lapse rate up to 6% in policy year 1, 80% of the assumed voluntary lapse rate up to 4% in policy year 2-4, and 100% of the assumed voluntary lapse rate for years 5+ up to 2%, the mortality table specified in the NAIC minimum reserve standards for health insurance contracts (currently 1994 GAM) and the interest rate specified in the NAIC minimum reserve standards (currently 3.5% - the maximum rate permitted in the valuation of whole life insurance). These assumptions provide reasonable margins for adverse experience.

The net renewal valuation premiums do not increase.

The difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses. This condition is not met for each issue age and option, though it is met in aggregate. I believe this is reasonable because the underlying gross premium maintains a reasonably consistent relationship by age. Also, each issue age and option is expected to result in lifetime statutory pre-tax profits, when investment income is incorporated.

LifeSecure Insurance Company  
Long Term Care Policy Form LS-LTC-0004 ST 01/13 et al  
Actuarial Memorandum  
July 31, 2013  
Page 14

The premium rate schedule for this policy is not less than the premium rate schedule for existing similar policy forms also available from the carrier.

*Dawn E. Helwig*

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Dawn E. Helwig, F.S.A., M.A.A.A.  
Member, American Academy of Actuaries

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LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Standard Risks\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$414	\$346	\$294	\$620	\$518	\$442
31	423	353	300	635	529	450
32	434	361	306	650	541	458
33	444	369	312	666	553	468
34	454	376	318	682	564	476
35	465	384	323	697	576	485
36	474	392	330	712	588	494
37	485	400	335	727	600	503
38	499	410	344	749	616	516
39	514	422	352	770	632	528
40	528	433	361	792	649	541
41	542	444	370	814	666	554
42	557	455	378	835	683	566
43	574	469	389	862	703	583
44	592	482	399	888	724	599
45	610	497	410	914	745	616
46	627	510	421	941	766	631
47	646	524	432	968	786	648
48	671	545	448	1,007	817	672
49	697	565	463	1,045	847	695
50	722	585	479	1,084	877	719
51	748	605	495	1,122	907	743
52	774	625	511	1,160	937	767
53	810	655	535	1,216	983	803
54	847	685	560	1,271	1,027	840
55	884	714	584	1,326	1,072	876
56	921	744	608	1,381	1,116	912
57	958	774	633	1,436	1,160	949
58	1,031	832	678	1,547	1,248	1,018
59	1,106	890	724	1,658	1,336	1,086
60	1,179	949	770	1,769	1,423	1,154
61	1,253	1,006	815	1,879	1,510	1,223
62	1,326	1,065	861	1,990	1,597	1,291
63	1,448	1,162	938	2,172	1,742	1,408
64	1,569	1,258	1,017	2,353	1,888	1,525
65	1,690	1,356	1,094	2,536	2,034	1,642
66	1,812	1,453	1,172	2,718	2,179	1,758
67	1,933	1,550	1,250	2,899	2,324	1,874
68	2,276	1,822	1,466	3,414	2,732	2,198
69	2,619	2,094	1,682	3,929	3,140	2,522
70	2,962	2,365	1,898	4,444	3,547	2,846
71	3,306	2,637	2,114	4,958	3,955	3,170
72	3,649	2,909	2,330	5,473	4,363	3,494
73	4,282	3,409	2,724	6,424	5,113	4,086
74	4,915	3,910	3,118	7,373	5,864	4,678
75	5,549	4,410	3,513	8,323	6,614	5,269
76	6,182	4,910	3,907	9,272	7,364	5,861
77	6,815	5,410	4,302	10,223	8,116	6,452
78	7,274	5,793	4,615	10,912	8,689	6,923
79	7,734	6,175	4,928	11,600	9,263	7,392

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Standard Risks\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,055	\$881	\$751	\$1,730	\$1,445	\$1,231
31	1,067	890	757	1,750	1,459	1,241
32	1,081	900	762	1,773	1,476	1,250
33	1,095	909	769	1,795	1,491	1,262
34	1,108	917	774	1,816	1,503	1,270
35	1,120	925	779	1,837	1,517	1,277
36	1,134	937	788	1,860	1,537	1,292
37	1,145	945	792	1,878	1,550	1,299
38	1,165	958	803	1,911	1,571	1,317
39	1,184	972	812	1,943	1,595	1,331
40	1,203	986	822	1,973	1,617	1,348
41	1,220	999	832	2,001	1,638	1,364
42	1,242	1,016	843	2,037	1,666	1,382
43	1,265	1,033	857	2,075	1,694	1,405
44	1,288	1,049	868	2,112	1,721	1,424
45	1,309	1,067	881	2,146	1,749	1,445
46	1,329	1,081	892	2,179	1,774	1,462
47	1,350	1,095	903	2,214	1,797	1,481
48	1,384	1,124	924	2,270	1,843	1,515
49	1,424	1,154	947	2,335	1,893	1,553
50	1,456	1,179	966	2,388	1,933	1,584
51	1,487	1,202	984	2,438	1,971	1,614
52	1,516	1,224	1,002	2,486	2,008	1,643
53	1,565	1,265	1,034	2,567	2,075	1,695
54	1,612	1,303	1,066	2,644	2,137	1,748
55	1,658	1,340	1,095	2,718	2,197	1,796
56	1,709	1,381	1,129	2,803	2,265	1,851
57	1,751	1,414	1,157	2,871	2,319	1,897
58	1,856	1,498	1,221	3,044	2,456	2,003
59	1,959	1,578	1,283	3,213	2,587	2,104
60	2,056	1,654	1,342	3,372	2,713	2,201
61	2,149	1,727	1,399	3,525	2,832	2,294
62	2,251	1,807	1,461	3,691	2,963	2,395
63	2,416	1,938	1,566	3,963	3,179	2,568
64	2,574	2,065	1,668	4,221	3,386	2,736
65	2,726	2,187	1,765	4,470	3,586	2,894
66	2,871	2,302	1,857	4,708	3,775	3,045
67	3,008	2,412	1,945	4,933	3,955	3,189
68	3,414	2,732	2,198	5,599	4,481	3,605
69	3,781	3,023	2,428	6,202	4,957	3,982
70	4,138	3,303	2,651	6,786	5,417	4,347
71	4,432	3,535	2,834	7,268	5,797	4,647
72	4,686	3,736	2,992	7,686	6,127	4,907
73	5,380	4,282	3,422	8,823	7,023	5,612
74	6,083	4,838	3,859	9,975	7,935	6,329
75	6,763	5,374	4,281	11,091	8,814	7,021
76	7,418	5,892	4,689	12,165	9,662	7,689
77	7,987	6,340	5,041	13,098	10,398	8,267
78	8,456	6,734	5,365	13,869	11,044	8,799
79	8,845	7,063	5,636	14,506	11,583	9,244

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Standard Risks\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,132	\$1,781	\$1,517	\$3,806	\$3,181	\$2,709
31	2,148	1,790	1,523	3,835	3,197	2,719
32	2,163	1,799	1,524	3,862	3,213	2,722
33	2,179	1,810	1,532	3,892	3,233	2,735
34	2,191	1,813	1,531	3,912	3,237	2,734
35	2,204	1,821	1,533	3,936	3,252	2,737
36	2,208	1,825	1,534	3,943	3,259	2,740
37	2,219	1,831	1,534	3,962	3,269	2,739
38	2,241	1,842	1,544	4,001	3,290	2,757
39	2,265	1,859	1,552	4,045	3,320	2,772
40	2,282	1,871	1,560	4,076	3,341	2,785
41	2,302	1,884	1,568	4,110	3,365	2,801
42	2,314	1,892	1,569	4,133	3,378	2,803
43	2,342	1,912	1,585	4,182	3,413	2,831
44	2,362	1,925	1,593	4,218	3,437	2,844
45	2,384	1,943	1,605	4,258	3,470	2,866
46	2,398	1,952	1,609	4,283	3,485	2,873
47	2,418	1,962	1,618	4,317	3,504	2,889
48	2,455	1,993	1,639	4,384	3,558	2,926
49	2,494	2,021	1,658	4,453	3,609	2,960
50	2,522	2,042	1,673	4,504	3,646	2,988
51	2,553	2,064	1,690	4,558	3,686	3,018
52	2,572	2,077	1,700	4,593	3,710	3,035
53	2,631	2,127	1,737	4,698	3,798	3,102
54	2,676	2,163	1,769	4,779	3,863	3,159
55	2,723	2,200	1,799	4,862	3,929	3,212
56	2,755	2,226	1,819	4,921	3,976	3,249
57	2,790	2,254	1,844	4,983	4,025	3,293
58	2,914	2,351	1,917	5,204	4,199	3,424
59	3,038	2,446	1,989	5,424	4,369	3,552
60	3,137	2,524	2,047	5,601	4,507	3,656
61	3,234	2,598	2,104	5,775	4,639	3,758
62	3,308	2,655	2,147	5,907	4,742	3,833
63	3,497	2,805	2,266	6,245	5,009	4,047
64	3,651	2,929	2,367	6,520	5,230	4,226
65	3,801	3,049	2,461	6,788	5,445	4,395
66	3,916	3,140	2,533	6,993	5,607	4,523
67	4,025	3,227	2,602	7,188	5,763	4,647
68	4,501	3,602	2,898	8,037	6,433	5,175
69	4,927	3,939	3,164	8,799	7,033	5,649
70	5,288	4,221	3,387	9,443	7,538	6,049
71	5,582	4,453	3,569	9,968	7,952	6,374
72	5,779	4,607	3,690	10,319	8,226	6,588
73	6,595	5,250	4,195	11,777	9,374	7,491
74	7,311	5,816	4,639	13,056	10,385	8,283
75	7,963	6,328	5,041	14,219	11,300	9,002
76	8,600	6,830	5,436	15,357	12,197	9,707
77	9,124	7,243	5,759	16,293	12,934	10,284
78	9,484	7,552	6,017	16,936	13,486	10,745
79	9,812	7,835	6,252	17,521	13,991	11,165

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

Preferred Rates: Multiply Standard Rates by 0.90

Substandard Rates: Multiply Standard Rates by 1.4

Adjustments to Other Modes of Payment:

Monthly Bank Draft: 1/12 of Annual

Monthly Direct Bill: 1/12 of Annual

Quarterly: 1/4 of Annual

Semi-Annual: 1/2 of Annual

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$410	\$343	\$291	\$614	\$513	\$438
31	419	349	297	629	524	446
32	430	357	303	644	536	453
33	440	365	309	659	547	463
34	449	372	315	675	558	471
35	460	380	320	690	570	480
36	469	388	327	705	582	489
37	480	396	332	720	594	498
38	494	406	341	742	610	511
39	509	418	348	762	626	523
40	523	429	357	784	643	536
41	537	440	366	806	659	548
42	551	450	374	827	676	560
43	568	464	385	853	696	577
44	586	477	395	879	717	593
45	604	492	406	905	738	610
46	621	505	417	932	758	625
47	640	519	428	958	778	642
48	664	540	444	997	809	665
49	690	559	458	1,035	839	688
50	715	579	474	1,073	868	712
51	741	599	490	1,111	898	736
52	766	619	506	1,148	928	759
53	802	648	530	1,204	973	795
54	839	678	554	1,258	1,017	832
55	875	707	578	1,313	1,061	867
56	912	737	602	1,367	1,105	903
57	948	766	627	1,422	1,148	940
58	1,021	824	671	1,532	1,236	1,008
59	1,095	881	717	1,641	1,323	1,075
60	1,167	940	762	1,751	1,409	1,142
61	1,240	996	807	1,860	1,495	1,211
62	1,313	1,054	852	1,970	1,581	1,278
63	1,434	1,150	929	2,150	1,725	1,394
64	1,553	1,245	1,007	2,329	1,869	1,510
65	1,673	1,342	1,083	2,511	2,014	1,626
66	1,794	1,438	1,160	2,691	2,157	1,740
67	1,914	1,535	1,238	2,870	2,301	1,855
68	2,253	1,804	1,451	3,380	2,705	2,176
69	2,593	2,073	1,665	3,890	3,109	2,497
70	2,932	2,341	1,879	4,400	3,512	2,818
71	3,273	2,611	2,093	4,908	3,915	3,138
72	3,613	2,880	2,307	5,418	4,319	3,459
73	4,239	3,375	2,697	6,360	5,062	4,045
74	4,866	3,871	3,087	7,299	5,805	4,631
75	5,494	4,366	3,478	8,240	6,548	5,216
76	6,120	4,861	3,868	9,179	7,290	5,802
77	6,747	5,356	4,259	10,121	8,035	6,387
78	7,201	5,735	4,569	10,803	8,602	6,854
79	7,657	6,113	4,879	11,484	9,170	7,318

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

**\*\* Employer Pay Factor:**

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

\* Applicability of multi-life rates are subject to certain group size and participation requirements.

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,044	\$872	\$743	\$1,713	\$1,431	\$1,219
31	1,056	881	749	1,733	1,444	1,229
32	1,070	891	754	1,755	1,461	1,238
33	1,084	900	761	1,777	1,476	1,249
34	1,097	908	766	1,798	1,488	1,257
35	1,109	916	771	1,819	1,502	1,264
36	1,123	928	780	1,841	1,522	1,279
37	1,134	936	784	1,859	1,535	1,286
38	1,153	948	795	1,892	1,555	1,304
39	1,172	962	804	1,924	1,579	1,318
40	1,191	976	814	1,953	1,601	1,335
41	1,208	989	824	1,981	1,622	1,350
42	1,230	1,006	835	2,017	1,649	1,368
43	1,252	1,023	848	2,054	1,677	1,391
44	1,275	1,039	859	2,091	1,704	1,410
45	1,296	1,056	872	2,125	1,732	1,431
46	1,316	1,070	883	2,157	1,756	1,447
47	1,337	1,084	894	2,192	1,779	1,466
48	1,370	1,113	915	2,247	1,825	1,500
49	1,410	1,142	938	2,312	1,874	1,537
50	1,441	1,167	956	2,364	1,914	1,568
51	1,472	1,190	974	2,414	1,951	1,598
52	1,501	1,212	992	2,461	1,988	1,627
53	1,549	1,252	1,024	2,541	2,054	1,678
54	1,596	1,290	1,055	2,618	2,116	1,731
55	1,641	1,327	1,084	2,691	2,175	1,778
56	1,692	1,367	1,118	2,775	2,242	1,832
57	1,733	1,400	1,145	2,842	2,296	1,878
58	1,837	1,483	1,209	3,014	2,431	1,983
59	1,939	1,562	1,270	3,181	2,561	2,083
60	2,035	1,637	1,329	3,338	2,686	2,179
61	2,128	1,710	1,385	3,490	2,804	2,271
62	2,228	1,789	1,446	3,654	2,933	2,371
63	2,392	1,919	1,550	3,923	3,147	2,542
64	2,548	2,044	1,651	4,179	3,352	2,709
65	2,699	2,165	1,747	4,425	3,550	2,865
66	2,842	2,279	1,838	4,661	3,737	3,015
67	2,978	2,388	1,926	4,884	3,915	3,157
68	3,380	2,705	2,176	5,543	4,436	3,569
69	3,743	2,993	2,404	6,140	4,907	3,942
70	4,097	3,270	2,624	6,718	5,363	4,304
71	4,388	3,500	2,806	7,195	5,739	4,601
72	4,639	3,699	2,962	7,609	6,066	4,858
73	5,326	4,239	3,388	8,735	6,953	5,556
74	6,022	4,790	3,820	9,875	7,856	6,266
75	6,695	5,320	4,238	10,980	8,726	6,951
76	7,344	5,833	4,642	12,043	9,565	7,612
77	7,907	6,277	4,991	12,967	10,294	8,184
78	8,371	6,667	5,311	13,730	10,934	8,711
79	8,757	6,992	5,580	14,361	11,467	9,152

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

**\*\* Employer Pay Factor:**

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

LifeSecure Insurance Company  
Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
90 Day Elimination Period; Daily Benefit = \$100  
Single Premiums; Sales to Individuals in Employer Groups\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,111	\$1,763	\$1,502	\$3,768	\$3,149	\$2,682
31	2,127	1,772	1,508	3,797	3,165	2,692
32	2,141	1,781	1,509	3,823	3,181	2,695
33	2,157	1,792	1,517	3,853	3,201	2,708
34	2,169	1,795	1,516	3,873	3,205	2,707
35	2,182	1,803	1,518	3,897	3,219	2,710
36	2,186	1,807	1,519	3,904	3,226	2,713
37	2,197	1,813	1,519	3,922	3,236	2,712
38	2,219	1,824	1,529	3,961	3,257	2,729
39	2,242	1,840	1,536	4,005	3,287	2,744
40	2,259	1,852	1,544	4,035	3,308	2,757
41	2,279	1,865	1,552	4,069	3,331	2,773
42	2,291	1,873	1,553	4,092	3,344	2,775
43	2,319	1,893	1,569	4,140	3,379	2,803
44	2,338	1,906	1,577	4,176	3,403	2,816
45	2,360	1,924	1,589	4,215	3,435	2,837
46	2,374	1,932	1,593	4,240	3,450	2,844
47	2,394	1,942	1,602	4,274	3,469	2,860
48	2,430	1,973	1,623	4,340	3,522	2,897
49	2,469	2,001	1,641	4,408	3,573	2,930
50	2,497	2,022	1,656	4,459	3,610	2,958
51	2,527	2,043	1,673	4,512	3,649	2,988
52	2,546	2,056	1,683	4,547	3,673	3,005
53	2,605	2,106	1,720	4,651	3,760	3,071
54	2,649	2,141	1,751	4,731	3,824	3,127
55	2,696	2,178	1,781	4,813	3,890	3,180
56	2,727	2,204	1,801	4,872	3,936	3,217
57	2,762	2,231	1,826	4,933	3,985	3,260
58	2,885	2,327	1,898	5,152	4,157	3,390
59	3,008	2,422	1,969	5,370	4,325	3,516
60	3,106	2,499	2,027	5,545	4,462	3,619
61	3,202	2,572	2,083	5,717	4,593	3,720
62	3,275	2,628	2,126	5,848	4,695	3,795
63	3,462	2,777	2,243	6,183	4,959	4,007
64	3,614	2,900	2,343	6,455	5,178	4,184
65	3,763	3,019	2,436	6,720	5,391	4,351
66	3,877	3,109	2,508	6,923	5,551	4,478
67	3,985	3,195	2,576	7,116	5,705	4,601
68	4,456	3,566	2,869	7,957	6,369	5,123
69	4,878	3,900	3,132	8,711	6,963	5,593
70	5,235	4,179	3,353	9,349	7,463	5,989
71	5,526	4,408	3,533	9,868	7,872	6,310
72	5,721	4,561	3,653	10,216	8,144	6,522
73	6,529	5,198	4,153	11,659	9,280	7,416
74	7,238	5,758	4,593	12,925	10,281	8,200
75	7,883	6,265	4,991	14,077	11,187	8,912
76	8,514	6,762	5,382	15,203	12,075	9,610
77	9,033	7,171	5,701	16,130	12,805	10,181
78	9,389	7,476	5,957	16,767	13,351	10,638
79	9,714	7,757	6,189	17,346	13,851	11,053

**\*Adjustment Factors**

Marital Discount: 30% if both purchase. (Multiply Single Rates by 0.70)

\*\* Employer Pay Factor:

- No further discount if employer pays 100% of premium (groups under 10)
- Apply 5% discount if employer contributes to premium (groups 10+).

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	No-inflation Premiums - Males			No-inflation Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$393	\$329	\$279	\$589	\$492	\$420
31	402	335	285	603	503	428
32	412	343	291	618	514	435
33	422	351	296	633	525	445
34	431	357	302	648	536	452
35	442	365	307	662	547	461
36	450	372	314	676	559	469
37	461	380	318	691	570	478
38	474	390	327	712	585	490
39	488	401	334	732	600	502
40	502	411	343	752	617	514
41	515	422	352	773	633	526
42	529	432	359	793	649	538
43	545	446	370	819	668	554
44	562	458	379	844	688	569
45	580	472	390	868	708	585
46	596	485	400	894	728	599
47	614	498	410	920	747	616
48	637	518	426	957	776	638
49	662	537	440	993	805	660
50	686	556	455	1,030	833	683
51	711	575	470	1,066	862	706
52	735	594	485	1,102	890	729
53	770	622	508	1,155	934	763
54	805	651	532	1,207	976	798
55	840	678	555	1,260	1,018	832
56	875	707	578	1,312	1,060	866
57	910	735	601	1,364	1,102	902
58	979	790	644	1,470	1,186	967
59	1,051	846	688	1,575	1,269	1,032
60	1,120	902	732	1,681	1,352	1,096
61	1,190	956	774	1,785	1,435	1,162
62	1,260	1,012	818	1,891	1,517	1,226
63	1,376	1,104	891	2,063	1,655	1,338
64	1,491	1,195	966	2,235	1,794	1,449
65	1,606	1,288	1,039	2,409	1,932	1,560
66	1,721	1,380	1,113	2,582	2,070	1,670
67	1,836	1,473	1,188	2,754	2,208	1,780
68	2,162	1,731	1,393	3,243	2,595	2,088
69	2,488	1,989	1,598	3,733	2,983	2,396
70	2,814	2,247	1,803	4,222	3,370	2,704
71	3,141	2,505	2,008	4,710	3,757	3,012
72	3,467	2,764	2,214	5,199	4,145	3,319
73	4,068	3,239	2,588	6,103	4,857	3,882
74	4,669	3,715	2,962	7,004	5,571	4,444
75	5,272	4,190	3,337	7,907	6,283	5,006
76	5,873	4,665	3,712	8,808	6,996	5,568
77	6,474	5,140	4,087	9,712	7,710	6,129
78	6,910	5,503	4,384	10,366	8,255	6,577
79	7,347	5,866	4,682	11,020	8,800	7,022

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 3% Compound Inflation Rider LS-LTC-3P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	3% Compound Premiums - Males			3% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$1,002	\$837	\$713	\$1,644	\$1,373	\$1,169
31	1,014	846	719	1,663	1,386	1,179
32	1,027	855	724	1,684	1,402	1,188
33	1,040	864	731	1,705	1,416	1,199
34	1,053	871	735	1,725	1,428	1,207
35	1,064	879	740	1,745	1,441	1,213
36	1,077	890	749	1,767	1,460	1,227
37	1,088	898	752	1,784	1,473	1,234
38	1,107	910	763	1,815	1,492	1,251
39	1,125	923	771	1,846	1,515	1,264
40	1,143	937	781	1,874	1,536	1,281
41	1,159	949	790	1,901	1,556	1,296
42	1,180	965	801	1,935	1,583	1,313
43	1,202	981	814	1,971	1,609	1,335
44	1,224	997	825	2,006	1,635	1,353
45	1,244	1,014	837	2,039	1,662	1,373
46	1,263	1,027	847	2,070	1,685	1,389
47	1,283	1,040	858	2,103	1,707	1,407
48	1,315	1,068	878	2,157	1,751	1,439
49	1,353	1,096	900	2,218	1,798	1,475
50	1,383	1,120	918	2,269	1,836	1,505
51	1,413	1,142	935	2,316	1,872	1,533
52	1,440	1,163	952	2,362	1,908	1,561
53	1,487	1,202	982	2,439	1,971	1,610
54	1,531	1,238	1,013	2,512	2,030	1,661
55	1,575	1,273	1,040	2,582	2,087	1,706
56	1,624	1,312	1,073	2,663	2,152	1,758
57	1,663	1,343	1,099	2,727	2,203	1,802
58	1,763	1,423	1,160	2,892	2,333	1,903
59	1,861	1,499	1,219	3,052	2,458	1,999
60	1,953	1,571	1,275	3,203	2,577	2,091
61	2,042	1,641	1,329	3,349	2,690	2,179
62	2,138	1,717	1,388	3,506	2,815	2,275
63	2,295	1,841	1,488	3,765	3,020	2,440
64	2,445	1,962	1,585	4,010	3,217	2,599
65	2,590	2,078	1,677	4,247	3,407	2,749
66	2,727	2,187	1,764	4,473	3,586	2,893
67	2,858	2,291	1,848	4,686	3,757	3,030
68	3,243	2,595	2,088	5,319	4,257	3,425
69	3,592	2,872	2,307	5,892	4,709	3,783
70	3,931	3,138	2,518	6,447	5,146	4,130
71	4,210	3,358	2,692	6,905	5,507	4,415
72	4,452	3,549	2,842	7,302	5,821	4,662
73	5,111	4,068	3,251	8,382	6,672	5,331
74	5,779	4,596	3,666	9,476	7,538	6,013
75	6,425	5,105	4,067	10,536	8,373	6,670
76	7,047	5,597	4,455	11,557	9,179	7,305
77	7,588	6,023	4,789	12,443	9,878	7,854
78	8,033	6,397	5,097	13,176	10,492	8,359
79	8,403	6,710	5,354	13,781	11,004	8,782

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

LifeSecure Insurance Company  
 Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13  
 with 5% Compound Inflation Rider LS-LTC-5P-R ST 01/13  
 90 Day Elimination Period; Daily Benefit = \$100  
 Single, Standard Premiums; Sales to Individuals in Associations\*

Issue Age	5% Compound Premiums - Males			5% Compound Premiums - Females		
	Monthly Payment, as % of Benefit Bank:			Monthly Payment, as % of Benefit Bank:		
	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)	1% (8.3 year BP)	2% (4.2 year BP)	3% (2.8 year BP)
30 and under	\$2,025	\$1,692	\$1,441	\$3,616	\$3,022	\$2,574
31	2,041	1,701	1,447	3,643	3,037	2,583
32	2,055	1,709	1,448	3,669	3,052	2,586
33	2,070	1,720	1,455	3,697	3,071	2,598
34	2,081	1,722	1,454	3,716	3,075	2,597
35	2,094	1,730	1,456	3,739	3,089	2,600
36	2,098	1,734	1,457	3,746	3,096	2,603
37	2,108	1,739	1,457	3,764	3,106	2,602
38	2,129	1,750	1,467	3,801	3,126	2,619
39	2,152	1,766	1,474	3,843	3,154	2,633
40	2,168	1,777	1,482	3,872	3,174	2,646
41	2,187	1,790	1,490	3,905	3,197	2,661
42	2,198	1,797	1,491	3,926	3,209	2,663
43	2,225	1,816	1,506	3,973	3,242	2,689
44	2,244	1,829	1,513	4,007	3,265	2,702
45	2,265	1,846	1,525	4,045	3,297	2,723
46	2,278	1,854	1,529	4,069	3,311	2,729
47	2,297	1,864	1,537	4,101	3,329	2,745
48	2,332	1,893	1,557	4,165	3,380	2,780
49	2,369	1,920	1,575	4,230	3,429	2,812
50	2,396	1,940	1,589	4,279	3,464	2,839
51	2,425	1,961	1,606	4,330	3,502	2,867
52	2,443	1,973	1,615	4,363	3,525	2,883
53	2,499	2,021	1,650	4,463	3,608	2,947
54	2,542	2,055	1,681	4,540	3,670	3,001
55	2,587	2,090	1,709	4,619	3,733	3,051
56	2,617	2,115	1,728	4,675	3,777	3,087
57	2,651	2,141	1,752	4,734	3,824	3,128
58	2,768	2,233	1,821	4,944	3,989	3,253
59	2,886	2,324	1,890	5,153	4,151	3,374
60	2,980	2,398	1,945	5,321	4,282	3,473
61	3,072	2,468	1,999	5,486	4,407	3,570
62	3,143	2,522	2,040	5,612	4,505	3,641
63	3,322	2,665	2,153	5,933	4,759	3,845
64	3,468	2,783	2,249	6,194	4,969	4,015
65	3,611	2,897	2,338	6,449	5,173	4,175
66	3,720	2,983	2,406	6,643	5,327	4,297
67	3,824	3,066	2,472	6,829	5,475	4,415
68	4,276	3,422	2,753	7,635	6,111	4,916
69	4,681	3,742	3,006	8,359	6,681	5,367
70	5,024	4,010	3,218	8,971	7,161	5,747
71	5,303	4,230	3,391	9,470	7,554	6,055
72	5,490	4,377	3,506	9,803	7,815	6,259
73	6,265	4,988	3,985	11,188	8,905	7,116
74	6,945	5,525	4,407	12,403	9,866	7,869
75	7,565	6,012	4,789	13,508	10,735	8,552
76	8,170	6,489	5,164	14,589	11,587	9,222
77	8,668	6,881	5,471	15,478	12,287	9,770
78	9,010	7,174	5,716	16,089	12,812	10,208
79	9,321	7,443	5,939	16,645	13,291	10,607

**\*Adjustment Factors**

Marital Discount:	30% if both purchase. (Multiply Single Rates by 0.70)
Preferred Rates:	Multiply Standard Rates by 0.90
Substandard Rates:	Multiply Standard Rates by 1.4

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Premium with Limited Pay Option**

<b>Issue Age</b>	<b>Limited Pay Option: 10 Pay</b>
30 and under	4.37
31	4.34
32	4.30
33	4.26
34	4.23
35	4.19
36	4.16
37	4.12
38	4.03
39	3.94
40	3.86
41	3.77
42	3.68
43	3.58
44	3.48
45	3.38
46	3.28
47	3.18
48	3.12
49	3.05
50	2.99
51	2.92
52	2.86
53	2.79
54	2.72
55	2.65
56	2.58
57	2.51
58	2.40
59	2.29
60	2.19
61	2.08
62	1.97
63	1.91
64	1.85
65	1.80
66	1.74
67	1.68
68	1.60
69	1.52
70	1.44
71	1.36
72	1.28
73	1.24
74	1.21
75	1.17
76	1.14
77	1.10
78	1.10
79	1.10

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Non-forfeiture Option**

Issue Age	Money Back Guarantee Rider (Return of Premium on Death) LS-LTC-MBP-R ST 01/13	Lapse Protection Benefit Rider (NAIC Shortened BP) LS-LTC-LPB-R ST 01/13
30 and under	1.17	1.15
31	1.18	1.15
32	1.19	1.15
33	1.20	1.15
34	1.21	1.15
35	1.22	1.15
36	1.23	1.15
37	1.24	1.15
38	1.25	1.15
39	1.26	1.15
40	1.27	1.15
41	1.28	1.15
42	1.29	1.15
43	1.30	1.15
44	1.32	1.15
45	1.33	1.15
46	1.34	1.15
47	1.35	1.15
48	1.37	1.15
49	1.38	1.15
50	1.39	1.15
51	1.40	1.15
52	1.41	1.15
53	1.42	1.15
54	1.44	1.15
55	1.45	1.15
56	1.46	1.15
57	1.47	1.15
58	1.48	1.15
59	1.49	1.15
60	1.50	1.15
61	1.51	1.15
62	1.52	1.15
63	1.52	1.15
64	1.53	1.15
65	1.53	1.15
66	1.53	1.15
67	1.54	1.15
68	1.54	1.15
69	1.55	1.15
70	1.55	1.15
71	1.55	1.15
72	1.56	1.15
73	1.56	1.15
74	1.57	1.15
75	1.57	1.15
76	1.57	1.15
77	1.58	1.15
78	1.58	1.15
79	1.59	1.15

**LifeSecure Insurance Company**  
**Annual Long Term Care Premiums- Policy Form LS-LTC-0004 ST 01/13**  
**Factors to Apply to Base Policy to get Total Rates for Base Plus Shared Care**

**Shared Care Rider**  
**LS-LTS-SCB-R ST 01/13**

<u>Benefit Pool</u>	<u>Factor</u>
100 months (8.3 years)	1.03
50 months (4.2 years)	1.13
33 months (2.8 years)	1.20