

**Appendix A  
Illustrative Experience Exhibit**

Projection Assumptions:

Rate Increase effective 07/01/2016	19.2%
Claim Trend	15.0%
Insurance Trend	1.0%
Lapse Rate	20.0%
Aging	1.00
Future premium increases equal claim trend	

Cal Year (a)	Earned Premium (b)	Paid Claims (c)	Remaining Claim Liability & Reserve (d)	Incurred Claims (e) = (c) + (d)	Incurred Loss Ratio (f) = (e) / (b)	Expected Incurred Claims * (g)	Expected Loss Ratio * (h)	A/E Claims Ratio (i)	Active Life Reserves (j)	Earned Premium Manual Rate Basis (k)	Earned Premium Current Rate Basis (l)
2008	565,464	207,477	-	207,477	36.7%	209,222	37.0%	99.2%	-	565,464.00	715,312
2009	1,337,824	575,693	-	575,693	43.0%	561,946	42.0%	102.4%	-	1,337,824.20	1,692,348
2010	2,352,416	927,487	-	927,487	39.4%	1,075,107	45.7%	86.3%	-	2,352,416.18	2,975,806
2011	3,986,382	1,749,723	-	1,749,723	43.9%	1,896,723	47.6%	92.2%	-	3,986,381.86	5,042,773
2012	5,339,093	2,211,239	1,106	2,212,344	41.4%	2,696,178	50.5%	82.1%	-	5,339,092.79	6,753,952
2013	6,174,297	3,544,650	31,446	3,576,096	57.9%	3,308,434	53.6%	108.1%	-	6,174,296.66	7,810,485
2014	6,959,921	3,818,031	375,902	4,193,933	60.3%	3,974,882	57.1%	105.5%	-	6,959,920.78	8,394,570
2015	8,259,585	3,537,263	1,834,316	5,371,578	65.0%	4,812,170	58.3%	111.6%	-	8,259,584.83	8,857,418
2016	7,747,260			5,474,303	70.7%	5,392,577	69.6%	101.6%	-		
2017	7,246,233			5,657,119	78.1%	5,665,512	78.2%	99.9%	-		
2018	6,666,534			5,588,695	83.8%	5,596,987	84.0%	99.9%	-		
2019	6,133,212			5,332,842	87.0%	5,340,754	87.1%	99.9%	-		
2020	5,642,555			4,991,619	88.5%	4,999,025	88.6%	99.9%	-		
2021	5,191,150			4,638,212	89.3%	4,645,094	89.5%	99.9%	-		
2022	4,775,858			4,309,827	90.2%	4,316,221	90.4%	99.9%	-		
2023	4,393,790			4,004,691	91.1%	4,010,633	91.3%	99.9%	-		
2024	4,042,286			3,721,159	92.1%	3,726,680	92.2%	99.9%	-		
2025	3,718,903			3,457,701	93.0%	3,462,831	93.1%	99.9%	-		
2026	3,421,391			3,212,896	93.9%	3,217,663	94.0%	99.9%	-		
2027	3,147,680			2,985,423	94.8%	2,989,852	95.0%	99.9%	-		
2028	2,895,866			2,774,055	95.8%	2,778,171	95.9%	99.9%	-		
2029	2,664,196			2,577,652	96.8%	2,581,476	96.9%	99.9%	-		
2030	2,451,061			2,395,154	97.7%	2,398,708	97.9%	99.9%	-		
2031	2,254,976			2,225,577	98.7%	2,228,879	98.8%	99.9%	-		
2032	2,074,578			2,068,006	99.7%	2,071,074	99.8%	99.9%	-		
2033	1,908,611			1,921,591	100.7%	1,924,442	100.8%	99.9%	-		
2034	1,755,923			1,785,543	101.7%	1,788,192	101.8%	99.9%	-		
2035	1,615,449			1,659,126	102.7%	1,661,588	102.9%	99.9%	-		
2036	1,486,213			1,541,660	103.7%	1,543,947	103.9%	99.9%	-		
2037	1,367,316			1,432,511	104.8%	1,434,636	104.9%	99.9%	-		
2038	1,257,931			1,331,089	105.8%	1,333,064	106.0%	99.9%	-		
2039	1,157,296			1,236,848	106.9%	1,238,683	107.0%	99.9%	-		
2040	1,064,712			1,149,279	107.9%	1,150,984	108.1%	99.9%	-		
Past	34,974,981			18,814,331	53.8%	18,534,661	53.0%	101.5%	-	34,974,981	42,242,665
Future	86,080,978			77,472,577	90.0%	77,497,673	90.0%	100.0%	-		
Lifetime	121,055,960			96,286,908	79.5%	96,032,334	79.3%	100.3%	-		
Interest 5.0%											
Past	39,954,527			21,162,901	53.0%	20,985,327	52.5%	100.8%	-	39,954,527	48,471,391
Future	59,677,447			52,202,547	87.5%	52,192,316	87.5%	100.0%	-		
Lifetime	99,631,974			73,365,448	73.6%	73,177,643	73.4%	100.3%	-		

Each filing should include an exhibit with the requested increase and one without the requested increase.  
 Formulas (and underlying assumptions) used to determine projected values should be disclosed as part of the filing.  
 Assumptions disclosed should include the interest, medical trend, insurance trend, aging, lapse, shock lapse, and the effectiveness of past and proposed rate increases.

\* Calendar year expected claims and expected loss ratios are taken from the durational experience exhibit. 2011 expected loss ratios are taken from the approved durational loss ratio slope one duration beyond the 2010 expected loss ratio. Each additional future value follows the approved durational loss ratio slope.

### Appendix A, continued

#### Premium By Duration and Calendar Year

Ann Dur	2008	2009	2010	2011	2012	2013	2014	2015	Total
1	565,464	885,453	1,325,465	2,154,657	2,365,453	2,265,752	2,165,841	2,765,798	14,493,883
2		452,371	619,817	927,826	1,508,260	1,655,817	1,586,026	1,516,089	8,266,206
3			407,134	557,835	742,260	1,206,608	1,324,654	1,268,821	5,507,313
4				346,064	446,268	467,624	965,286	1,059,723	3,284,966
5					276,851	357,015	444,243	868,758	1,946,866
6						221,481	285,612	377,606	884,699
7							188,259	242,770	431,029
8								160,020	160,020
9									-
10									-
11									-
12									-
13									-
14									-
15									-
16									-
17									-
18									-
	565,464	1,337,824	2,352,416	3,986,382	5,339,093	6,174,297	6,959,921	8,259,585	

#### Durational Loss Ratio Slope

Ann Dur	2008	2009	2010	2011	2012	2013	2014	2015	mid year durational slope
1	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	
2	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.444
3	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.583
4	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.696
5	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.82	0.782
6	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.840
7	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.871
8	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.886
9	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.895
10	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.904
11	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.913
12	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.93	0.922
13	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.931
14	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.940
15	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.950
16	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.959
17	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.97	0.969
18	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.98	0.979

#### Expected Claims By Duration and Calendar Year

Ann Dur	2008	2009	2010	2011	2012	2013	2014	2015	Total
1	209,222	327,618	490,422	797,223	875,218	838,328	801,361	1,023,345	5,362,737
2		234,328	321,065	480,614	781,279	857,713	821,562	785,334	4,281,895
3			263,619	361,198	480,614	781,279	857,713	821,562	3,565,985
4				257,688	332,303	348,205	718,776	789,096	2,446,068
5					226,765	292,426	363,874	711,589	1,594,654
6						190,483	245,638	324,757	760,878
7							165,958	214,012	379,970
8								142,475	142,475
9									-
10									-
11									-
12									-
13									-
14									-
15									-
16									-
17									-
18									-
	209,222	561,946	1,075,107	1,896,723	2,696,178	3,308,434	3,974,882	4,812,170	

Exp LR's	37.0%	42.0%	45.7%	47.6%	50.5%	53.6%	57.1%	58.3%	
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