**Form 1**

Definitions and Formulas

**Current**

Current calendar year of reporting.

**Total Inception-to-Date**

Aggregate experience data since issuance of policies.

**Assumed /Ceded Rows**

Does not include YRT reinsurance transactions. For columns that are designated with a # rather than a $, assumed/ceded business is only recorded here if the business is 100% coinsured.

Column 1 – Earned Premiums

Collected Premiums + Change in Due Premiums – Change in Advanced Premiums – Change in

Unearned Premium Reserves.

**Life, Accident & Health, Fraternal and Property/Casualty Only**

Total earned premiums should equal direct earned premiums for LTC business from

Schedule H, Part 1, Line 2.

Column 2 - Incurred Claims

Developed claims incurred during the calendar year. Equal to the present value of all claim payments and any claim reserves. The discount rate is the statutory valuation interest rate for case reserves.

 Paid claims in the year of incurral are discounted one-quarter year.

 Paid claims subsequent to the year of incurral are assumed to be paid mid-year and discounted back to the midpoint of the incurred year.

 Claim reserves for a given incurred year plus transferred reserves from Form 3, Part 3 are discounted from the valuation date to the midpoint of the incurred year.

 Negative results are possible for acquired business only. Negative results indicate downward development of ultimate claims.

Column 3 – Claims Opened

The number of claims that have at least one benefit payment made during the year after the elimination period but have no payments in previous years. If a claimant has prior claims, he or she should be counted if the current claim is considered as a new claim. For the purpose of including a claim in this count, payments that do not require satisfaction of the elimination period are excluded. A claim that has terminated by the end of the year should be included in the count.

Column 4 - Claims Closed

Number of claims that were closed during the year due to recovery, exhaustion of benefits, or death.

Column 5 – Claims Remaining Open

 Open claims are all claims that have not been closed.

Column 6 – Terminations

Total number of policy or certificate holders whose coverage ended during the year for any reason, including death, lapse, or benefit exhaustion.

Column 7 – Policies/Certificates In-force at Year End

 Total number of policies or certificates in force at the end of the year.

Column 8 – Lives In-force at Year End

 Total number of lives in force at the end of the year. Joint policies are to be counted as two lives.

Column 9 – Active Life Reserves

 Total amount of reserves held for policyholders who are not currently on claim.

Column 10 – Claim Reserves

 Total amount of reserves held for payment of claims that have been incurred but not yet paid.

Column 11 – Other Reserves

Total amount of other reserves associated with long-term care policies, including premium deficiency reserves, unearned premium reserves, and additional actuarial reserves. For the additional actuarial reserve, use the lesser of the aggregate additional reserve and a reserve calculated specifically for LTC business.

The amount reported in annual statement Exhibit 6, Line 2 for life, accident & health, and fraternal only.

A reserve must be carried for any block of contracts for which future gross premiums when reduced by expenses for administration, commissions, and taxes will be insufficient to cover future claims or services.

**Form 2**

Definitions and Formulas

**Current**

Current calendar year of reporting.

**Total Inception-to-Date**

Aggregate experience data since issuance of policies.

**Comprehensive**

Policy forms that provide a combination of institutional or facility and non-institutional coverage. These include institutional only policies with non-institutional riders.

**Institutional Only**

Policy forms that provide institutional coverage only.

**Non-Institutional Only**

Policy forms that provide only non-institutional coverage.

Column 1 – Calendar Year of Peak Issues

Calendar year in which the largest number of policies in the block were sold. When reporting figures for inception-to-date, include all policies ever sold in the block. For the current year, include only those policies that remain inforce as of 12/31.

Column 2 – % Male Lives Insured

Percentage of males within the block of policyholders. For example, a block consisting of 60% males would be reported as 60. When reporting figures for inception-to-date, include all policies ever sold in the block. For the current year, include only those policyholders that remain insured as of 12/31.

Column 3 – Average Attained Age

 Unweighted average of the attained ages of all inforce policyholders in the block.

Column 4 – Earned Premium

Collected Premiums + Change in Due Premiums – Change in Advanced Premiums – Change in

Unearned Premium Reserves.

**Life, Accident & Health, Fraternal and Property/Casualty Only**

Total earned premiums should equal direct earned premiums for LTC business from

Schedule H, Part 1, Line 2.

Column 5 – Incurred Claims

Developed claims incurred during the calendar year. Equal to the present value of all claim payments and any claim reserves. The discount rate is the statutory valuation interest rate for case reserves

 Paid claims in the year of incurral are discounted one-quarter year.

 Paid claims subsequent to the year of incurral are assumed to be paid mid-year and discounted back to the midpoint of the incurred year.

 Claim reserves for a given incurred year are discounted from the valuation date to the midpoint of the incurred year.

 Negative results are possible for acquired business only. Negative results indicate downward development of ultimate claims.

Column 6 – Lives In-force Year End

 Total number of lives in force at the end of the year. Joint policies are to be counted as two lives.

Column 7 – Terminations

 Total number of policyholders whose coverage ended during the year for any reason including death, lapse, or benefit exhaustion.

Column 8 – New Lives Insured

 Total number of new lives issued LTC policies during the year.

**Form 4**

Definitions and Formulas

**Current**

Current calendar year of reporting.

**Total Inception-to-Date**

Aggregate experience data since issuance of certificates.

**Comprehensive**

Certificates that provide a combination of institutional or facility and non-institutional coverage. These include institutional only certificates with non-institutional riders.

**Institutional Only**

Certificates that provide institutional coverage only.

**Non-Institutional Only**

Certificates that provide only non-institutional coverage.

 Column 1 – Calendar Year of Peak Issues

Calendar year in which the largest number of certificates in the block were distributed. When reporting figures for inception-to-date, include all certificates ever issued in the block. For the current year, include only those certificates that remain inforce as of 12/31.

Column 2 – Third Party Funding

Indicate whether premiums are paid in whole or in part by a third party such as an employer. Example: If the level of third party funding is 25%, enter “25” in this column.

Calculate this in aggregate as [Third Party Premiums ÷ Total Premiums]

Column 3 – Average Attained Age

 Unweighted average of the attained ages of all inforce certificate holders in the block.

Column 4 – Earned Premium

Collected Premiums + Change in Due Premiums – Change in Advanced Premiums – Change in

Unearned Premium Reserves.

**Life, Accident & Health, Fraternal and Property/Casualty Only**

Total earned premiums should equal direct earned premiums for LTC business from

Schedule H, Part 1, Line 2.

Column 5 – Incurred Claims

Developed claim amounts for claims incurred during the calendar year. Equal to the present value of all claim payments and any claim reserve. The discount rate is the statutory valuation interest rate for case reserve.

 Paid claims in the year of incurral are discounted one-quarter year.

 Paid claims subsequent to the year of incurral are assumed to be paid mid-year and discounted back to the midpoint of the incurred year.

 Claim reserves for a given incurred year are discounted from the valuation date to the midpoint of the incurred year.

 Negative results are possible for acquired business only. Negative results indicate downward development of ultimate claims.

Column 6 – Lives In-force Year End

Total number of lives in force at the end of the year. Joint certificates are to be counted as two lives.

Column 7 – Terminations

Total number of certificate holders whose coverage ended during the year for any reason including death, lapse, or benefit exhaustion.

Column 8 – New Lives Insured

 Total number of new lives issued LTC certificates during the year.

**Form 5**

Definitions and Formulas

**Current**

Current calendar year of reporting.

**Total Inception-to-Date**

Aggregate experience data since issuance of policies.

**Stand-alone LTC**

An LTC product that is sold by itself, not as a rider on another type of insurance.

**Life/LTC Accelerated Benefits Riders**

Riders attached to life insurance or annuity products that allow for a benefit to be claimed upon the occurrence of a long-term care need at the cost of reduction in the death benefit or annuity payout benefit.

**LTC Extension of Benefit Riders**

Riders attached to life insurance or annuity products that allow for a benefit to be claimed above and beyond the initial benefit amount in the event that all accelerated benefits have been claimed and the insured is still in need of long-term care services.

Column 1 – State Code

 The state for which data is being reported. Example: CA for California

Column 2 – New Lives During Year

Total number of new lives that entered the block during the year. Joint policies are to be counted as multiple lives.

Column 3 – Lives In-force Year End

 Total number of lives in force at the end of the year. Joint policies are to be counted as two lives.

Column 4 – Earned Premiums

Collected Premiums + Change in Due Premiums – Change in Advanced Premiums – Change in

Unearned Premium Reserves.

**Life, Accident & Health, Fraternal and Property/Casualty Only**

Total earned premiums should equal direct earned premiums for LTC business from

Schedule H, Part 1, Line 2.

Column 5 – Incurred LTC Claims

Developed claim amounts for LTC claims incurred during the calendar year including accelerated claims, but not including payments due to extension of benefits. Equal to the present value of all claim payments and any claim reserves. The discount rate is the statutory valuation interest rate for case reserves.

 Paid claims in the year of incurral are discounted one-quarter year.

 Paid claims subsequent to the year of incurral are assumed to be paid mid-year and discounted back to the midpoint of the incurred year.

 Claim reserves for a given incurred year are discounted from the valuation date to the midpoint of the incurred year.

 Negative results are possible for acquired business only. Negative results indicate downward development of ultimate claims.

Column 6 – Incurred Extended Benefits Claims

 Developed claim amounts for LTC claims incurred during the calendar year due to extension of benefits after exhaustion of accelerated benefits. Equal to the present value of all claim payments and any claim reserves. The discount rate is the statutory valuation interest rate for case reserves.

 Paid claims in the year of incurral are discounted one-quarter year.

 Paid claims subsequent to the year of incurral are assumed to be paid mid-year and discounted back to the midpoint of the incurred year.

 Claim reserves for a given incurred year are discounted from the valuation date to the midpoint of the incurred year.

 Negative results are possible for acquired business only. Negative results indicate downward development of ultimate claims.

Column 7 – Claims Remaining Open

 Open claims are all claims that have not been closed.

Column 8 – Claims Opened

The number of claims that have at least one LTC benefit payment made during the year after the elimination period but have no payments in previous years. If a claimant has prior claims, he or she should be counted if the current claim is considered as a new claim. For the purpose of including a claim in this count, payments that do not require satisfaction of the elimination period are excluded. A claim that has terminated by the end of the year should be included in the count.

Column 9 - New Extended Benefits Claims

The number of claims that have at least one benefit payment made during the year resulting from extension of benefits, but have no extension of benefits payments in previous years. If a claimant has prior claims, he or she should be counted if the current claim is considered as a new claim. A claim that has terminated by the end of the year should be included in the count.

Column 10 – Accelerated Benefits Available

Maximum amount of remaining death benefit available to be paid on an accelerated basis due to LTC Acceleration of Benefits riders.

Column 11 – Extended Benefits Available

Maximum amount of remaining extended benefits available to policyholders with extension of benefit riders.