

# Allianz Life Insurance Company of North America

**Home Office:  
5701 Golden Hills Drive  
Minneapolis, MN 55416-1297**

## **Actuarial Memorandum Supporting 67% Aggregate Premium Rate Increase On Individual Long-Term Care Insurance Policy Forms**

### **1. TYPE OF CHANGE**

Allianz Life Insurance Company of North America (the Company) proposes the following rate revisions on the below long-term care (LTC) policy forms. The company issued these policy forms in Maryland between 1996 and 2003.

<u>Product Name</u>	<u>Form series (including associated riders)</u>
Future Select (FSL):	N-3000-P-MD(Q), N-3000-P-MD(NQ)
Secure Senior (SSR):	N-2720-P-MD, N-2720-P-MD(Q), N-2720-P-MD(NQ), N-2721-P-MD, N-2721-P-MD(Q), N-2721-P-MD(NQ)

The premium rate increase request varies by benefit period and inflation protection rider. The table below provides the requested rate increase:

<b>Policy Form Series</b>	<b>Benefit Period</b>			
	<b>Policies with Inflation Protection</b>			
	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<b>Lifetime</b>
FSL	45%	12%	52%	82%
SSR	45%	12%	52%	82%
<b>Policies without Inflation Protection</b>				
FSL	45%	45%	85%	115%
SSR	45%	45%	85%	115%

Please note that the requested increases result in cumulative rate levels that increase with benefit richness.

### **2. PURPOSE OF FILING**

This memorandum has been prepared to provide actuarial information supporting a rate revision to premiums for the form series above. The rate revision meets the minimum requirements in the statutes of Maryland.

The Company is requesting a premium rate increase on the above-listed forms, including all associated riders. These forms are in need of a premium rate increase due to past and projected future experience that continues to be more adverse than previously expected and originally priced for.

### 3. LIMITATIONS AND EXCLUSIONS

This actuarial memorandum is intended to support the premium rate increases on the policy forms described above and it is not appropriate to use for any other purposes.

### 4. HISTORY OF RATE REVISION

The table below provides the rate increase history in Maryland for all policy form series in this filing.

Policy Form Series	First Rate Increase		
	Date of Approval	Rate Increase Amount	SERFF Tracking Number (if available)
FSL	11/17/2009	15.0%	ALLB-126139250
SSR	11/17/2009	15.0%	ALLB-126139250
Policy Form Series	Second Rate Increase		
	Date of Approval	Rate Increase Amount	SERFF Tracking Number (if available)
FSL	2/8/2013	15.0%	ALLB-128712142
SSR	2/8/2013	15.0%	ALLB-128712142
Policy Form Series	Third Rate Increase		
	Date of Approval	Rate Increase Amount	SERFF Tracking Number (if available)
FSL	9/2/2020	41.0%	ALLB-132270441
SSR	9/2/2020	41.0%	ALLB-132270441

Exhibit 1 provides the rate increase history nationwide for the policy form series in this filing.

### 5. SCOPE AND APPLICABILITY

This filing applies to active premium paying policies issued in this state for the policy forms listed above. These policy forms are no longer being marketed. These policy forms include limited premium payment options and traditional level-pay-for-life. All policies other than traditional level-pay-for-life are paid up and will not be subject to the proposed premium rate increase. Thus, those policies are excluded from this filing and their past experience and future projections are excluded from the attached Exhibits. Exhibit 1 provides a distribution of in-force policies and total annual premiums by issue state.

These rates when approved will be applied to policies delivered or issued for delivery in the state of Maryland, regardless of place of current residence.

## 6. DESCRIPTION OF BENEFITS

These plans are Guaranteed Renewable, Individual Long Term Care Insurance plans. Plans cover facility care and home and community care where applicable. Premiums vary by issue age and are projected to be level for the duration of the policy, unless modified by the riders elected by the policyholder. Rider charges are factor based and are a multiplier of the base premium.

### Several coverage options are available:

- ❖ Various Maximum Benefit Periods
- ❖ Various Daily Benefit Amounts
- ❖ Various Elimination Periods
- ❖ Facility Care Plan with various Home and Community Care Benefit levels
- ❖ Separate rates for different underwriting classes
- ❖ Separate rates for joint and single lives

## 7. POLICYHOLDER OPTIONS

Assuming that the proposed rate increase becomes effective, policyholders will have the following options upon notification of the rate increase:

### Policyholder Options to Reduce Benefits:

Policyholders with benefits above the minimum coverage level have the option to modify their policy benefits to mitigate the impact of the proposed rate increase. As examples, the options include, but are not limited to the following:

1. Reduce their benefit period,
2. Lower their daily benefit,
3. Increase their elimination period,
4. Reduce or cancel cost of living accumulation (COLA) riders and maintain the past percentage increases that have been applied.

### Non-forfeiture Offers:

In addition, the Company will give the policyholder the option to accept a non-forfeiture benefit if they receive a premium increase at no charge. Acceptance of the non-forfeiture benefit will provide the policyholder with a reduced paid-up policy, with no future premiums required after the effective date of the policyholder's rate increase. Policyholders who elect this option will pay no additional premiums after the effective date of the rate increase, and their benefit pool will be their total premiums paid. In consideration of our policyholders, our company does not subtract past claims from the benefit pool prior to the election of this rider.

## 8. ISSUE YEAR

These forms were sold from 1996 to 2003 in Maryland, and marketed nationally from 1996 through 2003. These forms are no longer being issued in any state as Allianz stopped issuing all individual standalone long-term care insurance in 2010.

## 9. UNDERWRITING DESCRIPTION

All policies subject to this rate revision were subject to full underwriting in accordance with Company standards in place at the time of issue. Those underwriting standards were taken into consideration when projecting future experience.

## 10. MARKETING METHOD

Sales were conducted by individual agents, who sold primarily on an individual policy basis. The Company no longer sells long-term care insurance policies.

## 11. AREA FACTORS

The Company did not use area factors within the state.

## 12. AVERAGE ANNUAL PREMIUM PER INSURED

This section compares the average premiums of the Maryland policy forms and nationwide policy forms. The following table provides the average annual premium based on December 31, 2023 in-force policies for the policy forms included in this filing, both without and with the requested increase.

### Maryland Policy Forms:

Current Average Annual Premium:	\$3,562	(560 Premium Paying Policies)
Proposed (67% increase):	\$5,958	

### National Policy Forms:

2023 Annual Premium:	\$3,219	(20,375 Premium Paying Policies)
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## 13. PREMIUM MODALIZATION RULES

The modal premium factors will remain unchanged from the current factors.

## 14. CLAIM RESERVE

At each valuation date, a claim reserve is computed for each active and pending claim case. For active claims, the claim reserve is calculated as the present value of future benefits from the valuation date to the end of the benefit period. Benefit amounts are discounted for interest and claim continuance. Claim reserves have been discounted and allocated to the appropriate incurred year.

## 15. BEST ESTIMATE ACTUARIAL ASSUMPTIONS

### a. Morbidity:

Attained age claim costs and Waiver of Premium benefits used in projecting future experience for these forms have been developed utilizing Company-specific policy experience enhanced with other industry data as needed. Claim costs vary by joint policy status (joint vs. single), gender and various levels of home health care with adjustments for elimination periods, benefit periods, and riders.

Claim costs are developed from first principle using company-specific historical claim experience. Allianz incidence rates are typically credible up to age 90. Allianz data was then graded towards industry data for ages 90 and above, ultimately equating with industry experience by age 100. Continuance and utilization rates from Allianz claim data were blended with industry data when experience lacked credibility (fewer than 1,000 beginning of month claim exposures). Allianz experience was generally in line with industry data.

Future claim costs are projected on a seriatim basis for each policyholder. These claim costs are adjusted according to each policy's benefit designs, such as COLA option, elimination periods and benefit periods.

Underwriting, claim management and product design were taken into consideration when setting the assumptions. Allianz historical experience includes the positive impact of underwriting selection. No scalar increases to the claim cost assumption are made within these projections to reflect future wear off from underwriting selection.

### b. Mortality:

The projected future experience uses the gender-distinct 2012 Individual Annuitant Mortality (2012 IAM) table. This assumption is developed based on feedback from our consultants and is consistent with industry practice. The mortality assumption balances our morbidity assumption as neither is projected to have future improvements.

### c. Persistency:

The Company's own experience was used in the development of the lapse assumption. The experience is determined to be credible through policy duration 15. The voluntary lapse assumption is split by duration, marital status and COLA option as follows:

Duration	Individual		Married	
	Non-COLA	COLA	Non-COLA	COLA
1	9.50%	7.00%	7.70%	3.50%
2	6.80%	4.50%	5.80%	2.50%
3	4.00%	2.20%	3.80%	1.50%
4	3.00%	1.50%	2.80%	1.25%
5	2.30%	1.30%	1.00%	0.50%
6	1.60%	0.90%	1.00%	0.50%
7+	1.40%	0.75%	1.00%	0.40%

Additional lapses caused by exhaustion of benefits are also modeled using claim incidence, continuance, and utilization rates.

Based on company experience, a 1% increase to lapse rate is assumed immediately after the implementation of the rate increase to account for the election of reduced paid up benefit.

d. Expected Benefit Reduction:

Based on company experience from previous rate increases, the cash flow projection for the proposed rate increase includes an expectation of policyholders lowering their lifetime maximum benefit.

Lifetime benefit period policies are projected to reduce to a 5 year benefit period 5% of the time and to a 3 year benefit period 4% of the time. Policyholders with a non-lifetime benefit period equal to or greater than 5 years are projected to reduce to a 3 year benefit period 3% of the time.

e. Interest and Investment Income:

An interest rate of 4.5% is used in these exhibits to calculate the loss ratio. Changes in interest rates and investment income are not used to justify the rate increase.

f. Expenses:

Changes in expense are not used to justify the rate increase and are not included in this analysis. It is assumed that original expense assumptions are still appropriate.

Exhibit 2 provides additional information and justification for the assumptions used in this filing.

## 16. DEMONSTRATION OF SATISFACTION OF REQUIREMENTS

The projections included in this filing are produced by applying “best estimate” actuarial assumptions that reasonably reflect actual experience. The anticipated lifetime loss ratio for policies based on Maryland specific rate history and these assumptions before the requested rate increase is 179.6% nationwide and 180.3% in Maryland based on pooled experience (Exhibit 3 &

4). The lifetime loss ratio after the requested rate increase is 164.8% nationwide and 162.4% in Maryland based on pooled experience (Exhibits 5 & 6).

The requested rate increase is not calculated to achieve a targeted loss ratio or to maintain rate stability since that would require a significantly larger rate increase. The request is meant to find a balance between the poor performance of the business and the impact of rate increases on our policyholders.

The Company is aware of COMAR 31.14.01.04A(5) and that the requested rate increase would result in an increase greater than 15% for most policies. The company would also like to advise policyholders about future rate increases and therefore the company requests an opportunity to work with the Administration to obtain a current approval of the requested premium rate increase with the agreement that the approved increase will be implemented at no more than 15% per year. However, experience in Exhibits 5 and 6 reflects a one-time rate increase implementation. Spreading the rate increase over multiple years would only increase the lifetime loss ratios.

A detailed demonstration of the 58/85 calculations justifying the rate increase can be found in Exhibit 7. The justifiable rate increases under moderately adverse conditions are over 200% on a nationwide basis based on pooled experience. Moderately adverse conditions for the 58/85 calculation are defined as a 10% increase in future claim cost over the current best estimate. Even though some policies in this filing are subject to pre-rate stability minimum loss ratio requirements, we are showing justification of the rate increase by holding all policies to the more stringent 58/85 calculation.

## **17. ANALYSIS PERFORMED TO CONSIDER A RATE INCREASE**

The initial premium schedules were based on pricing assumptions that reflected the Company's best estimate utilizing the available information at the time. Recent experience studies performed show that experience is more unfavorable than previously assumed which resulted in assumptions being updated and has led to the Company requesting a rate increase on these products. The requested rate level is comprised of the remainder of the 2020 requests for each benefit period and inflation protection option that was not approved, and is consistent with the approach taken in jurisdictions which approved less than the 2020 requests. The Maryland specific experience lacks credibility and was not considered on its own in determining the requested rate level compared to our nationwide requests. The original pricing assumptions compared to our current assumptions are included in Exhibit 8.

## **18. LOSS RATIOS**

The lifetime loss ratios for the policy form series split by benefit period are provided in the table below both without and with the requested rate increase. To reflect Maryland specific rate history, nationwide loss ratios are restated to reflect rate increases implemented in Maryland. For actuarial modeling purposes the requested rate increase is assumed to be effective December 2024.

<b>Benefit Period</b>	<b>Before Increase</b>	<b>After Increase</b>
<b>Maryland</b>		
2-3 Years	128.9%	126.0%
5 Years	136.6%	127.4%
Lifetime	202.3%	177.5%
All	180.3%	162.4%
<b>Nationwide</b>		
2-3 Years	121.8%	119.8%
5 Years	137.8%	130.5%
Lifetime	200.6%	180.4%
All	179.6%	164.8%

## 19. DISTRIBUTION OF BUSINESS

The historical experience reflects the actual distribution of policies during the experience period. We used the current distribution of business as of December 31, 2023 to project future experience.

<b>Nationwide</b>				
<b>Benefit period</b>	<b>5% Compound COLA</b>	<b>5% Simple COLA</b>	<b>No COLA</b>	<b>Grand Total</b>
<b>2-Year</b>	1.3%	0.5%	0.4%	2.3%
<b>3-Year</b>	11.2%	3.2%	2.2%	16.6%
<b>5-Year</b>	7.3%	2.2%	2.0%	11.5%
<b>Lifetime</b>	51.4%	10.9%	7.2%	69.5%
<b>Grand Total</b>	71.2%	16.9%	11.9%	100.0%

<b>Maryland</b>						
<b>Benefit period</b>	<b>5% Compound COLA</b>	<b>5% Simple COLA</b>	<b>No COLA</b>	<b>Grand Total</b>	<b>Proposed Rate Increase</b>	<b>Policyholder Impacted</b>
<b>2-Year</b>	1.4%	1.3%	0.2%	2.9%	45%	16
<b>3-Year</b>	15.9%	3.0%	2.1%	21.1%	15%	118
<b>5-Year</b>	10.4%	1.4%	1.1%	12.9%	54%	72
<b>Lifetime</b>	52.7%	7.3%	3.2%	63.2%	83%	354
<b>Grand Total</b>	80.4%	13.0%	6.6%	100.0%	67%	560



## 20. ACTUARIAL CERTIFICATION

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualifications standards for preparing health rate filings.

Claims, reserves, and policyholder data are provided by our third party administrator and our valuation actuaries. Data was reviewed for reasonableness.

I hereby certify that, to the best of my knowledge and belief:

- a. It complies with Actuarial Standards of Practice No. 8 "Regulatory Filings for Rates and Financial Projections for Health Plans";
- b. The premiums charged after the proposed rate increase is not unfairly discriminatory and the premiums after the proposed rate increase are not excessive. The proposed premium rate increase is not sufficient to prevent future rate actions by the company and benefits currently are not reasonable in relation to the premiums charged.
- c. Assumptions within this filing are based on best estimate without provision for adverse deviation.

ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA

By:



Name: Scott Laska, ASA, MAAA  
Assistant Actuary  
Its: Authorized Designee  
April 2, 2024



Exhibit I  
Alliant Life Insurance Company of North America  
Status of Filing as of 3/6/2024  
Policy Form Series : N-2721-P, et al.

State	First Rate Increase			Second Rate Increase			Third Rate Increase			Third Rate Increase (1st Follow-Up)			Third Rate Increase (2nd Follow-Up)			Cumulative Approved Increase	As of December 31, 2023		
	Amount Requested	Date Filed	Date Approved	Amount Approved	Amount Requested	Date Filed	Date Approved	Amount Approved	Amount Requested	Date Filed	Date Approved	Amount Approved	Amount Requested	Date Filed	Date Approved		Amount Approved	Policy Count	Annualized Premium
Alabama	25.0%	5/22/2009	2/3/2010	25.0%	25.0%	11/29/2012	12/19/2012	25.0%	92.0%	3/18/2020	5/6/2021	15.0%	77.3%	9/26/2022	2/15/2023	15.0%	106.6%	60	\$ 157,729
Alaska	25.0%	5/27/2009	6/23/2009	25.0%	25.0%	11/9/2012	11/28/2012	25.0%	82.0%	5/22/2020	6/5/2020	82.0%					184.4%	2	\$ 12,382
Arizona	25.0%	8/4/2009	11/17/2009	15.0%	25.0%	12/5/2012	5/21/2013	25.0%	113.0%	4/27/2020	8/10/2021	79.0%					157.3%	78	\$ 244,451
Arkansas	25.0%	5/22/2009	8/19/2009	25.0%	34.0%	10/16/2015	1/8/2016	25.0%	88.0%	4/28/2020	7/6/2020	19.1%	68.8%	10/27/2021	12/27/2021	25.0%	188.4%	50	\$ 137,001
California	25.0%	4/23/2010	Disapproved	0.0%	25.0%	5/17/2013	10/19/2020	20.0%	110.7%	1/27/2022							20.0%	600	\$ 1,253,842
Colorado	25.0%	10/30/2009	12/1/2009	25.0%	25.0%	11/15/2012	8/1/2013	25.0%	86.0%	4/13/2020	7/6/2022	98.2%					209.7%	158	\$ 403,114
Connecticut	25.0%	8/14/2009	Disapproved	0.0%	25.0%	5/20/2014	Disapproved	0.0%	118.0%	4/24/2020	6/26/2020	57.7%	63.4%	11/27/2023			57.7%	57	\$ 210,330
Delaware	20.0%	8/21/2009	7/9/2010	20.0%	25.0%	11/15/2012	3/15/2013	15.0%	112.0%	5/13/2020	12/8/2020	112.0%					192.6%	7	\$ 29,798
Dist. of Columbia	133.0%	5/22/2020	6/15/2020	10.0%									10.0%	10/27/2021	1/10/2022	10.0%	33.1%	7	\$ 7,544
Florida	25.0%	6/3/2013	11/25/2013	7.3%	113.0%	12/31/2019	9/24/2020	95.8%					102.8%	10/27/2021	1/6/2022	9.9%	110.1%	152	\$ 435,081
Georgia	25.0%	5/28/2009	3/5/2010	10.0%	25.0%	11/16/2012	2/8/2013	15.0%	115.0%	3/24/2020	7/23/2020	12.0%					74.4%	118	\$ 262,909
Hawaii	25.0%	6/4/2009	11/2/2009	25.0%	25.0%	11/15/2012	6/24/2013	25.0%	84.0%	5/22/2020	11/23/2021	62.9%					154.5%	48	\$ 145,199
Idaho	25.0%	6/4/2009	7/29/2009	25.0%	25.0%	11/15/2012	2/21/2013	10.0%	112.0%	6/5/2020	4/22/2021	38.1%					89.9%	2	\$ 2,871
Illinois	25.0%	6/2/2009	12/4/2009	25.0%	25.0%	11/19/2012	2/6/2015	25.0%	90.0%	10/23/2020	3/30/2021	90.2%					197.2%	151	\$ 530,349
Indiana	25.0%	6/23/2009	8/16/2010	25.0%	87.0%	6/26/2020	9/3/2020	9.6%	97.6%	1/27/2022	5/17/2023	25.0%					71.3%	38	\$ 90,665
Iowa	25.0%	8/14/2009	12/28/2009	25.0%	25.0%	11/29/2012	9/10/2013	7.8%	121.0%	5/20/2020	8/24/2020	70.3%	50.0%	11/27/2023	1/26/2024	29.6%	197.4%	207	\$ 501,463
Kansas	25.0%	6/19/2009	11/10/2009	15.0%	25.0%	11/15/2012	3/29/2013	10.0%	117.0%	3/17/2020	12/3/2020	117.3%					174.9%	127	\$ 357,428
Kentucky	25.0%	6/19/2009	10/6/2009	25.0%	25.0%	11/15/2012	2/18/2013	13.4%	115.0%	4/3/2020	6/26/2020	44.5%	71.1%	3/22/2023	6/14/2023	44.0%	195.0%	25	\$ 72,925
Louisiana	25.0%	7/21/2009	11/6/2009	20.0%	115.0%	4/22/2020	12/17/2020	20.0%					95.0%	4/26/2022	9/2/2022	20.0%	72.8%	15	\$ 32,679
Maine	25.0%	5/27/2009	9/23/2009	25.0%	25.0%	11/30/2012	2/21/2013	25.0%	80.0%	6/26/2020	10/6/2020	63.5%					155.5%	22	\$ 90,893
Maryland	25.0%	7/17/2009	11/17/2009	15.0%	25.0%	11/20/2012	2/8/2013	15.0%	108.0%	5/12/2020	9/2/2020	41.0%					86.5%	165	\$ 513,592
Massachusetts	25.0%	11/4/2009	Disapproved	0.0%	114.0%	3/17/2020	3/19/2021	40.0%									40.0%	71	\$ 158,554
Michigan	25.0%	5/22/2009	7/2/2009	25.0%	25.0%	11/20/2012	12/17/2012	25.0%	83.0%	5/11/2020	5/19/2020	83.0%					185.9%	51	\$ 191,081
Minnesota	25.0%	7/22/2009	Disapproved	0.0%	34.0%	2/12/2015	1/22/2016	34.0%	116.1%	12/13/2022	7/10/2023	85.6%					148.7%	198	\$ 374,848
Mississippi	25.0%	7/21/2009	10/6/2009	25.0%	25.0%	11/20/2012	2/5/2013	25.0%	95.0%	5/22/2020	8/30/2021	24.9%	69.6%	1/26/2023	9/14/2023	21.2%	136.4%	8	\$ 15,155
Missouri	25.0%	6/23/2009	9/1/2009	25.0%	25.0%	5/17/2013	7/16/2013	25.0%	91.0%	5/4/2020	9/1/2020	91.5%					199.2%	113	\$ 408,686
Montana	25.0%	7/17/2009	9/2/2009	25.0%	25.0%	11/26/2012	12/28/2012	25.0%	91.0%	5/4/2020	6/11/2020	68.0%	24.0%	10/27/2021	2/2/2022	13.0%	196.6%	12	\$ 44,855
Nebraska	25.0%	5/22/2009	2/10/2010	25.0%	25.0%	11/16/2012	5/21/2013	20.0%	93.0%	5/29/2020	1/27/2021	93.0%					189.5%	75	\$ 268,061
Nevada	25.0%	6/16/2009	1/27/2010	25.0%	103.0%	4/21/2020	2/18/2021	49.3%									86.6%	6	\$ 11,451
New Hampshire	25.0%	6/16/2009	8/13/2009	25.0%	25.0%	11/16/2012	2/12/2013	25.0%	76.0%	6/2/2020	8/24/2020	76.0%					175.0%	30	\$ 86,313
New Jersey	25.0%	10/15/2009	5/3/2010	25.0%	25.0%	11/16/2012	12/27/2013	24.9%	89.7%	10/25/2021	12/5/2022	26.2%					97.0%	114	\$ 380,256
New Mexico	25.0%	5/22/2009	12/23/2009	25.0%	25.0%	11/15/2012	Disapproved	0.0%	109.0%	5/8/2020	5/29/2020	15.0%	94.7%	10/27/2021	2/3/2022	44.0%	107.0%	17	\$ 39,083
New York	25.0%	N/A	N/A			N/A											0.0%	-	\$ -
North Carolina	25.0%	6/30/2009	12/7/2009	25.0%	25.0%	11/21/2012	6/18/2013	25.0%	91.0%	4/6/2020	4/20/2022	91.0%					198.4%	116	\$ 341,121
North Dakota	25.0%	5/22/2009	6/26/2009	15.0%	25.0%	11/15/2012	2/15/2013	15.0%	123.0%	4/24/2020	6/3/2020	73.0%	50.1%	10/25/2023	12/7/2023	50.1%	243.4%	54	\$ 161,192
Ohio	25.0%	6/16/2009	10/30/2009	20.0%	25.0%	11/15/2012	4/23/2013	20.0%	104.0%	6/5/2020	5/4/2022	58.8%	45.4%	1/24/2024			128.7%	94	\$ 268,777
Oklahoma	25.0%	5/27/2009	10/27/2010	10.0%	25.0%	11/16/2012	1/3/2013	25.0%	113.0%	5/18/2020	6/11/2020	94.8%					167.9%	21	\$ 42,517
Oregon	25.0%	8/13/2009	9/11/2009	10.0%	25.0%	11/16/2012	3/26/2014	25.0%	103.0%	3/25/2020							37.5%	30	\$ 69,062
Pennsylvania	25.0%	6/23/2009	8/28/2009	25.0%	25.0%	11/26/2012	2/12/2013	20.0%	89.0%	4/21/2020	9/4/2020	44.0%	44.4%	11/23/2022	8/18/2023	44.4%	211.8%	260	\$ 896,531
Rhode Island	25.0%	6/30/2009	Disapproved	0.0%	126.0%	5/29/2020	8/17/2022	95.8%									93.8%	15	\$ 30,905
South Carolina	25.0%	7/17/2009	10/8/2009	20.0%	25.0%	11/15/2012	2/22/2013	20.0%	112.0%	5/29/2020	10/29/2020	18.8%	93.4%	3/24/2022	5/18/2022	18.8%	103.2%	81	\$ 240,303
South Dakota	25.0%	7/1/2009	7/29/2009	25.0%	25.0%	11/16/2012	1/25/2013	25.0%	97.0%	5/29/2020	8/12/2020	97.0%					207.8%	48	\$ 193,343
Tennessee	25.0%	7/1/2009	8/3/2009	25.0%	25.0%	11/16/2012	3/20/2013	25.0%	91.0%	4/30/2020	3/3/2021	54.4%					229.7%	130	\$ 445,146
Texas	25.0%	11/18/2009	3/9/2010	20.0%	25.0%	11/20/2012	3/1/2013	17.0%	115.0%	5/7/2020	11/6/2020	115.2%					202.1%	209	\$ 720,155
Utah	25.0%	9/17/2010	Disapproved	0.0%	125.0%	6/5/2020	11/11/2020	125.0%									125.0%	4	\$ 8,134
Vermont	25.0%	7/20/2009	Disapproved	0.0%	113.0%	6/5/2020	7/7/2021	112.9%									112.9%	9	\$ 27,419
Virginia	25.0%	9/10/2009	4/16/2010	25.0%	25.0%	11/15/2012	8/14/2013	13.5%	109.0%	5/14/2020	10/29/2021	109.0%					196.5%	85	\$ 259,870
Washington	25.0%	7/17/2009	2/8/2010	25.0%	25.0%	11/15/2012	4/12/2013	25.0%	85.0%	5/15/2020	3/12/2021	30.0%	30.0%	7/27/2022	2/16/2023	30.0%	164.1%	206	\$ 702,080
West Virginia	25.0%	8/5/2009	9/30/2009	25.0%	25.0%	11/29/2012	1/31/2013	25.0%	82.0%	6/12/2020	12/9/2020	66.4%					160.0%	3	\$ 10,638
Wisconsin	25.0%	6/23/2009	2/4/2010	10.0%	25.0%	11/29/2012	12/2/2012	10.0%	89.0%	5/13/2020	7/28/2020	28.0%	7.7%	11/23/2022	12/1/2022	7.7%	66.8%	259	\$ 606,202
Wyoming	25.0%	5/22/2009	6/1/2009	25.0%	25.0%	11/15/2012	2/14/2013	25.0%	89.0%	6/12/2020	8/18/2020	88.4%					194.4%	3	\$ 7,796
<b>Total</b>																	145.4%	4,411	\$ 12,501,781

\*LR - policies issued prior to the effective date of rate stability in that state.

RS = policies issued on or after the effective date of rate stability in that state.

**Exhibit 3**  
**Allianz Life Insurance Company of North America**  
**Nationwide Experience**  
**Policy Form Series: FSL, SSR**  
**As of 12/31/2023**  
**No Requested Rate Increase**

<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1996	\$125,506	\$0	0.0%
1997	\$2,835,666	\$6,963	0.2%
1998	\$8,635,449	\$890,195	10.3%
1999	\$16,050,805	\$2,187,044	13.6%
2000	\$28,065,649	\$1,562,191	5.6%
2001	\$44,397,083	\$3,064,913	6.9%
2002	\$61,127,812	\$3,951,691	6.5%
2003	\$65,347,872	\$5,261,039	8.1%
2004	\$64,093,255	\$11,274,849	17.6%
2005	\$62,910,199	\$15,830,978	25.2%
2006	\$61,881,660	\$15,189,626	24.5%
2007	\$60,886,966	\$12,601,420	20.7%
2008	\$59,940,475	\$21,934,844	36.6%
2009	\$58,863,384	\$23,056,450	39.2%
2010	\$59,951,104	\$34,726,815	57.9%
2011	\$64,018,595	\$32,841,185	51.3%
2012	\$62,852,448	\$39,629,884	63.1%
2013	\$61,477,750	\$46,908,031	76.3%
2014	\$64,422,447	\$54,349,923	84.4%
2015	\$66,366,316	\$64,927,050	97.8%
2016	\$64,359,904	\$74,476,090	115.7%
2017	\$62,346,415	\$86,477,255	138.7%
2018	\$60,271,854	\$97,897,681	162.4%
2019	\$58,072,403	\$106,573,360	183.5%
2020	\$55,586,069	\$108,888,490	195.9%
2021	\$53,243,253	\$150,777,700	283.2%
2022	\$55,069,669	\$192,074,622	348.8%
2023	\$57,740,594	\$255,908,485	443.2%
2024	\$58,896,020	\$232,043,479	394.0%
2025	\$55,944,779	\$255,219,908	456.2%
2026	\$51,830,347	\$267,828,125	516.7%
2027	\$47,727,115	\$278,161,663	582.8%
2028	\$43,659,482	\$286,598,868	656.4%
2029	\$39,670,772	\$291,421,673	734.6%
2030	\$35,786,909	\$293,360,794	819.7%
2031	\$32,043,053	\$291,824,123	910.7%
2032	\$28,462,119	\$287,736,769	1010.9%
2033	\$25,080,283	\$279,719,057	1115.3%
2034	\$21,913,342	\$269,058,572	1227.8%
2035	\$18,981,485	\$255,415,862	1345.6%
2036	\$16,291,702	\$240,017,525	1473.3%
2037	\$13,858,215	\$222,151,174	1603.0%
2038	\$11,677,097	\$203,344,498	1741.4%
2039	\$9,746,908	\$183,837,427	1886.1%
2040	\$8,055,728	\$164,701,453	2044.5%
2041	\$6,595,575	\$145,388,920	2204.3%
2042	\$5,347,040	\$126,886,171	2373.0%
2043	\$4,293,308	\$109,350,028	2547.0%
2044	\$3,412,838	\$93,398,045	2736.7%
2045	\$2,687,960	\$78,733,652	2929.1%
2046	\$2,097,029	\$65,757,952	3135.8%
2047	\$1,621,287	\$54,300,609	3349.2%
2048	\$1,241,753	\$44,489,715	3582.8%
2049	\$943,251	\$35,998,173	3816.4%
2050	\$710,507	\$28,897,770	4067.2%
2051	\$531,028	\$22,956,203	4323.0%
2052	\$393,714	\$18,079,425	4592.0%
2053	\$289,871	\$14,047,371	4846.1%
2054	\$211,851	\$10,815,261	5105.1%
2055	\$153,798	\$8,255,646	5367.9%
2056	\$110,877	\$6,274,029	5658.6%
2057	\$79,483	\$4,727,895	5948.3%
2058	\$56,618	\$3,547,043	6264.8%
2059	\$40,080	\$2,643,593	6595.8%
2060	\$28,187	\$1,959,678	6952.5%
2061	\$19,725	\$1,437,865	7289.5%
2062	\$13,734	\$1,045,458	7612.3%
2063	\$9,531	\$751,209	7882.1%
2064	\$6,596	\$534,181	8098.8%
2065+	\$14,893	\$1,324,311	8892.4%

Summary of Experience at 4.5%

	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical (YE2023)	\$2,561,200,060	\$1,925,739,732	75.2%
Projected Future (2024 +)	\$420,069,593	\$3,428,626,208	816.2%
Total Lifetime Anticipated	\$2,981,269,652	\$5,354,365,940	179.6%

**Exhibit 4**  
**Allianz Life Insurance Company of North America**  
**Maryland Experience**  
**Policy Form Series: FSL, SSR**  
**As of 12/31/2023**  
**No Requested Rate Increase**

<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1996	\$596	\$0	0.0%
1997	\$65,557	\$0	0.0%
1998	\$215,832	\$0	0.0%
1999	\$369,768	\$0	0.0%
2000	\$511,071	\$0	0.0%
2001	\$794,802	\$0	0.0%
2002	\$1,280,160	\$684,011	53.4%
2003	\$1,866,233	\$161,548	8.7%
2004	\$1,852,203	\$4,882	0.3%
2005	\$1,809,744	\$350,716	19.4%
2006	\$1,792,492	\$335,442	18.7%
2007	\$1,763,713	\$9,658	0.5%
2008	\$1,731,009	\$1,142,810	66.0%
2009	\$1,686,488	\$203,019	12.0%
2010	\$1,704,780	\$517,467	30.4%
2011	\$1,830,435	\$316,776	17.3%
2012	\$1,801,057	\$1,101,537	61.2%
2013	\$1,772,139	\$1,001,515	56.5%
2014	\$1,850,212	\$1,590,946	86.0%
2015	\$1,927,477	\$1,683,719	87.4%
2016	\$1,894,535	\$1,965,390	103.7%
2017	\$1,849,647	\$1,525,017	82.4%
2018	\$1,805,263	\$341,710	18.9%
2019	\$1,768,370	\$906,071	51.2%
2020	\$1,720,062	\$2,404,705	139.8%
2021	\$1,673,067	\$2,249,377	134.4%
2022	\$1,774,471	\$4,618,934	260.3%
2023	\$1,908,999	\$6,387,876	334.6%
2024	\$1,996,033	\$6,500,765	325.7%
2025	\$1,896,810	\$7,303,921	385.1%
2026	\$1,773,587	\$7,829,812	441.5%
2027	\$1,649,609	\$8,307,765	503.6%
2028	\$1,525,470	\$8,756,144	574.0%
2029	\$1,402,404	\$9,119,860	650.3%
2030	\$1,281,083	\$9,405,324	734.2%
2031	\$1,162,453	\$9,580,783	824.2%
2032	\$1,047,138	\$9,681,486	924.6%
2033	\$936,310	\$9,653,779	1031.0%
2034	\$830,617	\$9,520,112	1146.1%
2035	\$730,838	\$9,266,207	1267.9%
2036	\$637,359	\$8,924,528	1400.2%
2037	\$550,896	\$8,457,603	1535.2%
2038	\$471,591	\$7,918,219	1679.0%
2039	\$399,743	\$7,315,738	1830.1%
2040	\$335,280	\$6,686,078	1994.2%
2041	\$278,285	\$6,019,295	2163.0%
2042	\$228,433	\$5,347,942	2341.1%
2043	\$185,439	\$4,683,618	2525.7%
2044	\$148,761	\$4,054,266	2725.3%
2045	\$117,990	\$3,453,984	2927.4%
2046	\$92,452	\$2,907,008	3144.3%
2047	\$71,549	\$2,410,441	3368.9%
2048	\$54,659	\$1,973,202	3610.0%
2049	\$41,242	\$1,586,592	3847.1%
2050	\$30,706	\$1,258,671	4099.1%
2051	\$22,560	\$984,406	4363.5%
2052	\$16,337	\$758,244	4641.3%
2053	\$11,657	\$572,138	4908.0%
2054	\$8,184	\$423,516	5174.7%
2055	\$5,654	\$306,634	5423.3%
2056	\$3,838	\$218,127	5683.1%
2057	\$2,563	\$151,997	5930.4%
2058	\$1,681	\$104,169	6196.2%
2059	\$1,083	\$70,178	6482.9%
2060	\$683	\$46,594	6817.3%
2061	\$424	\$30,421	7177.0%
2062	\$257	\$19,615	7618.1%
2063	\$152	\$12,483	8185.6%
2064	\$88	\$7,835	8925.5%
2065+	\$106	\$11,977	11299.3%

Summary of Experience at 4.5%

	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical (YE2023)	\$70,981,430	\$39,206,915	55.2%
Projected Future (2024 +)	\$15,003,292	\$115,796,681	771.8%
Total Lifetime Anticipated	\$85,984,722	\$155,003,596	180.3%

**Exhibit 5**  
**Allianz Life Insurance Company of North America**  
**Nationwide Experience**  
**Policy Form Series: FSL, SSR**  
**As of 12/31/2023**  
**With Average 67% Rate Increase**

<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1996	\$125,506	\$0	0.0%
1997	\$2,835,666	\$6,963	0.2%
1998	\$8,635,449	\$890,195	10.3%
1999	\$16,050,805	\$2,187,044	13.6%
2000	\$28,065,649	\$1,562,191	5.6%
2001	\$44,397,083	\$3,064,913	6.9%
2002	\$61,127,812	\$3,951,691	6.5%
2003	\$65,347,872	\$5,261,039	8.1%
2004	\$64,093,255	\$11,274,849	17.6%
2005	\$62,910,199	\$15,830,978	25.2%
2006	\$61,881,660	\$15,189,626	24.5%
2007	\$60,886,966	\$12,601,420	20.7%
2008	\$59,940,475	\$21,934,844	36.6%
2009	\$58,863,384	\$23,056,450	39.2%
2010	\$59,951,104	\$34,726,815	57.9%
2011	\$64,018,595	\$32,841,185	51.3%
2012	\$62,852,448	\$39,629,884	63.1%
2013	\$61,477,750	\$46,908,031	76.3%
2014	\$64,422,447	\$54,349,923	84.4%
2015	\$66,366,316	\$64,927,050	97.8%
2016	\$64,359,904	\$74,476,090	115.7%
2017	\$62,346,415	\$86,477,255	138.7%
2018	\$60,271,854	\$97,897,681	162.4%
2019	\$58,072,403	\$106,573,360	183.5%
2020	\$55,586,069	\$108,888,490	195.9%
2021	\$53,243,253	\$150,777,700	283.2%
2022	\$55,069,669	\$192,074,622	348.8%
2023	\$57,740,594	\$255,908,485	443.2%
2024	\$59,019,112	\$232,043,479	393.2%
2025	\$80,863,800	\$251,217,998	310.7%
2026	\$85,145,598	\$261,948,133	307.6%
2027	\$78,476,617	\$271,983,526	346.6%
2028	\$71,856,886	\$280,189,412	389.9%
2029	\$65,356,781	\$284,874,823	435.9%
2030	\$59,018,690	\$286,750,108	485.9%
2031	\$52,900,261	\$285,231,965	539.2%
2032	\$47,039,438	\$281,226,531	597.9%
2033	\$41,496,168	\$273,386,281	658.8%
2034	\$36,297,213	\$262,970,661	724.5%
2035	\$31,476,665	\$249,646,730	793.1%
2036	\$27,047,101	\$234,611,721	867.4%
2037	\$23,033,144	\$217,162,924	942.8%
2038	\$19,429,720	\$198,791,158	1023.1%
2039	\$16,235,783	\$179,729,291	1107.0%
2040	\$13,433,002	\$161,025,183	1198.7%
2041	\$11,009,385	\$142,148,681	1291.2%
2042	\$8,933,910	\$124,065,735	1388.7%
2043	\$7,179,683	\$106,928,029	1489.3%
2044	\$5,711,838	\$91,338,170	1599.1%
2045	\$4,501,795	\$77,003,502	1710.5%
2046	\$3,514,165	\$64,315,309	1830.2%
2047	\$2,718,188	\$53,108,891	1953.8%
2048	\$2,082,580	\$43,510,007	2089.2%
2049	\$1,582,274	\$35,201,123	2224.7%
2050	\$1,191,926	\$28,253,407	2370.4%
2051	\$890,762	\$22,440,656	2519.3%
2052	\$660,270	\$17,672,523	2676.6%
2053	\$485,927	\$13,733,040	2826.2%
2054	\$354,931	\$10,576,960	2980.0%
2055	\$257,473	\$8,077,746	3137.3%
2056	\$185,443	\$6,142,050	3312.1%
2057	\$132,784	\$4,630,588	3487.3%
2058	\$94,456	\$3,475,316	3679.3%
2059	\$66,758	\$2,590,797	3880.9%
2060	\$46,859	\$1,920,914	4099.4%
2061	\$32,717	\$1,409,612	4308.4%
2062	\$22,717	\$1,025,156	4512.8%
2063	\$15,711	\$736,989	4691.0%
2064	\$10,828	\$524,562	4844.5%
2065+	\$23,990	\$1,303,662	5434.3%

Summary of Experience at 4.5%

	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical (YE2023)	\$2,561,200,060	\$1,925,739,732	75.2%
Projected Future (2024 +)	\$645,286,204	\$3,358,521,989	520.5%
Total Lifetime Anticipated	\$3,206,486,264	\$5,284,261,721	164.8%

**Exhibit 6**  
**Allianz Life Insurance Company of North America**  
**Maryland Experience**  
**Policy Form Series: FSL, SSR**  
**As of 12/31/2023**  
**With Average 67% Rate Increase**

<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1996	\$596	\$0	0.0%
1997	\$65,557	\$0	0.0%
1998	\$215,832	\$0	0.0%
1999	\$369,768	\$0	0.0%
2000	\$511,071	\$0	0.0%
2001	\$794,802	\$0	0.0%
2002	\$1,280,160	\$684,011	53.4%
2003	\$1,866,233	\$161,548	8.7%
2004	\$1,852,203	\$4,882	0.3%
2005	\$1,809,744	\$350,716	19.4%
2006	\$1,792,492	\$335,442	18.7%
2007	\$1,763,713	\$9,658	0.5%
2008	\$1,731,009	\$1,142,810	66.0%
2009	\$1,686,488	\$203,019	12.0%
2010	\$1,704,780	\$517,467	30.4%
2011	\$1,830,435	\$316,776	17.3%
2012	\$1,801,057	\$1,101,537	61.2%
2013	\$1,772,139	\$1,001,515	56.5%
2014	\$1,850,212	\$1,590,946	86.0%
2015	\$1,927,477	\$1,683,719	87.4%
2016	\$1,894,535	\$1,965,390	103.7%
2017	\$1,849,647	\$1,525,017	82.4%
2018	\$1,805,263	\$341,710	18.9%
2019	\$1,768,370	\$906,071	51.2%
2020	\$1,720,062	\$2,404,705	139.8%
2021	\$1,673,067	\$2,249,377	134.4%
2022	\$1,774,471	\$4,618,934	260.3%
2023	\$1,908,999	\$6,387,876	334.6%
2024	\$1,996,484	\$6,500,765	325.6%
2025	\$2,706,683	\$7,183,446	265.4%
2026	\$2,856,693	\$7,636,626	267.3%
2027	\$2,660,697	\$8,097,539	304.3%
2028	\$2,464,053	\$8,530,603	346.2%
2029	\$2,268,700	\$8,882,038	391.5%
2030	\$2,075,705	\$9,157,929	441.2%
2031	\$1,886,565	\$9,327,382	494.4%
2032	\$1,702,267	\$9,424,337	553.6%
2033	\$1,524,695	\$9,396,773	616.3%
2034	\$1,354,914	\$9,267,073	684.0%
2035	\$1,194,215	\$9,020,834	755.4%
2036	\$1,043,252	\$8,689,504	832.9%
2037	\$903,249	\$8,236,592	911.9%
2038	\$774,488	\$7,712,857	995.9%
2039	\$657,531	\$7,127,501	1084.0%
2040	\$552,335	\$6,515,538	1179.6%
2041	\$459,105	\$5,867,024	1277.9%
2042	\$377,373	\$5,213,915	1381.6%
2043	\$306,729	\$4,567,488	1489.1%
2044	\$246,335	\$3,954,844	1605.5%
2045	\$195,569	\$3,370,292	1723.3%
2046	\$153,362	\$2,837,419	1850.1%
2047	\$118,762	\$2,353,270	1981.5%
2048	\$90,766	\$1,926,665	2122.7%
2049	\$68,500	\$1,549,261	2261.7%
2050	\$51,000	\$1,229,073	2409.9%
2051	\$37,460	\$961,188	2565.9%
2052	\$27,113	\$740,306	2730.5%
2053	\$19,330	\$558,601	2889.8%
2054	\$13,555	\$413,576	3051.1%
2055	\$9,349	\$299,590	3204.5%
2056	\$6,334	\$213,269	3367.2%
2057	\$4,219	\$148,727	3524.9%
2058	\$2,760	\$102,008	3696.0%
2059	\$1,772	\$68,766	3880.9%
2060	\$1,116	\$45,686	4095.1%
2061	\$690	\$29,842	4324.6%
2062	\$418	\$19,248	4602.5%
2063	\$247	\$12,249	4955.4%
2064	\$142	\$7,688	5414.4%
2065+	\$170	\$11,752	6917.1%

Summary of Experience at 4.5%

	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical (YE2023)	\$70,981,430	\$39,206,915	55.2%
Projected Future (2024 +)	\$22,788,800	\$113,035,426	496.0%
Total Lifetime Anticipated	\$93,770,229	\$152,242,340	162.4%

**Exhibit 7**  
**58%/85% Calculations**  
**Allianz Life Insurance of North America**  
**Nationwide Experience**  
**Policy Form Series: FSL, SSR**

a)	The accumulated value of the initial earned premium is	2,323
	58% of this value	1,347
b)	The accumulated value of prior premium rate schedule increases is	239
	85% of this value:	203
c)	The present value of future projected initial earned premiums is	227
	58% of this value	132
d)	The present value of future projected earned premium from prior premium rate schedule increases is	193
	PV of future projected EP from requested rate increase:	225
	Combined:	418
	85% of this value:	355
e)	The accumulated value of past incurred claims is	1,926
	The present value of future projected incurred claims* is	3,694
	sum of these 2 values:	5,620
f)	<b>The sum of a,b,c and d is</b>	<b>2,037</b>
	<b>This amount is less than e)</b>	<b>5,620</b>

\*Projected incurred claims contain a 10% margin for moderately adverse experience.