

# American General Life Insurance Company

## Actuarial Justification of Premium Rate Increase For Individual Long Term Care Policy Form Series 64028

### 1. PURPOSE OF FILING

This is a rate increase filing for American General Life Insurance Company's existing Long Term Care Policy Form Series 64028. The purpose of this filing is to demonstrate that the anticipated loss ratio for this form meets the minimum requirements of this state. This rate filing is not intended to be used for any other purposes.

### 2. SCOPE OF FILING

This filing applies to the Company's Long Term Care policy and rider forms summarized below:

*Series LTC-1*

Policy Form 64028-MD Non-Tax Qualified

Policy Form C12271-MD Tax Qualified

Rider Form 64031 (Inflation Benefit)

Rider Form 64032 (Nonforfeiture Benefit)

The rate increase will apply to all insureds issued coverage under the above referenced forms in this state. The number of policyholders and average premiums before and after the rate increase are shown in Exhibit A.

The rate increase will apply to in-force business only as the company stopped selling Policy Form Series 64028 in 2001.

### 3. REASON FOR RATE INCREASE REQUEST

This rate filing is a request for a 25% increase. While a rate increase larger than 25% can be justified at this time, the company is currently not seeking a higher increase. Instead the company will continue to monitor emerging experience and review whether an additional rate increase is necessary.

The product was originally priced for a 61% lifetime loss ratio. Exhibit B provides the originally filed loss ratios for this policy by duration. This filing demonstrates that if future experience is consistent with our best estimates, and nationwide earned premiums are restated to the historical Maryland rate level, the actual lifetime loss ratio will be 103.4%. The requested rate increase is needed to mitigate future losses.

The proposed effective date after approval and fulfillment of all statutory and contractual requirements will not be sooner than February 1, 2026, which is more than four years from the implementation date of the previous rate increase.

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#### 4. RATE INCREASE HISTORY

There have been ten previous rate increases on the policies included in this filing:

Approval Date	Percentage Increase
7/27/2005	15%
2/20/2007	15%
8/19/2008	15%
10/27/2009	15%
11/29/2011	15%
1/15/2013	15%
2/28/2014	15%
2/2/2016	15%
5/4/2018	8%
3/13/2020	10%*

\*No increase for policyholders without inflation

#### 5. PROJECTION ASSUMPTIONS

**Interest** – The effective annual rate of interest assumed for accumulating historical experience and for discounting projected future experience ranges from 4.9% to 6.5%.

**Mortality** – Mortality assumptions were developed separately for active lives and disabled lives. Active life mortality rates were developed as factors of the 2000 Annuity Table by attained age and policy duration. Active life mortality improvement is assumed for the first 30 years of the projection using the AA projection scale. Adjustment factors were developed based on actual experience and vary by gender and marital status. Disabled life mortality is based on a percentage of claim termination rates.

**Voluntary Lapse Rates** - Current best estimate lapse assumptions by policy duration were derived from actual experience and displayed in the table below:

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<b>Voluntary Lapse Rates</b>	
<u>Policy Year</u>	<u>Lapse Rates</u>
1	5.70%
2	4.32%
3	2.83%
4	2.19%
5	2.17%
6	2.08%
7	2.10%
8	2.87%
9	2.77%
10	2.80%
11	2.26%
12	2.04%
13	1.83%
14	1.39%
15+	1.25%

Best estimate lapse assumptions are adjusted based on policy benefits. In general, lapse assumptions are lower for policies with higher benefits.

**Morbidity** - Morbidity assumptions are based on American General Life Insurance Company's actual experience. Expected claim costs are developed as the product of incidence, utilization and claim continuance and vary by the place of care (home care, assisted living facility, or nursing home). The morbidity assumptions do not include morbidity improvement.

#### 6. MINIMUM REQUIRED LIFETIME LOSS RATIO

The minimum required lifetime loss ratio for these forms is 60%.

#### 7. PROJECTED FUTURE EXPERIENCE - CONFIDENTIAL

#### 8. HISTORICAL EXPERIENCE - CONFIDENTIAL

#### 9. LIFETIME ANTICIPATED LOSS RATIO - CONFIDENTIAL

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#### 10. ACTUARIAL CERTIFICATION

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries; I meet the Academy's qualification standards for preparing health rate filings and am familiar with the requirements for filing long-term care insurance premium rate increases.

To the best of my knowledge and judgment, I hereby certify that:

- This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP 8 and 18.
- The lifetime loss ratios and assumption summaries submitted herein comply with ASOP 23 and 41, as adopted by the Actuarial Standards Board.
- This rate submission is in compliance with the applicable laws and regulations of the jurisdiction where it is filed.
- Policy design, underwriting, and claims adjudication practices have been taken into consideration.
- The rates are not excessive or unfairly discriminatory and bear a reasonable relationship to the benefits based on the loss ratio standards of this jurisdiction.
- The relationship between renewal premium rate schedules and new business premium rate schedules is not applicable because the company is no longer marketing new business in any state.
- This filing will enhance premium adequacy, but it is likely that future rate action will be necessary. Therefore, benefits cannot be certified reasonable in relation to premium.

Respectfully submitted,



Kirill Grin, ASA, MAAA  
Consulting Actuary  
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Attachments:

Exhibit A – Nationwide and Maryland Annualized Premiums  
Exhibit B – Originally Filed Loss Ratios  
Exhibit C – Lifetime Experience Without and With Rate Increase  
Exhibit D – Rate Increase History and Filing Status  
Exhibit E – Comparison of Actual and Expected Loss Ratios  
Proposed Rate Sheets (with 25% rate increase)  
Policyholder Notification Letter

February 25, 2026

**American General Life Insurance Company**  
**Nationwide and Maryland Annualized Premiums**  
**Policies Inforce as of 12/31/2024**

	Lives Inforce	Average Annualized Premiums <sup>1</sup>	
		Annualized Premium Per Inforce	With a 25% Rate Increase
<b>Nationwide</b>	3,095	\$3,997	\$4,997
<b>Maryland</b>	101	\$4,654	\$5,817

<sup>1</sup> Based on premium paying policyholders

**American General Life Insurance Company  
Policy Form Series 64028  
Long Term Care Plan - 30 Year Projection  
Original Filed Loss Ratios By Duration**

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**American General Life Insurance Company**  
**Policy Form 64028**  
**Lifetime Experience (Nationwide)**  
**Earned Premiums at Historical Maryland Rate Level**

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**American General Life Insurance Company**

**Policy Form 64028**

**Lifetime Experience (Maryland Only)**

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**American General Life Insurance Company  
LTC Rate History and Filing Status  
Policy 64028 and Associated Riders**

**Exhibit D**

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**American General Life Insurance Company  
Policy Form Series 64028  
Historical Experience  
Comparison of Actual and Expected Loss Ratios**

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