John Hancock Life Insurance Company (U.S.A.)
Actuarial Memorandum for Inforce Rate Increase – Leading Edge Policy Series
July 20, 2026

Product Name	Form Number	Issue Date Range
Leading Edge	LTC-06 MD	Feb 2007 - Jan 2011

These policy form rates were originally priced with a margin for moderately adverse experience in accordance with the NAIC model rate stability regulations which were being implemented on a State by State basis during the time of our initial rate filing.

1. Scope & Purpose

This memorandum consists of materials which support the development of new premium rates for the above captioned policy series forms. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to an in force rate increase request have been met. This rate filing is not intended to be used for any other purpose.

2. Requested Rate Increase

The Company is requesting a flat rate increase of 39.4%, determined as the amount needed to satisfy the rate stability rule ensuring a loss ratio no less than 85% (or the original pricing loss ratio if greater) on the rate increase portion, while applying 58% (or the original pricing loss ratio if greater) on the original rate schedule. The requested rate increase is based on nationwide experience through 2024 and projected future experience, reflecting the timing and history of the state's rate increases.

In the rate schedules by policy form, **Appendix B1** contains the new proposed rate tables for all policy forms included with this filing.

Please note that the actual rates implemented may vary slightly from those in the Appendices due to implementation rounding algorithms.

Exhibit 1 contains nationwide past premium and claims experience as well as future premium and claim projections and hedge gains, where all premiums reflect the timing and history of the state's rate increases. All policies are included with the exception of limited pay policies, which are a small proportion of our business as seen in the State and Nationwide Distribution of Business section. Waived premiums are not included.

Exhibit 1 also contains the original expected loss ratio projections, adjusted for the following:

- For contracts with the CPI linked inflation rider, both past and future benefits were updated to reflect the impact of actual past CPI rates differing from the original pricing assumption. In this way, the current projected benefits and the benefits projected in original pricing are based on the same level of CPI indices. This adjustment is needed to neutralize the impact on the rate increase for differences in actual past CPI from original pricing assumptions; i.e. the need for a rate increase and the level of a rate increase is not dependent on changes in the CPI levels. Adjustments will be made in both directions (i.e. when actual CPI is higher or lower than original pricing).
- Updated to reflect the actual mix of business sold.

The lifetime loss ratio as of 12/31/2024 is calculated as the sum of accumulated past and discounted future claims less hedge gains divided by the sum of accumulated past and discounted future earned premium where accumulation and discounting occur at the maximum statutory valuation discount rate. The maximum statutory valuation discount rate is 4.0% for policies issued before 2013 and 3.5% for policies issued in 2013 and after.

The exhibit illustrates that the anticipated lifetime loss ratio, net of hedge gains and with the requested rate increase is 72.9%, compared to the original pricing loss ratio (determined at the maximum statutory valuation rate and updated for actual CPI for consistency with the rate increase request) of 69.5%

Furthermore, **Exhibit 1** demonstrates that the calculated loss ratio respects the rate stability form requirement:

The sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

1. Accumulated value of the initial earned premium times the greater of the original assumed lifetime loss ratio and 58%,
2. Accumulated value of prior premium rate schedule increases times the greater of the original assumed lifetime loss ratio and 85%,
3. Present value of future projected initial earned premium times the greater of the original assumed lifetime loss ratio and 58%, and
4. Present value of future projected premium in excess of the projected initial earned premium times the greater of the original assumed lifetime loss ratio and 85%.

Detail on assumptions and recent analysis is provided in **Addendum #1 – Assumptions and Analysis Performed.**

3. Nationwide Loss Ratio Exhibit (Exhibit 1)

Leading Edge (LTC-06)

		Original Assumptions			With Current Assumptions			Historical and Projected Experience With Proposed Rate Increase		
	Calendar Year	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio
	2002	-	-	0%	-	1,430	0%	-	1,430	0%
	2003	-	-	0%	-	8,411	0%	-	8,411	0%
	2004	-	-	0%	-	17,584	0%	-	17,584	0%
	2005	-	-	0%	-	38,337	0%	-	38,337	0%
Historical	2006	686	527,801	0%	-	670,062	0%	-	670,062	0%
Experience	2007	100,989	10,877,585	1%	-	11,659,012	0%	-	11,659,012	0%
	2008	468,374	31,028,661	2%	536,219	32,082,276	2%	536,219	32,082,276	2%
	2009	1,113,758	49,303,222	2%	114,380	49,487,722	0%	114,380	49,487,722	0%
	2010	2,031,714	62,972,058	3%	1,909,706	62,485,468	3%	1,909,706	62,485,468	3%
	2011	3,079,807	65,216,519	5%	2,214,016	63,963,943	3%	2,214,016	63,963,943	3%
	2012	4,185,618	64,059,559	7%	2,241,647	62,638,355	4%	2,241,647	62,638,355	4%
	2013	5,391,961	62,991,707	9%	2,581,678	61,913,802	4%	2,581,678	61,913,802	4%
	2014	6,689,497	61,931,843	11%	6,091,662	61,473,670	10%	6,091,662	61,473,670	10%
	2015	8,078,905	60,803,403	13%	6,499,471	60,839,584	11%	6,499,471	60,839,584	11%
	2016	9,549,182	59,601,957	16%	7,523,126	60,437,842	12%	7,523,126	60,437,842	12%
	2017	11,161,651	58,339,854	19%	8,261,969	60,149,640	14%	8,261,969	60,149,640	14%
	2018	13,048,788	57,015,767	23%	11,282,880	65,236,916	17%	11,282,880	65,236,916	17%
	2019	15,095,328	55,628,121	27%	13,785,721	66,225,715	21%	13,785,721	66,225,715	21%
	2020	17,164,857	54,177,312	32%	14,592,986	64,995,705	22%	14,592,986	64,995,705	22%
	2021	19,554,639	52,664,600	37%	20,016,688	64,218,252	31%	20,016,688	64,218,252	31%
	2022	22,245,785	51,084,301	44%	24,478,034	62,907,888	39%	24,478,034	62,907,888	39%
	2023	25,403,577	49,431,074	51%	25,234,625	61,525,334	41%	25,234,625	61,525,334	41%
	2024	29,168,153	47,690,528	61%	38,886,936	62,588,449	62%	38,886,936	62,588,449	62%
	2025	33,368,200	45,856,294	73%	45,098,966	67,732,133	67%	45,098,966	67,732,133	67%
	2026	37,861,369	43,931,059	86%	49,746,762	73,632,139	68%	49,746,762	73,632,139	68%
	2027	42,267,366	41,920,109	101%	56,875,938	71,960,022	79%	56,364,054	95,881,971	59%
	2028	46,357,303	39,830,690	116%	64,603,729	69,458,118	93%	63,440,862	95,064,703	67%
	2029	50,692,423	37,667,534	135%	71,771,396	66,738,251	108%	70,479,511	91,342,123	77%
	2030	55,311,877	35,436,464	156%	79,043,640	63,828,301	124%	77,620,855	87,359,384	89%
	2031	60,142,423	33,148,022	181%	87,679,558	60,739,220	144%	86,101,326	83,131,475	104%
Projected	2032	64,159,729	30,823,051	208%	96,342,341	57,491,282	168%	94,608,179	78,686,146	120%
Future	2033	66,496,685	28,491,845	233%	104,854,774	54,114,893	194%	102,967,388	74,065,010	139%
Experience	2034	68,532,486	26,188,264	262%	112,852,540	50,641,501	223%	110,821,195	69,311,109	160%
	2035	70,667,368	23,940,053	295%	120,116,076	47,104,069	255%	117,953,987	64,469,559	183%
	2036	73,239,016	21,764,778	337%	126,372,933	43,530,829	290%	124,098,221	59,579,001	208%
	2037	74,733,033	19,677,027	380%	131,385,268	39,944,581	329%	129,020,333	54,670,640	236%
	2038	73,687,311	17,687,520	417%	134,757,287	36,369,497	371%	132,331,656	49,777,557	266%
	2039	71,951,225	15,808,861	455%	136,465,789	32,852,070	415%	134,009,405	44,963,388	298%
	2040	70,217,583	14,050,671	500%	136,570,092	29,455,923	464%	134,111,830	40,315,210	333%
	2041	69,215,088	12,415,777	557%	135,163,578	26,233,436	515%	132,730,634	35,904,713	370%
	2042	67,519,615	10,908,143	619%	132,428,652	23,220,154	570%	130,044,936	31,780,548	409%
	2043	63,730,399	9,527,045	669%	128,576,965	20,427,367	629%	126,262,579	27,958,166	452%
	2044	59,471,316	8,273,385	719%	123,675,281	17,861,444	692%	121,449,126	24,446,283	497%
	2045	55,389,429	7,144,501	775%	117,849,865	15,523,896	759%	115,728,567	21,246,970	545%
	2046	52,146,116	6,133,500	850%	111,365,139	13,412,741	830%	109,360,566	18,357,512	596%
	2047	48,800,529	5,235,051	932%	104,330,445	11,521,680	906%	102,452,497	15,769,289	650%
	2048	44,414,383	4,442,004	1000%	96,921,857	9,841,072	985%	95,177,264	13,469,103	707%
	2049	40,034,516	3,749,051	1068%	89,330,872	8,358,863	1069%	87,722,916	11,440,460	767%
	2050	35,884,901	3,148,833	1140%	81,710,156	7,061,561	1157%	80,239,373	9,664,891	830%
	2051	32,373,293	2,632,360	1230%	74,161,109	5,934,703	1250%	72,826,209	8,122,603	897%
	2052	29,234,540	2,191,744	1334%	66,844,033	4,963,304	1347%	65,640,840	6,793,087	966%
	2053	25,953,542	1,817,934	1428%	59,848,831	4,131,879	1448%	58,771,552	5,655,147	1039%
	2054	22,959,357	1,502,547	1528%	53,247,063	3,425,192	1555%	52,288,615	4,687,930	1115%

Note: Please refer to the Actuarial Memorandum, section "Ensuring No Cross-Subsidization Between States", for adjustments made to experience exhibits

Values as of 12/31/2024 (discounted at maximum statutory valuation rates)

Past :	237,092,438	1,366,190,096	17.4%	221,752,492	1,457,477,357	15.2%	221,752,492	1,457,477,357	15.2%
Future :	999,725,120	412,374,519	242.4%	1,761,653,929	753,080,770	233.9%	1,732,048,534	978,269,638	177.1%
Lifetime :	1,236,817,558	1,778,564,615	69.5%	1,983,406,421	2,210,558,127	89.7%	1,953,801,026	2,435,746,995	80.2%
Lifetime Net of Hedges :	**1,236,817,558**	**1,778,564,615**	**69.5%**	**1,805,431,609**	**2,210,558,127**	**81.7%**	**1,775,826,214**	**2,435,746,995**	**72.9%**

Total Incurred Claims exceed Total Initial Premiums x max(58%, Original Pricing Loss Ratio) + Increased Premiums x max(85%, Original Pricing Loss Ratio)

Impact of Improved Hedge Terms	**(177,974,813)**		Accum Value of Past Initial Prm x 69.5% =	973,670,687
Minimum (Accum Value of Past Incurred Claims, Accum Value of Adjusted Expected Incurred Claims)	221,752,492		Present Value of Future Initial Prm x 69.5% =	351,293,966
			Accum Value of Prior Increases x 85.0% =	48,724,044
Present Value of Future Incurred Claims =	1,732,048,534		Present Value of Future Increases x 85.0% =	402,137,517
Total =	1,775,826,214	>=	Total =	1,775,826,213

Total Incurred Claims exceed Total Initial Premiums x max(60%, Original Pricing Loss Ratio) + Increased Premiums x max(80%, Original Pricing Loss Ratio)

Impact of Improved Hedge Terms	**(177,974,813)**		Accum Value of Past Initial Prm x 69.5% =	973,670,687
Minimum (Accum Value of Past Incurred Claims, Accum Value of Adjusted Expected Incurred Claims)	221,752,492		Present Value of Future Initial Prm x 69.5% =	351,293,966
			Accum Value of Prior Increases x 80.0% =	45,857,924
Present Value of Future Incurred Claims =	1,732,048,534		Present Value of Future Increases x 80.0% =	378,482,369
Total =	1,775,826,214	>=	Total =	1,749,304,945

4. Proposed Effective Date

New rates will not be effective until after the completion of prior rate increases for all policyholders with product forms listed in this memo. These rates will be effective on the next policy anniversary date after completion, following at least a 90 day policyholder notification period.. The assumed effective date used to calculate the rate increase is 01/01/2027.

5. History of Previous Rate Revisions

An average rate increase of 12.5% on these policy forms was accepted by your state on March 18, 2019.

An average rate increase of 15% on these policy forms was accepted by your state on March 27, 2024.

An average rate increase of 15% on these policy forms was accepted by your state on May 15, 2025

6. Reduced Benefit Options (RBOs)

If the full or substantial portion of the rate increase request is approved and per the state's agreement, we will file the following additional options which provide policyholders alternatives to the rate increase:

- ***Shared Cost Option***
  Shared Cost option is an actuarially equivalent option that allows policyholders without CPI-linked inflation the option to offset the rate increase. The Shared Cost option would:

  - Reduce the policyholder's current policy benefit amounts by their Shared Cost percentage. The daily/monthly benefit and the policy limit will be reduced by the Shared Cost percentage
  - Apply a percentage factor to any future claim payments equal to the Shared Cost percentage. John Hancock will pay our portion (1 minus the Shared Cost percent) of any covered services, but will not pay more than the new reduced daily/monthly benefit amount and the policyholder will be responsible for the remainder.

  Shared Cost Percentages are calculated using seriatim, nationwide data for each benefit period, inflation type and issue age band combination. All Shared Cost percentages are determined to be actuarially equivalent to the requested rate increases by combination of 5-year issue age band, benefit period and inflation type. The Shared Cost option is not available to limited pay policies or policyholders who have elected two prior Shared Cost options.

- ***Voluntary Enhanced Paid-Up Policy Option***
  For those who choose to stop paying premiums. This option will be a paid-up policy with a policy limit equal to the lesser of the current policy limit and 150% of premiums paid less any benefits received.

The premium rate tables reflecting these options will be filed upon request following a full or substantial approval.

7. State Policyholder Counts & Average Annual Premium

The table below summarizes the number of policies inforce that could be affected by the rate increase in your state and their annualized premiums, as well as the average annual premium per policy before and after the requested increase.

Counts and premiums are based on policies inforce as of 12/31/2024. Premium-paying policies as well as policies on claim are included, since although the premium for policies on claim is currently waived, they could be subject to the rate increase upon recovery. Paid-up policies and policies which have exercised the nonforfeiture benefit option are excluded.

Form	Number of Policies	2024 Annualized Premium*	2024 Average Annual Premium Before the rate increase*	2024 Average Annual Premium After the rate increase
LTC-06 MD	1,046	3,516,430	3,361	4,685

*Premiums reflect the rate increases approved in prior filing(s), including approvals where implementation is not yet complete

8. State and Nationwide Distribution of Business as of December 31, 2024

The state-specific and nationwide distribution of business for policyholders impacted by the rate increase is shown below by inflation type, benefit period, and issue age. The breakdown of business by Premium Payment Option is also included to show the number of policyholders no longer paying premiums due to nonforfeiture election or paid-up status.

Inflation Type

State	GPO	Compound	CPI	Total
NW	12%	0%	88%	100%
MD	11%	0%	89%	100%
NW	3,108	58	23,678	26,844
MD	113	0	933	1,046

Benefit Period

State	3 yr	5 yr	Lifetime	Total
NW	41%	48%	11%	100%
MD	43%	49%	8%	100%
NW	10,926	12,967	2,951	26,844
MD	452	515	79	1,046

Issue Age

State	< 40	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	Total
NW	3%	4%	9%	19%	30%	24%	9%	2%	0%	100%
MD	2%	4%	11%	20%	32%	20%	8%	2%	0%	100%
NW	780	1,030	2,404	5,121	8,031	6,527	2,404	494	53	26,844
MD	22	47	116	214	335	214	81	17	0	1,046

Premium Payment Option

State	Lifetime Pay	On Claim	Limited Pay	NFO*	Limited Pay, Paid Up*	Total
NW	90%	2%	1%	4%	4%	100%
MD	92%	1%	1%	0%	5%	100%
NW	26,145	492	207	1,159	1,131	29,134
MD	1,018	13	15	5	55	1,106

*Policies not included in distributions by count shown above as they are not impacted by the rate increase.

9. Benefit Description(s)

A brief policy description for the policy form:

LTC-06 MD

Individually underwritten long-term care policies that provide comprehensive long-term care coverage for care received in a nursing home or assisted care living facility, home health care, hospice care, respite care, or attendance at an Adult Day Care Center providing Adult Day Care.

Provides reimbursement of covered long-term care expenses incurred after an elected elimination period is met, up to the maximum daily/monthly amount. The benefit eligibility is determined based on the insured's cognitive impairment or their requiring physical assistance to perform two out of six activities of daily living (ADLs) of bathing, dressing, eating, toileting, transferring and maintaining continence.

Premiums are waived after the insured has met the elimination period and is receiving benefits and will continue to be waived until the insured stops receiving such benefits.

10. Renewability

All policy forms are guaranteed renewable.

11. Applicability

This filing is applicable to in force policies only, as these policy forms are no longer being sold in the market. The premium changes will apply to the base forms as well as all applicable riders.

12. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

13. Marketing Method

This product was typically marketed through our traditional agency system and brokers involving a personal contact with each applicant.

14. Underwriting

These policy forms were underwritten using a medical and risk questionnaire. We also utilized Attending Physician Statement and personal interviews depending on the age of the applicant and medical conditions.

15. Premium Classes

The base policy premium rates vary by issue age, benefit period, inflation option, home health care maximum benefit percentage, and underwriting class, as in the initial rate filing.

All premium factors related to the insured elected benefit design options or any eligible discount remain unchanged from the initial rate filing.

16. Premium Modalization Rules

Frequency	Multiple of Annual Premium
Semiannual	.52
Quarterly	.2625
Monthly	.0875

17. Issue Age Range

The issue age range is 18-79 for all policy forms.

18. Area Factors

Area factors are not applicable to any of the policy forms or riders.

19. Reserves

Active Life Reserves have not been used in this rate increase demonstration. Minimum Statutory Claim reserves as of 12/31/2024 have been discounted to the date of incurral of each respective claim and included in the historical incurred claims. Incurred But Not Reported claim reserves as of 12/31/2024 have also been allocated to the calendar year of incurral and included in historic incurred claims.

20. Ensuring No Cross-Subsidization Between States

We have ensured no state's rate increase approvals will subsidize other states' rate increases. Rate increases will vary by state, but only to reflect the timing and amount of prior rate increases approved by that state. This is accomplished by first backing-out all prior approved rate increases from our nationwide premium data. We then re-introduce actual prior rate increases with the amount and timing based on your state's prior approvals (as detailed in the section entitled **History of Previous Rate Revisions**). The current proposed rate increase is then determined as the amount needed to satisfy the rate stability rule.

Although some states may have capped our previous inforce rate increase filings, in each case this was done with the understanding that the full amount of the proposed rate increases were justified and that John Hancock would be refiling for the remainder at a later date. In instances where the remainder remains unapproved, it has been included in the current filings.

21. Past Losses Testing

The 2014 Long Term Care Model Regulation defines past losses as actual past claims less expected past claims when determining loss ratio compliance. Expected past claims are defined as the following:

> "Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase [regardless of whether or not the rate increase is approved]. Expected claims are calculated for each calendar year based on the in-force at the beginning of the calendar year. Expected claims shall include margins for moderately adverse experience; either amounts included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing."

We apply this methodology in demonstrating that we are not recouping past losses.

The 'Adjusted Expected Incurred Claims' are initially calculated by applying the original pricing durational loss ratio to the actual earned premium in a given calendar year. Later, in years in which and after which we filed for inforce rate increases, expected incurred claims are based on the new assumptions that were filed.

The accumulated value of the Adjusted Expected Incurred Claims is compared to the accumulated value of Actual Incurred Claims. The lesser of the Adjusted Expected Incurred Claims or Actual Incurred Claims is used for past claims when ensuring that the resulting overall increase in rates satisfies the rate stability rule ensuring a loss ratio no less than 85% (or the original pricing loss ratio if greater) on the rate increase portion, while applying 58% (or the original pricing loss ratio if greater) on the original rate schedule. This is demonstrated at the bottom of **Exhibit 1**. The derivation of Adjusted Expected Incurred Claims and comparison to Actual Incurred Claims can be seen in **Addendum #2 – Demonstration of not Recouping Past Losses**.

22. Actuarial Certification

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long-term care insurance premiums and filing for increases in long-term care insurance premiums. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

The preceding Actuarial Memorandum contains:

a) the assumptions on which this certification is based;
b) the adjustments to prior assumptions with an explanation of the reasons previous assumptions were not realized;
c) a lifetime projection of the prior premium rate schedules and incurred claims plus future expected premiums and claims which demonstrates that the revised premium rate schedule meets the loss ratios standards and necessary details of this state; and
d) disclosure of the manner, if any, in which reserves have been recognized.

If the requested premium rate schedule increase is implemented and the underlying assumptions which reflect moderately adverse conditions are realized, no further premium rate schedule increases are anticipated.

I have reviewed and taken into consideration the policy design and coverage provided, and our current underwriting and claims adjudication processes.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary. Based on these assumptions or statutory requirements where necessary, the premium rate filing is in compliance with the loss ratio standards of this state.

The basis for contract reserves has been previously filed and there is no anticipation of any changes.

P.J. Beltramini, FSA, MAAA
VP, Long Term Care Inforce Management
John Hancock Life Insurance Company (U.S.A.)

Addendum #1 - Assumptions and Analysis Performed

As part of the inforce management of the business, the Company completes periodic analysis for morbidity, voluntary lapse rates, and mortality. The findings from these analyses were used in projecting the inforce business to determine the effect of experience on the projected lifetime loss ratio. The most current studies show unfavorable trends since the study that prompted our 2022 rate increase filings.

[REDACTED]

A. Current & Prior Assumptions

Morbidity

[REDACTED]

Incidence

[REDACTED]

After updating assumptions to reflect the generally favorable experience, the overall A/E ratio is 99%.

The final A/Es show a better fit across attained age groupings:

Attained Age	Current
0-94	99%
95+	99%
Total	99%

Claim Terminations

[REDACTED]

After updating assumptions to reflect termination experience, the A/E is 99% for the first 5 months on claim, 100% for months 6+ and 100% overall.

Months on Claim	Months 1-5	Months 6+	Total
Total	99%	100%	100%

Utilization

[REDACTED]

After updating our assumption based on experience, the calendar year 2024 A/E is 100%.

Inflation Type	Prior	Current
None	105%	98%
Compound	112%	101%
Simple	108%	100%
Total	110%	100%

Voluntary Lapses

[REDACTED]

Actual to Expected ratios for this block (John Hancock individual business) summarized by inflation and duration groups before and after the assumption update are shown below.

Lapse	Prior			Current		
Duration	No Inflation	Inflation	Total	No Inflation	Inflation	Total
15-19	124%	114%	115%	101%	99%	99%
20+	113%	106%	108%	103%	103%	103%
Total	112%	106%	107%	98%	101%	100%

The changes to the expected lapse assumption improved the fit across cohorts and resulted in a total A/E of 100%.

Mortality

[REDACTED]

The table below shows the A/E ratios for non-claimants before and after the assumption update for all Custom Care products. Experience was lower than expected.

Prior	Current
87%	102%

Expenses

[REDACTED]

CPI Inflation Rate

[REDACTED]

B. Original Pricing Assumptions

[REDACTED]

Addendum #2 – Demonstration of not Recouping Past Losses
Leading Edge (LTC-06)

	Calendar Year	Original Incurred Loss Ratio	Historic Data Earned Premium	**Adjusted Expected Incurred Claims**		Historic Data Incurred Claims
Original Pricing	1988	0%	-	**-**		-
	1989	0%	-	**-**		-
	1990	0%	-	**-**		-
	1991	0%	-	**-**		-
	1992	0%	-	**-**		-
	1993	0%	-	**-**		-
	1994	0%	-	**-**		-
	1995	0%	-	**-**		-
	1996	0%	-	**-**		-
	1997	0%	-	**-**		-
	1998	0%	-	**-**		-
	1999	0%	-	**-**		-
	2000	0%	-	**-**		-
	2001	0%	-	**-**		-
	2002	0%	1,430	**-**		-
	2003	0%	8,411	**-**		-
	2004	0%	17,132	**-**		-
	2005	0%	36,956	**-**		-
	2006	0%	616,488	**802**		-
	2007	1%	11,060,812	**102,669**		-
	2008	2%	31,189,533	**470,697**		536,219
	2009	2%	48,922,780	**1,104,902**		114,380
	2010	3%	62,229,456	**2,007,220**		1,909,706
	2011	5%	66,387,282	**3,134,127**		2,214,016
	2012	7%	67,822,702	**4,430,094**		2,241,647
	2013	9%	67,104,518	**5,743,100**		2,581,678
	2014	11%	66,643,059	**7,200,509**		6,091,662
	2015	13%	65,969,435	**8,773,393**		6,499,471
2016 Assumptions	2016			**7,084,765**		7,523,126
	2017			**8,771,629**		8,261,969
	2018			**10,665,732**		11,282,880
2019 Assumptions	2019			**15,842,683**		13,785,721
	2020			**18,446,779**		14,592,986
	2021			**21,653,401**		20,016,688
2022 Assumptions	2022			**26,697,541**		24,478,034
	2023			**32,034,662**		25,234,625
	2024			**37,218,899**		38,886,936
Values as of 12/31/2024 (discounted at maximum statutory valuation rates)						
Past :				**255,159,993**	>	221,752,492

Minimum (Accum Value of Past Incurred Claims,
Accum Value of Adjusted Expected Incurred Claims) = 221,752,492

The lesser of actual and expected past claims, $221,752,492, is used in demonstrating compliance with the minimum loss ratio in Exhibit 1