

SERFF Tracking Number:	LTCG-125725803	State:	Arkansas
Filing Company:	AIG Life Insurance Company	State Tracking Number:	39547
Company Tracking Number:	AIG AR RI3		
TOI:	LTC03I Individual Long Term Care	Sub-TOI:	LTC03I.003 Other
Product Name:	AIG AR RI2		
Project Name/Number:	AIG AR RI2/AIG AR RI2		

Filing at a Glance

Company: AIG Life Insurance Company
 Product Name: AIG AR RI2
 TOI: LTC03I Individual Long Term Care
 Sub-TOI: LTC03I.003 Other
 Filing Type: Rate

SERFF Tr Num: LTCG-125725803 State: ArkansasLH
 SERFF Status: Closed State Tr Num: 39547
 Co Tr Num: AIG AR RI3 State Status: Approved-Closed
 Co Status: Reviewer(s): Harris Shearer
 Author: Sheryll Mantle Disposition Date: 09/15/2008
 Date Submitted: 07/08/2008 Disposition Status: Approved
 Implementation Date: Implementation Date:

Implementation Date Requested: On Approval

State Filing Description:

General Information

Project Name: AIG AR RI2
 Project Number: AIG AR RI2
 Requested Filing Mode: Review & Approval
 Explanation for Combination/Other:
 Submission Type: New Submission
 Overall Rate Impact: 25%
 Filing Status Changed: 10/01/2008
 State Status Changed: 10/01/2008
 Corresponding Filing Tracking Number:

Status of Filing in Domicile: Not Filed
 Date Approved in Domicile:
 Domicile Status Comments: Will file shortly
 Market Type: Individual
 Group Market Size:
 Group Market Type:
 Deemer Date:

Filing Description:

On behalf of AIG Life Insurance Company (AIG), we at Long Term Care Group, Inc. (LTCG) are submitting the enclosed actuarial memorandum for your review and approval. A letter from AIG authorizing LTCG to make this rate filing on behalf of AIG is attached.

The enclosed actuarial memorandum details the request for a 25% increase in the rates for AIG's long term care insurance policy forms and associated riders noted above. We are requesting this rate increase because persistency and claim experience is expected to produce lifetime loss ratios that exceed the minimum required loss ratio. Your department approved the first rate increase request for this policy on November 06, 2006. At this time this additional rate

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increase of 25% is justifiable to bring lifetime loss ratios closer to an acceptable level.

The company will offer insureds the option to reduce their daily benefit amount by roughly 25% in lieu of accepting the rate increase. This option will allow insureds the flexibility to maintain a premium level reasonably similar to what they were paying prior to the rate increase, if desired.

The filing fee of \$50.00 is provided through the SERFF system via electronic funds transfer, as required.

The rates will be effective upon approval and will apply to all existing policyholders. The company discontinued sales of its long term care insurance product in 2001.

We trust that you will find our filing to be in order and hope that you will be able to grant your Department's approval to this submission. If you have any questions or would like to discuss any of the materials included in this filing submission, please feel free to call me toll free at 1-888-312-5824. You may also send an email to smantle@ltcg.com.

We look forward to hearing from you.

Company and Contact

Filing Contact Information

(This filing was made by a third party - longtermcaregroup)

Sheryll Mantle, Consultant smantle@LTCG.com
5 Commonwealth Road (508) 651-8800 [Phone]
Natick, MA 01760 (508) 651-8804[FAX]

Filing Company Information

AIG Life Insurance Company CoCode: 66842 State of Domicile: Delaware
c/o LTCG Group Code: Company Type: Life and Health
5 Commonwealth Road
Natick, MA 01760 Group Name: State ID Number:
(508) 651-8800 ext. 24[Phone] FEIN Number: 25-1118523

SERFF Tracking Number: LTCCG-125725803 State: Arkansas
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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: Per Arkansas regs.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
AIG Life Insurance Company	\$50.00	07/08/2008	21302893

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Harris Shearer	10/01/2008	10/01/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Response Letter to 9/4 Note to Filer from Mr. Shearer	Supporting Document	Sheryll Mantle	09/15/2008	09/15/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Status Inquiry	Note To Reviewer	Sheryll Mantle	09/22/2008	09/22/2008
Rate Increase	Note To Filer	Harris Shearer	09/04/2008	09/04/2008
Status Inquiry	Note To Reviewer	Sheryll Mantle	09/03/2008	09/03/2008
Referenced Rate Increase Filing	Note To Reviewer	Marie Bohrer	08/09/2008	08/09/2008

SERFF Tracking Number: *LTCG-125725803* *State:* *Arkansas*
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TOI: *LTC03I Individual Long Term Care* *Sub-TOI:* *LTC03I.003 Other*
Product Name: *AIG AR RI2*
Project Name/Number: *AIG AR RI2/AIG AR RI2*

Disposition

Disposition Date: 09/15/2008

Implementation Date:

Status: Approved

Comment: The requested 25% rate increase is approved subject to proper notification to the policyowners.

Rate data does NOT apply to filing.

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 Product Name: AIG AR RI2
 Project Name/Number: AIG AR RI2/AIG AR RI2

Item Type	Item Name	Item Status	Public Access
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Authorization to file		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Response Letter to 9/4 Note to Filer from Mr. Shearer		Yes
Rate	Actuarial Memorandum and Rate Sheets		Yes

SERFF Tracking Number: *LTCG-125725803* *State:* *Arkansas*
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Product Name: *AIG AR RI2*
Project Name/Number: *AIG AR RI2/AIG AR RI2*

Note To Reviewer

Created By:

Sheryll Mantle on 09/22/2008 07:13 PM

Subject:

Status Inquiry

Comments:

Mr. Shearer,

Please provide a status of your review. We responded to your objection on 9/15 but we have not heard from you since then. The company is anxious to know the outcome of your review. I have also sent an e-mail to you regarding the status.

Regards,
Sheryll Mantle

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Product Name: AIG AR RI2
Project Name/Number: AIG AR RI2/AIG AR RI2

Amendment Letter

Amendment Date:
Submitted Date: 09/15/2008

Comments:

Mr. Shearer,

Please see the company's response to your inquiry on 9/4 regarding this submission.

Regards,
Sheryll Mantle

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: Response Letter to 9/4 Note to Filer from Mr. Shearer

Comment:

AR response 20080915 w attachments.pdf

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Project Name/Number: AIG AR RI2/AIG AR RI2

Note To Filer

Created By:

Harris Shearer on 09/04/2008 02:53 PM

Subject:

Rate Increase

Comments:

To complete the review of this filing I will need to see the loss ratio of all forms that are to have a rate increase. This loss ratio should be from issue date to current date on each form. Also look at Rule 13, Section 20, B (2) (a) and insert this in the Actuarial Memorandum.

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Project Name/Number: AIG AR RI2/AIG AR RI2

Note To Reviewer

Created By:

Sheryll Mantle on 09/03/2008 12:24 PM

Subject:

Status Inquiry

Comments:

Mr. Shearer,

Please provide a status for this filing. I left you a voice mail indicating that if we do not hear from you we will consider this filing deemed approved. Please feel free to call me at 888-312-5824 if you need to discuss the filing.

Regards,

Sheryll Mantle

SERFF Tracking Number: LTCG-125725803 State: Arkansas
Filing Company: AIG Life Insurance Company State Tracking Number: 39547
Company Tracking Number: AIG AR RI3
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.003 Other
Product Name: AIG AR RI2
Project Name/Number: AIG AR RI2/AIG AR RI2

Note To Reviewer

Created By:

Marie Bohrer on 08/09/2008 03:49 PM

Subject:

Referenced Rate Increase Filing

Comments:

Mr. Shearer:

We are writing to inquire as to the current status of the referenced rate increase filing.

Thank you in advance for your assistance.

Marie E. Bohrer, HIA AIRC
Compliance Consultant

SERFF Tracking Number: *LTCG-125725803* *State:* *Arkansas*
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TOI: *LTC03I Individual Long Term Care* *Sub-TOI:* *LTC03I.003 Other*
Product Name: *AIG AR RI2*
Project Name/Number: *AIG AR RI2/AIG AR RI2*

Rate Information

Rate data does NOT apply to filing.

<i>SERFF Tracking Number:</i>	<i>LTCG-125725803</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>AIG Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>39547</i>
<i>Company Tracking Number:</i>	<i>AIG AR RI3</i>		
<i>TOI:</i>	<i>LTC03I Individual Long Term Care</i>	<i>Sub-TOI:</i>	<i>LTC03I.003 Other</i>
<i>Product Name:</i>	<i>AIG AR RI2</i>		
<i>Project Name/Number:</i>	<i>AIG AR RI2/AIG AR RI2</i>		

Rate/Rule Schedule

Review Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	Actuarial Memorandum and Rate Sheets	Non-Tax Qualified Long Term Care Policy 64028-AR, Tax- Qualified Long Term Care Rider C12271-AR, Inflation Benefit Rider 64031, Nonforfeiture Benefit Rider 64032	Revised		AIG actmem and exhibits - AR.pdf

AIG Life Insurance Company

Actuarial Memorandum to Support a 25% Premium Rate Increase Individual Long Term Care Policy Form Series 64028

I. Purpose and Scope

This purpose of this memorandum is to justify and support the requested 25% rate increase for this policy form. This memorandum has been prepared in order to comply with state regulations related to the pricing of long term care policies issued on an individual basis and may not be appropriate for other purposes.

This filing applies to the Company's long term care policy forms and rider forms as listed below:

Series LTC-1

Policy Form 64028-AR Non-Tax Qualified

Rider Form C12271-AR Tax Qualified

Rider Form 64031 (Inflation Benefit)

Rider Form 64032 (Nonforfeiture Benefit)

The rate increase will apply to all policies issued on the referenced forms in this state. The number of policyholders, annualized premium, and average premium as of 12/31/2007 are shown on Exhibit A. The average premium is stated before and after the requested rate increase.

The rate increase will apply to inforce business only, as the Company discontinued selling these policy forms in 2001. The rate increase will be effective on the first billing due date following approval and fulfillment of all statutory and contractual requirements, including policyholder notification.

II. Reason for Rate Increase Request

The requested rate increase is necessary because the emerging experience reveals actual policy persistency and claim experience higher than assumed in the original pricing of this product. The historical data on Exhibit E illustrate the following:

- The ratio of actual to expected earned premium to-date is 1.66.
- The ratio of actual to expected earned premium for the most recent period is 3.12. After adjusting conservatively for the previously implemented rate increase (20.7% average nationwide assumed to be fully implemented in 2007), the actual to expected ratio is 2.58. That is, cumulative persistency is 158% greater than expected at pricing.
- The ratio of actual to expected cumulative loss ratios to-date is 1.08.
- The ratio of actual to expected cumulative incurred claims to-date is 1.79.

The following definitions are used for the purposes of this filing, including the attached data exhibits.

- Expected Earned Premiums are equal to first-year premiums for actual issued policies, carried forward at pricing lapse and mortality rates.
- Expected Incurred Claims are equal to expected earned premiums multiplied by the pricing-assumed durational loss ratios.

In other words, throughout this filing, expected earned premiums, expected incurred claims, and resulting expected loss ratios were developed based on actual issued policies and assuming that experience emerged exactly as assumed in pricing.

These policy forms were originally priced to achieve a 61.1% loss ratio on a discounted basis over the lifetime of the policy. Exhibit B provides the originally filed expected loss ratios by policy duration.

The Exhibit F illustrates the lifetime impact of greater than expected morbidity and persistency. Without a rate increase, the projected lifetime loss ratio is 104.9% – significantly higher than the 61.1% target. Projection assumptions are discussed in Section IV. A larger rate increase can be justified at this time on the basis of the projected lifetime loss ratio, but the Company is currently requesting only 25%.

The rate increase is proposed to be effective as soon as possible following approval and fulfillment of all statutory and contractual requirements.

III. Rate Increase History

These policy forms have previously received one rate increase nationwide. A 25% rate increase was approved by Arkansas on 11/06/2006. Exhibit C presents the status of the prior and currently requested rate increases by state.

IV. Projection Assumptions

Interest: A 5% effective annual rate of interest has been assumed for accumulating historical experience and discounting projected future experience. This interest rate is consistent with the rate assumed in initial pricing.

Persistency: Exhibit F presents future experience projected using voluntary lapse and mortality rates consistent with original pricing assumptions. Mortality is equal to 90% of the 1979-81 U.S. Population Mortality Table.

Voluntary lapse rates do not vary by gender. For premium modes other than annual, lapses are distributed evenly over each premium renewal date during the policy year. Actual voluntary lapse rates have been considerably lower than assumed in pricing. The following table compares voluntary lapse rates from original pricing with actual lapse rates.

Policy Year	Pricing	Experience Lapse Rates						
		<50	50-59	60-64	65-69	70-74	75-79	80+
1	24%	11.8%	5.8%	4.8%	4.9%	5.4%	5.0%	6.8%
2	20%	7.9%	4.8%	3.6%	3.3%	2.8%	3.6%	5.2%
3	10%	5.6%	2.8%	2.7%	2.4%	2.8%	2.7%	4.2%
4	10%	5.1%	2.0%	1.8%	2.0%	2.0%	2.6%	3.3%
5	8%	4.1%	1.7%	2.0%	2.0%	2.5%	2.8%	3.1%
6	7%	3.9%	1.4%	1.6%	1.9%	2.3%	2.1%	5.0%
7	6%	4.2%	1.5%	1.5%	1.7%	1.9%	2.9%	3.9%
8	5%	2.5%	0.7%	1.2%	1.6%	2.2%	2.4%	5.9%
9	5%	1.6%	1.4%	1.0%	1.3%	1.0%	3.0%	5.6%

While the experience justifies a modification of voluntary lapse assumptions, the projections are made using voluntary lapse rates from original pricing. A larger rate

increase could be justified if the future projections used voluntary lapse rates consistent with experience.

Morbidity: Claim costs were derived based on assumptions documented in the original pricing memorandum. Exhibit D provides the pricing morbidity assumptions as well as the derived claim costs. The ultimate pricing claim costs were adjusted to reflect the impact of underwriting. These pricing selection factors vary by issue age and duration. Sample values are provided in the following table.

Policy Year	Pricing Underwriting Selection Factors		
	< 75	75-79	80+
1	0.60	0.60	0.70
2	0.65	0.75	0.85
3	0.70	0.90	1.00
4	0.75	1.00	1.00
5	0.80	1.00	1.00
6	0.85	1.00	1.00
7	0.90	1.00	1.00
8	0.95	1.00	1.00
9+	1.00	1.00	1.00

The projections presented in Exhibit F assume that future claims are consistent with the original pricing claim costs. Although not fully credible, claim costs inception to date have exceeded those assumptions by an average of 8%, as evidenced by the 1.08 actual-to-expected loss ratio shown on Exhibit E. A larger rate increase could be justified if future assumed morbidity reflected inception to date claim levels.

Trend: Daily benefit amounts are assumed to increase by 5% each policy year for policies with compound inflation. No claim trend is assumed for policies which do not include inflation coverage.

Rate Increase

Effectiveness: Based on the expected timeline of rate increase approvals, administrative system readiness, and the modal distribution of premiums inforce, the earned premium projections assume that the rate increase will be 16.8% effective in 2008, 64.8% effective in 2009, 89.3% effective in 2010, and 100% effective thereafter.

V. Claim Liability and Reserve

Disabled life reserves for reported claims are calculated using continuance curves that are based on industry experience, numerous studies of noninsured data, actuarial judgment, and actual claim termination experience for this block.

Reserves for claims incurred but not reported (IBNR) are set based on expected loss ratios (adjusted for recent experience) and historical claim reporting lags. In other words, the company holds as an IBNR reserve a certain percentage of the expected incurred claims for the most recent six calendar quarters.

VI. Active Life Reserve

Serial active life reserves are calculated based on the following:

- One-year preliminary term method
- 1983 GAM mortality without selection
- Pricing lapse rates limited as follows:
 - For policy years one through four, the lesser of 80% of the pricing lapse rate and 8%
 - For policy years five and later, the lesser of 100% of the pricing lapse rate and 4%
- Maximum allowed statutory interest rate
- Long Term Care Group, Inc., morbidity assumptions which are based on industry experience, administrative client data, and numerous studies of noninsured data.

VII. Minimum Required Lifetime Loss Ratio

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

IX. Historical Experience

Nationwide experience since inception through 12/31/2007 is shown in Exhibits E and F. The data include claim payments through 12/31/2007.

X. Projected Future Experience

Future experience has been projected for forty years using the assumptions described in Section IV. The projected lifetime data are shown on Exhibit F.

XI. Lifetime Anticipated Loss Ratio

The lifetime anticipated loss ratio is defined as the present value of historical and projected future incurred claims divided by the present value of historical and projected future earned premiums. The target lifetime loss ratio from initial pricing is 61.1%. The projected lifetime loss ratio without the requested rate increase is shown on Exhibit F to be 104.9%. The projected lifetime loss ratio with the requested rate increase is shown to be 98.1%.

Both the anticipated future loss ratio and the lifetime anticipated loss ratio are in compliance with the minimum loss ratio requirements after implementation of the requested rate increase.

XII. Data Reliance

I have relied on historical and projected experience data provided by the Long Term Care Group, Inc. I have reviewed the data for reasonableness and consistency with prior reported data, but I have not performed a detailed audit. I have reviewed the assumptions and methodology used to generate projected future experience; I find the assumptions to be reasonable individually and in the aggregate, and I find the methodology to be reasonable and appropriate.

XII. Actuarial Certification

I hereby certify to the following:

- I am a member of the Society of Actuaries and meet the “Qualification Standard of Actuarial Opinion” as adopted by the American Academy of Actuaries.
- To the best of my knowledge and judgment, the entire rate filing submitted herein is in compliance with all applicable laws of this state, the rules of the Department of Insurance, and with Actuarial Standard of Practice Number 8 “Regulatory Filings for Rates and Financial Projections for Health Plans” as adopted by the Actuarial Standards Board.
- The anticipated loss ratio meets the minimum requirements of this state after implementation of the requested rate increase.
- In my opinion, the rates are not excessive or unfairly discriminatory. The requested rate increase will improve premium adequacy, but it is likely that future rate action will be necessary. The benefits are reasonable in relation to premiums assuming that adequate future rate increases are achieved.



Constance D. Rogers, ASA., MAAA
 Consulting Actuary
 United Health Actuarial Services, Inc.
 11174 Beloit Rd.
 Belvidere, IL 61008-9584
 phone: 815.547.5622
 email: cdrogers@uhasinc.com

July 7, 2008

Date

Attachments:

- Exhibit A – Policies Inforce
- Exhibit B – Lifetime Projection based on Pricing Assumptions
- Exhibit C – Rate Increase Filing Status
- Exhibit D – Pricing Morbidity Assumptions and Derived Claim Costs
- Exhibit E – Comparison of Actual and Expected Historical Experience
- Exhibit F – Projected Lifetime Experience With and Without Rate Increase

Exhibit A

**AIG Life Insurance Company
Policy Form Series LTC1**

Policies Inforce as of 12/31/2007

	Annualized Premiums	Lives Inforce	Average Annualized	
			Before Rate Increase	With a 25% Rate Increase
Nationwide	\$24,971,273	10,781	\$2,316	\$2,895
Arkansas	\$30,783	12	\$2,565	\$3,207

Exhibit B

**AIG Life Insurance Company
Policy Form Series LTC1
Long Term Care Plan - 30 Year Projection**

Policy Year	Present Values @ 5%					
	Premiums	Claims	Loss Ratio	Premiums	Claims	Loss Ratio
1	1,646.00	357.87	21.7%	1,646.00	349.25	21.2%
2	1,174.80	352.43	30.0%	1,118.86	327.56	29.3%
3	881.09	348.16	39.5%	799.17	308.18	38.6%
4	710.18	337.80	47.6%	613.48	284.77	46.4%
5	597.83	325.02	54.4%	491.84	260.95	53.1%
6	512.55	315.77	61.6%	401.60	241.45	60.1%
7	442.14	319.93	72.4%	329.93	232.98	70.6%
8	383.65	323.33	84.3%	272.65	224.25	82.2%
9	334.78	326.36	97.5%	226.59	215.57	95.1%
10	290.39	316.20	108.9%	187.19	198.91	106.3%
11	250.59	302.63	120.8%	153.84	181.31	117.9%
12	217.55	296.93	136.5%	127.20	169.42	133.2%
13	187.75	287.79	153.3%	104.55	156.39	149.6%
14	161.02	275.73	171.2%	85.39	142.70	167.1%
15	137.20	261.28	190.4%	69.30	128.78	185.8%
16	116.34	245.33	210.9%	55.96	115.16	205.8%
17	98.10	232.24	236.7%	44.94	103.83	231.0%
18	82.21	217.65	264.7%	35.87	92.67	258.4%
19	68.41	201.91	295.1%	28.43	81.88	288.0%
20	56.50	185.40	328.1%	22.36	71.60	320.2%
21	46.38	168.79	363.9%	17.48	62.08	355.2%
22	37.81	151.94	401.9%	13.57	53.22	392.2%
23	30.57	135.31	442.6%	10.45	45.14	432.0%
24	24.48	119.13	486.6%	7.97	37.85	474.9%
25	19.40	103.60	534.0%	6.02	31.35	521.2%
26	15.25	89.21	585.0%	4.50	25.71	570.9%
27	11.87	75.26	634.0%	3.34	20.66	618.8%
28	9.15	62.71	685.4%	2.45	16.39	668.8%
29	6.99	51.56	737.6%	1.78	12.84	719.8%
30	5.27	41.79	793.0%	1.28	9.91	773.9%
Total	8,556.25	6,829.06	79.81%	6,883.98	4,202.77	61.05%

Exhibit C

Page 1 of 2

**AIG Life Insurance Company
LTC1 Rate History and Filing Status**

State	Current Inforce Lives	Current Annzd Premium	Rate Increase #1				Rate Increase #2			
			Rate Incrs Requested	Rt Incrs Approved	Approved Date	Implemented Dt	Rate Incrs Requested	Rt Incrs Approved	Approved Date	Current Status
Alabama	0	\$0	0%	0%	---		0%	---	---	not filing
Alaska	0	0	0%	0%	---		0%	---	---	not filing
Arizona	117	261,445	25%	15%	9/9/2005	1/1/2006	25%	15%	7/31/2007	approved
Arkansas	12	30,783	25%	25%	11/6/2006	12/1/2006	25%	---	---	pending
California	1,225	3,498,479	25%	25%	1/14/2005	10/1/2005	25%	25%	6/26/2007	approved
Colorado	80	169,201	25%	25%	7/19/2006	11/1/2006	25%	---	---	pending
Connecticut	173	609,827	25%	25%	5/25/2006	10/1/2006	25%	---	---	disapproved
DC	8	21,262	25%	0%	disapproved		25%	---	---	to be filed
Delaware	48	99,437	25%	10%	4/5/2006	8/1/2006	25%	---	---	pending
Florida	300	822,597	23%	23%	10/30/2006	12/1/2006	25%	---	---	not filing
Georgia	42	92,952	25%	12%	9/26/2005	2/1/2006	25%	10%	3/6/2007	approved
Hawaii	14	48,945	25%	20%	8/29/2006	1/1/2007	25%	---	---	pending
Idaho	55	113,701	25%	25%	6/8/2006	12/1/2006	25%	---	---	pending
Illinois	538	1,292,498	25%	25%	2/4/2005	10/1/2005	25%	25%	6/20/2007	approved
Indiana	61	117,682	25%	25%	9/24/2005	3/1/2006	25%	25%	2/20/2007	approved
Iowa	93	172,371	25%	20%	6/2/2006	10/1/2006	25%	---	---	pending
Kansas	258	449,593	25%	15%	8/11/2005	11/1/2005	25%	15%	6/1/2007	approved
Kentucky	71	156,452	25%	25%	7/15/2005	12/1/2005	25%	25%	2/19/2007	approved
Louisiana	64	124,432	25%	25%	2/9/2007	6/1/2007	25%	---	---	pending
Maine	0	0	0%		---		0%	---	---	not filing
Maryland	275	671,308	15%	15%	7/27/2005	12/1/2005	15%	15%	2/20/2007	approved
Massachusetts	677	1,960,963	25%	20% then 4.2%	11/23/2005	1/1/2006	25%	---	---	pending
Michigan	195	400,760	25%	25%	3/17/2005	9/1/2005	25%	25%	2/28/2007	approved
Minnesota	229	446,932	25%	25%	3/15/2005	9/1/2005	25%	25%	4/12/2007	approved
Mississippi	13	27,240			to be filed		0%	---	---	to be filed
Missouri	230	437,936	25%	25%	6/12/2006	10/1/2006	25%	25%	10/31/2007	approved
Montana	13	29,663	25%	25%	3/2/2006	12/1/2006	25%	---	---	pending
Nebraska	51	110,903	25%	25%	4/1/2005	9/1/2005	25%	---	---	pending
Nevada	26	54,603	25%		disapproved		0%	---	---	pending
New Hampshire	60	133,822	25%	25%	7/14/2006	11/1/2006	25%	---	---	pending
New Jersey	689	1,826,648	25%	20% / 10%	12/18/2006	1/1/2007	25%	---	---	pending
New Mexico	80	182,086	25%	25%	4/4/2005	9/1/2005	25%	25%	3/8/2007	approved
New York	0	0	0%		---		0%	---	---	not filing
North Carolina	281	681,261	25%	25%	12/9/2005	8/1/2006	25%	---	---	pending
North Dakota	151	263,263	25%	20%	3/15/2005	9/1/2005	25%	20%	3/1/2007	approved
Ohio	457	982,967	25%	25%	1/21/2005	9/1/2005	25%	25%	2/15/2007	approved

Exhibit D
Page 1 of 2
AIG Life Insurance Company
Long Term Care Policy Form Series LTC1

Pricing Morbidity Assumptions¹

Attained Age	Annual Frequency / 1000	Claim Duration in Months	Withdrawal Rate
18-59	2.77	1	21.29%
60-64	3.64	2	16.72%
65-69	4.51	3	11.96%
70-74	13.79	4	8.11%
75-79	32.37	5	4.69%
80-84	63.90	6	4.69%
85-89	112.66	7-12	3.77%
90-94	168.75	13-18	3.27%
95+	288.50	19-24	3.93%
		25+	*

* Greater than 24 months uses 250% of 1979-81 US Population mortality.

Additional Cost for HHC Benefit as % of LTC					
100% HHC Benefit					
Attained Age	24 months	36 months	48 months	60 months	Lifetime
18-62	63.3%	59.2%	55.4%	51.8%	54.4%
67	60.3%	56.4%	52.8%	49.3%	51.8%
72	48.5%	44.7%	41.3%	38.1%	41.9%
77	35.4%	32.0%	28.9%	26.1%	28.7%
82	41.7%	38.2%	34.9%	34.9%	37.3%
87	48.3%	44.6%	41.0%	41.0%	36.9%
92	29.6%	26.5%	22.5%	22.5%	20.3%
97	10.8%	8.5%	6.1%	6.1%	7.4%
102	10.8%	8.5%	6.1%	6.1%	7.3%
107	10.8%	8.0%	6.1%	6.1%	7.3%
50% HHC Benefit					
Attained Age	24 months	36 months	48 months	60 months	Lifetime
18-62	40.3%	37.7%	35.2%	33.0%	34.6%
67	40.3%	37.7%	35.2%	33.0%	34.6%
72	37.9%	35.4%	33.1%	31.0%	32.5%
77	29.9%	27.6%	25.4%	23.5%	25.8%
82	21.3%	19.2%	17.4%	15.7%	17.3%
87	24.4%	22.3%	20.4%	20.4%	21.8%
92	28.2%	26.1%	24.0%	24.0%	21.6%
97	17.3%	15.5%	13.2%	13.2%	11.9%
102	6.3%	5.0%	3.6%	3.6%	4.3%
107	6.3%	5.0%	3.6%	3.6%	4.3%

The cost of respite care, caregiver training, and emergency response system was assumed to be 1.5% of the cost of the basic home health care benefit.

Waiver of premium was assumed to be 2.0% of the total claim cost.

Exhibit D
Page 2 of 2
AIG Life Insurance Company
Long Term Care Policy Form Series LTC1

Pricing Morbidity Assumptions per \$1 of Daily Nursing Home Benefit

100% HHC Benefit					
Attained Age	24 months	36 months	48 months	60 months	Lifetime
57	1.49	1.83	2.13	2.38	4.71
67	2.20	2.70	3.11	3.45	5.64
77	13.29	16.16	18.29	19.83	25.66
87	50.70	60.37	65.53	69.54	72.26
97	96.68	113.69	120.49	124.97	130.13
107	107.62	125.97	134.14	139.12	144.73
50% HHC Benefit					
Attained Age	24 months	36 months	48 months	60 months	Lifetime
57	1.27	1.58	1.85	2.08	4.10
67	1.92	2.37	2.75	3.07	4.99
77	12.74	15.62	17.79	19.41	25.08
87	42.45	50.97	55.85	59.28	64.21
97	102.43	121.13	128.67	133.45	135.66
107	103.19	122.43	130.93	135.80	140.63
0% HHC Benefit					
Attained Age	24 months	36 months	48 months	60 months	Lifetime
57	0.84	1.06	1.26	1.45	2.90
67	1.36	1.72	2.03	2.30	3.69
77	9.78	12.20	14.14	15.67	19.87
87	34.02	41.56	46.27	49.11	52.57
97	87.13	104.66	113.47	117.68	121.04
107	96.99	116.51	126.31	131.01	134.75

Exhibit E

**AIG Life Insurance Company
Policy Form Series LTC1
Nationwide Historical Experience
Comparison of Actual and Expected Loss Ratios**

Experience Period	Lives	Earned Premiums	Paid	Claim	Actual	Actual	Expected	Expected	Expected	Actual / Expected Loss Ratio
			Claims by Incurred Yr*	Reserves by Incurred Yr*	Incurred Claims	Loss Ratio (IC/EP)	Earned Premiums	Incurred Claims	Loss Ratio (IC/ExP)	
1997		114,262	-	-	-	0.0%	114,262	24,795	21.7%	-
1998	2,483	2,741,075	260,406	-	260,406	9.5%	2,692,533	594,876	22.1%	0.43
1999	6,119	8,897,299	1,412,078	48,339	1,460,417	16.4%	8,223,758	1,991,904	24.2%	0.68
2000	9,936	16,769,737	3,665,711	296,076	3,961,788	23.6%	14,213,053	3,800,451	26.7%	0.88
2001	13,893	25,249,863	6,948,051	1,086,373	8,034,424	31.8%	19,801,083	5,790,679	29.2%	1.09
2002	13,359	27,255,517	10,867,960	1,407,981	12,275,941	45.0%	19,079,861	6,589,078	34.5%	1.30
2003	12,773	25,899,360	9,084,701	2,408,258	11,492,959	44.4%	14,772,457	6,399,842	43.3%	1.02
2004	12,381	24,383,594	7,903,587	2,408,388	10,311,975	42.3%	12,003,471	6,213,179	51.8%	0.82
2005	11,840	23,464,347	7,642,335	5,360,284	13,002,618	55.4%	10,118,773	6,083,737	60.1%	0.92
2006	11,268	23,654,567	5,178,204	10,619,275	15,797,479	66.8%	8,684,081	6,033,544	69.5%	0.96
2007	10,781	23,429,392	869,390	14,272,381	15,141,772	64.6%	7,509,594	6,037,423	80.4%	0.80
Total		201,859,013	53,832,424	37,907,354	91,739,779	45.4%	117,212,926	49,559,508	42.3%	1.07
Accumulated @ 5.0%		249,664,355	67,377,792	41,795,720	109,173,512	43.7%	150,665,559	60,943,666	40.4%	1.08

	<u>Total</u>	<u>Accumulated</u>
Ratio of Actual to Expected Earned Premiums:	1.72	1.66
Ratio of Actual to Expected Incurred Claims:	1.85	1.79
Ratio of Actual to Expected Loss Ratio:	1.07	1.08

Calendar Duration	Lives	Earned Premiums	Paid	Claim	Actual	Actual	Expected	Expected	Expected	Actual / Expected Loss Ratio
			Claims by Calendar Dur*	Reserves by Calendar Dur*	Incurred Claims	Loss Ratio (IC/EP)	Earned Premiums	Incurred Claims	Loss Ratio (IC/ExP)	
0	14,531	15,787,289	1,164,392	48,339	1,212,730	7.7%	15,787,289	3,425,842	21.7%	0.35
1	14,158	29,791,280	4,777,185	646,671	5,423,855	18.2%	26,431,472	6,821,939	25.8%	0.71
2	13,456	28,224,985	8,008,402	1,473,461	9,481,863	33.6%	19,256,696	6,682,960	34.7%	0.97
3	12,919	26,526,529	10,517,702	1,496,350	12,014,052	45.3%	14,888,754	6,478,383	43.5%	1.04
4	12,500	25,034,227	9,843,693	2,820,843	12,664,535	50.6%	12,235,350	6,236,158	51.0%	0.99
5	12,000	24,288,548	8,119,851	5,579,739	13,699,590	56.4%	10,385,392	6,020,062	58.0%	0.97
6	11,457	23,721,888	6,017,929	8,786,714	14,804,643	62.4%	8,890,901	5,952,441	66.9%	0.93
7	7,642	15,825,406	3,788,777	7,902,925	11,691,702	73.9%	5,396,622	4,223,999	78.3%	0.94
8	4,399	9,032,293	1,152,148	5,537,299	6,689,447	74.1%	2,843,581	2,580,722	90.8%	0.82
9	1,625	3,315,617	442,347	3,361,502	3,803,849	114.7%	1,003,365	1,032,397	102.9%	1.11
10	146	310,951	-	253,512	253,512	81.5%	93,503	104,606	111.9%	0.73
Subtotal		201,859,013	53,832,424	37,907,354	91,739,779	45.4%	117,212,925	49,559,508	42.3%	1.07
Accumulated @ 5.0%		249,664,355	67,377,792	41,795,720	109,173,512	43.7%	150,665,559	60,943,666	40.4%	1.08

* Values are discounted to incurral date @ 4.5%.

Exhibit F
AIG Life Insurance Company

Policy Form Series LTC1

Projected Lifetime Experience (Nationwide)

Year	Expected based on initial pricing assumptions			Without Rate Increase			With Rate Increase		
	Expected Earned Premiums ¹	Expected Incurred Claims ¹	Expected Loss Ratio	Actual Earned Premiums ²	Actual Incurred Claims ²	Actual Loss Ratio	Actual Earned Premiums	Actual Incurred Claims	Actual Loss Ratio
1997	114,262	24,795	21.7%	114,262	0	0.0%	114,262	0	0.0%
1998	2,692,533	594,876	22.1%	2,741,075	260,406	9.5%	2,741,075	260,406	9.5%
1999	8,223,758	1,991,904	24.2%	8,897,299	1,460,417	16.4%	8,897,299	1,460,417	16.4%
2000	14,213,053	3,800,451	26.7%	16,769,737	3,961,788	23.6%	16,769,737	3,961,788	23.6%
2001	19,801,083	5,790,679	29.2%	25,249,863	8,034,424	31.8%	25,249,863	8,034,424	31.8%
2002	19,079,861	6,589,078	34.5%	27,255,517	12,275,941	45.0%	27,255,517	12,275,941	45.0%
2003	14,772,457	6,399,842	43.3%	25,899,360	11,492,959	44.4%	25,899,360	11,492,959	44.4%
2004	12,003,471	6,213,179	51.8%	24,383,594	10,311,975	42.3%	24,383,594	10,311,975	42.3%
2005	10,118,773	6,083,737	60.1%	23,464,347	13,002,618	55.4%	23,464,347	13,002,618	55.4%
2006	8,684,081	6,033,544	69.5%	23,654,567	15,797,479	66.8%	23,654,567	15,797,479	66.8%
2007	7,509,594	6,037,423	80.4%	23,429,392	15,141,772	64.6%	23,429,392	15,141,772	64.6%
Acc @ 5%	150,665,559	60,943,666	40.4%	249,664,355	109,173,512	43.7%	249,664,355	109,173,512	43.7%
2008	6,521,560	6,022,427	92.3%	21,694,306	19,656,006	90.6%	22,605,467	19,656,006	87.0%
2009	5,662,544	5,932,741	104.8%	19,298,286	20,201,256	104.7%	22,424,608	20,201,256	90.1%
2010	4,902,076	5,771,602	117.7%	17,154,902	20,596,014	120.1%	20,984,734	20,596,014	98.1%
2011	4,233,942	5,578,417	131.8%	15,236,498	20,925,259	137.3%	19,045,622	20,925,259	109.9%
2012	3,650,382	5,386,137	147.5%	13,523,525	21,259,432	157.2%	16,904,406	21,259,432	125.8%
2013	3,128,757	5,162,122	165.0%	11,970,515	21,544,754	180.0%	14,963,144	21,544,754	144.0%
2014	2,665,899	4,902,070	183.9%	10,554,673	21,739,384	206.0%	13,193,342	21,739,384	164.8%
2015	2,258,461	4,623,827	204.7%	9,269,366	21,836,290	235.6%	11,586,708	21,836,290	188.5%
2016	1,902,607	4,338,963	228.1%	8,107,504	21,830,922	269.3%	10,134,380	21,830,922	215.4%
2017	1,592,840	4,052,590	254.4%	7,061,762	21,724,872	307.6%	8,827,202	21,724,872	246.1%
2018	1,324,657	3,757,844	283.7%	6,124,707	21,501,075	351.1%	7,655,884	21,501,075	280.8%
2019	1,094,036	3,450,244	315.4%	5,288,797	21,141,394	399.7%	6,610,997	21,141,394	319.8%
2020	897,239	3,136,350	349.6%	4,546,682	20,643,364	454.0%	5,683,353	20,643,364	363.2%
2021	730,598	2,822,175	386.3%	3,890,600	20,028,240	514.8%	4,863,250	20,028,240	411.8%
2022	590,076	2,511,381	425.6%	3,313,313	19,330,029	583.4%	4,141,642	19,330,029	466.7%
2023	472,316	2,209,256	467.7%	2,807,819	18,546,640	660.5%	3,509,774	18,546,640	528.4%
2024	374,504	1,920,465	512.8%	2,367,314	17,676,374	746.7%	2,959,142	17,676,374	597.3%
2025	294,151	1,648,267	560.3%	1,985,681	16,711,169	841.6%	2,482,101	16,711,169	673.3%
2026	228,971	1,396,016	609.7%	1,656,795	15,667,770	945.7%	2,070,994	15,667,770	756.5%
2027	175,021	1,152,673	658.6%	1,375,089	14,581,352	1060.4%	1,718,861	14,581,352	848.3%
2028	121,454	848,721	698.8%	1,135,145	13,469,663	1186.6%	1,418,931	13,469,663	949.3%
2029	72,088	528,094	732.6%	931,820	12,346,703	1325.0%	1,164,775	12,346,703	1060.0%
2030	32,378	247,403	764.1%	760,557	11,220,165	1475.3%	950,696	11,220,165	1180.2%
2031	546	4,179	765.3%	617,237	10,107,647	1637.6%	771,546	10,107,647	1310.1%
2032	0	0	---	498,024	9,028,414	1812.8%	622,531	9,028,414	1450.3%
2033	0	0	---	399,399	7,998,006	2002.5%	499,249	7,998,006	1602.0%
2034	0	0	---	318,413	7,030,709	2208.0%	398,016	7,030,709	1766.4%
2035	0	0	---	252,311	6,132,599	2430.6%	315,389	6,132,599	1944.5%
2036	0	0	---	198,694	5,310,310	2672.6%	248,367	5,310,310	2138.1%
2037	0	0	---	155,509	4,564,753	2935.4%	194,386	4,564,753	2348.3%
2038	0	0	---	120,881	3,893,127	3220.6%	151,101	3,893,127	2576.5%
2039	0	0	---	93,326	3,291,822	3527.2%	116,657	3,291,822	2821.8%
2040	0	0	---	71,590	2,756,630	3850.6%	89,487	2,756,630	3080.5%
2041	0	0	---	54,573	2,283,204	4183.8%	68,216	2,283,204	3347.0%
2042	0	0	---	41,367	1,873,032	4527.9%	51,708	1,873,032	3622.3%
2043	0	0	---	31,151	1,523,392	4890.4%	38,939	1,523,392	3912.3%
2044	0	0	---	23,259	1,228,280	5281.0%	29,073	1,228,280	4224.8%
2045	0	0	---	17,233	982,424	5700.9%	21,541	982,424	4560.7%
2046	0	0	---	12,662	780,883	6166.9%	15,828	780,883	4933.5%
2047	0	0	---	9,259	615,574	6648.3%	11,574	615,574	5318.6%
PV @ 5%	33,955,605	54,479,171	160.4%	130,085,470	289,194,608	222.3%	156,218,571	289,194,608	185.1%
Lifetime @ 5%	184,621,164	115,422,837	62.5%	379,749,825	398,368,120	104.9%	405,882,926	398,368,120	98.1%

¹ Expected earned premiums and incurred claims are based on actual policies issued and loss ratio projections from the initial filing.

² Projected future earned premiums and incurred claims are based on pricing lapse assumptions as shown in Section IV of the actuarial memorandum.

SERFF Tracking Number: LTCG-125725803 State: Arkansas
Filing Company: AIG Life Insurance Company State Tracking Number: 39547
Company Tracking Number: AIG AR RI3
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.003 Other
Product Name: AIG AR RI2
Project Name/Number: AIG AR RI2/AIG AR RI2

Supporting Document Schedules

Review Status:

Satisfied -Name: Authorization to file 07/08/2008

Comments:

The filing is submitted by a third party other than an employee of the company. A letter to filing on behalf of the company is attached

Attachment:

AIG 2008 Auth Letter.PDF

Review Status:

Satisfied -Name: Cover Letter 07/08/2008

Comments:

Attachment:

AR RI2 Cover Letter.pdf

Review Status:

Satisfied -Name: Response Letter to 9/4 Note to Filer from Mr. Shearer 09/15/2008

Comments:

Attachment:

AR response 20080915 w attachments.pdf



Robert M. Beuerlein, FSA, MAAA
Senior Vice President & Chief Actuary

January 4, 2008

Ms. Peggy Hauser
Senior Vice President
Long Term Care Group
850 N. Elm Grove Rd., Suite 24
Elm Grove, WI 53122

Dear Peggy:

This letter authorizes the Long Term Care Group, Inc. to make various policy form filings, including premium rate filings, on behalf of AIG Life Insurance Company.

This authorization will remain in full force and effect until the earlier of (a) your receipt of a written notification from AIG Life Insurance Company expressly terminating this authorization; or (b) 31st December 2008.

Please feel free to contact me directly should you have any questions concerning this authorization.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Robert M. Beuerlein', written in a cursive style.

Robert M. Beuerlein, FSA, MAAA
Senior Vice President and Chief Actuary

American General Life Companies
Member of American International Group, Inc.

2727-A Allen Pkwy., 4-A7 • Houston, TX 77019 • 713.831.2738 • Fax 713.831.8016 • robert_m_beuerlein@aigag.com

LTCG

The Long Term Care Group, Inc.

July 8, 2008

Compliance Life and Health
1200 West Third Street, 3rd and Cross
Little Rock, AR 72201-1904

Sheryll Mantle
Long Term Care Group, Inc
5 Commonwealth Road, Suite 2B
Natick, MA 01760
Phone: 888-312-5824
Fax: 508-651-8804
E-mail: smantle@ltcg.com

Re: AIG LIFE INSURANCE COMPANY
FEIN # 25-1118523 NAIC # **66842**
INDIVIDUAL ACCIDENT AND HEALTH INSURANCE
Rate Increase for Non-Tax Qualified Long Term Care Policy 64028-AR
Tax-Qualified Long Term Care Rider C12271-AR
Inflation Benefit Rider 64031; Nonforfeiture Benefit Rider 64032

Dear Sir or Madam:

On behalf of AIG Life Insurance Company (AIG), we at Long Term Care Group, Inc. (LTCG) are submitting the enclosed actuarial memorandum for your review and approval. A letter from AIG authorizing LTCG to make this rate filing on behalf of AIG is attached.

The enclosed actuarial memorandum details the request for a 25% increase in the rates for AIG's long term care insurance policy forms and associated riders noted above. We are requesting this rate increase because persistency and claim experience is expected to produce lifetime loss ratios that exceed the minimum required loss ratio. Your department approved the first rate increase request for this policy on November 06, 2006. At this time this additional rate increase of 25% is justifiable to bring lifetime loss ratios closer to an acceptable level.

The company will offer insureds the option to reduce their daily benefit amount by roughly 25% in lieu of accepting the rate increase. This option will allow insureds the flexibility to maintain a premium level reasonably similar to what they were paying prior to the rate increase, if desired.

The filing fee of \$50.00 is provided through the SERFF system via electronic funds transfer, as required.

The rates will be effective upon approval and will apply to all existing policyholders. The company discontinued sales of its long term care insurance product in 2001.

We trust that you will find our filing to be in order and hope that you will be able to grant your Department's approval to this submission. If you have any questions or would like to discuss any of the materials included in this filing submission, please feel free to call me toll free at 1-888-312-5824. You may also send an email to smantle@ltcg.com.

We look forward to hearing from you.

Sincerely,



Sheryll Mantle, ACS, AIRC, FLMI
Compliance Consultant



September 15, 2008

Mr. Harris Shearer
Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201

RE: AIG Life Insurance Company
 Rate Increase Filing for Long Term Care Policy Form Series 64028
 SERFF Tracking # LTCCG-125725803
 Your letter dated 9/04/2008

Dear Mr. Shearer,

Thank you for your review of the referenced filing and for your letter dated 9/04/2008. The company has forwarded your letter to me for response.

The rate increase is requested for one base policy form (64028-AR) and three optional riders (C12271-AR TQ, 64031 Inflation, and 64032 Nonforfeiture). No policies with the nonforfeiture rider are in force in Arkansas, and the policies/riders are no longer being sold, so no rate increase is effectively requested for that rider in Arkansas.

Separate premium and claim information is not readily available for the riders alone. However, in response to your request, attached Exhibit G presents historical loss ratio experience for policies which have the Base Policy alone, policies which have the Base Policy with the TQ rider, policies which have the Base Policy with the Inflation rider, and policies which have the Base Policy with both the TQ and Inflation riders. Please note that the 25% rate increase is requested on the basis of the aggregate nationwide experience for the projected lifetime of the forms.

According to Rule 13, Section 20 A(1), the Rule Section applies only to individual long term care policies issued on or after July 1, 2006. All of the policies in AIG's LTC1 form series were issued in 2002 and prior. Consequently, the additional actuarial certification language is not required.

Please feel free to contact me at (815) 547-5622 or cdrogers@uhasinc.com if you have any questions on this information or would like to discuss this further.

Sincerely,


Constance D. Rogers, ASA, MAAA
Consulting Actuary
11174 Beloit Rd.
Belvidere, IL 61008-9500

Attachments: Exhibit G
Copies to: Peggy L. Hauser, FSA, MAAA (Long Term Care Group)

AIG Life Insurance Company
Policy Form LTC1
Historical Experience

	Experience	Earned	Paid	Claim	Actual	Actual
	<u>Period</u>	<u>Premiums</u>	Claims by <u>Incurral Yr*</u>	Reserves by <u>Incurral Yr*</u>	Incurred <u>Claims</u>	Loss <u>Ratio (IC/EP)</u>
Base Policy	1997	57,164	-	-	-	0.0%
	1998	1,168,996	94,177	-	94,177	8.1%
	1999	3,002,147	834,587	-	834,587	27.8%
	2000	4,546,237	1,802,596	150,514	1,953,110	43.0%
	2001	5,826,057	2,945,686	369,152	3,314,838	56.9%
	2002	5,981,502	4,998,247	434,071	5,432,318	90.8%
	2003	5,675,968	3,381,989	681,435	4,063,424	71.6%
	2004	5,288,986	2,687,443	732,317	3,419,759	64.7%
	2005	5,014,262	2,801,296	1,726,933	4,528,228	90.3%
	2006	4,969,419	1,719,151	3,084,509	4,803,660	96.7%
	2007	4,825,151	339,671	3,721,937	4,061,608	84.2%
	Subtotal	46,355,889	21,604,841	10,900,868	32,505,709	70.1%
	Accumulated @ 5.0%	58,175,850	27,356,649	12,092,567	39,449,215	67.8%

	Experience	Earned	Paid	Claim	Actual	Actual
	<u>Period</u>	<u>Premiums</u>	Claims by <u>Incurral Yr*</u>	Reserves by <u>Incurral Yr*</u>	Incurred <u>Claims</u>	Loss <u>Ratio (IC/EP)</u>
Base Policy & TQ Rider	1997	10,454	-	-	-	0.0%
	1998	363,460	2,679	-	2,679	0.7%
	1999	1,723,026	436,287	26,851	463,139	26.9%
	2000	3,970,095	758,796	66,571	825,367	20.8%
	2001	6,172,708	2,036,077	117,046	2,153,123	34.9%
	2002	6,609,097	2,510,061	183,276	2,693,336	40.8%
	2003	6,147,360	2,805,116	219,374	3,024,489	49.2%
	2004	5,669,862	2,877,276	675,310	3,552,586	62.7%
	2005	5,342,516	2,413,912	1,142,832	3,556,744	66.6%
	2006	5,266,457	1,422,271	2,402,096	3,824,368	72.6%
	2007	5,095,286	176,009	3,468,656	3,644,665	71.5%
	Subtotal	46,370,322	15,438,484	8,302,012	23,740,496	51.2%
	Accumulated @ 5.0%	57,353,103	19,181,994	9,041,236	28,223,230	49.2%

AIG Life Insurance Company
Policy Form LTC1
Historical Experience

Base Policy & Inflation Rider	Experience	Earned	Paid	Claim	Actual	Actual
	<u>Period</u>	<u>Premiums</u>	Claims by <u>Incurral Yr*</u>	Reserves by <u>Incurral Yr*</u>	Incurred <u>Claims</u>	Loss <u>Ratio (IC/EP)</u>
	1997	36,510	-	-	-	0.0%
	1998	897,953	28,481	-	28,481	3.2%
	1999	2,257,552	4,183	-	4,183	0.2%
	2000	3,590,109	842,415	78,991	921,406	25.7%
	2001	5,031,844	1,487,297	358,708	1,846,005	36.7%
	2002	5,363,370	1,625,129	487,780	2,112,909	39.4%
	2003	5,223,120	1,536,643	648,482	2,185,125	41.8%
	2004	5,018,179	1,024,198	400,659	1,424,857	28.4%
	2005	4,920,288	1,010,762	1,029,196	2,039,958	41.5%
	2006	5,055,630	800,609	2,067,547	2,868,155	56.7%
	2007	5,101,917	108,761	2,637,327	2,746,088	53.8%
	Subtotal	42,496,473	8,468,478	7,708,690	16,177,168	38.1%
	Accumulated @ 5.0%	52,690,580	10,677,497	8,617,053	19,294,550	36.6%

Base Policy & TQ & Inflation Riders	Experience	Earned	Paid	Claim	Actual	Actual
	<u>Period</u>	<u>Premiums</u>	Claims by <u>Incurral Yr*</u>	Reserves by <u>Incurral Yr*</u>	Incurred <u>Claims</u>	Loss <u>Ratio (IC/EP)</u>
	1997	10,135	-	-	-	0.0%
	1998	310,666	135,069	-	135,069	43.5%
	1999	1,914,574	135,918	21,488	157,405	8.2%
	2000	4,663,296	263,056	-	263,056	5.6%
	2001	8,219,254	478,992	241,467	720,459	8.8%
	2002	9,301,547	1,734,524	302,854	2,037,379	21.9%
	2003	8,852,912	1,360,954	858,967	2,219,921	25.1%
	2004	8,406,566	1,314,670	600,102	1,914,772	22.8%
	2005	8,187,281	1,416,366	1,461,324	2,877,689	35.1%
	2006	8,363,061	1,236,174	3,065,122	4,301,296	51.4%
	2007	8,407,038	244,950	4,444,461	4,689,411	55.8%
	Subtotal	66,636,331	8,320,673	10,995,784	19,316,457	29.0%
	Accumulated @ 5.0%	81,444,823	10,161,645	12,044,864	22,206,510	27.3%

* Values are discounted to incurral date @ 4.5%.