

**State:** Arkansas **Filing Company:** American Pioneer Life Insurance Company  
**TOI/Sub-TOI:** LTC06 Long Term Care - Other/LTC06.000 Long Term Care - Other  
**Product Name:** Long Term Care  
**Project Name/Number:** AP LTC(2) 2012 AR/APNHO, APNHOQ, COMPLTC, HHC-802

## Filing at a Glance

Company: American Pioneer Life Insurance Company  
Product Name: Long Term Care  
State: Arkansas  
TOI: LTC06 Long Term Care - Other  
Sub-TOI: LTC06.000 Long Term Care - Other  
Filing Type: Rate  
Date Submitted: 08/16/2012  
SERFF Tr Num: UNAM-128593669  
SERFF Status: Closed-Approved  
State Tr Num:  
State Status: Approved-Closed  
Co Tr Num: AP LTC(2) 2012 AR  
  
Implementation: 10/01/2012  
Date Requested:  
Author(s): Carmen Boyd, Trudi Goldenberg, Holly Parenti  
Reviewer(s): Donna Lambert (primary)  
Disposition Date: 10/18/2012  
Disposition Status: Approved  
Implementation Date:

**State:** Arkansas **Filing Company:** American Pioneer Life Insurance Company  
**TOI/Sub-TOI:** LTC06 Long Term Care - Other/LTC06.000 Long Term Care - Other  
**Product Name:** Long Term Care  
**Project Name/Number:** AP LTC(2) 2012 AR/APNHO, APNHOQ, COMPLTC, HHC-802

## General Information

Project Name: AP LTC(2) 2012 AR Status of Filing in Domicile: Pending  
 Project Number: APNHO, APNHOQ, COMPLTC, HHC-802 Date Approved in Domicile:  
 Requested Filing Mode: Review & Approval Domicile Status Comments:  
 Explanation for Combination/Other: Market Type: Individual  
 Submission Type: New Submission Individual Market Type:  
 Overall Rate Impact: 10% Filing Status Changed: 10/18/2012  
 State Status Changed: 10/18/2012  
 Deemer Date: Created By: Trudi Goldenberg  
 Submitted By: Trudi Goldenberg Corresponding Filing Tracking Number:

**Filing Description:**  
 American Pioneer Life Insurance Company  
 NAIC #60763  
 Request for Rate Revision – Long Term Care  
 Forms: APNHO, APNHOQ, COMPLTC, HHC-802

American Pioneer Life Insurance Company is requesting the approval of a 10% premium rate increase on the above-referenced forms. Please see cover letter for detailed information.

## Company and Contact

### Filing Contact Information

Trudi Goldenberg, tgoldenberg@universalamerican.com  
 P.O. Box 958465 407-444-4219 [Phone] 8278 [Ext]  
 Lake Mary, FL 32795-8465

### Filing Company Information

American Pioneer Life Insurance CoCode: 60763 State of Domicile: Florida  
 Company Group Code: 953 Company Type:  
 1001 Heathrow Park Lane Group Name: State ID Number:  
 Suite 5001 FEIN Number: 59-0935083  
 Lake Mary, FL 32746  
 (407) 995-8000 ext. [Phone]

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

Company	Amount	Date Processed	Transaction #
American Pioneer Life Insurance Company	\$50.00	08/16/2012	61729633

SERFF Tracking #:

UNAM-128593669

State Tracking #:

Company Tracking #:

AP LTC(2) 2012 AR

State:

Arkansas

Filing Company:

American Pioneer Life Insurance Company

TOI/Sub-TOI:

LTC06 Long Term Care - Other/LTC06.000 Long Term Care - Other

Product Name:

Long Term Care

Project Name/Number:

AP LTC(2) 2012 AR/APNHO, APNHOQ, COMPLTC, HHC-802

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Donna Lambert	10/18/2012	10/18/2012

**State:** Arkansas **Filing Company:** American Pioneer Life Insurance Company  
**TOI/Sub-TOI:** LTC06 Long Term Care - Other/LTC06.000 Long Term Care - Other  
**Product Name:** Long Term Care  
**Project Name/Number:** AP LTC(2) 2012 AR/APNHO, APNHOQ, COMPLTC, HHC-802

## Disposition

Disposition Date: 10/18/2012

Implementation Date:

Status: Approved

Comment: The Department has reconsidered your request of a 10% level rate increase and approved this submission. The approval is subject to the following conditions:

1. This rate increase applies to existing business only, as this product is no longer being sold in Arkansas.
2. Increases will not be given more frequently than once in a twelve (12) month period.
3. All increases in rates, other than a change in age or an individual's moving to another geographical area, must be submitted to our Department for approval.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Pioneer Life Insurance Company	10.000%	10.000%	\$2,620	17	\$26,196	10.000%	10.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Health - Actuarial Justification	Approved	No
Supporting Document	Response Letter 9-4-12	Approved	Yes
Supporting Document	Response to 9/12/12 Objection	Approved	Yes
Rate	Current and Requested Rates	Approved	Yes

**SERFF Tracking #:**

UNAM-128593669

**State Tracking #:****Company Tracking #:**

AP LTC(2) 2012 AR

**State:**

Arkansas

**Filing Company:**

American Pioneer Life Insurance Company

**TOI/Sub-TOI:**

LTC06 Long Term Care - Other/LTC06.000 Long Term Care - Other

**Product Name:**

Long Term Care

**Project Name/Number:**

AP LTC(2) 2012 AR/APNHO, APNHOQ, COMPLTC, HHC-802

## Supporting Document Schedules

		<b>Item Status:</b>	<b>Status Date:</b>
Satisfied - Item:	Health - Actuarial Justification	Approved	10/18/2012
Comments:			
Attachment(s):			
AR_CovLtr_American Pioneer_LR_20120815.pdf			
AR_AM_American Pioneer_LR_20120815.pdf			
		<b>Item Status:</b>	<b>Status Date:</b>
Satisfied - Item:	Response Letter 9-4-12	Approved	10/18/2012
Comments:			
Attachment(s):			
AP_AR-Response to 20120817 Letter_20120904.pdf			
		<b>Item Status:</b>	<b>Status Date:</b>
Satisfied - Item:	Response to 9/12/12 Objection	Approved	10/18/2012
Comments:			
Attachment(s):			
AP_AR_Response to 20120912 Letter_20121009.pdf			



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August 15, 2012

Honorable Jay Bradford  
Insurance Commissioner  
Arkansas Department of Insurance (Department)  
1200 W. Third Street  
Little Rock, Arkansas 72201-1904

RE: American Pioneer Life Insurance Company (American Pioneer)  
Company NAIC # 60763  
American Pioneer Policy Forms:

Comprehensive Long-Term Care	APNHO, et al.
Comprehensive Long-Term Care	APNHOQ, et al.
Comprehensive Long-Term Care	COMPLTC, et al.
Home Health Care Only	HHC-802, et al.

Dear Commissioner Bradford:

These forms are existing individual policy forms providing nursing home and home health care coverage. Policies currently in force on these forms were issued in Arkansas during the time periods shown in the following table. These forms are no longer being marketed in any state.

Policy Form	For Policies In Force at 12/31/2011	
	Issue Start Date	Issue End Date
APNHO, et al.	7/8/2003	12/22/2003
APNHOQ, et al.	10/1/2002	12/19/2002
COMPLTC, et al.	5/22/2001	1/6/2003
HHC-802, et al.	3/28/2002	9/9/2002

American Pioneer is requesting the approval of a premium rate increase on the above-listed forms. The increase is needed due to a combination of adverse morbidity, higher persistency, and lower investment earnings. The company believes that a 485% increase is needed on this block of business. The company prefers to lessen the impact of the rate increase on policyholders and recognizes the Department's limitation on LTC rate increases; therefore, it is requesting a 10% rate increase at this time. The company plans to continue to monitor the experience and assess the need to pursue additional rate increases.

The company will offer insureds affected by the premium increase the option of reducing their policy daily benefit to provide flexibility of choice for those insureds who wish to maintain a premium level reasonably similar to what they were paying prior to the rate increase.

Offices in Principal Cities Worldwide

This work product was prepared to provide assistance to American Pioneer. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends Recipient be aided by its own actuary or other qualified professional when reviewing the Milliman work product.



Honorable Jay Bradford  
August 15, 2012

The following electronic items are included with this submission:

- this cover letter;
- an actuarial memorandum; and
- rate schedules prepared by American Pioneer.

The required \$50 filing fee will be paid via Electronic Funds Transfer (EFT).

The contact person for this filing is:

Carmen Boyd  
Assistant Vice President, Actuarial Compliance  
1001 Heathrow Park Lane  
Suite 5001  
Lake Mary, FL 32746  
(407) 444-4345  
cboyd@UniversalAmerican.com

Thank you for your assistance in reviewing this filing.

Respectfully,

A handwritten signature in blue ink that reads "Amy Pahl".

Amy Pahl, FSA, MAAA  
Principal and Consulting Actuary

ABP/mab

Enclosures

**American Pioneer Life Insurance Company**  
**Address: 1001 Heathrow Park Lane, Lake Mary, FL 32746**

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<u>Product</u>	<u>Number</u>
Comprehensive Long-Term Care	APNHO, et al.
Comprehensive Long-Term Care	APNHOQ, et al.
Comprehensive Long-Term Care	COMPLTC, et al.
Home Health Care Only	HHC-802, et al.

These policy forms were issued in Arkansas by American Pioneer Life Insurance Company (American Pioneer) from May 2001 through December 2003 and are no longer being marketed in any jurisdiction.

**1. Purpose of Filing**

This actuarial memorandum has been prepared for the purpose of demonstrating that the rate increase requested on the above-listed products meets the minimum requirements of your jurisdiction and demonstrating compliance with its loss ratio regulation. It may not be suitable for other purposes.

**2. Description of Benefits**

These are individually underwritten policy forms providing benefits for nursing home and home health care to insureds meeting certain benefit eligibility requirements. Specific benefits vary by form.

**3. Renewability**

The above-listed policy forms are guaranteed renewable for life.

**4. Applicability**

This filing is applicable to in-force policies only. The above-listed policy forms are no longer being sold in the market. The premium change will apply to the base forms and all riders associated with the base forms. The premium change will apply to any guaranteed purchase option elections that have occurred to date. The rate increase also applies to the rate schedule for future guarantee purchase options.

**5. Actuarial Assumptions**

- a. Morbidity. The morbidity assumption was developed by creating best-estimate claim costs from the Milliman 2011 *Long-Term Care Guidelines (LTCGs)* for each policy form or group of policy forms with similar plan designs. The *LTCGs* provide a flexible, but consistent, basis for the determination of claim costs for a wide variety of long-term care benefit packages. These rating structures can be used to anticipate future claim levels, evaluate past experience, and establish inter-relationships between different long-term care coverages. Milliman analyzed nearly \$11.5 billion in long-term care insurance incurred claims to develop these *LTCGs*.

Salvage factors were applied to the claim costs to reflect the difference between actual charge levels and the daily benefit amount.

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The best-estimate claim costs, reflecting a salvage factor adjustment, were then used to project the December 31, 2011 in force. The projected incurred claims were compared to actual experience. A scalar experience adjustment of 125% was applied to all claim costs based on this comparison. This adjustment was made to reflect that actual historical experience has been running worse than the LTCGs best estimate. The adjustment was developed by inspection of the progression of the historical to projected values and smoothed the transition of annual loss ratios from the historical period to the projection period.

- b. Persistency. The mortality assumption for these policy forms is 110% of the 1994 Group Annuitant Mortality Table (GAM) without selection or improvement. An ultimate lapse rate of 2.0% is used to project future experience for durations eight and later. These assumptions were selected based on the results of a termination study that analyzed experience for the most recent four years, and the associated credibility.

The following table provides the calendar year 2008 through 2011 experience used to determine the persistency assumption. The derived lapses are equal to  $1 - (1 - \text{total termination rate}) / (1 - \text{expected mortality rate})$ . The expected mortality rate reflects the mortality assumption described above.

Calendar Year	Total Terminations			Expected Mortality		Derived Lapse	
	Exposure	Count	Rate	Count	Rate	Count	Rate
2008	3,783	269	7.1%	183	4.8%	86	2.4%
2009	3,514	282	8.0%	178	5.1%	104	3.1%
2010	3,232	206	6.4%	169	5.2%	37	1.2%
2011	3,026	213	7.0%	164	5.4%	49	1.7%
Total	13,555	970	7.2%	694	5.1%	276	2.1%

A credibility standard of a 90% confidence interval for the number of events with an error of plus or minus 5% was used. Based on these parameters, 1,082 terminations is the criterion for full credibility. The credibility percentage was determined as  $(\text{Number of Terminations} / 1,082)^{1/2}$ .

- c. Policyholder Behavior Due to the Rate Increase. No adverse selection or shock lapse is assumed due to the rate increase.
- d. Expenses. Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate, except that commissions will not be paid on the increased premium.

The above assumptions are based on the experience of American Pioneer, industry experience, and judgment. These assumptions are based on the nationwide experience of the particular policy forms in this filing and other similar policy forms where appropriate. The above assumptions are deemed reasonable for the particular policy forms in this filing.

**American Pioneer Life Insurance Company**  
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In establishing the assumptions described in this section, the policy design, underwriting, and claims adjudication practices for the above-listed policies were taken into consideration.

**6. Marketing Method**

The above-listed policy forms were marketed through independent agents and brokers.

**7. Underwriting Description**

These policies were individually underwritten with selective use of underwriting tools, which may have included the application, attending physician's statement, telephone interview, and face-to-face assessment. Each of the forms may have utilized various underwriting classes.

**8. Premiums**

Premiums are unisex and payable for life. The premiums may vary according to one or more of the following policy and policyholder attributes: issue age, benefit level, benefit increase option, premium mode, area, underwriting class, marital status, elimination period, maximum benefit, and optional coverages chosen. One policy form and riders other than for inflation protection and benefit increases account for less than 1% of total premium and have been excluded from the projected values.

**9. Issue Age Range**

Issue ages of in-force policies range from 31 to 85.

**10. Area Factors**

Area factors may have been used in pricing for the above-listed policy forms. It is assumed that the originally filed area factors remain appropriate.

**11. Premium Modalization**

The following table provides nationwide percent distributions (based on American Pioneer's in-force count as of 12/31/2011) by premium payment mode:

<b>Premium Mode</b>	<b>Percent Distribution</b>
Annual	26%
Semi-Annual	3
Quarterly	6
Monthly	65

**12. Reserves**

Active life reserves have not been used in this rate increase analysis. Claim reserves as of December 31, 2011 have been discounted to the actual or assumed date of incurral

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for each respective claim and included in the historical incurred claims. Incurred but not reported reserve balances as of December 31, 2011 have been allocated to a calendar year of incurral.

**13. Trend Assumptions**

An explicit medical cost trend is not included the projections.

**14. Past and Future Experience**

Nationwide experience of American Pioneer, across the above-listed forms and similar nationwide forms, is shown in Exhibit I.

Historical experience is shown by claim incurral year with the loss ratio for each loss year calculated by the following formula:

$$LR_j = \frac{\sum_k \sum_t {}_j Pmt_t^k * v^{t-k} + \sum_k ({}_j CR_{ValDate}^k + {}_j IBNR_{ValDate}^k) * v^{ValDate-k}}{EP_j}$$

$LR_j$  = loss ratio for year  $j$

${}_j Pmt_t^k$  = claim payments at time  $t$  on claims incurred at time  $k$  in year  $j$

${}_j CR_{ValDate}^k$  = open claim reserve held on December 31, 2011 for claims incurred at time  $k$  in year  $j$

${}_j IBNR_{ValDate}^k$  = incurred but not reported reserve as of December 31, 2011 attributable to claims assumed incurred at time  $k$  in year  $j$

$EP_j$  = earned premium in year  $j$

$ValDate$  = December 31, 2011

$j$  = year of claim incurral

$k$  = assumed or actual date of claim incurral

$t$  = assumed or actual date of claim payment

$v = 1 / 1.045 = 0.956938$

Exhibit I also shows future anticipated experience for calendar years 2012 to 2051, based on in-force experience as of December 31, 2011, using the assumptions in this filing.

Exhibit I reflects a summary of the historical and projected data for all experience columns providing the accumulated past, future, and lifetime values both without and with the proposed rate increase. Historical values are accumulated with interest using an estimate for the historical earnings rates. This rate was approximated by starting with

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the original pricing earnings rate and grading down to the current 4.0% earnings rate using the pattern of changes in the maximum valuation interest rate. Future values are discounted using the current long-term earnings rate of 4.0%.

**15. Actual to Expected Experience**

Exhibit II provides a comparison of the actual and expected nationwide experience of American Pioneer across the above-listed forms and similar nationwide forms. The actual values are the same as those found in Exhibit I. The expected experience was developed by projecting from issue the in-force policies using the original pricing assumptions for each policy form or, if not available, the original pricing assumptions from another form that was issued during a similar era. Exhibit III provides the original pricing assumptions that were used to develop the expected experience.

**16. History of Previous Rate Revisions**

There has been no previous rate revision on any American Pioneer policy forms in Arkansas.

The projections in Exhibits I and II reflect the nationwide rate increases for each form, which average 75% and were implemented between 1999 and 2012.

**17. Requested Rate Increase and Demonstration of Satisfaction of Loss Ratio Requirements**

The company believes that a 485% increase is needed on this block of business. The company prefers to lessen the impact of the rate increase on policyholders and recognizes the Department's limitation on LTC rate increases; therefore, it is requesting a 10% rate increase at this time. The company plans to continue to monitor the experience and assess the need to pursue additional rate increases.

Projected experience assuming the requested rate increases are implemented is shown in Exhibit I. As shown in Exhibit I, the expected lifetime loss ratio with and without the requested rate increases exceeds the 60% minimum required by loss ratio regulation.

Corresponding rate tables reflecting the 10% increase are enclosed with this memorandum.

**18. American Pioneer Arkansas Average Annual Premium  
(Annualized Premium Based on 2011 In-force)**

Before Increase	\$1,541
After Increase	\$1,695

**19. Proposed Effective Date**

The rate increase will apply to policies on the next premium billing date on or after the effective date of the rate increase, following a 60-day policyholder notification period after approval.

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**20. American Pioneer Nationwide Distribution of Business as of 12/31/2011 (based on in-force insured count)**

By Issue Age:

<b>Issue Ages</b>	<b>Percent Distribution</b>
<45	2%
45-49	5
50-54	5
55-59	12
60-64	22
65-69	23
70-74	17
75-79	10
80+	4

By Elimination Period:

<b>Elimination Period</b>	<b>Percent Distribution</b>
0-Day	39%
7-Day	<1
20-Day	9
30-Day	24
90-Day	27
180-Day	1
360-Day	<1

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By Benefit Period:

<b>Benefit Period</b>	<b>Percent Distribution</b>
1-Year	<1%
2-Year	3
3-Year	14
4-Year	3
5-Year	4
6-Year	1
Lifetime	41
\$50,000	<1
\$52,500	<1
\$70,000	<1
\$75,000	<1
\$80,000	2
\$100,000	1
\$150,000	4
\$175,000	<1
\$250,000	7
\$700,000	1
\$1,000,000	19

By Inflation Protection Option:

<b>Inflation Option</b>	<b>Percent Distribution</b>
None	5%
Simple for Life 3%	1
Simple for Life 5%	5
Compound for Life 5%	6
Guaranteed Purchase Option	83

By Coverage Type:

<b>Coverage Type</b>	<b>Percent Distribution</b>
Comprehensive	69%
Home Care Only	31

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**21. Number of Insureds and Annualized Premium**

Based on American Pioneer's in-force count as of 12/31/2011, the number of insureds and annualized premium that will be affected by this increase in this jurisdiction and nationwide are:

<b>Jurisdiction</b>	<b>Number of Insured</b>	<b>Annualized Premium</b>
Arkansas	17	\$26,196
Nationwide	2,816	\$7,079,115

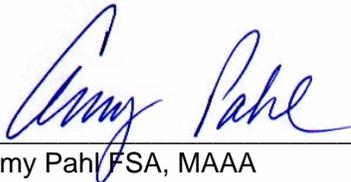
**22. Actuarial Certification**

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 preparing health rate filings and to render the actuarial opinion contained herein.

This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8 and 18.

I have relied on data and other information provided by the company to develop this memorandum, including but not limited to the seriatim in-force data, claim data, and the company's long-term earnings rate used in developing the exhibits. I have not audited or independently verified the data provided, but have reviewed it for reasonableness.

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of Arkansas and the rules of the Department. In my opinion, the rates are not unfairly discriminatory and the gross premiums are not excessive and bear reasonable relationship to the benefits, based on the lifetime loss ratio exceeding the minimum loss ratio requirement.



Amy Pahl, FSA, MAAA  
Principal and Consulting Actuary

Date: August 15, 2012

**Exhibit I**  
**American Pioneer Life Insurance Company**  
**Nationwide Experience Before Requested Increases**  
**All Policy Forms**

	Calendar Year	Loss Ratio Demonstration							Factors Derived from Projected Values for Illustrative Purposes Only							Interest Rate Factors		
		Without Interest				With Interest			Premium Rate Increase Factor	Morbidity Factors		Persistence Factors			Calendar Year Effective Int Rate	Mid-Year Disc / Accum Factor		
		Eamed Premium	Incurred Claims	Loss Ratio	Life Years	Eamed Premium	Incurred Claims	Loss Ratio		Claim Factor	Adverse Selection	Policy Lapse & Mortality	Policy Shock Lapse	Policy Persistence			Premium Persistence	
Historical Experience	1994	11,814	0	0%		30,291	0	0%									5.5%	2.5640
	1995	513,109	118,341	23%		1,238,376	285,613	23%									5.5%	2.4135
	1996	1,259,546	324,461	26%		2,861,461	737,117	26%									5.4%	2.2718
	1997	2,165,218	1,491,527	69%		4,630,271	3,189,598	69%									5.4%	2.1385
	1998	4,087,979	6,074,585	149%		8,228,951	12,227,913	149%									5.3%	2.0130
	1999	6,484,906	8,777,036	135%		12,287,694	16,630,855	135%									5.2%	1.8948
	2000	9,632,131	13,941,996	145%		17,179,877	24,866,955	145%									5.2%	1.7836
	2001	11,607,479	14,635,552	126%		19,487,967	24,571,842	126%									5.1%	1.6789
	2002	13,816,177	33,295,679	241%		21,834,712	52,619,587	241%									4.9%	1.5804
	2003	14,655,961	22,943,251	157%		21,802,425	34,130,722	157%									4.8%	1.4876
	2004	14,753,317	16,974,179	115%		20,659,088	23,768,963	115%									4.6%	1.4003
	2005	13,543,099	17,227,057	127%		17,851,326	22,707,196	127%									4.3%	1.3181
	2006	12,180,538	13,830,710	114%		15,112,970	17,160,417	114%									4.0%	1.2407
	2007	11,233,397	14,995,173	133%		13,401,738	17,889,636	133%									4.0%	1.1930
2008	10,186,794	9,946,109	98%		11,685,686	11,409,587	98%									4.0%	1.1471	
2009	8,825,267	9,565,263	108%		9,734,445	10,550,676	108%									4.0%	1.1030	
2010	8,068,210	8,731,935	108%		8,557,112	9,261,055	108%									4.0%	1.0606	
2011	7,383,553	11,511,386	156%	2,814	7,529,777	11,739,357	156%									4.0%	1.0198	
Projected Future Experience	2012	6,789,782	9,205,784	136%	2,604	6,657,929	9,027,014	136%	1.0000	0.8696	1.0000	0.0746	0.0000	0.925	0.920	4.0%	0.9806	
	2013	6,414,191	9,143,736	143%	2,403	6,047,723	8,621,318	143%	1.0000	1.0514	1.0000	0.0771	0.0000	0.923	0.945	4.0%	0.9429	
	2014	5,751,939	8,985,313	156%	2,212	5,214,719	8,146,103	156%	1.0000	1.0958	1.0000	0.0796	0.0000	0.920	0.897	4.0%	0.9066	
	2015	5,074,562	8,797,548	173%	2,031	4,423,661	7,669,110	173%	1.0000	1.1098	1.0000	0.0821	0.0000	0.918	0.882	4.0%	0.8717	
	2016	4,460,341	8,611,932	193%	1,859	3,738,678	7,218,560	193%	1.0000	1.1137	1.0000	0.0846	0.0000	0.915	0.879	4.0%	0.8382	
	2017	3,907,003	8,423,894	216%	1,697	3,148,911	6,789,370	216%	1.0000	1.1167	1.0000	0.0872	0.0000	0.913	0.876	4.0%	0.8060	
	2018	3,411,266	8,242,631	242%	1,544	2,643,619	6,387,768	242%	1.0000	1.1207	1.0000	0.0898	0.0000	0.910	0.873	4.0%	0.7750	
	2019	2,969,385	8,065,059	272%	1,401	2,212,669	6,009,765	272%	1.0000	1.1241	1.0000	0.0925	0.0000	0.907	0.870	4.0%	0.7452	
	2020	2,577,321	7,886,406	306%	1,268	1,846,652	5,650,615	306%	1.0000	1.1266	1.0000	0.0953	0.0000	0.905	0.868	4.0%	0.7165	
	2021	2,230,889	7,703,973	345%	1,143	1,536,955	5,307,598	345%	1.0000	1.1286	1.0000	0.0982	0.0000	0.902	0.866	4.0%	0.6889	
	2022	1,925,874	7,500,004	389%	1,028	1,275,786	4,968,342	389%	1.0000	1.1277	1.0000	0.1011	0.0000	0.899	0.863	4.0%	0.6624	
	2023	1,658,267	7,282,980	439%	921	1,056,260	4,639,014	439%	1.0000	1.1278	1.0000	0.1041	0.0000	0.896	0.861	4.0%	0.6370	
	2024	1,424,091	7,051,331	495%	822	872,210	4,318,713	495%	1.0000	1.1274	1.0000	0.1073	0.0000	0.893	0.859	4.0%	0.6125	
	2025	1,219,714	6,796,495	557%	731	718,304	4,002,533	557%	1.0000	1.1254	1.0000	0.1105	0.0000	0.890	0.856	4.0%	0.5889	
	2026	1,041,885	6,512,027	625%	648	589,979	3,687,506	625%	1.0000	1.1217	1.0000	0.1137	0.0000	0.886	0.854	4.0%	0.5663	
	2027	887,545	6,197,133	698%	572	483,252	3,374,225	698%	1.0000	1.1171	1.0000	0.1170	0.0000	0.883	0.852	4.0%	0.5445	
	2028	753,864	5,865,943	778%	503	394,678	3,071,056	778%	1.0000	1.1144	1.0000	0.1204	0.0000	0.880	0.849	4.0%	0.5235	
	2029	638,430	5,520,300	865%	441	321,388	2,778,941	865%	1.0000	1.1112	1.0000	0.1237	0.0000	0.876	0.847	4.0%	0.5034	
	2030	539,021	5,154,014	956%	385	260,909	2,494,760	956%	1.0000	1.1058	1.0000	0.1270	0.0000	0.873	0.844	4.0%	0.4840	
	2031	453,702	4,773,704	1052%	335	211,164	2,221,802	1052%	1.0000	1.1004	1.0000	0.1302	0.0000	0.870	0.842	4.0%	0.4654	
	2032	380,686	4,384,308	1152%	290	170,366	1,962,084	1152%	1.0000	1.0946	1.0000	0.1333	0.0000	0.867	0.839	4.0%	0.4475	
	2033	318,422	4,010,149	1259%	251	137,021	1,725,614	1259%	1.0000	1.0935	1.0000	0.1363	0.0000	0.864	0.836	4.0%	0.4303	
	2034	265,537	3,655,024	1376%	216	109,869	1,512,308	1376%	1.0000	1.0930	1.0000	0.1391	0.0000	0.861	0.834	4.0%	0.4138	
	2035	220,777	3,324,321	1506%	185	87,836	1,322,572	1506%	1.0000	1.0939	1.0000	0.1416	0.0000	0.858	0.831	4.0%	0.3978	
	2036	183,060	3,018,692	1649%	159	70,029	1,154,787	1649%	1.0000	1.0952	1.0000	0.1439	0.0000	0.856	0.829	4.0%	0.3825	
	2037	151,380	2,741,984	1811%	135	55,682	1,008,590	1811%	1.0000	1.0984	1.0000	0.1461	0.0000	0.854	0.827	4.0%	0.3678	
	2038	124,879	2,499,949	2002%	115	44,168	884,194	2002%	1.0000	1.1052	1.0000	0.1481	0.0000	0.852	0.825	4.0%	0.3537	
	2039	102,773	2,286,812	2225%	98	34,951	777,703	2225%	1.0000	1.1115	1.0000	0.1500	0.0000	0.850	0.823	4.0%	0.3401	
2040	84,401	2,093,533	2480%	83	27,599	684,589	2480%	1.0000	1.1148	1.0000	0.1520	0.0000	0.848	0.821	4.0%	0.3270		
2041	69,165	1,906,594	2757%	70	21,747	599,480	2757%	1.0000	1.1113	1.0000	0.1541	0.0000	0.846	0.819	4.0%	0.3144		
2042	56,558	1,724,224	3049%	59	17,099	521,287	3049%	1.0000	1.1059	1.0000	0.1564	0.0000	0.844	0.818	4.0%	0.3023		
2043	46,143	1,541,122	3340%	50	13,414	448,009	3340%	1.0000	1.0956	1.0000	0.1590	0.0000	0.841	0.816	4.0%	0.2907		
2044	37,553	1,362,850	3629%	42	10,497	380,947	3629%	1.0000	1.0866	1.0000	0.1620	0.0000	0.838	0.814	4.0%	0.2795		
2045	30,479	1,191,532	3909%	35	8,192	320,250	3909%	1.0000	1.0772	1.0000	0.1654	0.0000	0.835	0.812	4.0%	0.2688		
2046	24,659	1,027,601	4167%	29	6,373	265,567	4167%	1.0000	1.0660	1.0000	0.1693	0.0000	0.831	0.809	4.0%	0.2584		
2047	19,876	873,766	4396%	24	4,939	217,126	4396%	1.0000	1.0549	1.0000	0.1736	0.0000	0.826	0.806	4.0%	0.2485		
2048	15,952	733,777	4600%	20	3,811	175,326	4600%	1.0000	1.0464	1.0000	0.1783	0.0000	0.822	0.803	4.0%	0.2389		
2049	12,741	611,257	4798%	16	2,927	140,435	4798%	1.0000	1.0430	1.0000	0.1832	0.0000	0.817	0.799	4.0%	0.2297		
2050	10,125	506,033	4998%	13	2,237	111,788	4998%	1.0000	1.0417	1.0000	0.1883	0.0000	0.812	0.795	4.0%	0.2209		
2051	8,001	415,886	5198%	11	1,700	88,340	5198%	1.0000	1.0400	1.0000	0.1934	0.0000	0.807	0.790	4.0%	0.2124		
Past		150,408,497	204,384,240	136%		214,114,165	293,747,087	137%										
Future		56,292,240	187,629,627	333%	26,449	44,485,904	120,685,112	271%										
Lifetime		206,700,737	392,013,866	190%		258,600,069	414,432,199	160%										

**Exhibit I**  
**American Pioneer Life Insurance Company**  
**Nationwide Experience After Requested 10% Increase and Assumed Implementation Date of October 1, 2012**  
**All Policy Forms**

	Calendar Year	Loss Ratio Demonstration						Factors Derived from Projected Values for Illustrative Purposes Only						Interest Rate Factors			
		Without Interest			Life Years	With Interest			Premium Rate Increase Factor	Morbidity Factors		Persistence Factors			Calendar Year Effective Int Rate	Mid-Year Disc / Accum Factor	
		Eamed Premium	Incurred Claims	Loss Ratio		Eamed Premium	Incurred Claims	Loss Ratio		Claim Factor	Adverse Selection	Policy Lapse & Mortality	Policy Shock Lapse	Policy Persistence			Premium Persistence
Historical Experience	1994	11,814	0	0%		30,291	0	0%								5.5%	2.5640
	1995	513,109	118,341	23%		1,238,376	285,613	23%								5.5%	2.4135
	1996	1,259,546	324,461	26%		2,861,461	737,117	26%								5.4%	2.2718
	1997	2,165,218	1,491,527	69%		4,630,271	3,189,598	69%								5.4%	2.1385
	1998	4,087,979	6,074,585	149%		8,228,951	12,227,913	149%								5.3%	2.0130
	1999	6,484,906	8,777,036	135%		12,287,694	16,630,855	135%								5.2%	1.8948
	2000	9,632,131	13,941,996	145%		17,179,877	24,866,955	145%								5.2%	1.7836
	2001	11,607,479	14,635,552	126%		19,487,967	24,571,842	126%								5.1%	1.6789
	2002	13,816,177	33,295,679	241%		21,834,712	52,619,587	241%								4.9%	1.5804
	2003	14,655,961	22,943,251	157%		21,802,425	34,130,722	157%								4.8%	1.4876
	2004	14,753,317	16,974,179	115%		20,659,088	23,768,963	115%								4.6%	1.4003
	2005	13,543,099	17,227,057	127%		17,851,326	22,707,196	127%								4.3%	1.3181
	2006	12,180,538	13,830,710	114%		15,112,970	17,160,417	114%								4.0%	1.2407
	2007	11,233,397	14,995,173	133%		13,401,738	17,889,636	133%								4.0%	1.1930
	2008	10,186,794	9,946,109	98%		11,685,686	11,409,587	98%								4.0%	1.1471
2009	8,825,267	9,565,263	108%		9,734,445	10,550,676	108%								4.0%	1.1030	
2010	8,068,210	8,731,935	108%		8,557,112	9,261,055	108%								4.0%	1.0606	
2011	7,383,553	11,511,386	156%	2,814	7,529,777	11,739,357	156%			1.0000					4.0%	1.0198	
Projected Future Experience	2012	6,800,412	9,206,686	135%	2,604	6,668,353	9,027,898	135%	1.0015	0.8697	1.0000	0.0746	0.0000	0.925	0.920	4.0%	0.9806
	2013	6,654,903	9,166,889	138%	2,403	6,274,682	8,643,148	138%	1.0346	1.0540	1.0000	0.0771	0.0000	0.923	0.945	4.0%	0.9429
	2014	6,271,697	9,052,236	144%	2,212	5,685,933	8,206,775	144%	1.0524	1.1012	1.0000	0.0796	0.0000	0.920	0.897	4.0%	0.9066
	2015	5,581,512	8,865,643	159%	2,031	4,865,586	7,728,470	159%	1.0086	1.1101	1.0000	0.0821	0.0000	0.918	0.882	4.0%	0.8717
	2016	4,906,376	8,672,804	177%	1,859	4,112,546	7,269,583	177%	1.0001	1.1130	1.0000	0.0846	0.0000	0.915	0.879	4.0%	0.8382
	2017	4,297,704	8,478,117	197%	1,697	3,463,803	6,833,072	197%	1.0000	1.1160	1.0000	0.0872	0.0000	0.913	0.876	4.0%	0.8060
	2018	3,752,393	8,290,817	221%	1,544	2,907,981	6,425,111	221%	1.0000	1.1200	1.0000	0.0898	0.0000	0.910	0.873	4.0%	0.7750
	2019	3,266,324	8,107,820	248%	1,401	2,433,937	6,041,629	248%	1.0000	1.1235	1.0000	0.0925	0.0000	0.907	0.870	4.0%	0.7452
	2020	2,835,053	7,924,303	280%	1,268	2,031,318	5,677,769	280%	1.0000	1.1260	1.0000	0.0953	0.0000	0.905	0.868	4.0%	0.7165
	2021	2,453,978	7,737,512	315%	1,143	1,690,651	5,330,705	315%	1.0000	1.1281	1.0000	0.0982	0.0000	0.902	0.866	4.0%	0.6889
	2022	2,118,462	7,529,599	355%	1,028	1,403,365	4,987,947	355%	1.0000	1.1273	1.0000	0.1011	0.0000	0.899	0.863	4.0%	0.6624
	2023	1,824,094	7,309,044	401%	921	1,161,887	4,655,616	401%	1.0000	1.1274	1.0000	0.1041	0.0000	0.896	0.861	4.0%	0.6370
	2024	1,566,501	7,074,240	452%	822	959,431	4,332,744	452%	1.0000	1.1270	1.0000	0.1073	0.0000	0.893	0.859	4.0%	0.6125
	2025	1,341,686	6,816,588	508%	731	790,134	4,014,366	508%	1.0000	1.1250	1.0000	0.1105	0.0000	0.890	0.856	4.0%	0.5889
	2026	1,146,074	6,529,587	570%	648	648,977	3,697,450	570%	1.0000	1.1214	1.0000	0.1137	0.0000	0.886	0.854	4.0%	0.5663
	2027	976,300	6,212,405	636%	572	531,577	3,382,541	636%	1.0000	1.1169	1.0000	0.1170	0.0000	0.883	0.852	4.0%	0.5445
	2028	829,251	5,879,180	709%	503	434,146	3,077,986	709%	1.0000	1.1142	1.0000	0.1204	0.0000	0.880	0.849	4.0%	0.5235
	2029	702,273	5,531,730	788%	441	353,527	2,784,694	788%	1.0000	1.1110	1.0000	0.1237	0.0000	0.876	0.847	4.0%	0.5034
	2030	592,924	5,163,825	871%	385	287,000	2,499,509	871%	1.0000	1.1057	1.0000	0.1270	0.0000	0.873	0.844	4.0%	0.4840
	2031	499,073	4,782,069	958%	335	232,281	2,225,695	958%	1.0000	1.1002	1.0000	0.1302	0.0000	0.870	0.842	4.0%	0.4654
	2032	418,755	4,391,384	1049%	290	187,403	1,965,251	1049%	1.0000	1.0944	1.0000	0.1333	0.0000	0.867	0.839	4.0%	0.4475
	2033	350,264	4,016,108	1147%	251	150,723	1,728,178	1147%	1.0000	1.0934	1.0000	0.1363	0.0000	0.864	0.836	4.0%	0.4303
	2034	292,091	3,660,021	1253%	216	120,856	1,514,375	1253%	1.0000	1.0928	1.0000	0.1391	0.0000	0.861	0.834	4.0%	0.4138
	2035	242,855	3,328,493	1371%	185	96,619	1,324,232	1371%	1.0000	1.0938	1.0000	0.1416	0.0000	0.858	0.831	4.0%	0.3978
	2036	201,366	3,022,159	1501%	159	77,032	1,156,114	1501%	1.0000	1.0950	1.0000	0.1439	0.0000	0.856	0.829	4.0%	0.3825
2037	166,518	2,744,857	1648%	135	61,251	1,009,647	1648%	1.0000	1.0983	1.0000	0.1461	0.0000	0.854	0.827	4.0%	0.3678	
2038	137,368	2,502,332	1822%	115	48,585	885,037	1822%	1.0000	1.1051	1.0000	0.1481	0.0000	0.852	0.825	4.0%	0.3537	
2039	113,051	2,288,795	2025%	98	38,447	778,377	2025%	1.0000	1.1114	1.0000	0.1500	0.0000	0.850	0.823	4.0%	0.3401	
2040	92,841	2,095,186	2257%	83	30,359	685,129	2257%	1.0000	1.1147	1.0000	0.1520	0.0000	0.848	0.821	4.0%	0.3270	
2041	76,082	1,907,973	2508%	70	23,922	599,913	2508%	1.0000	1.1112	1.0000	0.1541	0.0000	0.846	0.819	4.0%	0.3144	
2042	62,214	1,725,372	2773%	59	18,809	521,634	2773%	1.0000	1.1059	1.0000	0.1564	0.0000	0.844	0.818	4.0%	0.3023	
2043	50,757	1,542,073	3038%	50	14,755	448,285	3038%	1.0000	1.0955	1.0000	0.1590	0.0000	0.841	0.816	4.0%	0.2907	
2044	41,308	1,363,634	3301%	42	11,547	381,166	3301%	1.0000	1.0866	1.0000	0.1620	0.0000	0.838	0.814	4.0%	0.2795	
2045	33,527	1,192,176	3556%	35	9,011	320,423	3556%	1.0000	1.0772	1.0000	0.1654	0.0000	0.835	0.812	4.0%	0.2688	
2046	27,125	1,028,126	3790%	29	7,010	265,703	3790%	1.0000	1.0659	1.0000	0.1693	0.0000	0.831	0.809	4.0%	0.2584	
2047	21,864	874,190	3998%	24	5,433	217,231	3998%	1.0000	1.0549	1.0000	0.1736	0.0000	0.826	0.806	4.0%	0.2485	
2048	17,547	734,116	4184%	20	4,193	175,407	4184%	1.0000	1.0464	1.0000	0.1783	0.0000	0.822	0.803	4.0%	0.2389	
2049	14,015	611,526	4363%	16	3,220	140,496	4363%	1.0000	1.0429	1.0000	0.1832	0.0000	0.817	0.799	4.0%	0.2297	
2050	11,137	506,245	4545%	13	2,460	111,835	4545%	1.0000	1.0417	1.0000	0.1883	0.0000	0.812	0.795	4.0%	0.2209	
2051	8,801	416,053	4727%	11	1,870	88,375	4727%	1.0000	1.0400	1.0000	0.1934	0.0000	0.807	0.790	4.0%	0.2124	
Past		150,408,497	204,384,240	136%		214,114,165	293,747,087	137%									
Future		60,796,475	188,281,909	310%	26,449	47,850,618	121,159,518	253%									
Lifetime		211,204,971	392,666,149	186%		261,964,783	414,906,605	158%									

**Exhibit II**  
**American Pioneer Life Insurance Company**  
**Actual-to-Expected Experience by Calendar Year**  
**Nationwide Experience Before Requested Increases**  
**All Policy Forms**

	Calendar Year	Actual or Projected Experience using Current Assumptions			Expected Experience using Pricing Assumptions			Actual-to-Expected Ratio G = C / F	Cumulative Loss Ratios			Annualized Interest Rates *	
		A	B	C = B / A	D	E	F = E / D		H	I	J = H / I	K	L
		Earned Premium	Incurred Claims	Incurred Loss Ratio	Earned Premium	Incurred Claims	Incurred Loss Ratio	Actual-to-Expected Ratio	Actual at the Current Rate (on Col C)	Expected at the Pricing Rate (on Col F)	Actual-to-Expected Ratio	Current Rate	Pricing Rate
Historical Experience	1994	11,814	0	0%	11,969	5,484	46%	0.00	0%	46%	0.00	5.5%	5.5%
	1995	513,109	118,341	23%	409,412	186,772	46%	0.51	23%	46%	0.49	5.5%	5.5%
	1996	1,259,546	324,461	26%	651,818	286,095	44%	0.59	25%	45%	0.56	5.4%	5.5%
	1997	2,165,218	1,491,527	69%	1,218,895	527,778	43%	1.59	48%	44%	1.09	5.4%	5.7%
	1998	4,087,979	6,074,585	149%	2,170,110	969,684	45%	3.33	97%	44%	2.19	5.3%	5.9%
	1999	6,484,906	8,777,036	135%	3,153,403	1,485,565	47%	2.87	113%	45%	2.49	5.2%	5.9%
	2000	9,632,131	13,941,996	145%	4,242,543	2,025,177	48%	3.03	125%	46%	2.70	5.2%	6.0%
	2001	11,607,479	14,635,552	126%	4,760,282	2,241,230	47%	2.68	125%	46%	2.70	5.1%	6.1%
	2002	13,816,177	33,295,679	241%	6,039,504	2,497,887	41%	5.83	154%	45%	3.41	4.9%	6.2%
	2003	14,655,961	22,943,251	157%	7,238,665	2,747,010	38%	4.13	154%	44%	3.54	4.8%	6.3%
	2004	14,753,317	16,974,179	115%	6,820,746	2,749,326	40%	2.85	148%	43%	3.44	4.6%	6.3%
2005	13,543,099	17,227,057	127%	6,081,902	2,729,843	45%	2.83	146%	43%	3.36	4.3%	6.3%	
2006	12,180,538	13,830,710	114%	5,498,332	2,713,060	49%	2.30	143%	44%	3.25	4.0%	6.3%	
2007	11,233,397	14,995,173	133%	4,976,064	2,667,424	54%	2.49	142%	45%	3.19	4.0%	6.4%	
2008	10,186,794	9,946,109	98%	4,510,802	2,600,903	58%	1.69	139%	45%	3.07	4.0%	6.4%	
2009	8,825,267	9,565,263	108%	4,086,688	2,527,043	62%	1.75	138%	46%	2.99	4.0%	6.4%	
2010	8,068,210	8,731,935	108%	3,682,884	2,449,576	67%	1.63	137%	47%	2.91	4.0%	6.4%	
2011	7,383,553	11,511,386	156%	3,321,084	2,379,746	72%	2.18	137%	48%	2.88	4.0%	6.4%	
Projected Future Experience (40 Years)	2012	6,789,782	9,205,784	136%	2,987,540	2,315,817	78%	1.75	137%	48%	2.83	4.0%	6.4%
	2013	6,414,191	9,143,736	143%	2,673,322	2,253,994	84%	1.69	137%	49%	2.79	4.0%	6.4%
	2014	5,751,939	8,985,313	156%	2,387,272	2,196,821	92%	1.70	138%	50%	2.76	4.0%	6.4%
	2015	5,074,562	8,797,548	173%	2,127,371	2,143,175	101%	1.72	138%	51%	2.73	4.0%	6.4%
	2016	4,460,341	8,611,932	193%	1,891,624	2,092,379	111%	1.75	139%	51%	2.71	4.0%	6.4%
	2017	3,907,003	8,423,894	216%	1,678,103	2,043,503	122%	1.77	140%	52%	2.69	4.0%	6.4%
	2018	3,411,266	8,242,631	242%	1,484,990	1,995,195	134%	1.80	141%	53%	2.68	4.0%	6.4%
	2019	2,969,385	8,065,059	272%	1,310,587	1,946,139	148%	1.83	142%	53%	2.67	4.0%	6.4%
	2020	2,577,321	7,886,406	306%	1,153,323	1,895,016	164%	1.86	144%	54%	2.66	4.0%	6.4%
	2021	2,230,889	7,703,973	345%	1,011,749	1,841,029	182%	1.90	145%	55%	2.65	4.0%	6.4%
	2022	1,925,874	7,500,004	389%	884,535	1,783,212	202%	1.93	146%	55%	2.65	4.0%	6.4%
	2023	1,658,267	7,282,980	439%	770,476	1,720,860	223%	1.97	147%	56%	2.65	4.0%	6.4%
	2024	1,424,091	7,051,331	495%	668,484	1,653,582	247%	2.00	149%	56%	2.64	4.0%	6.4%
	2025	1,219,714	6,796,495	557%	577,569	1,580,483	274%	2.04	150%	57%	2.64	4.0%	6.4%
	2026	1,041,885	6,512,027	625%	496,818	1,502,431	302%	2.07	151%	57%	2.64	4.0%	6.4%
	2027	887,545	6,197,133	698%	425,384	1,419,704	334%	2.09	152%	57%	2.65	4.0%	6.4%
	2028	753,864	5,865,943	778%	362,470	1,333,943	368%	2.11	153%	58%	2.65	4.0%	6.4%
	2029	638,430	5,520,300	865%	307,337	1,245,923	405%	2.13	154%	58%	2.65	4.0%	6.4%
	2030	539,021	5,154,014	956%	259,279	1,155,675	446%	2.15	154%	58%	2.65	4.0%	6.4%
	2031	453,702	4,773,704	1052%	217,617	1,065,018	489%	2.15	155%	58%	2.65	4.0%	6.4%
	2032	380,686	4,384,308	1152%	181,702	974,821	536%	2.15	156%	59%	2.66	4.0%	6.4%
	2033	318,422	4,010,149	1259%	150,933	887,686	588%	2.14	156%	59%	2.66	4.0%	6.4%
	2034	265,537	3,655,024	1376%	124,736	805,041	645%	2.13	157%	59%	2.66	4.0%	6.4%
	2035	220,777	3,324,321	1506%	102,566	726,781	709%	2.12	157%	59%	2.66	4.0%	6.3%
	2036	183,060	3,018,692	1649%	83,927	653,276	778%	2.12	158%	59%	2.67	4.0%	6.3%
	2037	151,380	2,741,984	1811%	68,353	584,603	855%	2.12	158%	59%	2.67	4.0%	6.3%
	2038	124,879	2,499,949	2002%	55,415	521,355	941%	2.13	159%	59%	2.67	4.0%	6.3%
	2039	102,773	2,286,812	2225%	44,729	464,049	1037%	2.14	159%	59%	2.67	4.0%	6.3%
	2040	84,401	2,093,533	2480%	35,954	412,371	1147%	2.16	159%	60%	2.67	4.0%	6.3%
	2041	69,165	1,906,594	2757%	28,784	365,315	1269%	2.17	159%	60%	2.67	4.0%	6.3%
	2042	56,558	1,724,224	3049%	22,956	322,397	1404%	2.17	159%	60%	2.68	4.0%	6.3%
	2043	46,143	1,541,122	3340%	18,240	283,249	1553%	2.15	160%	60%	2.68	4.0%	6.3%
	2044	37,553	1,362,850	3629%	14,440	247,833	1716%	2.11	160%	60%	2.68	4.0%	6.3%
	2045	30,479	1,191,532	3909%	11,392	215,965	1896%	2.06	160%	60%	2.68	4.0%	6.3%
	2046	24,659	1,027,601	4167%	8,956	187,091	2089%	1.99	160%	60%	2.68	4.0%	6.3%
	2047	19,876	873,766	4396%	7,013	160,646	2291%	1.92	160%	60%	2.68	4.0%	6.4%
	2048	15,952	733,777	4600%	5,470	136,712	2499%	1.84	160%	60%	2.68	4.0%	6.4%
	2049	12,741	611,257	4798%	4,248	115,425	2717%	1.77	160%	60%	2.68	4.0%	6.4%
2050	10,125	506,033	4998%	3,285	96,648	2942%	1.70	160%	60%	2.68	4.0%	6.4%	
2051	8,001	415,886	5198%	2,527	80,084	3169%	1.64	160%	60%	2.68	4.0%	6.4%	

\* Represents the average interest rate that is used to accumulate or discount for the period between a given calendar year and the valuation date.

**Exhibit II**  
**American Pioneer Life Insurance Company**  
**Actual-to-Expected Experience by Calendar Year**  
**Nationwide Experience After Requested 10% Increase and Assumed Implementation Date of October 1, 2012**  
**All Policy Forms**

	Calendar Year	Actual or Projected Experience using Current Assumptions			Expected Experience using Pricing Assumptions			Actual-to-Expected Ratio G = C / F	Cumulative Loss Ratios			Annualized Interest Rates *	
		A	B	C = B / A	D	E	F = E / D		H	I	J = H / I	K	L
		Earned Premium	Incurred Claims	Incurred Loss Ratio	Earned Premium	Incurred Claims	Incurred Loss Ratio	Actual-to-Expected Ratio	Actual at the Current Rate (on Col C)	Expected at the Pricing Rate (on Col F)	Actual-to-Expected Ratio	Current Rate	Pricing Rate
Historical Experience	1994	11,814	0	0%	11,969	5,484	46%	0.00	0%	46%	0.00	5.5%	5.5%
	1995	513,109	118,341	23%	409,412	186,772	46%	0.51	23%	46%	0.49	5.5%	5.5%
	1996	1,259,546	324,461	26%	651,818	286,095	44%	0.59	25%	45%	0.56	5.4%	5.5%
	1997	2,165,218	1,491,527	69%	1,218,895	527,778	43%	1.59	48%	44%	1.09	5.4%	5.7%
	1998	4,087,979	6,074,585	149%	2,170,110	969,684	45%	3.33	97%	44%	2.19	5.3%	5.9%
	1999	6,484,906	8,777,036	135%	3,153,403	1,485,565	47%	2.87	113%	45%	2.49	5.2%	5.9%
	2000	9,632,131	13,941,996	145%	4,242,543	2,025,177	48%	3.03	125%	46%	2.70	5.2%	6.0%
	2001	11,607,479	14,635,552	126%	4,760,282	2,241,230	47%	2.68	125%	46%	2.70	5.1%	6.1%
	2002	13,816,177	33,295,679	241%	6,039,504	2,497,887	41%	5.83	154%	45%	3.41	4.9%	6.2%
	2003	14,655,961	22,943,251	157%	7,238,665	2,747,010	38%	4.13	154%	44%	3.54	4.8%	6.3%
	2004	14,753,317	16,974,179	115%	6,820,746	2,749,326	40%	2.85	148%	43%	3.44	4.6%	6.3%
2005	13,543,099	17,227,057	127%	6,081,902	2,729,843	45%	2.83	146%	43%	3.36	4.3%	6.3%	
2006	12,180,538	13,830,710	114%	5,498,332	2,713,060	49%	2.30	143%	44%	3.25	4.0%	6.3%	
2007	11,233,397	14,995,173	133%	4,976,064	2,667,424	54%	2.49	142%	45%	3.19	4.0%	6.4%	
2008	10,186,794	9,946,109	98%	4,510,802	2,600,903	58%	1.69	139%	45%	3.07	4.0%	6.4%	
2009	8,825,267	9,565,263	108%	4,086,688	2,527,043	62%	1.75	138%	46%	2.99	4.0%	6.4%	
2010	8,068,210	8,731,935	108%	3,682,884	2,449,576	67%	1.63	137%	47%	2.91	4.0%	6.4%	
2011	7,383,553	11,511,386	156%	3,321,084	2,379,746	72%	2.18	137%	48%	2.88	4.0%	6.4%	
Projected Future Experience (40 Years)	2012	6,800,412	9,206,686	135%	2,987,540	2,315,817	78%	1.75	137%	48%	2.83	4.0%	6.4%
	2013	6,654,903	9,166,889	138%	2,673,322	2,253,994	84%	1.63	137%	49%	2.79	4.0%	6.4%
	2014	6,271,697	9,052,236	144%	2,387,272	2,196,821	92%	1.57	137%	50%	2.75	4.0%	6.4%
	2015	5,581,512	8,865,643	159%	2,127,371	2,143,175	101%	1.58	138%	51%	2.72	4.0%	6.4%
	2016	4,906,376	8,672,804	177%	1,891,624	2,092,379	111%	1.60	138%	51%	2.69	4.0%	6.4%
	2017	4,297,704	8,478,117	197%	1,678,103	2,043,503	122%	1.62	139%	52%	2.67	4.0%	6.4%
	2018	3,752,393	8,290,817	221%	1,484,990	1,995,195	134%	1.64	140%	53%	2.66	4.0%	6.4%
	2019	3,266,324	8,107,820	248%	1,310,587	1,946,139	148%	1.67	141%	53%	2.64	4.0%	6.4%
	2020	2,835,053	7,924,303	280%	1,153,323	1,895,016	164%	1.70	142%	54%	2.63	4.0%	6.4%
	2021	2,453,978	7,737,512	315%	1,011,749	1,841,029	182%	1.73	144%	55%	2.63	4.0%	6.4%
	2022	2,118,462	7,529,599	355%	884,535	1,783,212	202%	1.76	145%	55%	2.62	4.0%	6.4%
	2023	1,824,094	7,309,044	401%	770,476	1,720,860	223%	1.79	146%	56%	2.62	4.0%	6.4%
	2024	1,566,501	7,074,240	452%	668,484	1,653,582	247%	1.83	147%	56%	2.62	4.0%	6.4%
	2025	1,341,686	6,816,588	508%	577,569	1,580,483	274%	1.86	148%	57%	2.62	4.0%	6.4%
	2026	1,146,074	6,529,587	570%	496,818	1,502,431	302%	1.88	149%	57%	2.62	4.0%	6.4%
	2027	976,300	6,212,405	636%	425,384	1,419,704	334%	1.91	150%	57%	2.62	4.0%	6.4%
	2028	829,251	5,879,180	709%	362,470	1,333,943	368%	1.93	151%	58%	2.62	4.0%	6.4%
	2029	702,273	5,531,730	788%	307,337	1,245,923	405%	1.94	152%	58%	2.62	4.0%	6.4%
	2030	592,924	5,163,825	871%	259,279	1,155,675	446%	1.95	153%	58%	2.62	4.0%	6.4%
	2031	499,073	4,782,069	958%	217,617	1,065,018	489%	1.96	153%	58%	2.62	4.0%	6.4%
	2032	418,755	4,391,384	1049%	181,702	974,821	536%	1.95	154%	59%	2.63	4.0%	6.4%
	2033	350,264	4,016,108	1147%	150,933	887,686	588%	1.95	155%	59%	2.63	4.0%	6.4%
	2034	292,091	3,660,021	1253%	124,736	805,041	645%	1.94	155%	59%	2.63	4.0%	6.4%
	2035	242,855	3,328,493	1371%	102,566	726,781	709%	1.93	156%	59%	2.63	4.0%	6.3%
	2036	201,366	3,022,159	1501%	83,927	653,276	778%	1.93	156%	59%	2.63	4.0%	6.3%
	2037	166,518	2,744,857	1648%	68,353	584,603	855%	1.93	156%	59%	2.64	4.0%	6.3%
	2038	137,368	2,502,332	1822%	55,415	521,355	941%	1.94	157%	59%	2.64	4.0%	6.3%
	2039	113,051	2,288,795	2025%	44,729	464,049	1037%	1.95	157%	59%	2.64	4.0%	6.3%
	2040	92,841	2,095,186	2257%	35,954	412,371	1147%	1.97	157%	60%	2.64	4.0%	6.3%
	2041	76,082	1,907,973	2508%	28,784	365,315	1269%	1.98	157%	60%	2.64	4.0%	6.3%
	2042	62,214	1,725,372	2773%	22,956	322,397	1404%	1.97	158%	60%	2.64	4.0%	6.3%
	2043	50,757	1,542,073	3038%	18,240	283,249	1553%	1.96	158%	60%	2.65	4.0%	6.3%
	2044	41,308	1,363,634	3301%	14,440	247,833	1716%	1.92	158%	60%	2.65	4.0%	6.3%
	2045	33,527	1,192,176	3556%	11,392	215,965	1896%	1.88	158%	60%	2.65	4.0%	6.3%
	2046	27,125	1,028,126	3790%	8,956	187,091	2089%	1.81	158%	60%	2.65	4.0%	6.3%
	2047	21,864	874,190	3998%	7,013	160,646	2291%	1.75	158%	60%	2.65	4.0%	6.4%
	2048	17,547	734,116	4184%	5,470	136,712	2499%	1.67	158%	60%	2.65	4.0%	6.4%
	2049	14,015	611,526	4363%	4,248	115,425	2717%	1.61	158%	60%	2.65	4.0%	6.4%
2050	11,137	506,245	4545%	3,285	96,648	2942%	1.55	158%	60%	2.65	4.0%	6.4%	
2051	8,801	416,053	4727%	2,527	80,084	3169%	1.49	158%	60%	2.65	4.0%	6.4%	

\* Represents the average interest rate that is used to accumulate or discount for the period between a given calendar year and the valuation date.

**Exhibit IIIa**  
**American Pioneer Life Insurance Company**  
**Original Pricing Assumptions**

**Original Pricing Assumptions**

<b>Mortality:</b>	1983 GAM Table was used for form COMPLTC  1983 GAM Table with selection was used for forms APNHOQ, COMPLTCQ, LTCP-96, and NHO-700  1983a Table with selection was used for form HHCP-94 and mortality for tobacco users was based on the 1982 Reports published by the Society of Actuaries  110% of 1983 GAM Table grading linearly to 130% over 20 years (40% male, 60% female) was used for forms HHC-800 and HHC-801  1994 GAM Table (40% Male, 60% Female) with no selection was used for forms APNHO, HHC-802, HHC-802Q
<b>Voluntary Termination Rates:</b>	See Exhibit IIIb for detail regarding original pricing lapse assumptions.
<b>Morbidity:</b>	Morbidity assumptions were derived from the statutory claim costs, with adjustments as needed in order to replicate original pricing lifetime loss ratios.
<b>Interest Rate:</b>	5.5% was use for form HHCP-94  6% was used for form HHC-801  6.5% was used for forms APHNO, COMPLTC, HHC-802, and HHC-802Q  6.75% for 10 years, declining linearly to 4.5% in years 20+ was used for forms APNHOQ, COMPLTCQ, LTCP-96, and NHO-700  7% was used for form HHC-800

**Exhibit IIIb  
American Pioneer Life Insurance Company  
Original Pricing Voluntary Termination Rates**

<b>Policy Forms HHC-802 and HHC-802Q</b>	
<b>Policy Year</b>	<b>Lapse Rates</b>
1	13.0%
2	10.0%
3	8.0%
4	6.0%
5+	5.0%

<b>Policy Form HHCP-94</b>		
<b>Policy Year</b>	<b>Lapse Rates</b>	
	<b>Issue Age</b>	
	<b>&lt; 65</b>	<b>65 +</b>
1	16.3%	15.0%
2	11.3%	10.0%
3	8.8%	7.5%
4	7.5%	7.5%
5+	6.3%	5.0%

<b>Policy Form COMPLTC</b>				
<b>Policy Year</b>	<b>Lapse Rates</b>			
	<b>Issue Age</b>			
	<b>&lt; 70</b>	<b>71 - 75</b>	<b>76 - 79</b>	<b>80+</b>
1	20.0%	16.0%	13.0%	10.0%
2	15.0%	12.0%	10.0%	8.0%
3	10.0%	8.0%	6.5%	5.0%
4	5.0%	4.0%	3.3%	2.5%
5+	4.0%	3.0%	2.5%	2.0%

<b>Policy Forms APNHO</b>	
<b>Policy Year</b>	<b>Lapse Rates</b>
1	10.0%
2	8.0%
3	6.0%
4	5.0%
5+	4.0%

<b>Policy Forms HHC-800 and HHC-801</b>							
<b>Policy Year</b>	<b>Lapse Rates</b>						
	<b>Issue Age</b>						
	<b>&lt; 57</b>	<b>57 - 61</b>	<b>62 - 66</b>	<b>67 - 71</b>	<b>72 - 76</b>	<b>77 - 81</b>	<b>82+</b>
1	23.0%	22.0%	21.0%	19.0%	17.0%	15.0%	13.0%
2	16.0%	15.0%	14.0%	12.0%	10.0%	8.0%	7.0%
3	13.0%	12.0%	11.0%	10.0%	9.0%	7.0%	6.5%
4	11.5%	11.0%	10.0%	9.0%	8.0%	6.5%	6.0%
5	10.0%	10.0%	9.5%	8.5%	7.5%	6.0%	6.0%
6	9.0%	9.0%	9.0%	8.0%	7.0%	6.0%	6.0%
7	8.0%	8.0%	8.0%	7.0%	6.5%	6.0%	6.0%
8	7.0%	7.0%	7.0%	6.0%	6.0%	6.0%	6.0%
9+	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

**Exhibit IIIb (continued)**  
**American Pioneer Life Insurance Company**  
**Original Pricing Voluntary Termination Rates**

<b>Policy Forms APNHOQ, COMPLTCQ, LTCP-96, and NHO-700</b>
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**Male, 0 Day Elimination Period**

Policy Year	Lapse Rates							
	Issue Age							
	< 35	35 - 39	40 - 42	43 - 47	48 - 57	58 - 62	63 - 69	70+
1	28.0%	26.0%	25.0%	23.0%	14.0%	18.0%	23.0%	25.0%
2	20.0%	19.0%	18.0%	14.0%	8.0%	11.0%	14.0%	18.0%
3	18.0%	17.0%	15.0%	12.0%	6.0%	9.0%	12.0%	15.0%
4	17.0%	16.0%	14.0%	11.0%	6.0%	8.0%	11.0%	14.0%
5	16.0%	15.0%	13.0%	10.0%	5.0%	7.0%	10.0%	13.0%
6	15.0%	14.0%	12.0%	9.0%	4.0%	6.0%	9.0%	12.0%
7	14.0%	12.0%	11.0%	7.0%	4.0%	5.0%	7.0%	11.0%
8	13.0%	11.0%	10.0%	6.0%	4.0%	4.0%	6.0%	10.0%
9	10.0%	9.0%	8.0%	5.0%	4.0%	4.0%	5.0%	8.0%
10	10.0%	9.0%	8.0%	5.0%	4.0%	4.0%	5.0%	8.0%
11+	10.0%	9.0%	8.0%	5.0%	4.0%	4.0%	5.0%	8.0%

**Female, 0 Day Elimination Period**

Policy Year	Lapse Rates							
	Issue Age							
	< 35	35 - 39	40 - 42	43 - 47	48 - 57	58 - 62	63 - 69	70+
1	29.0%	28.0%	26.0%	24.0%	15.0%	20.0%	24.0%	26.0%
2	21.0%	20.0%	19.0%	15.0%	9.0%	12.0%	15.0%	19.0%
3	19.0%	18.0%	17.0%	13.0%	7.0%	11.0%	13.0%	17.0%
4	18.0%	17.0%	16.0%	12.0%	6.0%	10.0%	12.0%	16.0%
5	17.0%	16.0%	15.0%	11.0%	6.0%	8.0%	11.0%	15.0%
6	16.0%	15.0%	14.0%	10.0%	5.0%	7.0%	10.0%	14.0%
7	15.0%	14.0%	12.0%	9.0%	5.0%	6.0%	9.0%	12.0%
8	14.0%	13.0%	11.0%	8.0%	4.0%	5.0%	8.0%	11.0%
9	11.0%	10.0%	9.0%	6.0%	4.0%	5.0%	6.0%	9.0%
10	12.0%	10.0%	9.0%	6.0%	4.0%	5.0%	6.0%	9.0%
11+	12.0%	10.0%	9.0%	7.0%	4.0%	5.0%	7.0%	9.0%

**Exhibit IIIb (continued)**  
**American Pioneer Life Insurance Company**  
**Original Pricing Voluntary Termination Rates**

<b>Policy Forms APNHOQ, COMPLTCQ, LTCP-96, and NHO-700 (continued)</b>
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**Male, 90 Day Elimination Period**

Policy Year	Lapse Rates							
	Issue Age							
	< 35	35 - 39	40 - 42	43 - 47	48 - 57	58 - 62	63 - 69	70+
1	22.0%	21.0%	20.0%	19.0%	11.0%	15.0%	19.0%	20.0%
2	16.0%	15.0%	14.0%	11.0%	6.0%	8.0%	11.0%	14.0%
3	14.0%	13.0%	12.0%	9.0%	5.0%	7.0%	9.0%	12.0%
4	13.0%	12.0%	11.0%	8.0%	5.0%	6.0%	8.0%	11.0%
5	12.0%	11.0%	10.0%	7.0%	4.0%	5.0%	7.0%	10.0%
6	11.0%	10.0%	9.0%	6.0%	3.0%	4.0%	6.0%	9.0%
7	10.0%	9.0%	8.0%	5.0%	3.0%	4.0%	5.0%	8.0%
8	9.0%	8.0%	7.0%	4.0%	3.0%	3.0%	4.0%	7.0%
9	7.0%	6.0%	5.0%	3.0%	3.0%	3.0%	3.0%	5.0%
10	7.0%	6.0%	5.0%	3.0%	3.0%	3.0%	3.0%	5.0%
11+	7.0%	6.0%	5.0%	3.0%	3.0%	3.0%	3.0%	5.0%

**Female, 90 Day Elimination Period**

Policy Year	Lapse Rates							
	Issue Age							
	< 35	35 - 39	40 - 42	43 - 47	48 - 57	58 - 62	63 - 69	70+
1	23.0%	22.0%	21.0%	20.0%	12.0%	16.0%	20.0%	21.0%
2	17.0%	16.0%	15.0%	12.0%	7.0%	9.0%	12.0%	15.0%
3	15.0%	14.0%	13.0%	10.0%	5.0%	8.0%	10.0%	13.0%
4	14.0%	13.0%	12.0%	9.0%	5.0%	7.0%	9.0%	12.0%
5	13.0%	12.0%	11.0%	8.0%	5.0%	6.0%	8.0%	11.0%
6	12.0%	11.0%	10.0%	7.0%	4.0%	5.0%	7.0%	10.0%
7	11.0%	10.0%	9.0%	6.0%	4.0%	4.0%	6.0%	9.0%
8	10.0%	9.0%	8.0%	5.0%	3.0%	3.0%	5.0%	8.0%
9	8.0%	7.0%	6.0%	4.0%	3.0%	3.0%	4.0%	6.0%
10	8.0%	7.0%	6.0%	4.0%	3.0%	3.0%	4.0%	6.0%
11+	8.0%	7.0%	6.0%	4.0%	3.0%	3.0%	4.0%	6.0%

Exhibit IIIb (continued)  
American Pioneer Life Insurance Company  
Original Pricing Voluntary Termination Rates

Policy Forms APNHOQ, COMPLTCQ, LTCP-96, and NHO-700 (continued)
---

**Male, 180 Day Elimination Period**

Policy Year	Lapse Rates							
	Issue Age							
	< 35	35 - 39	40 - 42	43 - 47	48 - 57	58 - 62	63 - 69	70+
1	19.0%	18.0%	18.0%	16.0%	10.0%	13.0%	16.0%	18.0%
2	13.0%	13.0%	12.0%	9.0%	6.0%	7.0%	9.0%	12.0%
3	12.0%	11.0%	10.0%	8.0%	4.0%	6.0%	8.0%	10.0%
4	11.0%	10.0%	9.0%	7.0%	4.0%	5.0%	7.0%	9.0%
5	10.0%	9.0%	8.0%	6.0%	3.0%	5.0%	6.0%	8.0%
6	9.0%	8.0%	8.0%	5.0%	2.0%	4.0%	5.0%	8.0%
7	8.0%	7.0%	7.0%	4.0%	2.0%	3.0%	4.0%	7.0%
8	7.0%	7.0%	6.0%	4.0%	2.0%	2.0%	4.0%	6.0%
9	6.0%	5.0%	4.0%	3.0%	2.0%	2.0%	3.0%	4.0%
10	6.0%	5.0%	4.0%	3.0%	2.0%	2.0%	3.0%	4.0%
11+	6.0%	5.0%	4.0%	3.0%	2.0%	2.0%	3.0%	4.0%

**Female, 180 Day Elimination Period**

Policy Year	Lapse Rates							
	Issue Age							
	< 35	35 - 39	40 - 42	43 - 47	48 - 57	58 - 62	63 - 69	70+
1	20.0%	19.0%	18.0%	17.0%	10.0%	14.0%	17.0%	18.0%
2	14.0%	13.0%	13.0%	10.0%	6.0%	8.0%	10.0%	13.0%
3	12.0%	12.0%	11.0%	9.0%	5.0%	7.0%	9.0%	11.0%
4	12.0%	11.0%	10.0%	8.0%	4.0%	6.0%	8.0%	10.0%
5	11.0%	10.0%	9.0%	7.0%	4.0%	5.0%	7.0%	9.0%
6	10.0%	9.0%	8.0%	6.0%	3.0%	5.0%	6.0%	8.0%
7	9.0%	8.0%	7.0%	5.0%	3.0%	4.0%	5.0%	7.0%
8	8.0%	7.0%	7.0%	4.0%	2.0%	3.0%	4.0%	7.0%
9	6.0%	6.0%	5.0%	4.0%	2.0%	3.0%	4.0%	5.0%
10	6.0%	6.0%	5.0%	4.0%	2.0%	3.0%	4.0%	5.0%
11+	6.0%	6.0%	5.0%	4.0%	2.0%	3.0%	4.0%	5.0%



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September 4, 2012

Donna Lambert  
Arkansas Department of Insurance (Department)  
1200 W. Third Street  
Little Rock, Arkansas 72201-1904

Via *SERFF*

RE: American Pioneer Life Insurance Company (American Pioneer)  
Company NAIC # 60763  
American Pioneer Policy Forms:

Comprehensive Long-Term Care  
Comprehensive Long-Term Care  
Comprehensive Long-Term Care  
Home Health Care Only

APNHO, et al.  
APNHOQ, et al.  
COMPLTC, et al.  
HHC-802, et al.

Dear Ms. Donna Lambert:

Thank you for reviewing our filing. This letter is in response to your letter dated August 17, 2012 regarding information needed for the above-referenced filing. The remainder of this letter provides additional information requested in your August 17 letter. The request is restated in italics for reference.

*Please attach the historical experience for Arkansas.*

Attachment 1 to this letter provides Arkansas-specific historical and projected experience both before and after the requested 10% rate increase. The lifetime loss ratio greatly exceeds the 60% minimum requirement. Please note that Arkansas-specific experience is not considered fully credible, but is being provided as requested.

### **Limitations and Qualifications**

Milliman's work has been prepared for the use and benefit of American Pioneer. Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of its work product, even if Milliman consents to the release of its work product to such third party.

Milliman's work is being delivered to the Department, in accordance with its statutory and regulatory requirements. Milliman recognizes that materials it delivers to the Department may be public records subject to disclosure to third parties, however, Milliman does not intend to benefit and assumes no duty or liability to any third parties, including the Department, who receive Milliman's work and may include disclaimer language on its work product so stating. To the extent that

Offices in Principal Cities Worldwide

This work product was prepared to provide assistance to American Pioneer. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends Recipient be aided by its own actuary or other qualified professional when reviewing the Milliman work product.



Ms. Donna Lambert  
September 4, 2012

Milliman's work is not subject to disclosure under applicable public records laws, the Department agrees that it shall not disclose Milliman's work product to third parties without Milliman's prior written consent; provided, however, that the Department may distribute Milliman's work to (i) its professional service providers who are subject to a duty of confidentiality and who agree to not use Milliman's work product for any purpose other than to provide services to the Department, or (ii) any applicable regulatory or governmental agency, as required.

In performing this analysis, we relied on data and other information provided by American Pioneer. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

I, Amy Pahl, am a Principal and Consulting Actuary for Milliman, Inc. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render an actuarial opinion as described herein.



Donna, thank you for working with us to complete this filing in Arkansas. Please let me know if you have any additional questions. You can reach me directly at (952) 820-2419 or by e-mail at amy.pahl@milliman.com.

Respectfully,

A handwritten signature in blue ink that reads "Amy Pahl".

Amy Pahl, FSA, MAAA  
Principal & Consulting Actuary

ABP/jbh

Attachment 1: Arkansas-Specific Historical Experience and Projections

**Attachment 1**  
**American Pioneer Life Insurance Company**  
**Arkansas-Specific Experience Before Requested Increase**  
**All Policy Forms**

	Calendar Year	Loss Ratio Demonstration						Factors Derived from Projected Values for Illustrative Purposes Only							Interest Rate Factors		
		Without Interest			With Interest			Premium Rate Increase Factor	Morbidity Factors		Persistence Factors				Calendar Year Effective Int Rate	Mid-Year Disc / Accum Factor	
		Earned Premium	Incurred Claims	Loss Ratio	Life Years	Earned Premium	Incurred Claims		Loss Ratio	Claim Factor	Adverse Selection	Policy Lapse & Mortality	Policy Shock Lapse	Policy Persistence			Premium Persistence
Historical Experience	1994	0	0	0%		0	0	0%								5.5%	2.5640
	1995	0	0	0%		0	0	0%								5.5%	2.4135
	1996	0	0	0%		0	0	0%								5.4%	2.2718
	1997	0	0	0%		0	0	0%								5.4%	2.1385
	1998	0	0	0%		0	0	0%								5.3%	2.0130
	1999	0	0	0%		0	0	0%								5.2%	1.8948
	2000	0	0	0%		0	0	0%								5.2%	1.7836
	2001	1,806	0	0%		3,033	0	0%								5.1%	1.6789
	2002	19,650	0	0%		31,055	0	0%								4.9%	1.5804
	2003	37,531	0	0%		55,831	0	0%								4.8%	1.4876
	2004	38,171	12,341	32%		53,452	17,281	32%								4.6%	1.4003
	2005	29,169	0	0%		38,449	0	0%								4.3%	1.3181
2006	28,251	0	0%		35,052	0	0%								4.0%	1.2407	
2007	26,992	0	0%		32,203	0	0%								4.0%	1.1930	
2008	27,054	0	0%		31,035	0	0%								4.0%	1.1471	
2009	26,563	0	0%		29,299	0	0%								4.0%	1.1030	
2010	26,049	0	0%		27,627	0	0%								4.0%	1.0606	
2011	26,057	73,514	282%	17	26,573	74,970	282%								4.0%	1.0198	
Projected Future Experience	2012	25,313	45,472	180%	16	24,821	44,589	180%	1.0000	0.6367	1.0000	0.0674	0.0000	0.933	0.971	4.0%	0.9806
	2013	23,571	49,189	209%	15	22,224	46,379	209%	1.0000	1.1617	1.0000	0.0717	0.0000	0.928	0.931	4.0%	0.9429
	2014	21,839	52,315	240%	14	19,799	47,429	240%	1.0000	1.1479	1.0000	0.0764	0.0000	0.924	0.927	4.0%	0.9066
	2015	20,122	55,264	275%	12	17,541	48,175	275%	1.0000	1.1465	1.0000	0.0815	0.0000	0.918	0.921	4.0%	0.8717
	2016	18,429	57,528	312%	11	15,447	48,220	312%	1.0000	1.1366	1.0000	0.0871	0.0000	0.913	0.916	4.0%	0.8382
	2017	16,768	59,188	353%	10	13,515	47,704	353%	1.0000	1.1307	1.0000	0.0929	0.0000	0.907	0.910	4.0%	0.8060
	2018	15,150	60,294	398%	9	11,741	46,726	398%	1.0000	1.1275	1.0000	0.0992	0.0000	0.901	0.903	4.0%	0.7750
	2019	13,584	60,182	443%	8	10,122	44,845	443%	1.0000	1.1132	1.0000	0.1059	0.0000	0.894	0.897	4.0%	0.7452
	2020	12,078	59,463	492%	7	8,654	42,605	492%	1.0000	1.1112	1.0000	0.1130	0.0000	0.887	0.889	4.0%	0.7165
	2021	10,644	57,845	543%	6	7,333	39,852	543%	1.0000	1.1039	1.0000	0.1205	0.0000	0.879	0.881	4.0%	0.6889
	2022	9,289	55,787	601%	6	6,154	36,956	601%	1.0000	1.1051	1.0000	0.1286	0.0000	0.871	0.873	4.0%	0.6624
	2023	8,022	52,788	658%	5	5,110	33,624	658%	1.0000	1.0957	1.0000	0.1374	0.0000	0.863	0.864	4.0%	0.6370
	2024	6,849	48,575	709%	4	4,195	29,750	709%	1.0000	1.0778	1.0000	0.1469	0.0000	0.853	0.854	4.0%	0.6125
	2025	5,776	43,563	754%	4	3,402	25,655	754%	1.0000	1.0635	1.0000	0.1570	0.0000	0.843	0.843	4.0%	0.5889
	2026	4,806	37,830	787%	3	2,721	21,422	787%	1.0000	1.0437	1.0000	0.1679	0.0000	0.832	0.832	4.0%	0.5663
	2027	3,942	32,409	822%	2	2,146	17,646	822%	1.0000	1.0445	1.0000	0.1794	0.0000	0.821	0.820	4.0%	0.5445
	2028	3,184	27,061	850%	2	1,667	14,167	850%	1.0000	1.0338	1.0000	0.1916	0.0000	0.808	0.808	4.0%	0.5235
	2029	2,530	21,828	863%	2	1,274	10,988	863%	1.0000	1.0152	1.0000	0.2046	0.0000	0.795	0.795	4.0%	0.5034
	2030	1,975	17,051	863%	1	956	8,254	863%	1.0000	1.0006	1.0000	0.2184	0.0000	0.782	0.781	4.0%	0.4840
	2031	1,514	12,901	852%	1	704	6,004	852%	1.0000	0.9873	1.0000	0.2330	0.0000	0.767	0.766	4.0%	0.4654
	2032	1,137	9,658	849%	1	509	4,322	849%	1.0000	0.9965	1.0000	0.2482	0.0000	0.752	0.751	4.0%	0.4475
	2033	837	7,141	854%	1	360	3,073	854%	1.0000	1.0048	1.0000	0.2639	0.0000	0.736	0.736	4.0%	0.4303
	2034	602	5,192	862%	0	249	2,148	862%	1.0000	1.0099	1.0000	0.2802	0.0000	0.720	0.720	4.0%	0.4138
	2035	424	3,693	871%	0	169	1,469	871%	1.0000	1.0110	1.0000	0.2978	0.0000	0.702	0.703	4.0%	0.3978
	2036	291	2,568	884%	0	111	983	884%	1.0000	1.0142	1.0000	0.3148	0.0000	0.685	0.686	4.0%	0.3825
2037	194	1,744	897%	0	72	641	897%	1.0000	1.0147	1.0000	0.3341	0.0000	0.666	0.669	4.0%	0.3678	
2038	127	1,154	912%	0	45	408	912%	1.0000	1.0167	1.0000	0.3508	0.0000	0.649	0.651	4.0%	0.3537	
2039	80	743	928%	0	27	253	928%	1.0000	1.0178	1.0000	0.3695	0.0000	0.631	0.633	4.0%	0.3401	
2040	49	467	949%	0	16	153	949%	1.0000	1.0231	1.0000	0.3908	0.0000	0.609	0.614	4.0%	0.3270	
2041	29	284	983%	0	9	89	983%	1.0000	1.0351	1.0000	0.4103	0.0000	0.590	0.587	4.0%	0.3144	
2042	16	166	1012%	0	5	50	1012%	1.0000	1.0303	1.0000	0.4339	0.0000	0.566	0.570	4.0%	0.3023	
2043	9	94	1046%	0	3	27	1046%	1.0000	1.0331	1.0000	0.4378	0.0000	0.562	0.549	4.0%	0.2907	
2044	5	52	1068%	0	1	15	1068%	1.0000	1.0211	1.0000	0.4728	0.0000	0.527	0.540	4.0%	0.2795	
2045	2	27	1141%	0	1	7	1141%	1.0000	1.0687	1.0000	0.5617	0.0000	0.438	0.484	4.0%	0.2688	
2046	1	13	1270%	0	0	3	1270%	1.0000	1.1126	1.0000	0.5236	0.0000	0.476	0.428	4.0%	0.2584	
2047	0	5	1239%	0	0	1	1239%	1.0000	0.9756	1.0000	0.6234	0.0000	0.377	0.408	4.0%	0.2485	
2048	0	1	618%	0	0	0	618%	1.0000	0.4991	1.0000	0.4844	0.0000	0.516	0.243	4.0%	0.2389	
2049	0	0	581%	0	0	0	581%	1.0000	0.9392	1.0000	0.5017	0.0000	0.498	0.509	4.0%	0.2297	
2050	0	0	571%	0	0	0	571%	1.0000	0.9826	1.0000	0.5186	0.0000	0.481	0.492	4.0%	0.2209	
2051	0	0	561%	0	0	0	561%	1.0000	0.9832	1.0000	1.0000	0.0000	0.000	0.393	4.0%	0.2124	
Past		287,294	85,855	30%		363,608	92,251	25%									
Future		229,190	939,536	410%	141	181,103	674,635	373%									
Lifetime		516,484	1,025,391	199%		544,712	766,886	141%									

**Attachment 1**  
**American Pioneer Life Insurance Company**  
**Arkansas-Specific Experience After Requested 10% Increase and Assumed Implementation Date of October 1, 2012**  
**All Policy Forms**

	Calendar Year	Loss Ratio Demonstration						Factors Derived from Projected Values for Illustrative Purposes Only							Interest Rate Factors		
		Without Interest			With Interest			Premium Rate Increase Factor	Morbidity Factors		Persistence Factors				Calendar Year Effective Int Rate	Mid-Year Disc / Accum Factor	
		Earned Premium	Incurred Claims	Loss Ratio	Life Years	Earned Premium	Incurred Claims		Loss Ratio	Claim Factor	Adverse Selection	Policy Lapse & Mortality	Policy Shock Lapse	Policy Persistence			Premium Persistence
Historical Experience	1994	0	0	0%		0	0	0%								5.5%	2.5640
	1995	0	0	0%		0	0	0%								5.5%	2.4135
	1996	0	0	0%		0	0	0%								5.4%	2.2718
	1997	0	0	0%		0	0	0%								5.4%	2.1385
	1998	0	0	0%		0	0	0%								5.3%	2.0130
	1999	0	0	0%		0	0	0%								5.2%	1.8948
	2000	0	0	0%		0	0	0%								5.2%	1.7836
	2001	1,806	0	0%		3,033	0	0%								5.1%	1.6789
	2002	19,650	0	0%		31,055	0	0%								4.9%	1.5804
	2003	37,531	0	0%		55,831	0	0%								4.8%	1.4876
	2004	38,171	12,341	32%		53,452	17,281	32%								4.6%	1.4003
	2005	29,169	0	0%		38,449	0	0%								4.3%	1.3181
2006	28,251	0	0%		35,052	0	0%								4.0%	1.2407	
2007	26,992	0	0%		32,203	0	0%								4.0%	1.1930	
2008	27,054	0	0%		31,035	0	0%								4.0%	1.1471	
2009	26,563	0	0%		29,299	0	0%								4.0%	1.1030	
2010	26,049	0	0%		27,627	0	0%								4.0%	1.0606	
2011	26,057	73,514	282%	17	26,573	74,970	282%								4.0%	1.0198	
Projected Future Experience	2012	25,453	45,493	179%	16	24,959	44,610	179%	1.0058	0.6370	1.0000	0.0674	0.0000	0.933	0.971	4.0%	0.9806
	2013	25,480	49,414	194%	15	24,024	46,591	194%	1.0755	1.1664	1.0000	0.0717	0.0000	0.928	0.931	4.0%	0.9429
	2014	24,023	52,575	219%	14	21,779	47,665	219%	1.0168	1.1484	1.0000	0.0764	0.0000	0.924	0.927	4.0%	0.9066
	2015	22,134	55,532	251%	12	19,295	48,409	251%	1.0000	1.1464	1.0000	0.0815	0.0000	0.918	0.921	4.0%	0.8717
	2016	20,272	57,800	285%	11	16,992	48,448	285%	1.0000	1.1365	1.0000	0.0871	0.0000	0.913	0.916	4.0%	0.8382
	2017	18,445	59,461	322%	10	14,866	47,923	322%	1.0000	1.1306	1.0000	0.0929	0.0000	0.907	0.910	4.0%	0.8060
	2018	16,665	60,563	363%	9	12,915	46,935	363%	1.0000	1.1273	1.0000	0.0992	0.0000	0.901	0.903	4.0%	0.7750
	2019	14,942	60,438	404%	8	11,134	45,036	404%	1.0000	1.1130	1.0000	0.1059	0.0000	0.894	0.897	4.0%	0.7452
	2020	13,286	59,704	449%	7	9,520	42,778	449%	1.0000	1.1110	1.0000	0.1130	0.0000	0.887	0.889	4.0%	0.7165
	2021	11,708	58,068	496%	6	8,066	40,006	496%	1.0000	1.1037	1.0000	0.1205	0.0000	0.879	0.881	4.0%	0.6889
	2022	10,218	55,991	548%	6	6,769	37,091	548%	1.0000	1.1048	1.0000	0.1286	0.0000	0.871	0.873	4.0%	0.6624
	2023	8,825	52,971	600%	5	5,621	33,741	600%	1.0000	1.0955	1.0000	0.1374	0.0000	0.863	0.864	4.0%	0.6370
	2024	7,534	48,734	647%	4	4,615	29,848	647%	1.0000	1.0776	1.0000	0.1469	0.0000	0.853	0.854	4.0%	0.6125
	2025	6,354	43,699	688%	4	3,742	25,735	688%	1.0000	1.0633	1.0000	0.1570	0.0000	0.843	0.843	4.0%	0.5889
	2026	5,287	37,943	718%	3	2,994	21,486	718%	1.0000	1.0435	1.0000	0.1679	0.0000	0.832	0.832	4.0%	0.5663
	2027	4,336	32,502	750%	2	2,361	17,697	750%	1.0000	1.0443	1.0000	0.1794	0.0000	0.821	0.820	4.0%	0.5445
	2028	3,502	27,135	775%	2	1,834	14,206	775%	1.0000	1.0336	1.0000	0.1916	0.0000	0.808	0.808	4.0%	0.5235
	2029	2,783	21,885	786%	2	1,401	11,017	786%	1.0000	1.0151	1.0000	0.2046	0.0000	0.795	0.795	4.0%	0.5034
	2030	2,173	17,095	787%	1	1,052	8,275	787%	1.0000	1.0005	1.0000	0.2184	0.0000	0.782	0.781	4.0%	0.4840
	2031	1,665	12,933	777%	1	775	6,019	777%	1.0000	0.9873	1.0000	0.2330	0.0000	0.767	0.766	4.0%	0.4654
	2032	1,251	9,682	774%	1	560	4,333	774%	1.0000	0.9964	1.0000	0.2482	0.0000	0.752	0.751	4.0%	0.4475
	2033	920	7,158	778%	1	396	3,080	778%	1.0000	1.0048	1.0000	0.2639	0.0000	0.736	0.736	4.0%	0.4303
	2034	663	5,204	785%	0	274	2,153	785%	1.0000	1.0098	1.0000	0.2802	0.0000	0.720	0.720	4.0%	0.4138
	2035	466	3,701	794%	0	185	1,472	794%	1.0000	1.0109	1.0000	0.2978	0.0000	0.702	0.703	4.0%	0.3978
	2036	320	2,574	805%	0	122	985	805%	1.0000	1.0141	1.0000	0.3148	0.0000	0.685	0.686	4.0%	0.3825
	2037	214	1,747	817%	0	79	643	817%	1.0000	1.0146	1.0000	0.3341	0.0000	0.666	0.669	4.0%	0.3678
	2038	139	1,156	830%	0	49	409	830%	1.0000	1.0166	1.0000	0.3508	0.0000	0.649	0.651	4.0%	0.3537
	2039	88	745	845%	0	30	253	845%	1.0000	1.0177	1.0000	0.3695	0.0000	0.631	0.633	4.0%	0.3401
	2040	54	467	865%	0	18	153	865%	1.0000	1.0230	1.0000	0.3908	0.0000	0.609	0.614	4.0%	0.3270
	2041	32	284	895%	0	10	89	895%	1.0000	1.0350	1.0000	0.4103	0.0000	0.590	0.587	4.0%	0.3144
2042	18	167	922%	0	5	50	922%	1.0000	1.0302	1.0000	0.4339	0.0000	0.566	0.570	4.0%	0.3023	
2043	10	95	952%	0	3	27	952%	1.0000	1.0330	1.0000	0.4378	0.0000	0.562	0.549	4.0%	0.2907	
2044	5	52	972%	0	2	15	972%	1.0000	1.0210	1.0000	0.4728	0.0000	0.527	0.540	4.0%	0.2795	
2045	3	27	1039%	0	1	7	1039%	1.0000	1.0685	1.0000	0.5617	0.0000	0.438	0.484	4.0%	0.2688	
2046	1	13	1156%	0	0	3	1156%	1.0000	1.1124	1.0000	0.5236	0.0000	0.476	0.428	4.0%	0.2584	
2047	0	5	1127%	0	0	1	1127%	1.0000	0.9756	1.0000	0.6234	0.0000	0.377	0.408	4.0%	0.2485	
2048	0	1	563%	0	0	0	563%	1.0000	0.4996	1.0000	0.4844	0.0000	0.516	0.243	4.0%	0.2389	
2049	0	0	529%	0	0	0	529%	1.0000	0.9392	1.0000	0.5017	0.0000	0.498	0.509	4.0%	0.2297	
2050	0	0	520%	0	0	0	520%	1.0000	0.9826	1.0000	0.5186	0.0000	0.481	0.492	4.0%	0.2209	
2051	0	0	511%	0	0	0	511%	1.0000	0.9832	1.0000	1.0000	0.0000	0.000	0.393	4.0%	0.2124	
Past Future Lifetime		287,294	85,855	30%	141	363,608	92,251	25%									
		249,269	943,014	378%		196,446	677,189	345%									
		536,563	1,028,869	192%		560,054	769,440	137%									



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October 9, 2012

Donna Lambert  
Arkansas Department of Insurance (Department)  
1200 W. Third Street  
Little Rock, Arkansas 72201-1904

Via *SERFF*

RE: American Pioneer Life Insurance Company (American Pioneer)  
Company NAIC # 60763  
American Pioneer Policy Forms:

Comprehensive Long-Term Care  
Comprehensive Long-Term Care  
Comprehensive Long-Term Care  
Home Health Care Only

APNHO, et al.  
APNHOQ, et al.  
COMPLTC, et al.  
HHC-802, et al.

Dear Ms. Lambert:

Thank you for reviewing our filing. This letter is in response to your letter dated September 12, 2012 regarding information needed for the above-referenced filing. The remainder of this letter provides additional information requested in your September 12 letter. The request is restated in italics for reference.

*It is the primary mission of the Arkansas Insurance Department to protect consumers. Given the current state of the economy and the impact a 10% rate increase will have at this time, we will consider no more than a 5% increase for this submission. If you wish to accept, please submit the rates reflecting the 5% increase and perform a Post Submission Update to correct the rate increase percentages and the Written Premium Change for this Program under the Company Rate Information on the Rate/Rule Schedule tab.*

The company understands the Department's desire to protect consumers. To reduce the impact of the rate increase on consumers, the company is offering the option of reducing their policy daily benefits for insureds who wish to maintain a premium level reasonably similar to what they were paying prior to the rate increase. Additionally, the company already reduced its request of three 50% increases down to 10% in light of the Department's July 16, 2012 disposition on the submission with a SERFF tracking number of UNAM-128505202.

It is unlikely that this block will ever be self-supporting as the lifetime loss ratio before this request is 160%. However, to help alleviate the poor performance on this block of business, the company respectfully requests that the Department reconsider a 10% rate increase.

Offices in Principal Cities Worldwide

This work product was prepared to provide assistance to American Pioneer. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends Recipient be aided by its own actuary or other qualified professional when reviewing the Milliman work product.

### **Limitations and Qualifications**

Milliman's work has been prepared for the use and benefit of American Pioneer. Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of its work product, even if Milliman consents to the release of its work product to such third party.

Milliman's work is being delivered to the Department, in accordance with its statutory and regulatory requirements. Milliman recognizes that materials it delivers to the Department may be public records subject to disclosure to third parties, however, Milliman does not intend to benefit and assumes no duty or liability to any third parties, including the Department, who receive Milliman's work and may include disclaimer language on its work product so stating. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, the Department agrees that it shall not disclose Milliman's work product to third parties without Milliman's prior written consent; provided, however, that the Department may distribute Milliman's work to (i) its professional service providers who are subject to a duty of confidentiality and who agree to not use Milliman's work product for any purpose other than to provide services to the Department, or (ii) any applicable regulatory or governmental agency, as required.

In performing this analysis, we relied on data and other information provided by American Pioneer. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

I, Amy Pahl, am a Principal and Consulting Actuary for Milliman, Inc. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render an actuarial opinion as described herein.



Ms. Donna Lambert  
October 9, 2012



Donna, thank you for working with us to complete this filing in Arkansas. Please let me know if you have any additional questions. You can reach me directly at (952) 820-2419 or by e-mail at amy.pahl@milliman.com.

Respectfully,

A handwritten signature in blue ink that reads "Amy Pahl".

Amy Pahl, FSA, MAAA  
Principal & Consulting Actuary

ABP/jla