

**State:** Virginia **Filing Company:** Southern Farm Bureau Life Insurance company  
**TOI/Sub-TOI:** LTC Annual Rate Report/LTCIPRS  
**Product Name:** 2018 LTC Annual Rate Report - 3034Q/3035Q  
**Project Name/Number:** /

## Filing at a Glance

Company: Southern Farm Bureau Life Insurance company  
Product Name: 2018 LTC Annual Rate Report - 3034Q/3035Q  
State: Virginia  
TOI: LTC Annual Rate Report  
Sub-TOI: LTCIPRS  
Filing Type: LTC Annual Rate Report  
Date Submitted: 06/26/2019  
SERFF Tr Num: SFBL-131987933  
SERFF Status: Closed-Filed  
State Tr Num: SFBL-131987933  
State Status: Filed  
Co Tr Num:

Implementation  
Date Requested:  
Author(s): Hart Sullivan, Sarah Lee, Nya Williams  
Reviewer(s): Colleen Moore (primary)  
Disposition Date: 12/02/2019  
Disposition Status: Filed  
Implementation Date:

**State:** Virginia  
**TOI/Sub-TOI:** LTC Annual Rate Report/LTCIPRS  
**Product Name:** 2018 LTC Annual Rate Report - 3034Q/3035Q  
**Project Name/Number:** /

**Filing Company:** Southern Farm Bureau Life Insurance company

## General Information

Project Name: Status of Filing in Domicile:  
 Project Number: Date Approved in Domicile:  
 Requested Filing Mode: Domicile Status Comments:  
 Explanation for Combination/Other: Market Type:  
 Submission Type: New Submission Overall Rate Impact:  
 Filing Status Changed: 12/02/2019  
 State Status Changed: 12/02/2019 Deemer Date:  
 Created By: Sarah Lee Submitted By: Sarah Lee  
 Corresponding Filing Tracking Number:  
 State TOI: LTC Annual Rate Report 2019 State Sub-TOI: LTCIPRS

### Filing Description:

This filing is intended to satisfy the requirements of 14 VAC 5-200-125 for Southern Farm Bureau Life's inforce LTC policies issued under the forms 3034Q and 3035Q. These policies form a pre-rate stability block issued from 10/1/2000 to 6/20/2003. We submitted a Rate filing on June 3, 2019 under SERFF Tracking Number SFBL-131934915 which includes these Long Term Care forms.

Included with this filing is a certification substantially similar to the annual rate report form developed by the Bureau, namely LTCIPRS. The certification has been altered to reflect the current rate filing open on these forms. The certification asserts that current premium rates are not sufficient to cover anticipated costs under best estimate assumptions and may not be reasonably expected to be sustainable over the life of these policies without future premium increases.

An actuarial memorandum was submitted under the rate filing in SFBL-131934915.

Please let me know if you have any additional questions or comments.

## Company and Contact

### Filing Contact Information

Sarah Lee, slee@sfbli.com  
 PO Box 78 601-981-5332 [Phone] 1090 [Ext]  
 Jackson, MS 39205 601-713-3071 [FAX]

### Filing Company Information

Southern Farm Bureau Life CoCode: 68896 State of Domicile: Mississippi  
 Insurance company Group Code: Company Type:  
 1401 Livingston Lane Group Name: State ID Number:  
 Jackson, MS 39213 FEIN Number: 64-0283583  
 (601) 981-7422 ext. [Phone]

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

SERFF Tracking #:

SFBL-131987933

State Tracking #:

SFBL-131987933

Company Tracking #:

State:

Virginia

Filing Company:

Southern Farm Bureau Life Insurance company

TOI/Sub-TOI:

LTC Annual Rate Report/LTCIPRS

Product Name:

2018 LTC Annual Rate Report - 3034Q/3035Q

Project Name/Number:

/

## Correspondence Summary

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Colleen Moore	12/01/2019	12/01/2019
Info has been requested from company	Colleen Moore	11/01/2019	11/01/2019

#### Response Letters

Responded By	Created On	Date Submitted
Sarah Lee	12/01/2019	12/01/2019
Sarah Lee	11/27/2019	11/27/2019

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**State:** Virginia **Filing Company:** Southern Farm Bureau Life Insurance company  
**TOI/Sub-TOI:** LTC Annual Rate Report/LTCIPRS  
**Product Name:** 2018 LTC Annual Rate Report - 3034Q/3035Q  
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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	12/01/2019
Submitted Date	12/01/2019
Respond By Date	12/31/2019

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Dear Sarah Lee,

**Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

**Objection 1**

- LTCIPRS, [3034Q, 3035Q] (Rate)

Comments: There is inconsistency between the Previous State Filing Number for Item # 1 on the Rate/Rule Schedule and the SERFF Tracking Number of Last Filing. Please resolve this discrepancy.

**Conclusion:**

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention. Should you need clarification, please contact me.

Thank you for your courtesy and consideration in this matter.

Colleen Moore  
Insurance Market Examiner

Sincerely,  
Colleen Moore

**State:** Virginia **Filing Company:** Southern Farm Bureau Life Insurance company  
**TOI/Sub-TOI:** LTC Annual Rate Report/LTCIPRS  
**Product Name:** 2018 LTC Annual Rate Report - 3034Q/3035Q  
**Project Name/Number:** /

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	11/01/2019
Submitted Date	11/01/2019
Respond By Date	12/01/2019

Dear Sarah Lee,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.

### Objection 1

- LTCIPRS, [3034Q, 3035Q] (Rate)

Comments: 1) Under Rate Action Information, the Previous State Filing number is for the Annual Rate Report filing submitted in 2017 for CY 2016. Please update this field to reflect the Annual Rate Report filing submitted in 2018 (SFBL-131566167).

2) The signature date on the Annual Rate Report is 6/29/18. Please submit a report with a current signature date.

### Objection 2

- Actuarial Memorandum (Supporting Document)

Comments: As indicated in the BOI Instructions for Annual Rate Reports Required by 14VAC5-200-125 (<http://www.scc.virginia.gov/boi/co/health/lcrept/lcInstr.pdf>), each annual report filing should include an actuarial memorandum under Supporting Documentation that should include, but not be limited to, the following information:

Historical experience;

Future and lifetime loss ratios, with detailed projections, based on the current best-estimate assumptions;

An actual to expected analysis;

Detailed description and actuarial support for each assumption used in the projections;

Description of market (individual or group)

Renewability type (guaranteed, conditional, etc.)

All prior SERFF or state tracking numbers, including rate filings and previous annual report filings;

Prior rate history

Please attach an actuarial memorandum under Supporting Document which provides the supporting information for the CY 2018 Annual Rate Report.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues noted above. Upon subsequent review, other concerns may require attention.

**IMPORTANT! PLEASE NOTE:** A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should

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**State:** Virginia **Filing Company:** Southern Farm Bureau Life Insurance company  
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*you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Should you need clarification, please contact me.*

*Thank you for your courtesy and consideration in this matter.*

Colleen Moore  
Insurance Market Examiner

Sincerely,  
Colleen Moore

SERFF Tracking #:

SFBL-131987933

State Tracking #:

SFBL-131987933

Company Tracking #:

State:

Virginia

Filing Company:

Southern Farm Bureau Life Insurance company

TOI/Sub-TOI:

LTC Annual Rate Report/LTCIPRS

Product Name:

2018 LTC Annual Rate Report - 3034Q/3035Q

Project Name/Number:

/

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/01/2019
Submitted Date	12/01/2019

Dear Colleen Moore,

### **Introduction:**

### **Response 1**

#### **Comments:**

*The Previous State Filing Number has been updated to match the SERFF Tracking Number of Last Filing.*

### **Related Objection 1**

*Applies To:*

*- LTCIPRS, [3034Q, 3035Q] (Rate)*

*Comments: There is inconsistency between the Previous State Filing Number for Item # 1 on the Rate/Rule Schedule and the SERFF Tracking Number of Last Filing.*

*Please resolve this discrepancy.*

### **Changed Items:**

*No Supporting Documents changed.*

*No Form Schedule items changed.*

SERFF Tracking #:

SFBL-131987933

State Tracking #:

SFBL-131987933

Company Tracking #:

State:

Virginia

Filing Company:

Southern Farm Bureau Life Insurance company

TOI/Sub-TOI:

LTC Annual Rate Report/LTCIPRS

Product Name:

2018 LTC Annual Rate Report - 3034Q/3035Q

Project Name/Number:

/

## Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	LTCIPRS	3034Q, 3035Q	Other	Previous State Filing Number: SFBL-131934915 Rate Action Other Explanation:	2018 303X LTCIPRS.pdf,	12/01/2019 By: Sarah Lee
<i>Previous Version</i>						
1	LTCIPRS	3034Q, 3035Q	Other	Previous State Filing Number: SFBL-131103739 Rate Action Other Explanation:	2018 303X LTCIPRS.pdf,	11/27/2019 By: Sarah Lee
<i>Previous Version</i>						
1	LTCIPRS	3034Q, 3035Q	Other	Previous State Filing Number: SFBL-131103739 Rate Action Other Explanation:	2018 303X LTCIPRS.pdf,	06/26/2019 By: Sarah Lee

**Conclusion:**

Sincerely,  
Sarah Lee



SERFF Tracking #:

SFBL-131987933

State Tracking #:

SFBL-131987933

Company Tracking #:

State:

Virginia

Filing Company:

Southern Farm Bureau Life Insurance company

TOI/Sub-TOI:

LTC Annual Rate Report/LTCIPRS

Product Name:

2018 LTC Annual Rate Report - 3034Q/3035Q

Project Name/Number:

/

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/27/2019
Submitted Date	11/27/2019

Dear Colleen Moore,

### Introduction:

Thank you for your review of this filing

### Response 1

#### Comments:

The error in the signature date has been fixed.

### Related Objection 1

Applies To:

- LTCIPRS, [3034Q, 3035Q] (Rate)

Comments: 1) Under Rate Action Information, the Previous State Filing number is for the Annual Rate Report filing submitted in 2017 for CY 2016. Please update this field to reflect the Annual Rate Report filing submitted in 2018 (SFBL-131566167).

2) The signature date on the Annual Rate Report is 6/29/18. Please submit a report with a current signature date.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking #:

SFBL-131987933

State Tracking #:

SFBL-131987933

Company Tracking #:

State:

Virginia

Filing Company:

Southern Farm Bureau Life Insurance company

TOI/Sub-TOI:

LTC Annual Rate Report/LTCIPRS

Product Name:

2018 LTC Annual Rate Report - 3034Q/3035Q

Project Name/Number:

/

**Rate/Rule Schedule Item Changes**

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	LTCIPRS	3034Q, 3035Q	Other	Previous State Filing Number: SFBL-131103739 Rate Action Other Explanation:	2018 303X LTCIPRS.pdf,	11/27/2019 By: Sarah Lee
<i>Previous Version</i>						
1	LTCIPRS	3034Q, 3035Q	Other	Previous State Filing Number: SFBL-131103739 Rate Action Other Explanation:	2018 303X LTCIPRS.pdf,	06/26/2019 By: Sarah Lee

**Response 2**

**Comments:**

SERFF Tracking #:

SFBL-131987933

State Tracking #:

SFBL-131987933

Company Tracking #:

State:

Virginia

Filing Company:

Southern Farm Bureau Life Insurance company

TOI/Sub-TOI:

LTC Annual Rate Report/LTCIPRS

Product Name:

2018 LTC Annual Rate Report - 3034Q/3035Q

Project Name/Number:

/

*An actuarial memorandum has been attached to this filing.*

*An additional memorandum analyzing experience including these forms has been included under the currently open rate increase filing. It has been attached to this memorandum in its entirety as Exhibit C and begins on page 5 of the attached memorandum.*

*The specific items you've requested can be found as follows:*

*Historical experience;*

*Future and lifetime loss ratios, with detailed projections, based on the current best-estimate assumptions;*

*Both of the two above items can be found in Exhibit 1a and Exhibit 1b of the rate increase memorandum. These exhibits begin on page 16, and information for Forms 3034/3035 only begins on page 18 of the attached pdf. Virginia only experience for these forms begins on page 28.*

*An actual to expected analysis;*

*This can be found in Exhibit IV of the rate increase memorandum, which begins on page 39 of the attached pdf.*

*Detailed description and actuarial support for each assumption used in the projections;*

*This information can be found in #5 of the increase memorandum, which begins on page 7 of the attached pdf.*

*Description of market (individual or group)*

*Renewability type (guaranteed, conditional, etc.)*

*Both of the two above items can be found on page 3 of the attached memorandum under Exhibit A.*

*All prior SERFF or state tracking numbers, including rate filings and previous annual report filings;*

*The record of SERFF filings can be found on page 4 of the attached memorandum as Exhibit B. No prior rate filings were submitted on this form other than those listed.*

*Prior rate history*

*This can be found on page 1 of the attached memorandum under item 4, as well as item 16 on page 11.*

## **Related Objection 2**

*Applies To:*

*- Actuarial Memorandum (Supporting Document)*

SERFF Tracking #:

SFBL-131987933

State Tracking #:

SFBL-131987933

Company Tracking #:

State:

Virginia

Filing Company:

Southern Farm Bureau Life Insurance company

TOI/Sub-TOI:

LTC Annual Rate Report/LTCIPRS

Product Name:

2018 LTC Annual Rate Report - 3034Q/3035Q

Project Name/Number:

/

Comments: As indicated in the BOI Instructions for Annual Rate Reports Required by 14VAC5-200-125 (<http://www.scc.virginia.gov/boi/co/health/ltrcrept/ltrcnstr.pdf>), each annual report filing should include an actuarial memorandum under Supporting Documentation that should include, but not be limited to, the following information:

Historical experience;

Future and lifetime loss ratios, with detailed projections, based on the current best-estimate assumptions;

An actual to expected analysis;

Detailed description and actuarial support for each assumption used in the projections;

Description of market (individual or group)

Renewability type (guaranteed, conditional, etc.)

All prior SERFF or state tracking numbers, including rate filings and previous annual report filings;

Prior rate history

Please attach an actuarial memorandum under Supporting Document which provides the supporting information for the CY 2018 Annual Rate Report.

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2018 303X LTC Annual Premium Rate Report.pdf
<i>Previous Version</i>	
<b>Bypassed - Item:</b>	Actuarial Memorandum
<b>Bypass Reason:</b>	An actuarial memorandum has been submitted under SFBL-131934915, our currently open rate filing which includes these forms.
<b>Attachment(s):</b>	

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Please let me know if you have any additional questions.

Sincerely,

Sarah Lee

SERFF Tracking #:

SFBL-131987933

State Tracking #:

SFBL-131987933

Company Tracking #:

State:

Virginia

Filing Company:

Southern Farm Bureau Life Insurance company

TOI/Sub-TOI:

LTC Annual Rate Report/LTCIPRS

Product Name:

2018 LTC Annual Rate Report - 3034Q/3035Q

Project Name/Number:

/

## Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

Neutral

Overall Percentage of Last Rate Revision:

35.000%

Effective Date of Last Rate Revision:

06/01/2011

Filing Method of Last Filing:

SERFF

SERFF Tracking Number of Last Filing:

SFBL-131934915

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Southern Farm Bureau Life Insurance company	0.000%	0.000%	\$0	836	\$1,623,810	0.000%	0.000%

**SERFF Tracking #:**

SFBL-131987933

**State Tracking #:**

SFBL-131987933

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

Virginia

**Filing Company:**

Southern Farm Bureau Life Insurance company

**TOI/Sub-TOI:**

LTC Annual Rate Report/LTCIPRS

**Product Name:**

2018 LTC Annual Rate Report - 3034Q/3035Q

**Project Name/Number:**

/

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		LTCIPRS	3034Q, 3035Q	Other	Previous State Filing Number: SFBL-131934915 Rate Action Other Explanation:	2018 303X LTCIPRS.pdf,

**Annual Rate Report for Long-Term Care Insurance Policies  
Issued Prior to October 1, 2003  
Pre Rate Stability**

[14 VAC 5-200-125 A 1 a. \(2\)](#)

**Reporting Period 1/1/2018 – 12/31/2018**

Company Name	Southern Farm Bureau Life Insurance Company
Company NAIC Number	68896
Form Number(s)	3034Q, 3035Q
Issue Dates	10/01/2000 – 06/20/2003
SERFF Filing Number	SFBL-131987933
Prior SERFF Filing Number(s)	SFBL-129974404, SFBL-128732979, SFBL-129452835, SFBL-126664670, SFBL-131103739, SFBL-131934915, SFBL-131566167

I, Sarah Lee, am a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing and reviewing long-term care insurance premiums.

In my opinion:

the premium rate schedules are not sufficient to cover anticipated costs under best estimate assumptions and the premium rate schedule(s) may not be reasonably expected to be sustainable over the life of the policies with no future premium increases anticipated. Based on my review of recent experience of the policies involved, in my opinion, a rate action is necessary at this time as a result of this analysis.

A rate filing was submitted under SERFF Filing SFBL-131934915 which includes these forms.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary. A complete actuarial memorandum was included under the rate filing referenced above.



Sarah Lee, FSA, MAAA  
Southern Farm Bureau Life Insurance Company  
1401 Livingston Lane  
Jackson, MS 39213  
601-981-7422  
06/26/2019

**SERFF Tracking #:**

SFBL-131987933

**State Tracking #:**

SFBL-131987933

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

Virginia

**Filing Company:**

Southern Farm Bureau Life Insurance company

**TOI/Sub-TOI:**

LTC Annual Rate Report/LTCIPRS

**Product Name:**

2018 LTC Annual Rate Report - 3034Q/3035Q

**Project Name/Number:**

/

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2018 303X LTC Annual Premium Rate Report.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/02/2019

<b>Bypassed - Item:</b>	Product Checklist
<b>Bypass Reason:</b>	n/a to this filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/02/2019

<b>Satisfied - Item:</b>	LTC Annual Report Instructions
<b>Comments:</b>	LTCIPRS is attached under Rate/Rule Schedule
<b>Attachment(s):</b>	
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	12/02/2019



**Southern Farm Bureau Life Insurance Company**  
**Annual Premium Rate Report**  
**for Long Term Care Policy Forms 3034Q and 3035Q**

**1. Purpose of Filing**

This is a rate report filing for Southern Farm Bureau Life Insurance Company's existing Long Term Care pre-rate stabilization policies issued on Form 3034Q and 3035Q. The purpose of this report is to satisfy the requirements of 14VAC5-200-125 which requires that premiums for all long-term care insurance policies be reported to the Virginia commission annually, and may not be appropriate for any other purpose.

**2. Scope of Filing**

This filing applies to the Company's Long Term Care policy forms shown below:

Form 3034Q (approved by the Virginia Department of Insurance on 11/17/1998) – Qualified Comprehensive Long Term Care coverage, sold in VA from 10/1/2000 to 6/20/2003

Form 3035Q (approved by the Virginia Department of Insurance on 11/17/1998) – Qualified Facility Only Long Term Care coverage, sold from in VA 10/1/2000 to 6/20/2003.

The Company does not currently offer any Long Term Care products for sale. This is a closed block of business.

**3. Data Reliance**

This actuarial memorandum relies heavily on actuarial work completed for the rate increase submitted on these forms under SERFF Tracking Number SFBL-131934915. The actuarial memorandum for that filing has been included as part of this report as Exhibit C.

I have reviewed the data and assumptions for reasonableness and consistency, but have not performed an audit. I find the projections and assumptions to be reasonable.

**4. Rate Increase History**

The company was granted a rate increase of 35% by your department on 1/26/2011 (SERFF tracking number SFBL-126664670, VA tracking number 7/33235). This increase in VA was implemented on 6/1/2011.

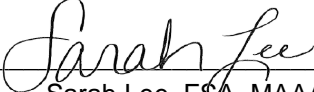
A second rate increase was requested on these forms in 2014, but was eventually closed prior to approval (SFBL-129974404). Another rate increase filing was submitted in October 2017 (SFBL-131223273). Prior to approval, we requested to withdraw the rate increase filing after receiving significantly increased claim projections from our reinsurance partner, GE Capital, who assumes 80% of the risk on this block.

We submitted a Rate filing on June 3, 2019 under SERFF Tracking Number SFBL-131934915 which includes these Long Term Care forms. This filing is currently open.

## 5. Actuarial Certification

I certify to the following:

- I am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries, and qualified to render the opinion contained herein.
- To the best of my knowledge and belief, this filing complies with all applicable state laws and regulations, including 14VAC5-200-125, and with all applicable Actuarial Standards of Practice.
- The premium rate schedules are not sufficient to cover anticipated costs under best estimate assumptions and the premium rate schedule(s) may not be reasonably expected to be sustainable over the life of the policies with no future premium increases anticipated. Therefore, a rate increase has been submitted on this form and is currently under review.

  
\_\_\_\_\_  
Sarah Lee, FSA, MAAA

November 18, 2019  
Date

### List of Exhibits

Exhibit A: Description of Forms and Benefits

Exhibit B: SERFF Tracking Numbers

Exhibit C: Actuarial Memorandum from SFBL-131934915

## **Exhibit A: Description of Forms and Benefits**

All forms are guaranteed renewable, and were marketed to individuals by our career agency force.

### **Forms 3034Q**

Form 3034Q is a HIPAA “qualified” long term care policy covering nursing facility care, assisted living facility care, adult day care, home care, home health care, respite care, hospice care, bed reservation, emergency response systems, durable medical equipment, and ambulance service. Waiver of premium was also included.

The plan paid covered benefits up to a chosen daily maximum, and was available with two different lifetime maximum benefit amounts – a \$1,500 per unit “pool of benefits” and an unlimited maximum benefit. 30 day, 90 day, and 180 day elimination periods were offered. Discounts were offered for non-tobacco use and if an accompanying spousal policy were issued.

Riders available included 20 year compound inflation protection, unlimited compound inflation protection, and nonforfeiture lapse benefit.

As part of the 2010 rate increase, the Contingent Benefit upon Lapse was added to all policies that did not have a non-forfeiture rider.

### **Forms 3035Q and 3035**

Form 3035Q is a HIPAA “qualified” long term care policy covering nursing facility care, assisted living facility care, in-patient hospice care, bed reservation, and ambulance service. Waiver of premium was also included.

The plan paid covered benefits up to a chosen daily maximum, and was available with two different lifetime maximum benefit amounts – a \$1,500 per unit “pool of benefits” and an unlimited maximum benefit. 30 day, 90 day, and 180 day elimination periods were offered. Discounts were offered for non-tobacco use and if an accompanying spousal policy were issued.

Riders available included 20 year compound inflation protection, unlimited compound inflation protection, and nonforfeiture lapse benefit.

As part of the 2010 rate increase, the Contingent Benefit upon Lapse was added to all policies that did not have a non-forfeiture rider.

## Exhibit B - SERFF Filing History

State	Filing Date	TOI/Sub-TOI	Filing Type	SERFF Status	SERFF Tr Num
Virginia	06/26/2019	LTC Annual Rate Report/LTCINLM	LTC Annual Rate Report	Pending Industry Response	SFBL-131987953
Virginia	06/26/2019	LTC Annual Rate Report/LTCIPRS	LTC Annual Rate Report	Pending Industry Response	SFBL-131987933
Virginia	06/03/2019	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Form/Rate	Pending State Action	SFBL-131934915
Virginia	06/29/2018	LTC Annual Rate Report/LTCIPRS	LTC Annual Rate Report	Closed-Filed	SFBL-131566167
Virginia	06/29/2018	LTC Annual Rate Report/LTCINLM	LTC Annual Rate Report	Closed-Filed	SFBL-131564450
Virginia	10/12/2017	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Rate	Closed-Withdrawn	SFBL-131223273
Virginia	10/09/2017	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Rate	Closed-Withdrawn	SFBL-131208112
Virginia	06/30/2017	LTC Annual Rate Report/LTCIPRS	LTC Annual Rate Report	Closed-Filed	SFBL-131103739
Virginia	06/30/2017	LTC Annual Rate Report/LTCINLM	LTC Annual Rate Report	Closed-Filed	SFBL-131084759
Virginia	02/22/2017	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Rate	Closed-Approved	SFBL-130931312
Virginia	02/17/2017	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Informational	Closed-Rejected	SFBL-130927240
Virginia	06/30/2016	LTC Annual Rate Report/LTCIPRS	LTC Annual Rate Report	Closed-Filed	SFBL-130636610
Virginia	06/30/2016	LTC Annual Rate Report/LTCINLM	LTC Annual Rate Report	Closed-Filed	SFBL-130636556
Virginia	03/12/2015	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Rate	Closed-Disapproved	SFBL-129974404
Virginia	03/12/2015	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Rate	Closed-Disapproved	SFBL-129973541
Virginia	03/11/2014	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Rate	Closed-Approved	SFBL-129452835
Virginia	10/19/2012	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Rate	Closed-Approved	SFBL-128732979
Virginia	02/16/2011	LTC06 Long Term Care - Other/LTC06.000 Long Term Care - Other	LTC Rescission Report	Closed-Received & Acknowledged	SFBL-127039410
Virginia	06/18/2010	LTC03I Individual Long Term Care/LTC03I.001 Qualified	Form/Rate	Closed-Approved	SFBL-126664670

# Exhibit C: Actuarial Memorandum from SFBL-131934915

## Actuarial Memorandum

### Policy Forms

3034-VA, 3035-VA, 3034Q-VA, and 3035Q-VA as 3034/3035

HL200-VA as HL200

For a complete listing of policy forms, including riders, refer to Attachment B.

## Long Term Care Coverage

### 1. Scope and Purpose

This rate filing is a request for the following premium increases by form and benefit period, effective upon approval by the state, on Southern Farm Bureau Life Insurance Company's Long Term Care Insurance policy forms listed above. These premium rate increases are needed due to claim levels that produce unacceptable lifetime loss ratios above the statutorily required minimum loss ratio. This rate filing is not intended to be used for other purposes.

Form	Benefit Period	Proposed Rate Increase
3034/3035	Limited	62%
3034/3035	Lifetime	81%
HL200	Limited	50%
HL200	Lifetime	91%

### 2. Description of Benefits \*

#### 3034/3035

Policy form 3034 provides benefits for expenses incurred for long term care while confined in a nursing facility, while receiving home health care, home care, respite care (21 days per year), hospice care (6 months), or adult day care. Additionally, it provides the benefit of care coordination and guidance in securement of appropriate long term care services. Policy form 3035 provides benefits for expenses incurred for long term care while confined in a nursing facility, alternate care facility, or hospice facility. Both policy forms include a bed reservation benefit of 21 days per year.

Services in a nursing facility or alternate care facility will be reimbursed at 100% of the expenses incurred up to the Maximum Daily Benefit. Services for home care/home health care, adult day care, and respite care will be reimbursed at 100% of incurred expenses up to 60% of the Maximum Daily Benefit. There is no requirement for confinement in either a nursing home or a hospital as a precedent to collecting benefits under this policy form. After 90 days of payment of nursing home facility benefits premiums will be waived for the remainder of time that one period of care continues. There is a possibility of the reimbursement for substitute services if appropriate.

The program provides a choice of two different lifetime maximum benefit amounts and three different elimination period combinations. The program also provides benefits for caregiver training, rental of an emergency response system, ambulance transportation, and durable medical equipment.

The Maximum Benefit is determined as follows:

Presumed Benefit Period	Maximum Benefit
1500 Days	1500 * MDB
Lifetime	Unlimited

All benefits received except Waiver of Premium and Care Coordination are counted against the Maximum Benefit.

Four options are available to insureds:

\* This is not intended to be a comprehensive listing of all benefits available.

- Compound Inflation Protection Option increases the Maximum Daily Benefit and Maximum Benefit amount by 5% (of previous calendar year benefit) for 20 years during coverage.
- Compound Inflation Protection Option increases the Maximum Daily Benefit and Maximum Benefit amount by 5% (of previous calendar year benefit) for the duration of coverage.
- Return of Premium Option pays the insured's estate and amount equal to the total of premiums paid less benefits paid if the policy terminates due to the insured's death prior to the age of 70.
- Nonforfeiture Lapse Option allows a paid up premium option at the time of lapse with a Paid Up Benefit. The Paid Up Benefit is equal to a percentage of all premiums paid, less claims paid. This percentage is equal to 5% per year (up to 100%) starting after policy year five.

There is no Pre-existing Condition Limitation for conditions disclosed on the application. To be eligible for benefits, the insured must be unable to perform two or more of five Activities of Daily Living (Bathing, Eating, Dressing, Toileting, Transferring) without physical assistance or be Cognitively Impaired as described by the policy. Covered services must have been provided.

Policy forms 3034Q and 3035Q are the tax-qualified versions of these forms.

*HL200*

This individual tax-qualified long term care insurance policy provides benefits for expenses incurred while confined in a Nursing, Assisted Living or Alzheimer's Facility. Benefits are provided for in-patient hospice care and there is a bed reservation benefit of 30 days per calendar year. The Spouse Waiver of Premium and Paid-Up Benefit waived premiums for both spouses while one is on claim or waives future premiums for the surviving spouse if both were claim free for the first ten policy years of the policy and one spouse has passed away. There is a Caregiver Training Benefit (pays up to five times the maximum daily benefit). Additionally, the policy provides: a) the option of care coordination and guidance in securing appropriate long term care services, b) benefits for Worldwide coverage (allows up to 365 days of benefits outside the country) and c) a Ambulance Service benefit covers two trips per calendar year (up to \$50 per trip). There is no requirement of pre-hospitalization to collect benefits under this policy form. Premiums will be waived while benefits are payable.

The Home & Community Care Services Rider provides additional benefits for expenses incurred while receiving home health care, home care, respite care (30 days per calendar year), adult day care and out-patient hospice care. A Family Indemnity benefit (of up to 52 weeks/Lifetime) and substitute services are included.

If none of the following benefit increase option riders are selected, the insured will receive the future purchase increase rider.

- Future Purchase Increase Rider provides an automatic option to increase daily and overall maximum benefits, minus claims paid, by 20% compounded every fourth policy year until one option is not elected, up to age 90. A corresponding premium increase would be based on the attained age and the new benefits purchased.
- Compound Inflation Protection Rider increases the daily and overall maximum benefit amounts, minus claims paid, by 5% of the previous benefit for 20 policy years.
- Compound Inflation Protection Rider increases the daily and overall maximum benefit amounts, minus claims paid, by 5% of the previous benefit for the duration of the policy.
- Simple Inflation Protection Option Rider increases the daily and overall maximum benefit amounts, minus claims paid, by 5% of the initial benefit less claims incurred for the duration of the policy.

Other optional benefits:

- Nonforfeiture Benefit Rider allows a paid up premium option at the time of lapse with a Paid Up Benefit. The Paid Up benefit is equal to 100% of all premiums paid starting after policy year three (minimum of 30 times the NFMDB) less claims paid.
- Restoration of Maximum Benefit Rider restores the maximum benefit amount if the insured is treatment free for 180 days.
- Return of Premium at Death Rider pays the executor(s) or administrators(s) of the insured's estate an amount equal to the total of premiums paid less incurred claims if the policy terminated due to the death of the insured prior to age 70.

There is no Pre-existing Condition Limitation. To be eligible for benefits, the insured must be certified by a Licensed Health

Care Practitioner as expected to be unable to perform two or more of six Activities of Daily Living (Bathing, Dressing, Eating, Toileting, Continence, Transferring) without substantial assistance from another person for a period of at least 90 days, or be Severely Cognitively Impaired as described by the policy. Covered services must have been provided.

### **3. Renewability**

These policy forms are guaranteed renewable for life, subject to the company's right to change premium rates.

### **4. Applicability**

This filing applies to inforce insureds only, as these forms are no longer actively being sold. The premium change will be applicable to the base forms and to all riders associated with the base forms.

### **5. Actuarial Assumptions**

#### *Morbidity*

#### Original Pricing Assumptions

#### **3034/3035**

The incidence rate and length of stay are based on the Wilkin's Tables as published by the Society of Actuaries. The incidence rate and number of services for various Home Care and Adult Day Care services are based off the following studies:

- 1985 National Nursing Home Study
- 1982-1984 National Long Term Care Study
- Connecticut Longitudinal Study

Adjustments have been made to these sets of raw data to reflect benefit periods, elimination periods, selection, anti-selection, use of care coordination, and use of Activities of Daily Living as the definition of the insurable event. Further estimates have been made by the actuary to add benefits such as Bed Reservation and Respite Care.

#### **HL200**

The incidence rate and length of stay for facility, home and community services are based on the following studies:

- SOA 1985 National Nursing Home Survey Utilization Data
- 1982-1894 National Long Term Care Survey
- Intercompany Study 1984-1999
- Internal and Consultant Experience

Adjustments have been made to these sets of data to reflect benefit periods, elimination periods, selection, anti-selection, use of care coordination, and use of Activities of Daily Living as the definition of the insurable event. Further estimates have been made by the actuary to add ancillary benefits.

#### Current (Applies to all forms):

The morbidity assumption is composed of three main parts which were developed based on company experience in conjunction with industry experience of the 2000-2011 Society of Actuaries Long Term Care Intercompany Study - incidence, utilization and continuance. Claim incidence rates measure the likelihood of claim for an LTC policyholder. Utilization rates measure the proportion of contractually available benefits that a policyholder uses while on claim, once eligibility requirements have been met. Continuance refers to the length of time that a policyholder stays on claim once benefit eligibility requirements have been met, and is measured from the loss date of the claim. These assumptions are combined into total claim costs.

Experience studies were conducted to analyze key components of morbidity. Incidence rates are derived and differences were observed when data was segmented by product, issue age, policy duration, and coverage type. The actual incidence was calculated using a calculated illness date.

Key drivers of claim severity which were analyzed to ensure an appropriate fit include disablement age, site of care, policy form, claim duration, etc.

Exhibit IV contains additional detail around the methodology and validation process used for these assumptions.

**Mortality**

Original

**3034/3035**

The mortality table used was the 1983 Individual Annuitants Table.

**HL200**

The mortality table used was the 1983 Group Annuitants Table.

Current (Applies to all forms):

The current best estimate assumption is the 2012 IAM Basic Mortality Table. Attained age factors are applied as shown in the following table:

Attained Age	Female	Male
<=69	90%	100%
70-79	95%	110%
80-89	95%	115%
90-94	105%	115%
95+	115%	115%

**Lapse**

Original

**3034/3035**

Voluntary Lapse Rates				
Policy Year	<65	65-70	71-80	>80
1	10%	14%	18%	10%
2	8%	12%	16%	8%
3	6%	10%	14%	6%
4	6%	9%	12%	6%
5	6%	8%	10%	6%
6	6%	7%	8%	6%
7+	6%	6%	6%	6%



Voluntary Lapse Rates				
Policy Year	<65	65-74	75-84	>84
1	11.2%	7.1%	7.5%	7.7%
2	9.2%	5.2%	5.4%	5.6%
3	7.3%	4.0%	4.2%	4.2%
4	6.0%	3.1%	3.2%	3.2%
5	5.3%	2.7%	2.8%	2.8%
6	4.9%	2.4%	2.5%	2.5%
7	3.5%	2.2%	2.3%	2.3%
8	2.8%	2.1%	2.2%	2.2%
9	2.3%	2.0%	2.1%	2.1%
10+	2.0%	2.0%	2.0%	2.0%

Current (Applies to all forms):

The current best estimate lapse assumption by duration by issue age band is shown in the table below:

Voluntary Lapse Rates				
Policy Year	<50	50-59	60-69	>70
1	16.00%	6.50%	4.50%	1.25%
2	11.75%	6.00%	4.00%	1.25%
3	10.00%	5.50%	3.50%	1.25%
4	8.75%	4.25%	3.00%	1.25%
5	5.75%	3.50%	2.25%	1.25%
6	5.25%	3.00%	1.75%	1.25%
7	4.25%	2.50%	1.25%	1.25%
8	4.00%	1.75%	1.00%	1.25%
9	2.25%	1.25%	0.90%	1.25%
10	1.50%	1.00%	0.80%	1.25%
11	1.00%	0.75%	0.70%	1.25%
12	0.75%	0.50%	0.60%	1.25%
13+	0.50%	0.50%	0.50%	1.25%

Exhibit V contains additional detail around the methodology and validation process used to develop the mortality and lapse assumptions.

**Expenses**

Expenses do not affect the Lifetime Loss Ratio projections shown in this memorandum. Nor have they affected the amount of the requested rate increase. Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate and the renewal commission rates will apply to the increased premium.

**Interest**Original

Interest Rate						
Duration	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6+</u>
3034/3035	7.0%	7.0%	7.0%	7.0%	6.5%	6.0%
HL200	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%

Current (Applies to all forms):

The current best estimate assumption is 4.0%.

Aggregate reserves held will equal or exceed the minimum requirements of the State of North Carolina.

## 6. Marketing and Underwriting

This product is no longer marketed. For policies in force as of 12/31/2018, the latest issue date is 5/25/2006.

### **3034/3035**

Underwriting selection was primarily on an accept or decline basis. However, there were certain medical conditions that were accepted on a substandard basis. The extra gross premium charged was either an additional 50% or 100% of the standard premium. Full protection was provided; there was no waiver of any condition.

### **HL200**

For applicants age 65 and younger the underwriter performed the Phone History Interview at his/her discretion. Depending on the applicant's medical history, an Attending Physician Statement or Face to Face Assessment may have also been required by the underwriter.

Applicants age 66-74 had a Phone History Interview conducted by the Underwriter, assuming the applicant was not an automatic decline from the application. Depending on the applicant's medical history, an Attending Physician Statement or Face to Face Assessment may have also been required by the underwriter at his/her discretion.

Applications age 75 and over, automatically received a Face to Face Assessment and an Attending Physician Statement, if the applicant was not an automatic decline from the application, in most circumstances, we did not conduct a Phone History Interview on these applications.

## 7. Premiums

Premiums vary based on original issue age, rate class and benefit options selected.

## 8. Issue Age Range

For policy 3034/3035 applicants 18-80 were eligible for coverage.

For policy HL200 applicants 18-85 were eligible for coverage.

## 9. Area Factors

Area factors are not used for these products.

## 10. Average Annual Premium

Policy Form	Benefit Period	Virginia	Nationwide
3034/3035	Limited	\$1,323	\$966
3034/3035	Lifetime	\$1,740	\$1,406
HL200	Limited	\$1,809	\$1,596
HL200	Lifetime	\$2,273	\$2,098

## 11. Premium Modalization Rules

Modal factors which are applied to the annual premium are as follows:

	Annual	Semi-Annually	Quarterly	Monthly
3034/3035	1.000	0.520	0.265	0.086
HL200	1.000	0.520	0.270	0.086

## 12. Claim Liability and Reserve

The present value of amounts not yet due is calculated for all open claims using termination rates derived from company experience in conjunction with industry experience from the 2000-2011 Society of Actuaries Long Term Care Intercompany Study. The resulting reserve is adjusted by factors based on age at incurral, sex, and benefit period developed from company experience. Exhibit IV contains additional detail around the methodology and validation process used for these assumptions. The interest rate varies by year of incurral. The incurred but not reported and in course of settlement reserves are calculated based on the development of incurred claims by month of incurral, based on internal Company data.

## 13. Trend Assumptions

We applied an assumption of a 3.0% annual increase across all claim settings in the future projection of morbidity costs. This assumption was developed from the 2017 Genworth Cost of Care Survey. We note that this is only on the claim utilization rates and does not affect incidence or length of stay on claim.

## 14. Minimum Required Loss Ratio

For individual forms, the Statutorily Required Minimum Loss Ratio and the Pricing Loss Ratio are both 60%.

## 15. Anticipated Loss Ratio

The anticipated lifetime loss ratio for this book of business is calculated as the present value of incurred claims divided by the present value of earned premiums based on our current best estimate future experience. The anticipated loss ratio is calculated over the period that the premium rates are anticipated to remain adequate, which is until attained age 110 when we expect all policies to have terminated. The incurred claims do not include active life reserves. The anticipated lifetime loss ratios are shown in Exhibit I.

## 16. History of Previous Rate Revisions

There has been one previous rate increase on the policies included in this filing:

Approval Date	Approved Rate Increase
6/1/2011	35%

## 17. Development of Requested Rate Increase

In developing the premium rate increase request which varies by Policy Form and Maximum Benefit Period, the following process has been followed:

- a) Consideration of policy design, underwriting, and claims adjudication practices
- b) Consideration of prior approved rate increases. This round of rate of increases has been prepared in part to achieve national rate equity by form series and benefit period.
- c) Update of business mix and assumptions as described in Section 5
- d) Calculation of the Lifetime Loss Ratio without the proposed rate increase
- e) Calculation of the proposed rate increase that brings these policies closer to the original loss ratio, assuming full approval
- f) Compliance with the 58%/85% test defined in the Rate Stability regulation, if applicable.
- g) Active life reserves are not included in the justification of this rate increase

Lifetime projections of Earned Premium and Incurred Claims using Virginia specific rate levels and assuming that no future rate increase is implemented is set forth in Exhibit Ia. Lifetime projections of Earned Premium and Incurred Claims assuming Virginia specific rate levels and that the requested rate increase is implemented on October 1, 2019 is set forth in Exhibit Ib. Exhibit Ib is identical to Ia except it only contains Virginia experience. Exhibit II demonstrates compliance with the 58%/85% test defined in the Rate Stability regulation and also the 60%/80% test at Virginia specific rate levels. Southern Farm Bureau has used nationwide data for developing these exhibits to ensure maximum credibility. Corresponding base premium rates and inflation rider premium rates are attached separately. Please note that actual rates implemented may vary slightly from those set forth in the attached due to implementation rounding algorithms. Earned Premiums and Incurred Claims projected through 2073 are developed from an asset share model representing actual contracts in-force as of December 31, 2018. The assumptions described in Section 5 above for morbidity, voluntary lapse and Total Lives mortality are used to project life years, Earned Premiums and Incurred Claims. Historical experience is shown by claim incurral year with the loss ratio for each loss year calculated by the following formula:

$$LR_j = \frac{\sum_{t=j}^{2018} Pmt_t^j v^{t-j} + {}_jCR_{2018} v^{2018-j+1/2} + {}_jIBNR_{2018} v^{2018-j+1/2}}{EP_j}$$

$LR_j$  = Loss Ratio for year j

$Pmt_t^j$  = claim payments in year t on claims incurred in year j, assumed to occur mid-year

${}_jCR_{2018}$  = open Claim Reserve held on December 31, 2018 for claims incurred in year j

${}_jIBNR_{2018}$  = Incurred But Not Reported reserve as of December 31, 2018 attributable to claims incurred in year j

$EP_j$  = earned premium in year j, assumed mid-year

$j$  = year of incurral

$v$  =  $1/1.035 = 0.96618$

Annual Loss Ratios are calculated as anticipated incurred claims divided by earned premiums.

Lifetime Loss Ratios as of December 31, 2018 are calculated as the sum of accumulated past experience and discounted future experience where accumulation and discounting occur at 4.0%.

## 18. Distribution of Business

See Attachment A for the distribution of inforce policies by various characteristics.

## 19. Contingency and Risk Margins

Contingency and risk margins have not been included in the justification for this rate increase.

## 20. Experience on the Form

See Exhibit I for calendar year historical experience through December 31, 2018, as well as projected experience thereafter both with and without the proposed rate increase. See Exhibit IV for actual-to-expected experience where "actual" experience includes historical experience through December 31, 2018, combined with current-assumption projected experience thereafter and "expected" experience reflects original pricing assumptions.

## 21. Future Rate Increases

Although we are able to justify a higher rate increase, the company will continue to monitor emerging experience and review whether an additional rate increase is necessary.

## 22. Number of Insureds

As of December 2018, the number of insureds that will be affected by this increase are:

	Insureds	Annualized Premium
Virginia		
Pre-Rate Stability	406	\$686,042
Post-Rate Stability	675	\$1,360,965
Nationwide		
Pre-Rate Stability	8,516	\$12,063,610
Post-Rate Stability	6,076	\$11,173,901

### 23. Proposed Effective Date

The proposed rate increase will be implemented following approval and after fulfillment of all statutory and contractual requirements. The rates will be guaranteed for 12 months and preceded by a written 75 day notice.

### 24. Actuarial Certification

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

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 your state when the original issued rates were first filed and accepted. In my opinion, the actuarial assumptions are appropriate and the rates are not excessive or unfairly discriminatory.

If the requested increase is implemented and the underlying assumptions are realized, no further premium rate schedule increases are anticipated. However, going forward, the Company will continue to monitor the experience of this block and reserves the right to take additional rate action if currently unanticipated future deterioration thereof justifies.

Respectfully submitted,



Philip York, ASA, MAAA  
Senior Actuarial Analyst  
LTCG

May 3, 2019

Attachment A  
 Southern Farm Bureau  
 Distribution of Business  
 Contracts of All Benefit Periods Combined

By Issue Age:

Issue Age	Percent Distribution
0-44	6.0%
45-49	6.9%
50-54	16.9%
55-59	19.7%
60-64	25.9%
65-69	14.7%
70+	9.8%

By Elimination Period:

Elimination Period	Percent Distribution
30 day	43.5%
90 day	50.2%
180 day	6.3%

By Maximum Benefit Option:

Benefit Period	Percent Distribution
≤ 2 Yr	1.7%
3 Yr	10.9%
4 Yr	8.4%
5 Yr	25.5%
≥ 6 Yr*	53.5%

\* Including Unlimited

By Inflation Protection Option:

Benefit Increase	Percent Distribution
None	68.2%
Compound	31.8%

## Attachment B

Southern Farm Bureau  
Policy Forms by Product Series

Form #	Description	Product Series
3034-VA	Long Term Care Policy	
3035-VA	Nursing Facility Only Policy	
3034Q-VA	3034Q LTC policy	
3035Q-VA	Nursing Facility Only Policy	
HL200-VA	LTC Policy	
3038	Inflation Protection Rider - 20 Years	3034/3034Q
3039	Inflation Protection Rider - 20 Years	3035/3035Q
3041	Nonforfeiture Option Rider	3034/3034Q
3044	Nonforfeiture Option Rider	3035/3035Q
3060	Inflation Protection Rider - Unlimited	3034/3034Q
3061	Inflation Protection Rider - Unlimited	3035/3035Q
3083	Increase in Benefit Rider	3034/3034Q and 3035/3035Q
3041Q	Nonforfeiture Protection Rider	3034/3034Q
3044Q	3044Q Nonforfeiture Option Rider	3035/3035Q
HL501-VA	Inflation Protection Rider	HL200
HL502-VA	Nonforfeiture Protection Rider	HL200
HL503	Return of Premium Rider	HL200
HL504	Future Purchase Option Rider	HL200
HL505-VA	Home Care Rider	HL200
HL506-VA	20 Year Compound Inflation Protection Rider	HL200
HL507-VA	Lifetime Simple Interest Inflation Protection Rider	HL200

**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035 & HL200**  
**All Benefit Periods**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

Year	Without Proposed Rate Increase			With Proposed Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	44,630	169	0%	44,630	169	0%	2.417
1997	953,335	3,587	0%	953,335	3,587	0%	2.324
1998	2,730,092	11,592	0%	2,730,092	11,592	0%	2.235
1999	5,010,294	31,684	1%	5,010,294	31,684	1%	2.149
2000	7,501,820	163,824	2%	7,501,820	163,824	2%	2.066
2001	9,349,115	509,679	5%	9,349,115	509,679	5%	1.986
2002	10,963,752	723,484	7%	10,963,752	723,484	7%	1.910
2003	13,730,616	917,260	7%	13,730,616	917,260	7%	1.837
2004	18,780,958	2,625,280	14%	18,780,958	2,625,280	14%	1.766
2005	23,890,653	3,536,271	15%	23,890,653	3,536,271	15%	1.698
2006	25,668,647	6,011,052	23%	25,668,647	6,011,052	23%	1.633
2007	24,572,574	6,575,880	27%	24,572,574	6,575,880	27%	1.570
2008	24,007,326	8,649,327	36%	24,007,326	8,649,327	36%	1.510
2009	23,573,404	11,946,284	51%	23,573,404	11,946,284	51%	1.451
2010	22,186,555	13,042,872	59%	22,186,555	13,042,872	59%	1.396
2011	23,551,584	15,262,301	65%	23,551,584	15,262,301	65%	1.342
2012	27,732,048	13,375,140	48%	27,732,048	13,375,140	48%	1.290
2013	27,381,552	18,270,219	67%	27,381,552	18,270,219	67%	1.241
2014	26,198,017	15,693,293	60%	26,198,017	15,693,293	60%	1.193
2015	24,427,513	21,087,397	86%	24,427,513	21,087,397	86%	1.147
2016	23,716,340	25,571,797	108%	23,716,340	25,571,797	108%	1.103
2017	23,208,212	25,554,939	110%	23,208,212	25,554,939	110%	1.061
2018	22,595,023	26,970,832	119%	22,595,023	26,970,832	119%	1.020
2019	21,917,356	27,733,104	127%	26,109,302	27,999,447	107%	0.981
2020	20,947,648	28,796,373	137%	36,990,974	29,849,986	81%	0.943
2021	19,960,928	29,587,670	148%	35,265,886	30,618,520	87%	0.907
2022	18,961,494	30,158,575	159%	33,517,159	31,159,068	93%	0.872
2023	17,954,244	30,632,366	171%	31,753,218	31,599,565	100%	0.838
2024	16,943,760	31,160,115	184%	29,982,096	32,097,102	107%	0.806
2025	15,934,671	31,792,270	200%	28,211,882	32,704,251	116%	0.775
2026	14,931,324	32,386,571	217%	26,450,253	33,273,968	126%	0.745
2027	13,938,206	32,804,965	235%	24,705,054	33,663,975	136%	0.717
2028	12,960,103	33,097,500	255%	22,984,787	33,926,024	148%	0.689
2029	12,001,283	33,385,143	278%	21,297,054	34,185,074	161%	0.662
2030	11,066,365	33,677,385	304%	19,650,054	34,451,284	175%	0.637
2031	10,159,167	33,854,864	333%	18,050,596	34,601,886	192%	0.612
2032	9,283,857	33,788,932	364%	16,506,071	34,505,131	209%	0.589
2033	8,443,960	33,466,213	396%	15,022,843	34,147,986	227%	0.566
2034	7,642,351	32,891,957	430%	13,606,163	33,536,429	246%	0.544



**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035 & HL200**  
**All Benefit Periods**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

<u>Year</u>	<u>Without Proposed Rate Increase</u>			<u>With Proposed Rate Increase</u>			<u>4.0%</u>
	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>	<u>Discount</u>
2035	6,882,444	32,079,753	466%	12,262,109	32,684,624	267%	0.524
2036	6,166,499	31,049,567	504%	10,994,778	31,613,175	288%	0.503
2037	5,496,045	29,827,895	543%	9,806,966	30,349,254	309%	0.484
2038	4,871,998	28,442,341	584%	8,700,405	28,921,154	332%	0.465
2039	4,295,058	26,916,096	627%	7,676,526	27,352,630	356%	0.448
2040	3,765,659	25,275,806	671%	6,736,195	25,670,857	381%	0.430
2041	3,283,419	23,553,588	717%	5,878,866	23,908,444	407%	0.414
2042	2,846,825	21,779,023	765%	5,101,929	22,095,269	433%	0.398
2043	2,453,901	19,988,367	815%	4,401,985	20,267,953	460%	0.383
2044	2,102,933	18,212,804	866%	3,776,140	18,457,989	489%	0.368
2045	1,791,709	16,479,707	920%	3,220,563	16,693,048	518%	0.354
2046	1,517,758	14,810,621	976%	2,731,002	14,994,873	549%	0.340
2047	1,278,108	13,217,357	1034%	2,302,250	13,375,286	581%	0.327
2048	1,069,940	11,707,236	1094%	1,929,377	11,841,540	614%	0.314
2049	890,568	10,297,341	1156%	1,607,701	10,410,703	648%	0.302
2050	737,215	8,992,001	1220%	1,332,343	9,087,017	682%	0.291
2051	606,994	7,801,390	1285%	1,098,230	7,880,522	718%	0.280
2052	497,113	6,721,338	1352%	900,439	6,786,834	754%	0.269
2053	405,062	5,742,126	1418%	734,532	5,795,959	789%	0.258
2054	328,540	4,834,319	1471%	596,441	4,877,999	818%	0.248
2055	265,289	3,993,936	1506%	482,148	4,028,763	836%	0.239
2056	213,252	3,248,837	1523%	387,990	3,276,234	844%	0.230
2057	170,671	2,621,682	1536%	310,843	2,643,069	850%	0.221
2058	135,995	2,098,313	1543%	247,939	2,114,876	853%	0.212
2059	107,877	1,665,730	1544%	196,869	1,678,455	853%	0.204
2060	85,148	1,311,162	1540%	155,544	1,320,854	849%	0.196
2061	66,845	1,023,141	1531%	122,232	1,030,459	843%	0.189
2062	52,159	791,366	1517%	95,478	796,842	835%	0.182
2063	40,423	606,567	1501%	74,074	610,626	824%	0.175
2064	31,069	460,309	1482%	56,996	463,285	813%	0.168
2065	23,658	345,733	1461%	43,451	347,891	801%	0.161
2066	17,821	256,780	1441%	32,771	258,326	788%	0.155
2067	13,272	188,498	1420%	24,437	189,592	776%	0.149
2068	9,759	136,683	1401%	17,992	137,447	764%	0.143
2069	7,072	97,794	1383%	13,057	98,320	753%	0.138
2070	5,040	68,927	1368%	9,318	69,284	744%	0.133
2071	3,524	47,783	1356%	6,525	48,021	736%	0.128
2072	2,417	32,561	1347%	4,482	32,717	730%	0.123
2073	1,625	21,793	1342%	3,016	21,894	726%	0.118
Lifetime	794,639,227	795,495,275	100%	940,685,746	807,617,016	86%	

**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035**  
**Limited Benefit Period**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

Year	Without Proposed Rate Increase			With Proposed 62% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	11,827	13	0%	11,827	13	0%	2.417
1997	266,381	270	0%	266,381	270	0%	2.324
1998	782,891	1,189	0%	782,891	1,189	0%	2.235
1999	1,335,948	3,405	0%	1,335,948	3,405	0%	2.149
2000	1,829,514	7,555	0%	1,829,514	7,555	0%	2.066
2001	2,198,255	30,075	1%	2,198,255	30,075	1%	1.986
2002	2,522,585	32,180	1%	2,522,585	32,180	1%	1.910
2003	2,853,142	340,386	12%	2,853,142	340,386	12%	1.837
2004	2,771,636	367,856	13%	2,771,636	367,856	13%	1.766
2005	2,631,694	929,319	35%	2,631,694	929,319	35%	1.698
2006	2,530,763	1,061,912	42%	2,530,763	1,061,912	42%	1.633
2007	2,423,905	1,908,024	79%	2,423,905	1,908,024	79%	1.570
2008	2,329,810	1,781,111	76%	2,329,810	1,781,111	76%	1.510
2009	2,237,071	1,944,539	87%	2,237,071	1,944,539	87%	1.451
2010	2,094,931	2,422,281	116%	2,094,931	2,422,281	116%	1.396
2011	2,261,282	1,452,438	64%	2,261,282	1,452,438	64%	1.342
2012	2,633,329	1,817,718	69%	2,633,329	1,817,718	69%	1.290
2013	2,536,456	3,102,838	122%	2,536,456	3,102,838	122%	1.241
2014	2,374,706	2,117,028	89%	2,374,706	2,117,028	89%	1.193
2015	2,208,629	2,209,104	100%	2,208,629	2,209,104	100%	1.147
2016	2,063,242	2,108,254	102%	2,063,242	2,108,254	102%	1.103
2017	1,954,326	2,408,877	123%	1,954,326	2,408,877	123%	1.061
2018	1,819,548	3,061,575	168%	1,819,548	3,061,575	168%	1.020
2019	1,740,774	2,484,969	143%	2,010,609	2,500,240	124%	0.981
2020	1,631,646	2,514,667	154%	2,643,321	2,572,173	97%	0.943
2021	1,522,859	2,535,004	166%	2,467,082	2,588,954	105%	0.907
2022	1,415,439	2,554,075	180%	2,293,058	2,604,671	114%	0.872
2023	1,310,174	2,583,215	197%	2,122,526	2,630,862	124%	0.838
2024	1,207,642	2,608,522	216%	1,956,420	2,653,275	136%	0.806
2025	1,108,543	2,630,335	237%	1,795,877	2,672,294	149%	0.775
2026	1,013,330	2,649,092	261%	1,641,629	2,688,400	164%	0.745
2027	922,344	2,664,593	289%	1,494,229	2,701,408	181%	0.717
2028	835,849	2,676,575	320%	1,354,104	2,711,058	200%	0.689
2029	754,209	2,675,113	355%	1,221,844	2,707,257	222%	0.662
2030	677,700	2,659,518	392%	1,097,897	2,689,325	245%	0.637
2031	606,363	2,630,218	434%	982,328	2,657,713	271%	0.612
2032	540,239	2,588,310	479%	875,206	2,613,552	299%	0.589
2033	479,135	2,532,021	528%	776,215	2,555,074	329%	0.566
2034	422,912	2,460,876	582%	685,131	2,481,829	362%	0.544

**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035**  
**Limited Benefit Period**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

Year	Without Proposed Rate Increase			With Proposed 62% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
2035	371,584	2,376,869	640%	601,978	2,395,836	398%	0.524
2036	324,989	2,281,283	702%	526,493	2,298,380	437%	0.503
2037	282,925	2,175,392	769%	458,348	2,190,736	478%	0.484
2038	245,071	2,059,338	840%	397,024	2,073,034	522%	0.465
2039	211,110	1,933,668	916%	342,006	1,945,813	569%	0.448
2040	180,827	1,800,622	996%	292,946	1,811,323	618%	0.430
2041	153,993	1,662,452	1080%	249,474	1,671,822	670%	0.414
2042	130,356	1,520,951	1167%	211,180	1,529,098	724%	0.398
2043	109,616	1,377,308	1256%	177,581	1,384,330	780%	0.383
2044	91,515	1,234,532	1349%	148,258	1,240,527	837%	0.368
2045	75,792	1,094,520	1444%	122,785	1,099,587	896%	0.354
2046	62,232	959,608	1542%	100,818	963,844	956%	0.340
2047	50,626	830,157	1640%	82,016	833,659	1016%	0.327
2048	40,770	707,819	1736%	66,049	710,678	1076%	0.314
2049	32,487	595,561	1833%	52,630	597,868	1136%	0.302
2050	25,601	493,914	1929%	41,475	495,748	1195%	0.291
2051	19,939	403,150	2022%	32,302	404,586	1253%	0.280
2052	15,327	322,885	2107%	24,830	323,992	1305%	0.269
2053	11,622	253,057	2177%	18,828	253,894	1349%	0.258
2054	8,691	195,417	2249%	14,079	196,040	1392%	0.248
2055	6,407	148,730	2321%	10,379	149,188	1437%	0.239
2056	4,650	111,396	2396%	7,533	111,727	1483%	0.230
2057	3,316	81,954	2472%	5,372	82,189	1530%	0.221
2058	2,320	59,150	2549%	3,759	59,314	1578%	0.212
2059	1,592	41,863	2629%	2,580	41,975	1627%	0.204
2060	1,071	29,052	2713%	1,735	29,127	1679%	0.196
2061	705	19,747	2800%	1,142	19,797	1733%	0.189
2062	454	13,121	2892%	735	13,153	1789%	0.182
2063	285	8,502	2988%	461	8,522	1849%	0.175
2064	174	5,368	3088%	282	5,380	1910%	0.168
2065	103	3,302	3192%	168	3,309	1975%	0.161
2066	60	1,980	3299%	97	1,984	2041%	0.155
2067	34	1,156	3407%	55	1,159	2107%	0.149
2068	19	659	3513%	30	660	2173%	0.143
2069	10	369	3617%	17	369	2237%	0.138
2070	5	205	3723%	9	205	2302%	0.133
2071	3	113	3835%	5	113	2372%	0.128
2072	2	63	3953%	3	63	2444%	0.123
2073	1	35	4076%	1	35	2520%	0.118
Lifetime	85,603,038	78,847,729	92%	93,484,443	79,356,637	85%	

**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035**  
**Lifetime Benefit Period**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

Year	Without Proposed Rate Increase			With Proposed 81% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	32,803	156	0%	32,803	156	0%	2.417
1997	686,954	3,316	0%	686,954	3,316	0%	2.324
1998	1,947,201	10,403	1%	1,947,201	10,403	1%	2.235
1999	3,674,346	28,279	1%	3,674,346	28,279	1%	2.149
2000	5,672,306	156,269	3%	5,672,306	156,269	3%	2.066
2001	7,150,860	479,604	7%	7,150,860	479,604	7%	1.986
2002	8,441,167	691,304	8%	8,441,167	691,304	8%	1.910
2003	9,747,328	574,647	6%	9,747,328	574,647	6%	1.837
2004	9,561,512	2,162,324	23%	9,561,512	2,162,324	23%	1.766
2005	9,204,239	1,948,020	21%	9,204,239	1,948,020	21%	1.698
2006	8,946,950	3,635,131	41%	8,946,950	3,635,131	41%	1.633
2007	8,681,777	3,181,700	37%	8,681,777	3,181,700	37%	1.570
2008	8,464,056	4,639,067	55%	8,464,056	4,639,067	55%	1.510
2009	8,213,268	5,682,261	69%	8,213,268	5,682,261	69%	1.451
2010	7,670,879	5,601,895	73%	7,670,879	5,601,895	73%	1.396
2011	8,140,715	8,406,760	103%	8,140,715	8,406,760	103%	1.342
2012	9,535,100	6,348,898	67%	9,535,100	6,348,898	67%	1.290
2013	9,274,558	7,670,450	83%	9,274,558	7,670,450	83%	1.241
2014	8,823,082	7,086,968	80%	8,823,082	7,086,968	80%	1.193
2015	8,126,934	9,594,316	118%	8,126,934	9,594,316	118%	1.147
2016	7,890,420	11,425,182	145%	7,890,420	11,425,182	145%	1.103
2017	7,693,134	10,984,022	143%	7,693,134	10,984,022	143%	1.061
2018	7,346,644	12,166,152	166%	7,346,644	12,166,152	166%	1.020
2019	7,066,312	11,787,559	167%	8,500,509	11,895,794	140%	0.981
2020	6,709,572	12,022,510	179%	12,156,742	12,440,377	102%	0.943
2021	6,349,150	12,221,219	192%	11,503,712	12,623,143	110%	0.907
2022	5,986,769	12,418,292	207%	10,847,131	12,804,680	118%	0.872
2023	5,624,217	12,653,603	225%	10,190,241	13,025,776	128%	0.838
2024	5,263,740	12,882,034	245%	9,537,110	13,239,921	139%	0.806
2025	4,907,297	13,109,456	267%	8,891,289	13,453,268	151%	0.775
2026	4,556,593	13,325,043	292%	8,255,866	13,654,919	165%	0.745
2027	4,213,496	13,528,434	321%	7,634,226	13,844,763	181%	0.717
2028	3,879,836	13,718,724	354%	7,029,684	14,021,977	199%	0.689
2029	3,557,416	13,839,756	389%	6,445,507	14,129,008	219%	0.662
2030	3,247,791	13,881,460	427%	5,884,512	14,155,799	241%	0.637
2031	2,952,060	13,848,418	469%	5,348,693	14,107,226	264%	0.612
2032	2,671,235	13,737,616	514%	4,839,878	13,980,484	289%	0.589
2033	2,405,972	13,539,327	563%	4,359,262	13,765,963	316%	0.566
2034	2,156,611	13,255,808	615%	3,907,458	13,466,193	345%	0.544

**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035**  
**Lifetime Benefit Period**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

Year	Without Proposed Rate Increase			With Proposed 81% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
2035	1,923,719	12,892,115	670%	3,485,491	13,086,375	375%	0.524
2036	1,707,395	12,452,780	729%	3,093,545	12,631,101	408%	0.503
2037	1,507,379	11,945,117	792%	2,731,147	12,107,784	443%	0.484
2038	1,323,313	11,374,841	860%	2,397,645	11,522,256	481%	0.465
2039	1,154,865	10,750,134	931%	2,092,443	10,882,794	520%	0.448
2040	1,001,859	10,080,774	1006%	1,815,219	10,199,273	562%	0.430
2041	863,664	9,381,811	1086%	1,564,829	9,486,837	606%	0.414
2042	739,439	8,664,499	1172%	1,339,752	8,756,812	654%	0.398
2043	628,418	7,942,525	1264%	1,138,600	8,022,963	705%	0.383
2044	530,045	7,227,235	1364%	960,362	7,296,712	760%	0.368
2045	443,641	6,529,064	1472%	803,812	6,588,546	820%	0.354
2046	368,345	5,854,884	1590%	667,387	5,905,345	885%	0.340
2047	303,194	5,206,469	1717%	549,342	5,248,848	955%	0.327
2048	247,281	4,580,757	1852%	448,035	4,615,934	1030%	0.314
2049	199,773	3,985,621	1995%	361,959	4,014,468	1109%	0.302
2050	159,785	3,420,425	2141%	289,506	3,443,768	1190%	0.291
2051	126,466	2,893,522	2288%	229,137	2,912,159	1271%	0.280
2052	98,982	2,403,264	2428%	179,341	2,417,907	1348%	0.269
2053	76,534	1,955,545	2555%	138,667	1,966,860	1418%	0.258
2054	58,404	1,567,220	2683%	105,819	1,575,838	1489%	0.248
2055	43,933	1,237,497	2817%	79,600	1,243,966	1563%	0.239
2056	32,527	961,283	2955%	58,934	966,061	1639%	0.230
2057	23,669	733,615	3099%	42,885	737,083	1719%	0.221
2058	16,901	548,886	3248%	30,621	551,356	1801%	0.212
2059	11,828	402,201	3400%	21,431	403,924	1885%	0.204
2060	8,104	288,342	3558%	14,682	289,518	1972%	0.196
2061	5,425	201,898	3722%	9,829	202,683	2062%	0.189
2062	3,542	137,851	3892%	6,418	138,362	2156%	0.182
2063	2,252	91,630	4068%	4,081	91,954	2253%	0.175
2064	1,393	59,185	4248%	2,524	59,384	2353%	0.168
2065	838	37,158	4434%	1,518	37,277	2455%	0.161
2066	491	22,698	4624%	889	22,767	2560%	0.155
2067	280	13,509	4816%	508	13,548	2666%	0.149
2068	157	7,859	5008%	284	7,881	2772%	0.143
2069	86	4,490	5200%	156	4,503	2878%	0.138
2070	47	2,537	5397%	85	2,543	2986%	0.133
2071	25	1,426	5609%	46	1,430	3103%	0.128
2072	14	800	5840%	25	802	3231%	0.123
2073	7	449	6090%	13	450	3369%	0.118
Lifetime	311,330,052	343,766,574	110%	357,740,487	348,110,341	97%	

**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): HL200**  
**Limited Benefit Period**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

Year	Without Proposed Rate Increase			With Proposed 50% Rate Increase			4.0% Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	-	-	0%	-	-	0%	2.417
1997	-	-	0%	-	-	0%	2.324
1998	-	-	0%	-	-	0%	2.235
1999	-	-	0%	-	-	0%	2.149
2000	-	-	0%	-	-	0%	2.066
2001	-	-	0%	-	-	0%	1.986
2002	-	-	0%	-	-	0%	1.910
2003	364,445	622	0%	364,445	622	0%	1.837
2004	2,295,684	85,761	4%	2,295,684	85,761	4%	1.766
2005	4,439,971	174,382	4%	4,439,971	174,382	4%	1.698
2006	5,414,942	344,915	6%	5,414,942	344,915	6%	1.633
2007	5,148,722	922,030	18%	5,148,722	922,030	18%	1.570
2008	5,036,836	1,185,922	24%	5,036,836	1,185,922	24%	1.510
2009	4,983,996	764,822	15%	4,983,996	764,822	15%	1.451
2010	4,759,222	2,111,280	44%	4,759,222	2,111,280	44%	1.396
2011	5,116,400	2,938,105	57%	5,116,400	2,938,105	57%	1.342
2012	5,988,502	2,158,250	36%	5,988,502	2,158,250	36%	1.290
2013	5,950,934	1,010,547	17%	5,950,934	1,010,547	17%	1.241
2014	5,717,118	2,168,730	38%	5,717,118	2,168,730	38%	1.193
2015	5,491,796	4,360,060	79%	5,491,796	4,360,060	79%	1.147
2016	5,246,007	4,183,177	80%	5,246,007	4,183,177	80%	1.103
2017	5,126,925	4,136,530	81%	5,126,925	4,136,530	81%	1.061
2018	5,046,682	4,707,184	93%	5,046,682	4,707,184	93%	1.020
2019	4,903,782	5,131,345	105%	5,516,707	5,162,911	94%	0.981
2020	4,678,415	5,318,968	114%	7,017,438	5,442,095	78%	0.943
2021	4,449,767	5,461,770	123%	6,674,475	5,581,020	84%	0.907
2022	4,218,954	5,546,195	131%	6,328,264	5,660,707	89%	0.872
2023	3,987,263	5,575,124	140%	5,980,737	5,684,140	95%	0.838
2024	3,755,521	5,622,372	150%	5,633,133	5,726,616	102%	0.806
2025	3,524,601	5,707,412	162%	5,286,763	5,807,978	110%	0.775
2026	3,295,319	5,787,980	176%	4,942,849	5,885,162	119%	0.745
2027	3,068,762	5,809,555	189%	4,603,021	5,902,706	128%	0.717
2028	2,845,879	5,786,181	203%	4,268,706	5,874,897	138%	0.689
2029	2,627,343	5,780,471	220%	3,940,911	5,865,303	149%	0.662
2030	2,414,125	5,803,389	240%	3,621,092	5,885,049	163%	0.637
2031	2,207,117	5,817,573	264%	3,310,588	5,896,220	178%	0.612
2032	2,007,468	5,776,225	288%	3,011,122	5,851,353	194%	0.589
2033	1,816,073	5,679,894	313%	2,724,038	5,751,032	211%	0.566
2034	1,633,553	5,531,426	339%	2,450,265	5,598,175	228%	0.544

**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): HL200**  
**Limited Benefit Period**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

Year	Without Proposed Rate Increase			With Proposed 50% Rate Increase			4.0% Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
2035	1,460,863	5,335,518	365%	2,191,236	5,397,579	246%	0.524
2036	1,298,639	5,098,366	393%	1,947,908	5,155,535	265%	0.503
2037	1,147,413	4,828,320	421%	1,721,074	4,880,518	284%	0.484
2038	1,007,548	4,534,047	450%	1,511,283	4,581,289	303%	0.465
2039	879,130	4,221,958	480%	1,318,660	4,264,336	323%	0.448
2040	762,265	3,899,713	512%	1,143,368	3,937,406	344%	0.430
2041	656,833	3,572,953	544%	985,224	3,606,199	366%	0.414
2042	562,526	3,247,049	577%	843,767	3,276,117	388%	0.398
2043	478,817	2,928,549	612%	718,207	2,953,735	411%	0.383
2044	405,098	2,622,735	647%	607,632	2,644,362	435%	0.368
2045	340,744	2,334,225	685%	511,103	2,352,642	460%	0.354
2046	284,978	2,065,065	725%	427,456	2,080,626	487%	0.340
2047	237,009	1,817,131	767%	355,503	1,830,188	515%	0.327
2048	196,090	1,592,294	812%	294,127	1,603,181	545%	0.314
2049	161,440	1,390,668	861%	242,154	1,399,689	578%	0.302
2050	132,350	1,212,355	916%	198,520	1,219,796	614%	0.291
2051	108,065	1,055,710	977%	162,093	1,061,821	655%	0.280
2052	87,892	919,340	1046%	131,834	924,344	701%	0.269
2053	71,246	799,143	1122%	106,867	803,225	752%	0.258
2054	57,588	684,869	1189%	86,380	688,165	797%	0.248
2055	46,441	577,120	1243%	69,659	579,753	832%	0.239
2056	37,369	475,766	1273%	56,052	477,835	852%	0.230
2057	29,991	390,397	1302%	44,985	392,015	871%	0.221
2058	24,000	318,818	1328%	35,999	320,078	889%	0.212
2059	19,136	258,921	1353%	28,703	259,897	905%	0.204
2060	15,171	208,682	1376%	22,756	209,433	920%	0.196
2061	11,940	166,612	1395%	17,909	167,185	934%	0.189
2062	9,313	131,615	1413%	13,969	132,047	945%	0.182
2063	7,194	102,841	1429%	10,791	103,165	956%	0.175
2064	5,493	79,333	1444%	8,239	79,572	966%	0.168
2065	4,136	60,291	1458%	6,204	60,465	975%	0.161
2066	3,067	45,021	1468%	4,600	45,146	981%	0.155
2067	2,238	32,969	1473%	3,356	33,056	985%	0.149
2068	1,604	23,666	1475%	2,407	23,726	986%	0.143
2069	1,127	16,629	1475%	1,691	16,670	986%	0.138
2070	776	11,424	1473%	1,163	11,451	984%	0.133
2071	522	7,665	1467%	784	7,683	980%	0.128
2072	344	5,018	1458%	516	5,029	974%	0.123
2073	222	3,205	1444%	333	3,212	965%	0.118
Lifetime	147,081,558	127,477,089	87%	167,749,744	128,781,308	77%	

**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): HL200**  
**Lifetime Benefit Period**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

Year	Without Proposed Rate Increase			With Proposed 91% Rate Increase			4.0% Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	-	-	0%	-	-	0%	2.417
1997	-	-	0%	-	-	0%	2.324
1998	-	-	0%	-	-	0%	2.235
1999	-	-	0%	-	-	0%	2.149
2000	-	-	0%	-	-	0%	2.066
2001	-	-	0%	-	-	0%	1.986
2002	-	-	0%	-	-	0%	1.910
2003	765,701	1,606	0%	765,701	1,606	0%	1.837
2004	4,152,125	9,339	0%	4,152,125	9,339	0%	1.766
2005	7,614,749	484,550	6%	7,614,749	484,550	6%	1.698
2006	8,775,992	969,094	11%	8,775,992	969,094	11%	1.633
2007	8,318,171	564,125	7%	8,318,171	564,125	7%	1.570
2008	8,176,623	1,043,227	13%	8,176,623	1,043,227	13%	1.510
2009	8,139,070	3,554,662	44%	8,139,070	3,554,662	44%	1.451
2010	7,661,523	2,907,417	38%	7,661,523	2,907,417	38%	1.396
2011	8,033,187	2,464,998	31%	8,033,187	2,464,998	31%	1.342
2012	9,575,116	3,050,274	32%	9,575,116	3,050,274	32%	1.290
2013	9,619,604	6,486,384	67%	9,619,604	6,486,384	67%	1.241
2014	9,283,111	4,320,566	47%	9,283,111	4,320,566	47%	1.193
2015	8,600,154	4,923,916	57%	8,600,154	4,923,916	57%	1.147
2016	8,516,671	7,855,183	92%	8,516,671	7,855,183	92%	1.103
2017	8,433,828	8,025,510	95%	8,433,828	8,025,510	95%	1.061
2018	8,382,149	7,035,920	84%	8,382,149	7,035,920	84%	1.020
2019	8,206,488	8,329,232	101%	10,081,477	8,440,501	84%	0.981
2020	7,928,015	8,940,228	113%	15,173,473	9,395,340	62%	0.943
2021	7,639,152	9,369,678	123%	14,620,617	9,825,402	67%	0.907
2022	7,340,333	9,640,014	131%	14,048,706	10,089,010	72%	0.872
2023	7,032,590	9,820,424	140%	13,459,714	10,258,788	76%	0.838
2024	6,716,858	10,047,187	150%	12,855,433	10,477,289	82%	0.806
2025	6,394,230	10,345,067	162%	12,237,953	10,770,712	88%	0.775
2026	6,066,082	10,624,456	175%	11,609,910	11,045,487	95%	0.745
2027	5,733,604	10,802,382	188%	10,973,578	11,215,098	102%	0.717
2028	5,398,537	10,916,020	202%	10,332,292	11,318,092	110%	0.689
2029	5,062,314	11,089,803	219%	9,688,791	11,483,506	119%	0.662
2030	4,726,750	11,333,019	240%	9,046,554	11,721,110	130%	0.637
2031	4,393,626	11,558,656	263%	8,408,987	11,940,727	142%	0.612
2032	4,064,915	11,686,781	288%	7,779,865	12,059,741	155%	0.589
2033	3,742,780	11,714,970	313%	7,163,329	12,075,916	169%	0.566
2034	3,429,275	11,643,846	340%	6,563,308	11,990,232	183%	0.544



**Exhibit Ia**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): HL200**  
**Lifetime Benefit Period**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**

Year	Without Proposed Rate Increase			With Proposed 91% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
2035	3,126,279	11,475,250	367%	5,983,404	11,804,833	197%	0.524
2036	2,835,475	11,217,139	396%	5,426,832	11,528,159	212%	0.503
2037	2,558,327	10,879,066	425%	4,896,397	11,170,216	228%	0.484
2038	2,296,066	10,474,115	456%	4,394,454	10,744,574	245%	0.465
2039	2,049,953	10,010,336	488%	3,923,417	10,259,688	261%	0.448
2040	1,820,708	9,494,696	521%	3,484,663	9,722,856	279%	0.430
2041	1,608,929	8,936,372	555%	3,079,338	9,143,586	297%	0.414
2042	1,414,505	8,346,523	590%	2,707,230	8,533,242	315%	0.398
2043	1,237,050	7,739,984	626%	2,367,597	7,906,924	334%	0.383
2044	1,076,275	7,128,302	662%	2,059,888	7,276,388	353%	0.368
2045	931,532	6,521,897	700%	1,782,864	6,652,274	373%	0.354
2046	802,203	5,931,064	739%	1,535,341	6,045,058	394%	0.340
2047	687,280	5,363,601	780%	1,315,389	5,462,591	415%	0.327
2048	585,800	4,826,366	824%	1,121,166	4,911,747	438%	0.314
2049	496,867	4,325,491	871%	950,958	4,398,678	463%	0.302
2050	419,478	3,865,308	921%	802,842	3,927,704	489%	0.291
2051	352,524	3,449,008	978%	674,698	3,501,955	519%	0.280
2052	294,912	3,075,849	1043%	564,434	3,120,591	553%	0.269
2053	245,660	2,734,381	1113%	470,170	2,771,980	590%	0.258
2054	203,857	2,386,813	1171%	390,162	2,417,956	620%	0.248
2055	168,508	2,030,588	1205%	322,509	2,055,856	637%	0.239
2056	138,706	1,700,391	1226%	265,470	1,720,611	648%	0.230
2057	113,695	1,415,715	1245%	217,602	1,431,781	658%	0.221
2058	92,773	1,171,459	1263%	177,560	1,184,129	667%	0.212
2059	75,320	962,746	1278%	144,155	972,659	675%	0.204
2060	60,803	785,087	1291%	116,371	792,776	681%	0.196
2061	48,775	634,884	1302%	93,352	640,795	686%	0.189
2062	38,851	508,780	1310%	74,356	513,280	690%	0.182
2063	30,691	403,594	1315%	58,741	406,986	693%	0.175
2064	24,010	316,423	1318%	45,952	318,950	694%	0.168
2065	18,580	244,982	1319%	35,561	246,840	694%	0.161
2066	14,203	187,081	1317%	27,184	188,429	693%	0.155
2067	10,720	140,865	1314%	20,517	141,829	691%	0.149
2068	7,979	104,499	1310%	15,270	105,180	689%	0.143
2069	5,848	76,305	1305%	11,193	76,778	686%	0.138
2070	4,211	54,762	1300%	8,060	55,085	683%	0.133
2071	2,973	38,578	1298%	5,690	38,795	682%	0.128
2072	2,058	26,680	1297%	3,938	26,823	681%	0.123
2073	1,394	18,104	1298%	2,669	18,197	682%	0.118
Lifetime	250,624,579	245,403,884	98%	321,711,072	251,368,729	78%	

**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035 & HL200**  
**All Benefit Periods**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed Rate Increase			4.0% Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	-	-	0%	-	-	0%	2.417
1997	-	-	0%	-	-	0%	2.324
1998	3,661	1	0%	3,661	1	0%	2.235
1999	4,428	2	0%	4,428	2	0%	2.149
2000	999	1	0%	999	1	0%	2.066
2001	153,152	232	0%	153,152	232	0%	1.986
2002	370,025	834	0%	370,025	834	0%	1.910
2003	731,427	2,256	0%	731,427	2,256	0%	1.837
2004	1,284,491	11,668	1%	1,284,491	11,668	1%	1.766
2005	1,861,421	8,692	0%	1,861,421	8,692	0%	1.698
2006	2,105,742	14,121	1%	2,105,742	14,121	1%	1.633
2007	2,025,949	93,572	5%	2,025,949	93,572	5%	1.570
2008	2,015,213	81,702	4%	2,015,213	81,702	4%	1.510
2009	1,998,731	554,068	28%	1,998,731	554,068	28%	1.451
2010	1,912,105	651,969	34%	1,912,105	651,969	34%	1.396
2011	2,159,643	266,779	12%	2,159,643	266,779	12%	1.342
2012	2,333,916	1,095,666	47%	2,333,916	1,095,666	47%	1.290
2013	2,365,571	409,039	17%	2,365,571	409,039	17%	1.241
2014	2,326,569	984,280	42%	2,326,569	984,280	42%	1.193
2015	2,241,683	1,857,412	83%	2,241,683	1,857,412	83%	1.147
2016	2,149,180	1,083,012	50%	2,149,180	1,083,012	50%	1.103
2017	2,091,083	1,735,773	83%	2,091,083	1,735,773	83%	1.061
2018	2,066,631	2,415,466	117%	2,066,631	2,415,466	117%	1.020
2019	2,009,872	2,391,084	119%	2,375,536	2,414,188	102%	0.981
2020	1,927,428	2,491,188	129%	3,331,861	2,583,830	78%	0.943
2021	1,842,632	2,562,572	139%	3,187,018	2,654,213	83%	0.907
2022	1,755,862	2,608,352	149%	3,038,634	2,697,982	89%	0.872
2023	1,667,474	2,645,583	159%	2,887,307	2,732,765	95%	0.838
2024	1,577,816	2,683,625	170%	2,733,630	2,768,350	101%	0.806
2025	1,487,382	2,726,005	183%	2,578,445	2,808,500	109%	0.775
2026	1,396,649	2,769,628	198%	2,422,569	2,849,949	118%	0.745
2027	1,306,114	2,799,598	214%	2,266,859	2,877,406	127%	0.717
2028	1,216,161	2,823,571	232%	2,112,006	2,898,773	137%	0.689
2029	1,127,396	2,852,145	253%	1,959,038	2,924,986	149%	0.662
2030	1,040,237	2,882,981	277%	1,808,661	2,953,647	163%	0.637
2031	955,181	2,907,563	304%	1,661,764	2,976,039	179%	0.612
2032	872,790	2,906,792	333%	1,519,337	2,972,657	196%	0.589
2033	793,440	2,878,674	363%	1,382,056	2,941,528	213%	0.566
2034	717,665	2,825,097	394%	1,250,851	2,884,621	231%	0.544

**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035 & HL200**  
**All Benefit Periods**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
2035	645,663	2,747,261	425%	1,126,068	2,803,158	249%	0.524
2036	577,680	2,649,555	459%	1,008,149	2,701,628	268%	0.503
2037	514,080	2,534,896	493%	897,744	2,583,042	288%	0.484
2038	454,932	2,406,909	529%	794,996	2,451,094	308%	0.465
2039	400,357	2,268,180	567%	700,120	2,308,439	330%	0.448
2040	350,320	2,121,125	605%	613,074	2,157,531	352%	0.430
2041	304,749	1,968,754	646%	533,725	2,001,408	375%	0.414
2042	263,553	1,814,979	689%	461,923	1,844,042	399%	0.398
2043	226,552	1,662,388	734%	397,372	1,688,047	425%	0.383
2044	193,595	1,513,675	782%	339,818	1,536,151	452%	0.368
2045	164,460	1,370,203	833%	288,887	1,389,749	481%	0.354
2046	138,860	1,233,255	888%	244,100	1,250,132	512%	0.340
2047	116,483	1,103,797	948%	204,914	1,118,264	546%	0.327
2048	97,082	982,759	1012%	170,917	995,081	582%	0.314
2049	80,412	871,337	1084%	141,691	881,780	622%	0.302
2050	66,209	769,013	1161%	116,775	777,816	666%	0.291
2051	54,187	674,344	1244%	95,666	681,720	713%	0.280
2052	44,073	586,682	1331%	77,891	592,819	761%	0.269
2053	35,622	503,705	1414%	63,023	508,766	807%	0.258
2054	28,602	425,414	1487%	50,662	429,528	848%	0.248
2055	22,803	352,386	1545%	40,435	355,674	880%	0.239
2056	18,042	286,841	1590%	32,026	289,433	904%	0.230
2057	14,155	231,070	1632%	25,146	233,091	927%	0.221
2058	10,999	183,828	1671%	19,548	185,384	948%	0.212
2059	8,456	144,268	1706%	15,026	145,449	968%	0.204
2060	6,421	111,465	1736%	11,402	112,345	985%	0.196
2061	4,823	84,874	1760%	8,549	85,519	1000%	0.189
2062	3,579	63,636	1778%	6,328	64,100	1013%	0.182
2063	2,626	46,982	1789%	4,624	47,310	1023%	0.175
2064	1,900	34,063	1793%	3,329	34,288	1030%	0.168
2065	1,356	24,230	1786%	2,361	24,383	1033%	0.161
2066	957	16,918	1768%	1,653	17,018	1030%	0.155
2067	669	11,618	1737%	1,144	11,682	1021%	0.149
2068	463	7,846	1695%	783	7,886	1007%	0.143
2069	316	5,208	1648%	529	5,233	990%	0.138
2070	213	3,394	1593%	352	3,409	968%	0.133
2071	142	2,172	1531%	232	2,181	940%	0.128
2072	93	1,369	1466%	151	1,374	910%	0.123
2073	61	850	1400%	97	853	877%	0.118
Lifetime	62,986,296	58,081,156	92%	75,920,066	59,179,213	78%	

**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035**  
**Limited Benefit Period**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed 62% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	-	-	0%	-	-	0%	2.417
1997	-	-	0%	-	-	0%	2.324
1998	2,641	0	0%	2,641	0	0%	2.235
1999	3,160	0	0%	3,160	0	0%	2.149
2000	458	0	0%	458	0	0%	2.066
2001	44,856	37	0%	44,856	37	0%	1.986
2002	105,475	134	0%	105,475	134	0%	1.910
2003	148,338	345	0%	148,338	345	0%	1.837
2004	142,728	700	0%	142,728	700	0%	1.766
2005	129,942	903	1%	129,942	903	1%	1.698
2006	128,633	1,420	1%	128,633	1,420	1%	1.633
2007	126,748	2,144	2%	126,748	2,144	2%	1.570
2008	124,185	2,906	2%	124,185	2,906	2%	1.510
2009	119,252	3,314	3%	119,252	3,314	3%	1.451
2010	113,794	303,798	267%	113,794	303,798	267%	1.396
2011	145,954	12,463	9%	145,954	12,463	9%	1.342
2012	158,654	6,136	4%	158,654	6,136	4%	1.290
2013	158,653	226,342	143%	158,653	226,342	143%	1.241
2014	154,556	210,712	136%	154,556	210,712	136%	1.193
2015	153,191	7,293	5%	153,191	7,293	5%	1.147
2016	149,047	550,554	369%	149,047	550,554	369%	1.103
2017	144,161	7,943	6%	144,161	7,943	6%	1.061
2018	136,648	133,740	98%	136,648	133,740	98%	1.020
2019	132,923	166,671	125%	153,527	167,849	109%	0.981
2020	125,486	167,150	133%	203,292	171,655	84%	0.943
2021	117,906	166,542	141%	191,012	170,821	89%	0.907
2022	110,246	167,684	152%	178,602	171,789	96%	0.872
2023	102,554	169,788	166%	166,141	173,726	105%	0.838
2024	94,865	170,451	180%	153,685	174,185	113%	0.806
2025	87,244	169,286	194%	141,338	172,780	122%	0.775
2026	79,771	167,878	210%	129,233	171,130	132%	0.745
2027	72,513	167,597	231%	117,474	170,645	145%	0.717
2028	65,496	167,462	256%	106,106	170,320	161%	0.689
2029	58,774	166,152	283%	95,216	168,813	177%	0.662
2030	52,402	163,194	311%	84,893	165,645	195%	0.637
2031	46,424	158,825	342%	75,209	161,059	214%	0.612
2032	40,879	153,079	374%	66,226	155,098	234%	0.589
2033	35,763	145,986	408%	57,938	147,793	255%	0.566
2034	31,099	137,832	443%	50,382	139,438	277%	0.544

**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035**  
**Limited Benefit Period**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed 62% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
2035	26,894	129,021	480%	43,569	130,440	299%	0.524
2036	23,135	119,932	518%	37,479	121,182	323%	0.503
2037	19,817	110,775	559%	32,104	111,871	348%	0.484
2038	16,905	101,501	600%	27,387	102,457	374%	0.465
2039	14,372	92,260	642%	23,283	93,089	400%	0.448
2040	12,171	83,155	683%	19,717	83,869	425%	0.430
2041	10,254	74,284	724%	16,612	74,896	451%	0.414
2042	8,604	65,979	767%	13,940	66,500	477%	0.398
2043	7,190	58,147	809%	11,647	58,587	503%	0.383
2044	5,982	51,024	853%	9,691	51,394	530%	0.368
2045	4,953	44,576	900%	8,024	44,885	559%	0.354
2046	4,067	38,805	954%	6,589	39,060	593%	0.340
2047	3,315	33,827	1020%	5,371	34,036	634%	0.327
2048	2,683	29,623	1104%	4,347	29,794	685%	0.314
2049	2,156	26,131	1212%	3,493	26,271	752%	0.302
2050	1,721	23,261	1351%	2,789	23,374	838%	0.291
2051	1,364	20,202	1481%	2,209	20,292	918%	0.280
2052	1,071	17,151	1601%	1,736	17,222	992%	0.269
2053	837	14,237	1701%	1,356	14,292	1054%	0.258
2054	651	11,790	1812%	1,054	11,832	1122%	0.248
2055	503	9,724	1933%	815	9,756	1197%	0.239
2056	383	7,911	2065%	621	7,936	1279%	0.230
2057	286	6,314	2208%	463	6,332	1367%	0.221
2058	210	4,946	2356%	340	4,959	1458%	0.212
2059	151	3,799	2511%	245	3,809	1554%	0.204
2060	107	2,854	2675%	173	2,861	1655%	0.196
2061	73	2,090	2846%	119	2,095	1760%	0.189
2062	49	1,482	3025%	79	1,485	1871%	0.182
2063	32	1,014	3214%	51	1,016	1988%	0.175
2064	20	669	3406%	32	671	2106%	0.168
2065	12	426	3601%	19	427	2226%	0.161
2066	7	262	3800%	11	262	2350%	0.155
2067	4	155	4005%	6	155	2476%	0.149
2068	2	88	4211%	3	89	2604%	0.143
2069	1	50	4409%	2	50	2726%	0.138
2070	1	28	4600%	1	28	2843%	0.133
2071	0	16	4797%	1	16	2965%	0.128
2072	0	9	5003%	0	9	3092%	0.123
2073	0	5	5220%	0	5	3226%	0.118
Lifetime	4,467,299	4,202,474	94%	5,073,441	4,242,985	84%	

**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035**  
**Lifetime Benefit Period**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed 81% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	-	-	0%	-	-	0%	2.417
1997	-	-	0%	-	-	0%	2.324
1998	1,020	1	0%	1,020	1	0%	2.235
1999	1,269	1	0%	1,269	1	0%	2.149
2000	541	1	0%	541	1	0%	2.066
2001	108,296	195	0%	108,296	195	0%	1.986
2002	264,550	701	0%	264,550	701	0%	1.910
2003	497,243	1,781	0%	497,243	1,781	0%	1.837
2004	502,479	9,729	2%	502,479	9,729	2%	1.766
2005	480,882	4,273	1%	480,882	4,273	1%	1.698
2006	471,438	6,009	1%	471,438	6,009	1%	1.633
2007	464,112	8,009	2%	464,112	8,009	2%	1.570
2008	458,150	60,026	13%	458,150	60,026	13%	1.510
2009	444,839	440,494	99%	444,839	440,494	99%	1.451
2010	419,482	15,077	4%	419,482	15,077	4%	1.396
2011	453,855	19,100	4%	453,855	19,100	4%	1.342
2012	485,395	193,313	40%	485,395	193,313	40%	1.290
2013	482,465	24,162	5%	482,465	24,162	5%	1.241
2014	470,206	136,954	29%	470,206	136,954	29%	1.193
2015	449,518	991,202	221%	449,518	991,202	221%	1.147
2016	442,356	51,935	12%	442,356	51,935	12%	1.103
2017	429,454	363,049	85%	429,454	363,049	85%	1.061
2018	417,576	923,665	221%	417,576	923,665	221%	1.020
2019	406,223	637,233	157%	488,671	643,668	132%	0.981
2020	388,534	647,297	167%	703,965	672,421	96%	0.943
2021	370,296	656,008	177%	670,921	680,440	101%	0.907
2022	351,705	664,219	189%	637,236	687,916	108%	0.872
2023	332,852	682,799	205%	603,078	706,016	117%	0.838
2024	313,863	697,536	222%	568,672	720,097	127%	0.806
2025	294,826	706,347	240%	534,180	728,032	136%	0.775
2026	275,753	715,416	259%	499,623	736,211	147%	0.745
2027	256,770	727,279	283%	465,229	747,286	161%	0.717
2028	237,947	747,343	314%	431,125	766,803	178%	0.689
2029	219,495	763,831	348%	397,692	782,641	197%	0.662
2030	201,526	774,850	384%	365,136	792,876	217%	0.637
2031	184,085	780,246	424%	333,534	797,371	239%	0.612
2032	167,236	779,511	466%	303,007	795,656	263%	0.589
2033	151,039	771,711	511%	273,661	786,805	288%	0.566
2034	135,643	757,767	559%	245,765	771,790	314%	0.544

**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035**  
**Lifetime Benefit Period**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed 81% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
2035	121,144	738,699	610%	219,495	751,653	342%	0.524
2036	107,598	715,316	665%	194,951	727,221	373%	0.503
2037	95,050	687,334	723%	172,216	698,203	405%	0.484
2038	83,452	654,644	784%	151,202	664,488	439%	0.465
2039	72,775	617,474	848%	131,858	626,307	475%	0.448
2040	63,049	577,159	915%	114,235	585,015	512%	0.430
2041	54,273	535,425	987%	98,335	542,351	552%	0.414
2042	46,408	493,497	1063%	84,085	499,555	594%	0.398
2043	39,390	451,951	1147%	71,368	457,202	641%	0.383
2044	33,162	411,518	1241%	60,085	416,025	692%	0.368
2045	27,694	372,858	1346%	50,178	376,694	751%	0.354
2046	22,946	336,648	1467%	41,575	339,892	818%	0.340
2047	18,857	303,001	1607%	34,166	305,731	895%	0.327
2048	15,377	271,314	1764%	27,860	273,598	982%	0.314
2049	12,447	241,440	1940%	22,552	243,339	1079%	0.302
2050	9,999	213,301	2133%	18,117	214,867	1186%	0.291
2051	7,974	186,403	2338%	14,448	187,683	1299%	0.280
2052	6,308	160,320	2541%	11,429	161,353	1412%	0.269
2053	4,941	133,599	2704%	8,952	134,417	1501%	0.258
2054	3,830	109,425	2857%	6,939	110,065	1586%	0.248
2055	2,932	88,427	3016%	5,313	88,920	1674%	0.239
2056	2,213	70,387	3181%	4,009	70,762	1765%	0.230
2057	1,644	55,089	3352%	2,978	55,370	1859%	0.221
2058	1,196	42,146	3524%	2,167	42,352	1955%	0.212
2059	852	31,542	3702%	1,544	31,690	2053%	0.204
2060	594	23,077	3888%	1,075	23,181	2156%	0.196
2061	403	16,469	4085%	730	16,540	2264%	0.189
2062	266	11,447	4297%	483	11,494	2381%	0.182
2063	171	7,733	4522%	310	7,763	2506%	0.175
2064	106	5,053	4757%	192	5,072	2635%	0.168
2065	64	3,203	5004%	116	3,215	2772%	0.161
2066	37	1,970	5263%	68	1,977	2915%	0.155
2067	21	1,176	5526%	39	1,180	3060%	0.149
2068	12	683	5784%	21	685	3202%	0.143
2069	6	387	6024%	12	388	3335%	0.138
2070	3	216	6255%	6	217	3462%	0.133
2071	2	121	6495%	3	121	3595%	0.128
2072	1	67	6747%	2	67	3734%	0.123
2073	1	38	7011%	1	38	3880%	0.118
Lifetime	14,783,987	15,690,327	106%	17,577,154	15,966,338	91%	

**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): HL200**  
**Limited Benefit Period**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed 50% Rate Increase			4.0% Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	-	-	0%	-	-	0%	2.417
1997	-	-	0%	-	-	0%	2.324
1998	-	-	0%	-	-	0%	2.235
1999	-	-	0%	-	-	0%	2.149
2000	-	-	0%	-	-	0%	2.066
2001	-	-	0%	-	-	0%	1.986
2002	-	-	0%	-	-	0%	1.910
2003	39,307	59	0%	39,307	59	0%	1.837
2004	279,144	449	0%	279,144	449	0%	1.766
2005	594,493	1,348	0%	594,493	1,348	0%	1.698
2006	748,340	3,050	0%	748,340	3,050	0%	1.633
2007	720,486	5,805	1%	720,486	5,805	1%	1.570
2008	715,680	11,173	2%	715,680	11,173	2%	1.510
2009	709,402	99,838	14%	709,402	99,838	14%	1.451
2010	678,452	101,579	15%	678,452	101,579	15%	1.396
2011	813,288	218,015	27%	813,288	218,015	27%	1.342
2012	869,195	713,134	82%	869,195	713,134	82%	1.290
2013	883,205	119,480	14%	883,205	119,480	14%	1.241
2014	869,032	413,876	48%	869,032	413,876	48%	1.193
2015	832,144	766,247	92%	832,144	766,247	92%	1.147
2016	765,516	444,441	58%	765,516	444,441	58%	1.103
2017	738,007	492,685	67%	738,007	492,685	67%	1.061
2018	729,284	819,652	112%	729,284	819,652	112%	1.020
2019	709,406	741,711	105%	798,075	746,448	94%	0.981
2020	677,689	769,533	114%	1,016,506	788,126	78%	0.943
2021	645,414	790,180	122%	968,096	808,271	83%	0.907
2022	612,712	802,092	131%	919,043	819,522	89%	0.872
2023	579,721	805,576	139%	869,559	822,204	95%	0.838
2024	546,573	810,735	148%	819,838	826,639	101%	0.806
2025	513,440	820,992	160%	770,140	836,312	109%	0.775
2026	480,502	832,701	173%	720,734	847,508	118%	0.745
2027	447,898	836,643	187%	671,829	850,839	127%	0.717
2028	415,705	834,140	201%	623,542	847,664	136%	0.689
2029	384,156	833,652	217%	576,219	846,579	147%	0.662
2030	353,402	837,042	237%	530,088	849,476	160%	0.637
2031	323,551	840,546	260%	485,313	852,537	176%	0.612
2032	294,774	835,890	284%	442,149	847,371	192%	0.589
2033	267,157	822,126	308%	400,725	833,014	208%	0.566
2034	240,878	800,415	332%	361,307	810,652	224%	0.544



**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): HL200**  
**Limited Benefit Period**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed 50% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
2035	215,981	770,736	357%	323,963	780,265	241%	0.524
2036	192,531	734,655	382%	288,789	743,434	257%	0.503
2037	170,634	693,641	407%	255,945	701,656	274%	0.484
2038	150,303	649,575	432%	225,448	656,829	291%	0.465
2039	131,597	603,851	459%	197,390	610,368	309%	0.448
2040	114,497	557,464	487%	171,741	563,278	328%	0.430
2041	99,006	511,241	516%	148,504	516,393	348%	0.414
2042	85,101	466,067	548%	127,648	470,604	369%	0.398
2043	72,700	422,338	581%	109,048	426,303	391%	0.383
2044	61,755	380,719	616%	92,630	384,160	415%	0.368
2045	52,163	341,117	654%	78,243	344,080	440%	0.354
2046	43,794	303,344	693%	65,690	305,874	466%	0.340
2047	36,537	267,811	733%	54,805	269,954	493%	0.327
2048	30,272	234,550	775%	45,407	236,348	521%	0.314
2049	24,897	203,716	818%	37,345	205,210	549%	0.302
2050	20,335	175,510	863%	30,502	176,740	579%	0.291
2051	16,495	149,918	909%	24,741	150,921	610%	0.280
2052	13,290	127,002	956%	19,935	127,812	641%	0.269
2053	10,637	106,742	1004%	15,955	107,388	673%	0.258
2054	8,449	88,651	1049%	12,673	89,160	704%	0.248
2055	6,667	72,279	1084%	10,001	72,675	727%	0.239
2056	5,233	57,354	1096%	7,850	57,656	734%	0.230
2057	4,090	45,174	1104%	6,135	45,401	740%	0.221
2058	3,187	35,354	1109%	4,781	35,524	743%	0.212
2059	2,477	27,501	1110%	3,716	27,626	743%	0.204
2060	1,923	21,297	1108%	2,884	21,389	742%	0.196
2061	1,494	16,477	1103%	2,240	16,544	738%	0.189
2062	1,162	12,756	1098%	1,743	12,805	734%	0.182
2063	906	9,888	1092%	1,358	9,923	731%	0.175
2064	703	7,625	1085%	1,054	7,650	726%	0.168
2065	543	5,841	1076%	814	5,860	720%	0.161
2066	418	4,450	1064%	627	4,463	711%	0.155
2067	321	3,364	1049%	481	3,374	701%	0.149
2068	244	2,513	1030%	366	2,520	689%	0.143
2069	182	1,840	1013%	273	1,845	677%	0.138
2070	133	1,314	991%	199	1,318	662%	0.133
2071	95	915	964%	142	917	644%	0.128
2072	67	620	933%	100	622	624%	0.123
2073	46	410	899%	68	411	601%	0.118
Lifetime	21,216,608	17,837,941	84%	24,236,015	18,037,104	74%	

**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): HL200**  
**Lifetime Benefit Period**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed 91% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
1996	-	-	0%	-	-	0%	2.417
1997	-	-	0%	-	-	0%	2.324
1998	-	-	0%	-	-	0%	2.235
1999	-	-	0%	-	-	0%	2.149
2000	-	-	0%	-	-	0%	2.066
2001	-	-	0%	-	-	0%	1.986
2002	-	-	0%	-	-	0%	1.910
2003	46,540	70	0%	46,540	70	0%	1.837
2004	360,140	790	0%	360,140	790	0%	1.766
2005	656,105	2,168	0%	656,105	2,168	0%	1.698
2006	757,331	3,641	0%	757,331	3,641	0%	1.633
2007	714,603	77,615	11%	714,603	77,615	11%	1.570
2008	717,199	7,598	1%	717,199	7,598	1%	1.510
2009	725,238	10,422	1%	725,238	10,422	1%	1.451
2010	700,377	231,516	33%	700,377	231,516	33%	1.396
2011	746,546	17,200	2%	746,546	17,200	2%	1.342
2012	820,672	183,083	22%	820,672	183,083	22%	1.290
2013	841,247	39,055	5%	841,247	39,055	5%	1.241
2014	832,775	222,737	27%	832,775	222,737	27%	1.193
2015	806,830	92,671	11%	806,830	92,671	11%	1.147
2016	792,262	36,081	5%	792,262	36,081	5%	1.103
2017	779,461	872,096	112%	779,461	872,096	112%	1.061
2018	783,123	538,409	69%	783,123	538,409	69%	1.020
2019	761,319	845,469	111%	935,263	856,223	92%	0.981
2020	735,720	907,208	123%	1,408,098	951,627	68%	0.943
2021	709,015	949,843	134%	1,356,989	994,681	73%	0.907
2022	681,200	974,358	143%	1,303,753	1,018,755	78%	0.872
2023	652,346	987,420	151%	1,248,529	1,030,819	83%	0.838
2024	622,515	1,004,903	161%	1,191,435	1,047,429	88%	0.806
2025	591,872	1,029,380	174%	1,132,787	1,071,376	95%	0.775
2026	560,623	1,053,633	188%	1,072,979	1,095,100	102%	0.745
2027	528,932	1,068,079	202%	1,012,326	1,108,636	110%	0.717
2028	497,012	1,074,626	216%	951,234	1,113,986	117%	0.689
2029	464,971	1,088,510	234%	889,911	1,126,952	127%	0.662
2030	432,908	1,107,894	256%	828,545	1,145,651	138%	0.637
2031	401,121	1,127,947	281%	767,709	1,165,071	152%	0.612
2032	369,901	1,138,311	308%	707,955	1,174,533	166%	0.589
2033	339,480	1,138,851	335%	649,732	1,173,916	181%	0.566
2034	310,045	1,129,083	364%	593,396	1,162,741	196%	0.544

**Exhibit Ib**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): HL200**  
**Lifetime Benefit Period**  
**Lifetime Experience (Virginia)**

Year	Without Proposed Rate Increase			With Proposed 91% Rate Increase			Discount
	Earned Premium	Incurred Claims	Loss Ratio	Earned Premium	Incurred Claims	Loss Ratio	
2035	281,644	1,108,805	394%	539,041	1,140,799	212%	0.524
2036	254,417	1,079,652	424%	486,930	1,109,791	228%	0.503
2037	228,579	1,043,145	456%	437,479	1,071,311	245%	0.484
2038	204,273	1,001,189	490%	390,959	1,027,321	263%	0.465
2039	181,613	954,595	526%	347,590	978,675	282%	0.448
2040	160,604	903,347	562%	307,380	925,368	301%	0.430
2041	141,215	847,803	600%	270,273	867,768	321%	0.414
2042	123,438	789,436	640%	236,250	807,382	342%	0.398
2043	107,272	729,952	680%	205,309	745,954	363%	0.383
2044	92,697	670,413	723%	177,413	684,572	386%	0.368
2045	79,650	611,651	768%	152,443	624,088	409%	0.354
2046	68,052	554,458	815%	130,246	565,306	434%	0.340
2047	57,773	499,158	864%	110,572	508,543	460%	0.327
2048	48,750	447,272	917%	93,303	455,340	488%	0.314
2049	40,912	400,050	978%	78,301	406,960	520%	0.302
2050	34,154	356,941	1045%	65,367	362,835	555%	0.291
2051	28,354	317,822	1121%	54,268	322,825	595%	0.280
2052	23,403	282,209	1206%	44,791	286,433	639%	0.269
2053	19,207	249,127	1297%	36,760	252,669	687%	0.258
2054	15,672	215,547	1375%	29,995	218,471	728%	0.248
2055	12,700	181,956	1433%	24,307	184,323	758%	0.239
2056	10,213	151,189	1480%	19,546	153,080	783%	0.230
2057	8,135	124,493	1530%	15,570	125,989	809%	0.221
2058	6,406	101,382	1583%	12,260	102,550	836%	0.212
2059	4,975	81,425	1637%	9,521	82,324	865%	0.204
2060	3,799	64,237	1691%	7,270	64,915	893%	0.196
2061	2,852	49,837	1747%	5,459	50,340	922%	0.189
2062	2,102	37,951	1806%	4,022	38,317	953%	0.182
2063	1,518	28,348	1868%	2,905	28,608	985%	0.175
2064	1,072	20,715	1933%	2,051	20,896	1019%	0.168
2065	738	14,759	2001%	1,412	14,881	1054%	0.161
2066	495	10,237	2070%	946	10,317	1090%	0.155
2067	323	6,923	2144%	618	6,974	1129%	0.149
2068	205	4,561	2225%	392	4,593	1171%	0.143
2069	127	2,931	2312%	243	2,950	1216%	0.138
2070	76	1,835	2405%	146	1,846	1264%	0.133
2071	45	1,121	2505%	86	1,127	1316%	0.128
2072	26	672	2616%	49	676	1374%	0.123
2073	15	398	2740%	28	400	1439%	0.118
Lifetime	22,518,402	20,350,414	90%	29,033,455	20,932,786	72%	

**Exhibit IIa**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035 & HL200**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**  
**Data as of December 31, 2018**  
**58/85 Rate Stabilization Test**

<u>Row</u>	<u>Description</u>	<u>Total</u>
(1)	Accumulated Past Total Premiums Including Rate Increases:	589,520,134
(2)	<u>Accumulated Past Premiums on Original Rate Basis:</u>	<u>511,751,596</u>
(3)	Accumulated Past Premiums Attributable to Rate Increases: (1) minus (2)	77,768,538
(4)	PV Future Total Premiums Including Rate Increases:	351,165,612
(5)	<u>PV Future Premiums on Original Rate Basis:</u>	<u>146,096,220</u>
(6)	PV Future Premiums Attributable to Rate Increases: (4) minus (5)	205,069,392
(7)	Accumulated Past Incurred Claims	270,036,548
(8)	<u>PV Future Incurred Claims</u>	<u>537,580,468</u>
(9)	Total Incurred Claims: (7) + (8)	807,617,016
(10)	$0.58 \times [(2) + (5)] + 0.85 \times [(3) + (6)] =$	621,963,974
(11)	Test: Is (9) >= (10)?	True

**Exhibit IIb**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035 & HL200**  
**Lifetime Experience (Nationwide)**  
**Virginia Rate Level**  
**Data as of December 31, 2018**  
**60/80 Rate Stabilization Test**

<u>Row</u>	<u>Description</u>	<u>Total</u>
(1)	Accumulated Past Total Premiums Including Rate Increases:	589,520,134
(2)	<u>Accumulated Past Premiums on Original Rate Basis:</u>	<u>511,751,596</u>
(3)	Accumulated Past Premiums Attributable to Rate Increases: (1) minus (2)	77,768,538
(4)	PV Future Total Premiums Including Rate Increases:	351,165,612
(5)	<u>PV Future Premiums on Original Rate Basis:</u>	<u>146,096,220</u>
(6)	PV Future Premiums Attributable to Rate Increases: (4) minus (5)	205,069,392
(7)	Accumulated Past Incurred Claims	270,036,548
(8)	<u>PV Future Incurred Claims</u>	<u>537,580,468</u>
(9)	Total Incurred Claims: (7) + (8)	807,617,016
(10)	$0.60 \times [(2) + (5)] + 0.80 \times [(3) + (6)] =$	620,979,034
(11)	Test: Is (9) >= (10)?	True

**Exhibit III**  
**Southern Farm Bureau Life Insurance Company**  
**Form Number(s): 3034/3035 & HL200**  
**Lifetime Experience (Nationwide)**

Year	Actual Past Best Estimate Future			Expected Loss Ratio			A/E	4.00%	6.56%
	Earned Premium	Incurred Claims	Loss Ratio	Expected Premium	Expected Claims	Expected Loss Ratio		Best Estimate Discount	Original Pricing Discount
1996	44,630	169	0%	44,139	5,299	12%	0.03	2.417	4.177
1997	953,335	3,587	0%	950,824	114,346	12%	0.03	2.324	3.920
1998	2,730,092	11,592	0%	2,675,281	347,788	13%	0.03	2.235	3.679
1999	5,010,294	31,684	1%	4,729,614	680,034	14%	0.04	2.149	3.452
2000	7,501,820	163,824	2%	6,894,350	1,076,648	16%	0.14	2.066	3.240
2001	9,349,115	509,679	5%	8,318,750	1,441,202	17%	0.31	1.986	3.040
2002	10,963,752	723,484	7%	9,311,072	1,795,778	19%	0.34	1.910	2.853
2003	13,730,616	917,260	7%	11,394,233	2,198,648	19%	0.35	1.837	2.677
2004	18,780,958	2,625,280	14%	15,999,421	2,619,678	16%	0.85	1.766	2.513
2005	23,890,653	3,536,271	15%	20,279,868	3,100,885	15%	0.97	1.698	2.358
2006	25,668,647	6,011,052	23%	21,403,477	3,609,891	17%	1.39	1.633	2.213
2007	24,572,574	6,575,880	27%	19,858,922	4,185,196	21%	1.27	1.570	2.077
2008	24,007,326	8,649,327	36%	18,686,349	4,829,463	26%	1.39	1.510	1.949
2009	23,573,404	11,946,284	51%	17,659,872	5,490,016	31%	1.63	1.451	1.829
2010	22,186,555	13,042,872	59%	16,531,752	6,111,398	37%	1.59	1.396	1.716
2011	23,551,584	15,262,301	65%	15,382,699	6,742,723	44%	1.48	1.342	1.610
2012	27,732,048	13,375,140	48%	14,530,422	7,451,074	51%	0.94	1.290	1.511
2013	27,381,552	18,270,219	67%	13,781,227	8,144,223	59%	1.13	1.241	1.418
2014	26,198,017	15,693,293	60%	12,975,465	8,828,868	68%	0.88	1.193	1.331
2015	24,427,513	21,087,397	86%	12,142,325	9,465,456	78%	1.11	1.147	1.249
2016	23,716,340	25,571,797	108%	11,339,862	10,099,742	89%	1.21	1.103	1.172
2017	23,208,212	25,554,939	110%	10,656,932	10,794,004	101%	1.09	1.061	1.100
2018	22,595,023	26,970,832	119%	9,961,108	11,448,629	115%	1.04	1.020	1.032
2019	21,917,356	27,733,104	127%	9,295,466	12,092,400	130%	0.97	0.981	0.969
2020	20,947,648	28,796,373	137%	8,654,771	12,688,215	147%	0.94	0.943	0.909
2021	19,960,928	29,587,670	148%	8,038,248	13,269,399	165%	0.90	0.907	0.853
2022	18,961,494	30,158,575	159%	7,446,267	13,845,877	186%	0.86	0.872	0.801
2023	17,954,244	30,632,366	171%	6,879,217	14,335,826	208%	0.82	0.838	0.751
2024	16,943,760	31,160,115	184%	6,337,474	14,789,601	233%	0.79	0.806	0.705
2025	15,934,671	31,792,270	200%	5,821,377	15,186,217	261%	0.76	0.775	0.662
2026	14,931,324	32,386,571	217%	5,331,201	15,551,383	292%	0.74	0.745	0.621
2027	13,938,206	32,804,965	235%	4,867,143	15,897,361	327%	0.72	0.717	0.583
2028	12,960,103	33,097,500	255%	4,429,306	16,135,654	364%	0.70	0.689	0.547
2029	12,001,283	33,385,143	278%	4,017,669	16,308,669	406%	0.69	0.662	0.513
2030	11,066,365	33,677,385	304%	3,632,095	16,380,996	451%	0.67	0.637	0.482
2031	10,159,167	33,854,864	333%	3,272,321	16,391,600	501%	0.67	0.612	0.452
2032	9,283,857	33,788,932	364%	2,937,964	16,341,346	556%	0.65	0.589	0.424
2033	8,443,960	33,466,213	396%	2,628,520	16,168,376	615%	0.64	0.566	0.398
2034	7,642,351	32,891,957	430%	2,343,353	15,936,201	680%	0.63	0.544	0.373
2035	6,882,444	32,079,753	466%	2,081,701	15,634,068	751%	0.62	0.524	0.351
2036	6,166,499	31,049,567	504%	1,842,697	15,276,776	829%	0.61	0.503	0.329
2037	5,496,045	29,827,895	543%	1,625,369	14,882,691	916%	0.59	0.484	0.309
2038	4,871,998	28,442,341	584%	1,428,651	14,395,544	1008%	0.58	0.465	0.290
2039	4,295,058	26,916,096	627%	1,251,395	13,853,161	1107%	0.57	0.448	0.272
2040	3,765,659	25,275,806	671%	1,092,394	13,261,911	1214%	0.55	0.430	0.255
2041	3,283,419	23,553,588	717%	950,406	12,638,962	1330%	0.54	0.414	0.239
2042	2,846,825	21,779,023	765%	824,166	12,008,922	1457%	0.53	0.398	0.225
2043	2,453,901	19,988,367	815%	712,404	11,341,075	1592%	0.51	0.383	0.211
2044	2,102,933	18,212,804	866%	613,867	10,659,966	1737%	0.50	0.368	0.198
2045	1,791,709	16,479,707	920%	527,341	9,974,788	1892%	0.49	0.354	0.186
2046	1,517,758	14,810,621	976%	451,658	9,290,197	2057%	0.47	0.340	0.174
2047	1,278,108	13,217,357	1034%	385,710	8,617,592	2234%	0.46	0.327	0.164
2048	1,069,940	11,707,236	1094%	328,456	7,946,777	2419%	0.45	0.314	0.153
2049	890,568	10,297,341	1156%	278,922	7,303,934	2619%	0.44	0.302	0.144
2050	737,215	8,992,001	1220%	236,211	6,701,412	2837%	0.43	0.291	0.135
2051	606,994	7,801,390	1285%	199,503	6,142,966	3079%	0.42	0.280	0.127
2052	497,113	6,721,338	1352%	168,048	5,626,324	3348%	0.40	0.269	0.119
2053	405,062	5,742,126	1418%	141,170	5,148,770	3647%	0.39	0.258	0.112
2054	328,540	4,834,319	1471%	118,263	4,708,829	3982%	0.37	0.248	0.105
2055	265,289	3,993,936	1506%	98,787	4,305,101	4358%	0.35	0.239	0.098
2056	213,252	3,248,837	1523%	82,264	3,935,721	4784%	0.32	0.230	0.092
2057	170,671	2,621,682	1536%	68,274	3,597,163	5269%	0.29	0.221	0.087
2058	135,995	2,098,313	1543%	56,451	3,286,806	5822%	0.26	0.212	0.081
2059	107,877	1,665,730	1544%	46,476	2,998,672	6452%	0.24	0.204	0.076
2060	85,148	1,311,162	1540%	38,078	2,724,539	7155%	0.22	0.196	0.072
2061	66,845	1,023,141	1531%	31,023	2,458,843	7926%	0.19	0.189	0.067
2062	52,159	791,366	1517%	25,113	2,199,091	8757%	0.17	0.182	0.063
2063	40,423	606,567	1501%	20,180	1,946,107	9644%	0.16	0.175	0.059
2064	31,069	460,309	1482%	16,081	1,700,465	10575%	0.14	0.168	0.056
2065	23,658	345,733	1461%	12,693	1,465,903	11549%	0.13	0.161	0.052
2066	17,821	256,780	1441%	9,912	1,243,752	12547%	0.11	0.155	0.049
2067	13,272	188,498	1420%	7,648	1,037,977	13571%	0.10	0.149	0.046
2068	9,759	136,683	1401%	5,823	850,760	14611%	0.10	0.143	0.043
2069	7,072	97,794	1383%	4,367	684,823	15681%	0.09	0.138	0.040
2070	5,040	68,927	1368%	3,222	540,294	16770%	0.08	0.133	0.038
2071	3,524	47,783	1356%	2,334	416,871	17863%	0.08	0.128	0.036
2072	2,417	32,561	1347%	1,657	313,364	18917%	0.07	0.123	0.033
2073	1,625	21,793	1342%	1,150	229,581	19968%	0.07	0.118	0.031
Lifetime	794,639,227	795,495,275	100%	606,722,518	373,711,320	62%	1.63		

PRIVATE AND CONFIDENTIAL

January 16, 2019

To whom it may concern:

LTCG was requested by Southern Farm Bureau ("SFB", "You") to perform an experience analysis on a block of long-term care policies. The following memo describes in detail the process used to develop the total lives morbidity assumptions for the SFB business. Incidence, claim termination, and utilization rates were initially based on the SOA 2000-2011 Long Term Care Intercompany Experience Study ("SOA Study"). Each morbidity component was then tested against historical experience from inception through December 31, 2017 to develop adjustment factors that best reflect SFB data. A description of the methodology and assumptions is outlined in this report.

### **Background**

The SFB policies being studied were issued in calendar years 1996 through 2006, with a total of 25,320 policies issued and 15,077 remaining active as of December 31, 2017. The average policy duration as of 2017 is 15.9, with an average attained age of 72.7.

### **Total Lives Approach**

We developed incidence using exposures of total lives in-force, regardless of claim status. The assumptions described herein would only be appropriate for use in a projection method utilizing a total lives in-force approach in which policies are assumed to be in-force and paying scheduled premiums until policy termination. We note that the usage of this approach to claim cost and policy termination rate assumption development and application in the projection model requires the following:

1. Inclusion of a waiver of premium component of the claim reserve as of the projection date.
2. Inclusion of a waiver of premium component of future claim costs.
3. Inclusion of all policies (active and disabled) in the in-force population until policy termination.

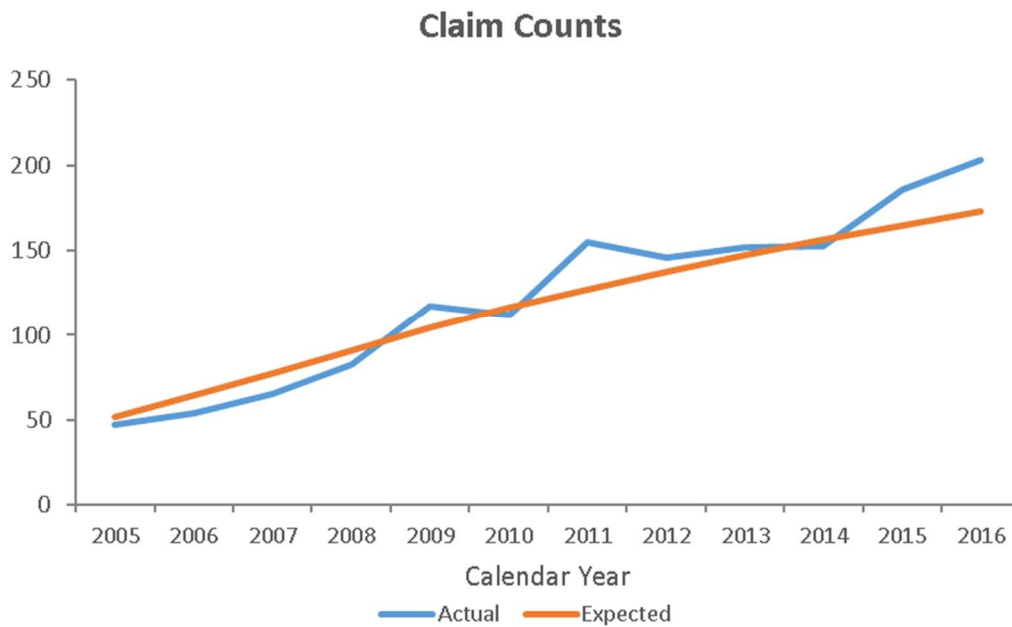
### **I. Incidence**

We developed the incidence assumption using the following steps:

1. Apply the SOA Study incidence assumptions to all actual historical exposures to develop expected incidence. The exposure years used totaled more than 200,000.

2. Calculate actual-to-expected incidence ratios by policy duration.
3. Apply final incidence assumptions to policyholder exposure to derive model claim counts to test fit to actual claim experience by calendar year.

The first step in developing the expected incidence assumption was to apply the claim incidence rate assumptions from the SOA Study to the total lives exposure. The following graphs show, the initial fit of the SOA Study to SFB’s actual claim count experience:



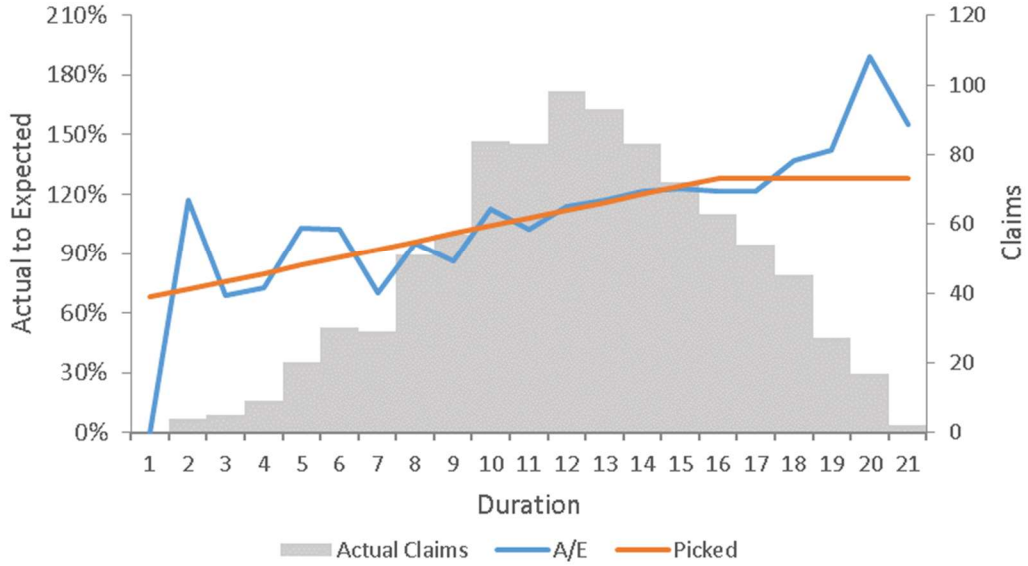
**Durational Actual-to-Expected Incidence Ratios**

We developed actual-to-expected (“AtoE”) ratios by comparing the Company’s actual historical claim incidence experience to expected incidence using the adjusted ultimate claim incidence rates as described above. We applied these expected incidence rates to the Company’s seriatim exposures from inception. We then developed actual-to-expected ratios by comparing actual historical claim incidence by Coverage Series, Benefit Period and Preferred Discount. We note that we checked the correlations from the following characteristics: Marital status at issue, Gender, Inflation option, Elimination period and Attained age; however, the three characteristics chosen were the only characteristics for which we deemed it appropriate to make an adjustment. Each assumption that is applied is cumulative. We note that the factors applied in the durations for which there is no experience are extrapolated from those durations for which there is experience. The following graphs show the actual and modeled AtoE.

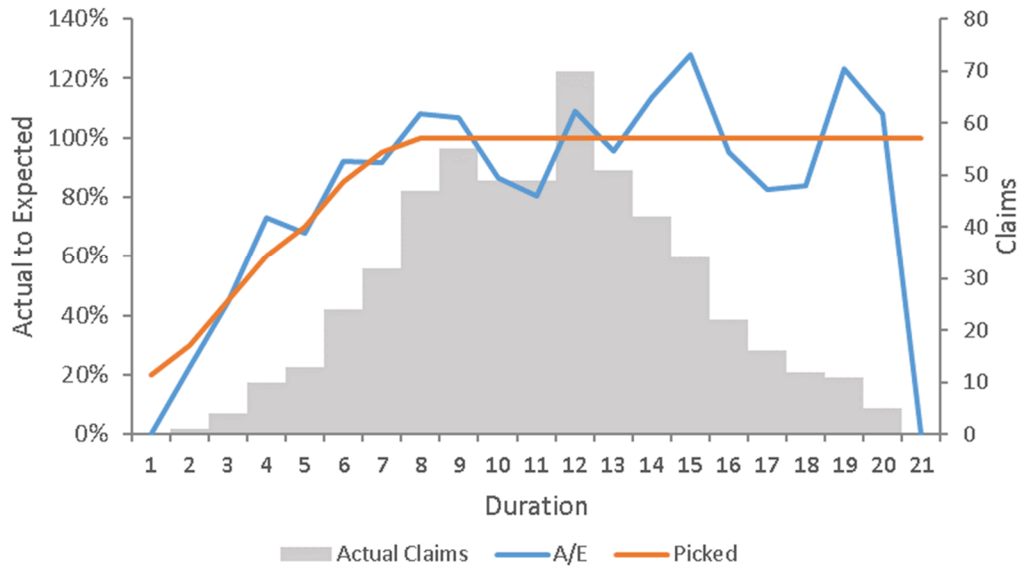


Benefit Period:

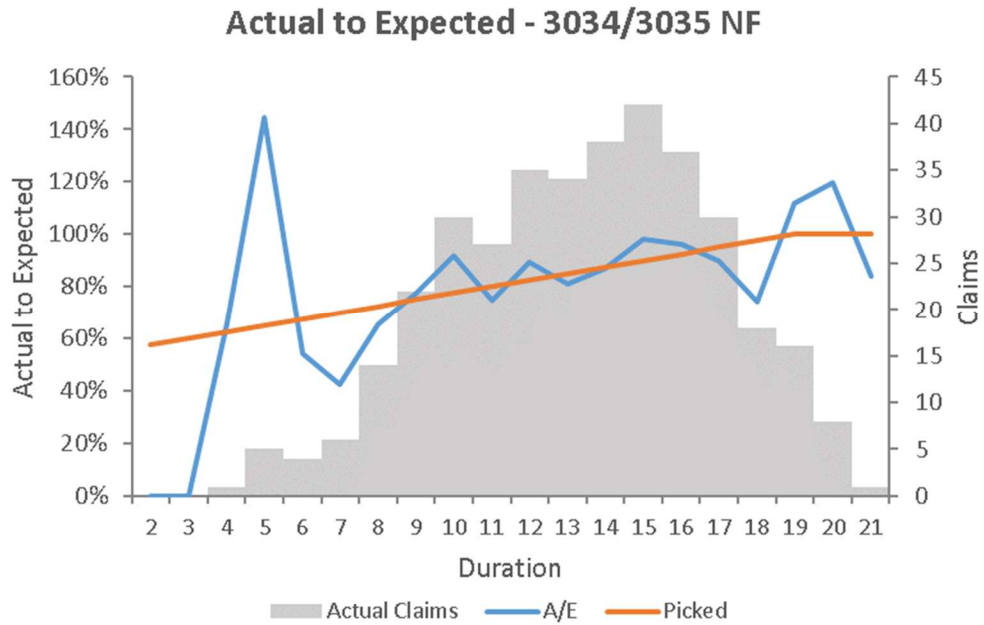
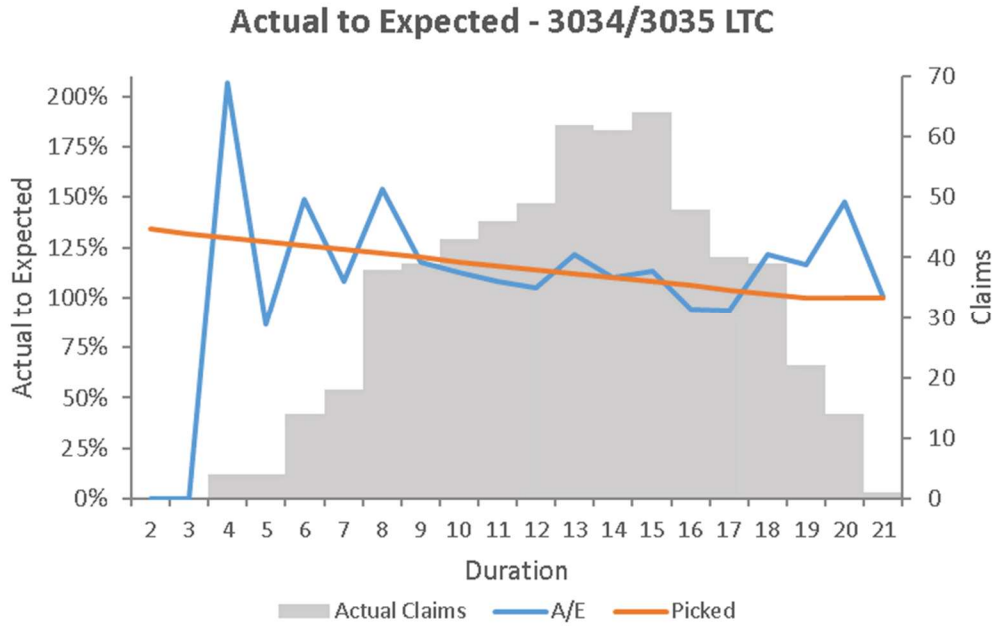
**Actual to Expected - Lifetime Benefit Period**



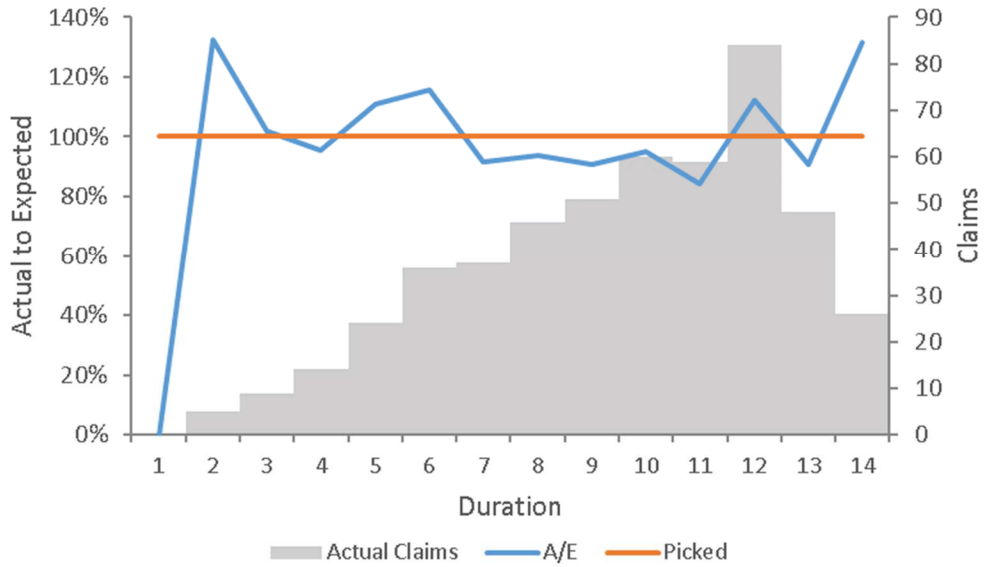
**Actual to Expected - Limited Benefit Period**



Form Series and Coverage:

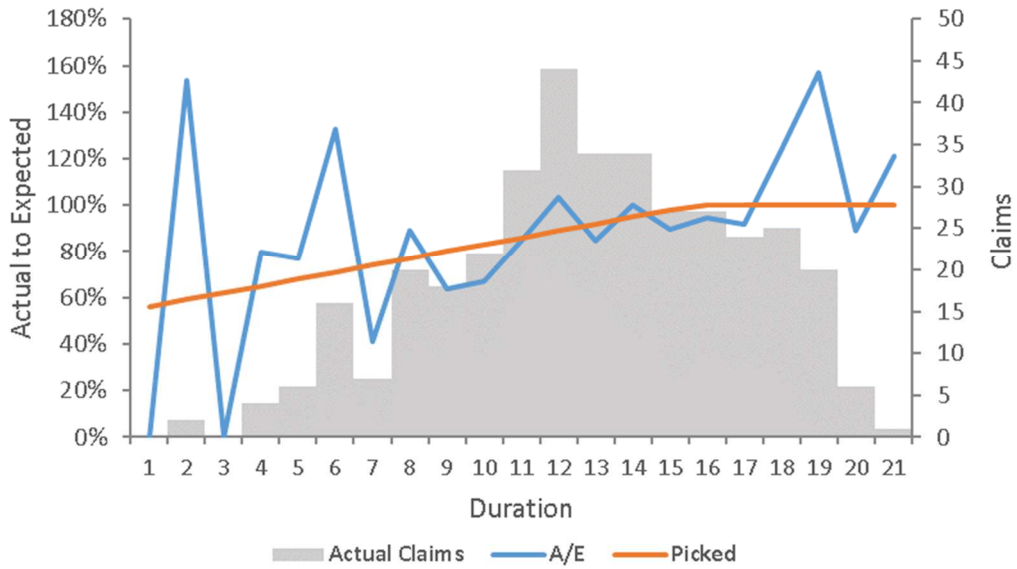


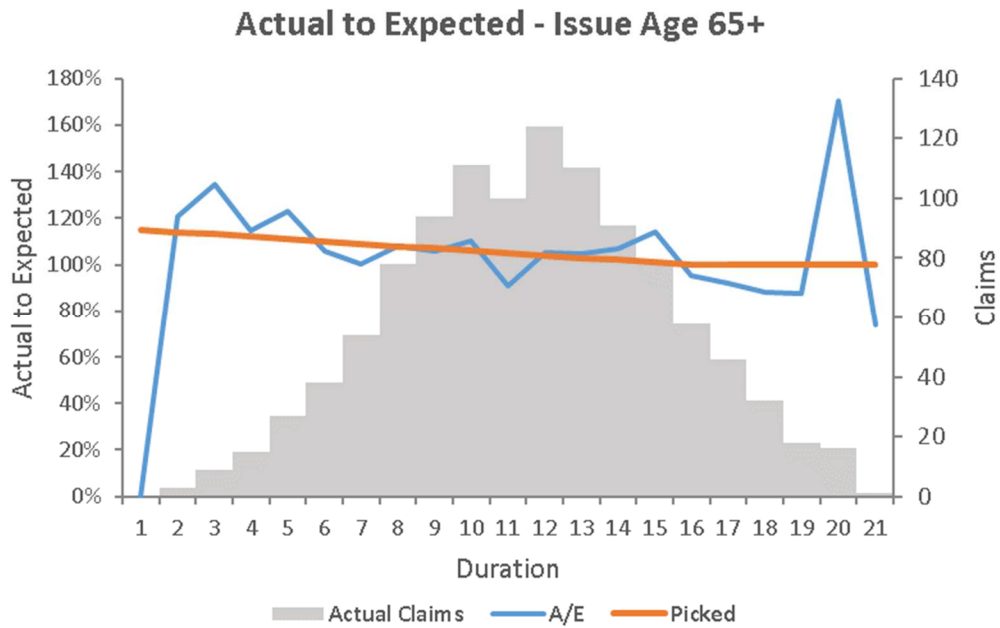
**Actual to Expected - HL200 LTC**



*Issue Age:*

**Actual to Expected - Issue Age 0-64**

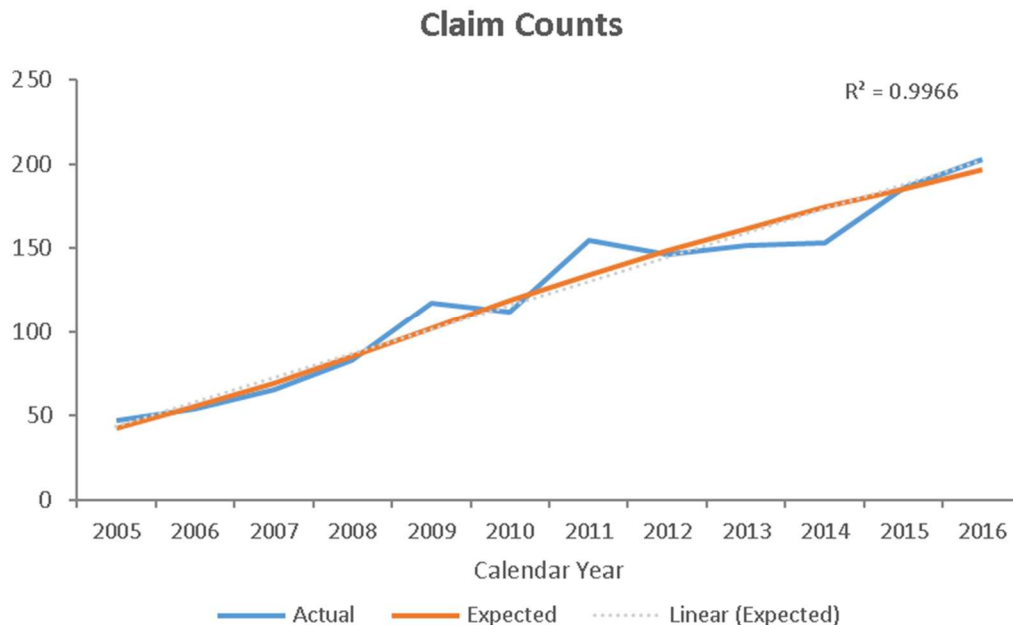




In an effort to assure that the order used in the application of the adjustments noted did not serve to cause any of the prior adjustment to be misaligned, we checked the resulting implied claim counts with the adjustments applied to the actual claim counts. We did not observe any material misalignment.

**Incidence Rate Back-testing**

The final step in the incidence assumption validation process is to back-test the incidence assumptions, with all durational AtoE's applied, using actual policy exposures, against the actual claims experience by various metrics. The following graph demonstrates that the expected assumptions fit well against the actual claims experience.



We note that using a credibility standard of 1,082 claims and 1,702 claims to date, this block is 100% credible. We also note that we used the SOA analysis as the basis for the underlying assumptions, which we believe to be fully credible.

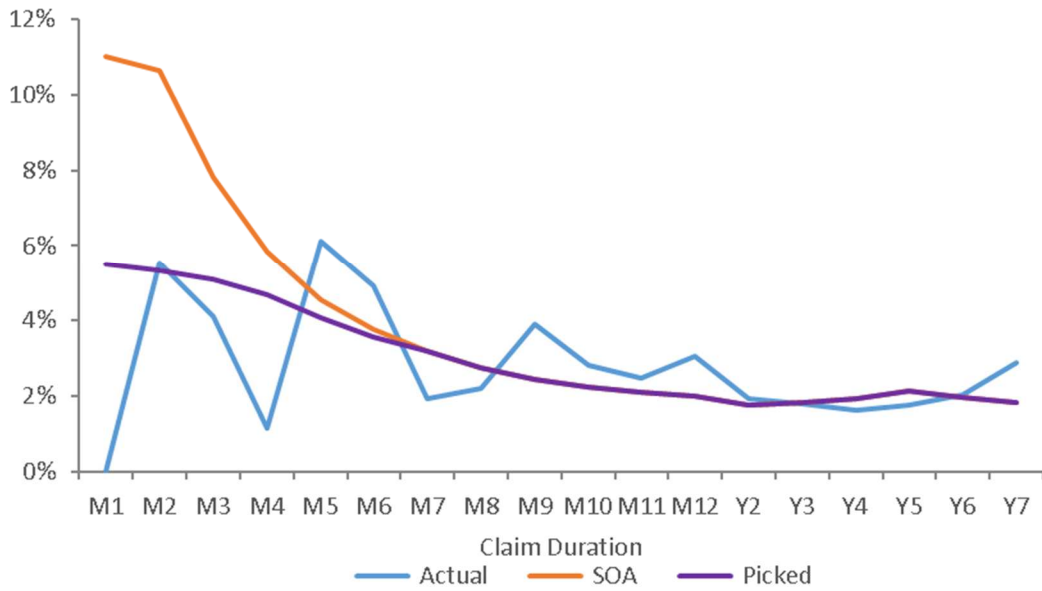
## II. Claim Termination Rates

We developed the claim termination assumption using the following steps:

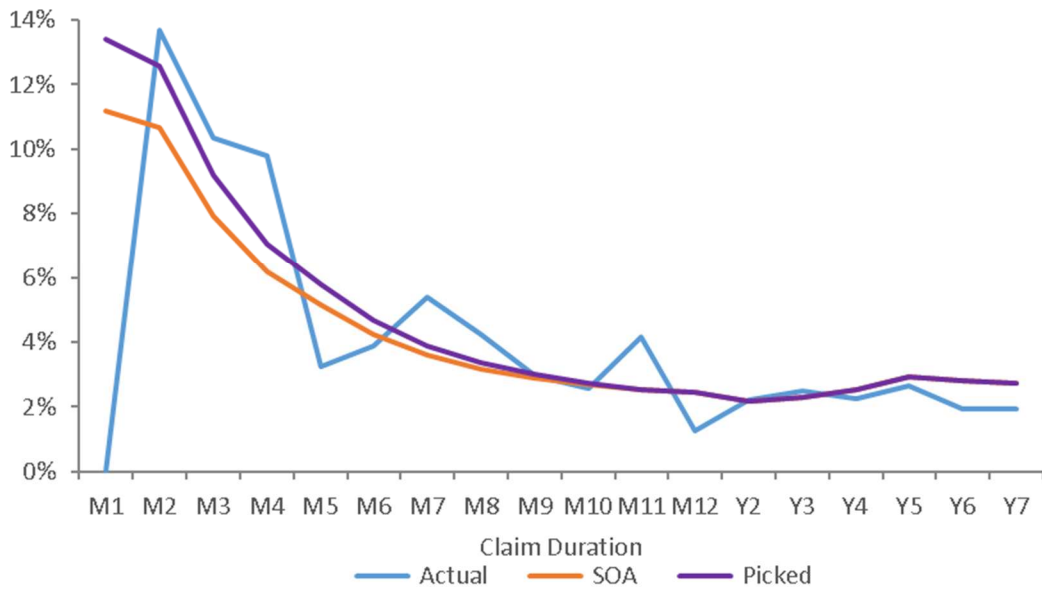
1. Compare actual monthly claim termination rates on all claims incurred since 2005 to those implied by applying the SOA Study claim termination assumptions
2. Develop claim termination rate adjustment factors by claim duration to better fit actual experience.
3. Test claim termination assumption by back-testing actual incurred claims against expected claim costs (see Claim Cost Back-testing section of this memorandum).

The first step in developing the expected claim termination assumption was to apply the claim termination rate assumptions from the SOA Study to the historical claims noted above. Beginning from the date of claim incurral, we applied the SOA assumptions to calculate an expected termination rate for each claim month. We then compared the resulting expected terminations to actual terminations to develop adjustment factors by claim duration. The graphs below show actual, SOA and picked termination rates where the picked termination rates contain all chosen adjustment factors:

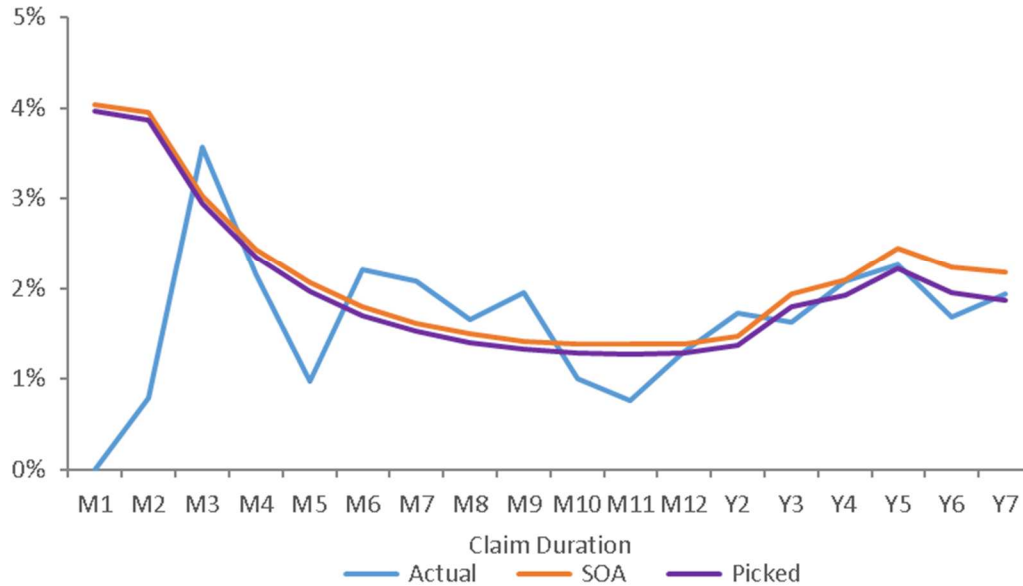
### Claim Terminations Rates - HHC



### Claim Terminations Rates - NH



**Claim Terminations Rates - ALF**



We note that we examined the following characteristics to ensure a reasonable fit to actual experience: Benefit Period, Gender, Marital Status, Diagnosis and Initial Site of Care. We deemed the following additional adjustments merited:

<b>ALF Claim Termination Adjustment Factors</b>								
<b>Gender</b>	Female	Female	Female	Female	Male	Male	Male	Male
<b>Benefit Period</b>	Unlimited	Unlimited	Limited	Limited	Unlimited	Unlimited	Limited	Limited
<b>Inflation</b>	Yes	No	Yes	No	Yes	No	Yes	No
<b>Claim Month</b>								
<b>1</b>	1.00	0.95	1.00	1.00	1.00	1.00	1.00	1.00
<b>2</b>	0.98	0.94	1.00	1.00	0.98	1.00	1.00	1.00
<b>3</b>	0.96	0.93	1.00	1.00	0.96	1.00	1.00	1.00
<b>4</b>	0.94	0.92	1.00	1.00	0.94	1.00	1.00	1.00
<b>5</b>	0.92	0.91	1.00	1.00	0.92	1.00	1.00	1.00
<b>6</b>	0.90	0.90	1.00	1.00	0.90	1.00	1.00	1.00
<b>7</b>	0.88	0.89	1.00	1.00	0.88	1.00	1.00	1.00
<b>8</b>	0.86	0.88	1.00	1.00	0.86	1.00	1.00	1.00
<b>9</b>	0.84	0.87	1.00	1.00	0.84	1.00	1.00	1.00
<b>10</b>	0.82	0.86	1.00	1.00	0.82	1.00	1.00	1.00
<b>11+</b>	0.80	0.85	1.00	1.00	0.80	1.00	1.00	1.00

**HHC and NH Claim Termination Adjustment Factors**

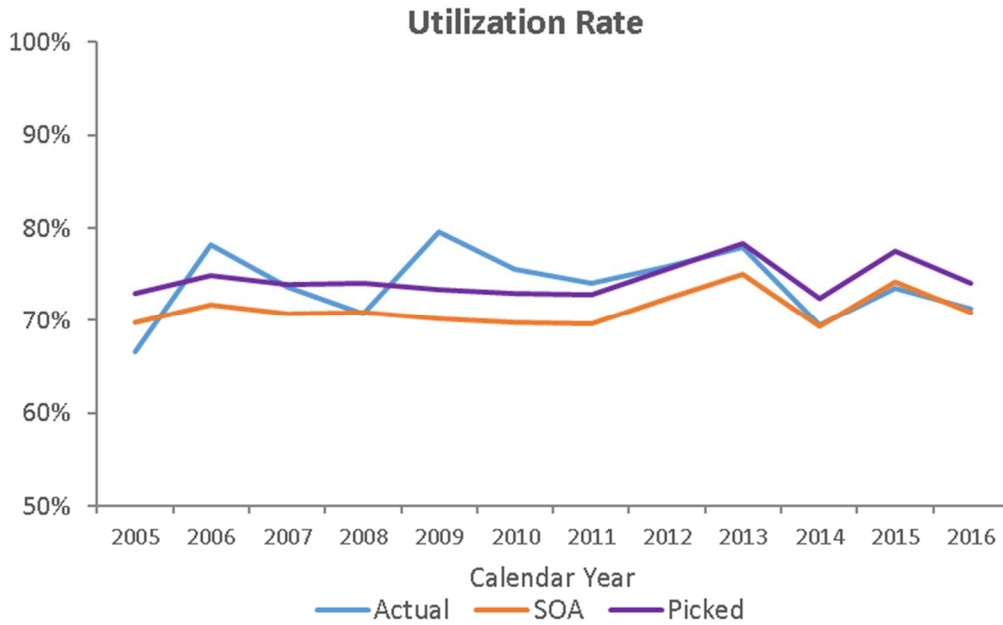
<u>Claim Month</u>	<u>HHC</u>	<u>NH</u>
<b>1</b>	0.50	1.20
<b>2</b>	0.50	1.18
<b>3</b>	0.65	1.16
<b>4</b>	0.80	1.14
<b>5</b>	0.90	1.12
<b>6</b>	0.95	1.10
<b>7</b>	1.00	1.08
<b>8</b>	1.00	1.06
<b>9</b>	1.00	1.04
<b>10</b>	1.00	1.02
<b>11+</b>	1.00	1.00

**III. Claim Utilization Rates**

We developed the claim utilization assumption using the following steps:

1. Calculate the maximum benefit amount payable for all historical claims incurred in 2005 and later.
2. Apply SOA Study claim utilization assumptions to the maximum benefit amount payable to derive expected claim utilization.  
Compare the expected payment amount to the actual claim payment amount and derive adjustment factors that best replicate actual experience.
3. Test claim utilization assumption by back-testing actual claim utilization against expected with the adjustment noted above. The results are shown in the graph and subsequent table below.





Calendar Year	HHC – Benefits Paid			NH – Benefits Paid			ALF – Benefits Paid		
	Actual	Expected	A/E	Actual	Expected	A/E	Actual	Expected	A/E
2005	1,357,864	1,932,909	70%	1,151,568	946,253	122%	1,111,677	914,556	122%
2006	1,115,799	1,206,417	92%	2,349,840	1,898,655	124%	2,128,458	2,018,670	105%
2007	2,234,677	2,409,633	93%	2,093,119	1,751,061	120%	2,440,152	2,343,474	104%
2008	2,107,527	2,271,223	93%	1,991,386	2,180,106	91%	2,923,138	2,585,843	113%
2009	2,891,397	2,584,919	112%	2,492,669	2,312,457	108%	3,207,623	2,679,516	120%
2010	2,594,937	2,495,996	104%	2,217,145	2,105,073	105%	3,073,798	2,680,202	115%
2011	2,654,051	2,793,113	95%	1,489,157	1,397,371	107%	3,896,470	3,366,754	116%
2012	1,919,572	2,039,669	94%	2,589,647	2,290,786	113%	2,699,306	2,541,206	106%
2013	818,804	890,517	92%	1,420,967	1,280,739	111%	2,046,086	1,952,889	105%
2014	1,373,771	1,422,315	97%	1,440,327	1,316,106	109%	1,591,349	1,653,423	96%
2015	690,041	833,092	83%	1,211,966	1,179,311	103%	714,315	627,238	114%
2016	176,005	217,443	81%	447,184	430,290	104%	254,461	223,510	114%
<b>Total</b>	<b>19,934,445</b>	<b>21,097,245</b>	<b>94%</b>	<b>20,894,975</b>	<b>19,088,208</b>	<b>109%</b>	<b>26,086,833</b>	<b>23,587,281</b>	<b>111%</b>

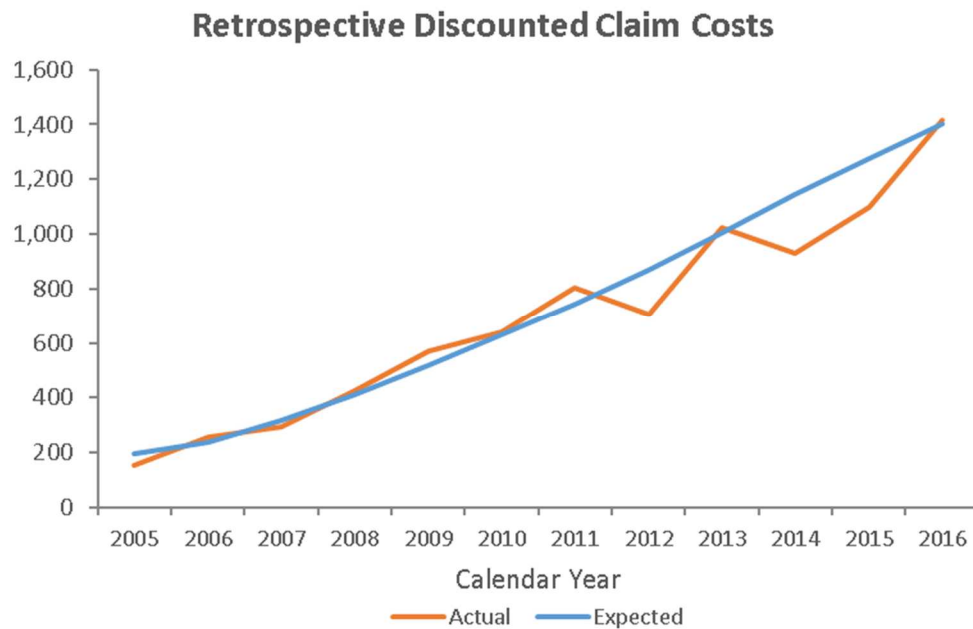
The table below shows the adjustments chosen by initial site of care:

**Claim Utilization Adjustment Factor**

<u>Claim Type</u>	<u>Factor</u>
HHC	0.94
NH	1.08
ALF	1.11

### Claim Cost Back-testing

The final step in the development of the morbidity assumptions was to calculate the claim costs that result from using the assumptions described herein and back-test those claims against the actual incurred claims. The expected claim costs were calculated using a first principles approach of combining incidence, claim length of stay, utilization, inflated daily benefit (where applicable) and discount factors (assuming 3.5% discount rate). The following graph shows a good fit by calendar year with actual incurred claims:



Year	Lives Exposed	Actual		Expected		Actual/Model Claim Cost
		Discounted Incurred Claims	Discounted Claim Cost	Discounted Incurred Claims	Discounted Claim Cost	
2005	20,052	3,118,731	156	3,886,961	194	16%
2006	21,463	5,513,519	257	5,125,847	239	20%
2007	20,440	6,000,366	294	6,523,286	319	26%
2008	19,752	8,416,758	426	8,151,418	413	34%
2009	19,192	10,963,736	571	9,950,022	518	42%
2010	18,623	11,883,205	638	11,702,378	628	51%
2011	17,862	14,378,825	805	13,271,276	743	51%
2012	17,320	12,216,676	705	15,023,991	867	58%
2013	16,864	17,231,805	1,022	16,960,411	1,006	67%
2014	16,439	15,273,966	929	18,847,820	1,147	77%
2015	16,022	17,585,548	1,098	20,420,024	1,275	79%
2016	15,610	22,126,345	1,417	21,856,330	1,400	86%

## Peer Review

The development of the morbidity assumptions were subject to LTCG's peer review process. The scope of the review included but was not limited to:

- Collaborative discussions with SFB to ensure that the data preparation process was consistent with their expectations and understanding of the block.
- Results of the data preparation process were analyzed in detail by different parameters to ensure the data feed into the study was reasonable.
- Detailed technical review of all files related to the assumptions development which included review of: formulas, database queries, VBA macros, etc.
- High level benchmarking of results against experience of similar blocks of business observed in the LTC industry.
- High level analysis for reasonability using in depth knowledge of LTC experience as a guide.

PRIVATE AND CONFIDENTIAL

January 7, 2019

To whom it may concern:

LTCG was requested by Southern Farm Bureau ("SFB", "You") to perform an experience analysis on a block of long-term care policies. The following memo describes in detail the process used to develop the total lives decrement assumptions for the SFB business. All assumptions were based on data as of December 31, 2017; however, where there was a lack of credibility, LTCG ("we") used industry data as well as actuarial judgment to derive assumptions. A description of the methodology and assumptions is outlined in this report.

### **Total Lives Approach**

We developed mortality and lapse assumptions using exposures of total lives in-force from policy issuance through December 31, 2017, regardless of claim status. The subsequent projection method utilizes a total lives in-force approach in which policies are assumed to be in-force and paying scheduled premiums until policy termination. We note that the usage of this approach to policy termination rate assumption development and application in the projection model requires inclusion of all policies (active and disabled) in the in-force population until policy termination.

We developed the decrement assumptions using the following steps:

1. Select the 2012 IAM Basic Table as the base ultimate attained age mortality assumption.

2. Develop base durational lapse assumptions by benefit period and issue age bucket.
3. Develop mortality adjustment factors by attained age to fit the mortality table with actual company experience.

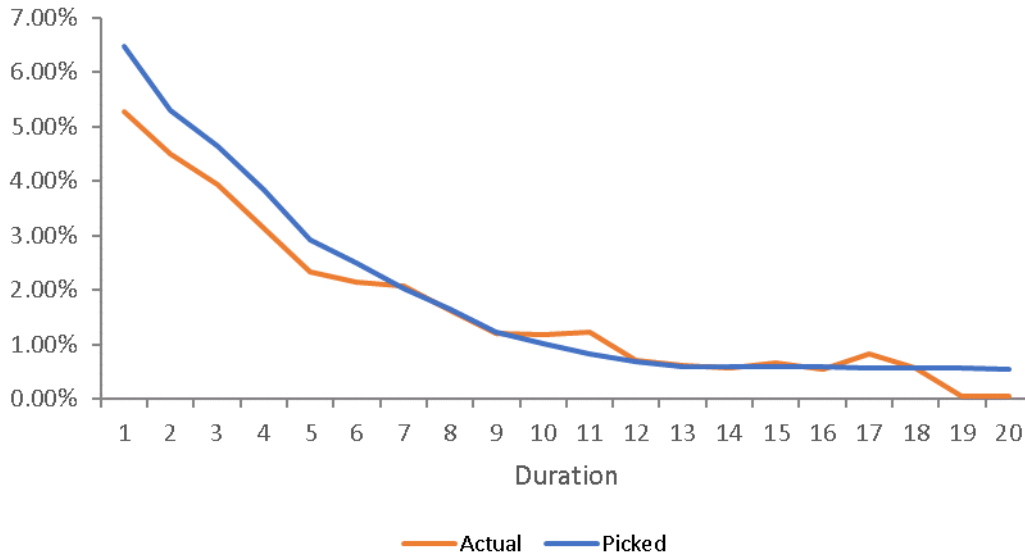
### Lapse Study

Durational lapse rates by issue age bucket and benefit period were analyzed to form the basis of the assumption. In later durations, where credibility lacked, we used industry knowledge and actuarial judgment to derive the ultimate lapse rates. Specifically, we did not permit the assumption to be lower than 0.5%. This was assumed based on the lack of credible data in SFB data and what we have observed in peer companies. Please note that all policies currently active are in policy durations 10 or later. The following tables show the base lapse rates:

#### *Lapse Rates:*

<u>Duration</u>	<u>LT50</u>	<u>50-59</u>	<u>60-69</u>	<u>GT70</u>
1	16.00%	6.50%	4.50%	1.25%
2	11.75%	6.00%	4.00%	1.25%
3	10.00%	5.50%	3.50%	1.25%
4	8.75%	4.25%	3.00%	1.25%
5	5.75%	3.50%	2.25%	1.25%
6	5.25%	3.00%	1.75%	1.25%
7	4.25%	2.50%	1.25%	1.25%
8	4.00%	1.75%	1.00%	1.25%
9	2.25%	1.25%	0.90%	1.25%
10	1.50%	1.00%	0.80%	1.25%
11	1.00%	0.75%	0.70%	1.25%
12	0.75%	0.50%	0.60%	1.25%
13+	0.50%	0.50%	0.50%	1.25%

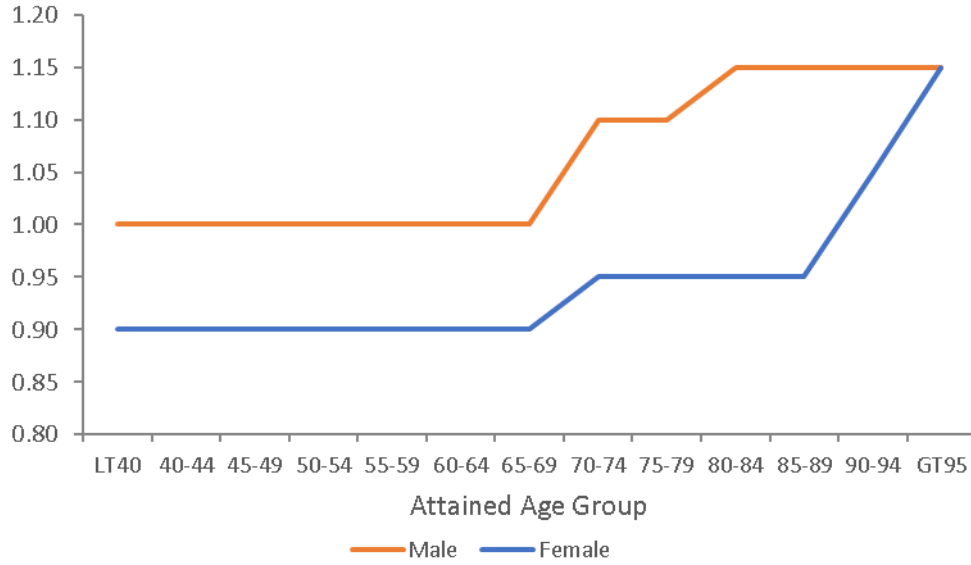
**Lapse Rates**



**Mortality Study**

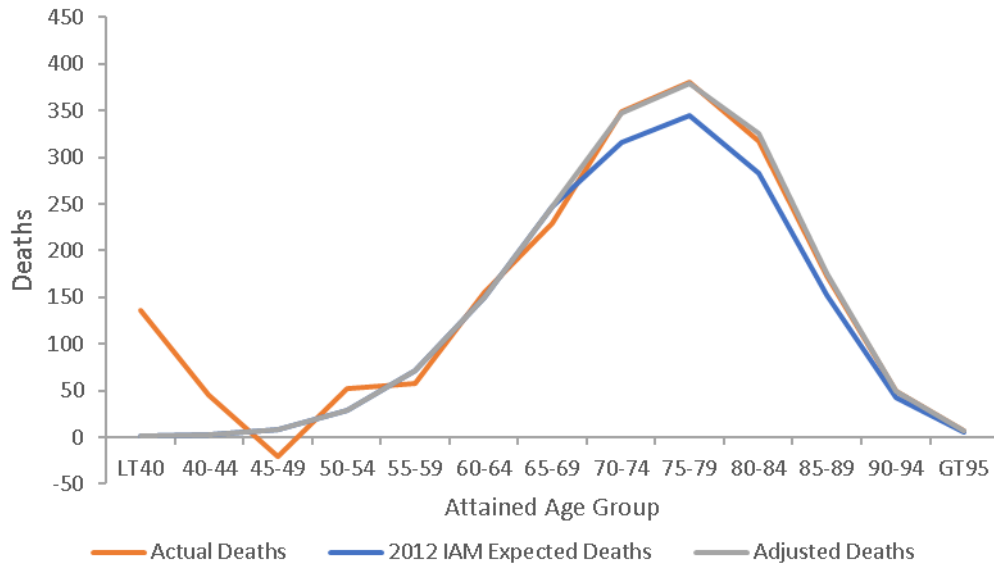
The first step in developing the mortality assumption was to determine which mortality study was going to be the basis of the assumption. We selected the 2012 IAM Basic Table since we believe it most closely reflects current mortality behavior in the long-term care insurance industry. We then compared the actual mortality against the base mortality study by gender to develop attained age adjustment factors that better reflect the block’s experience. The following graphs show the adjustment factors that were selected and the final assumed mortality rates.

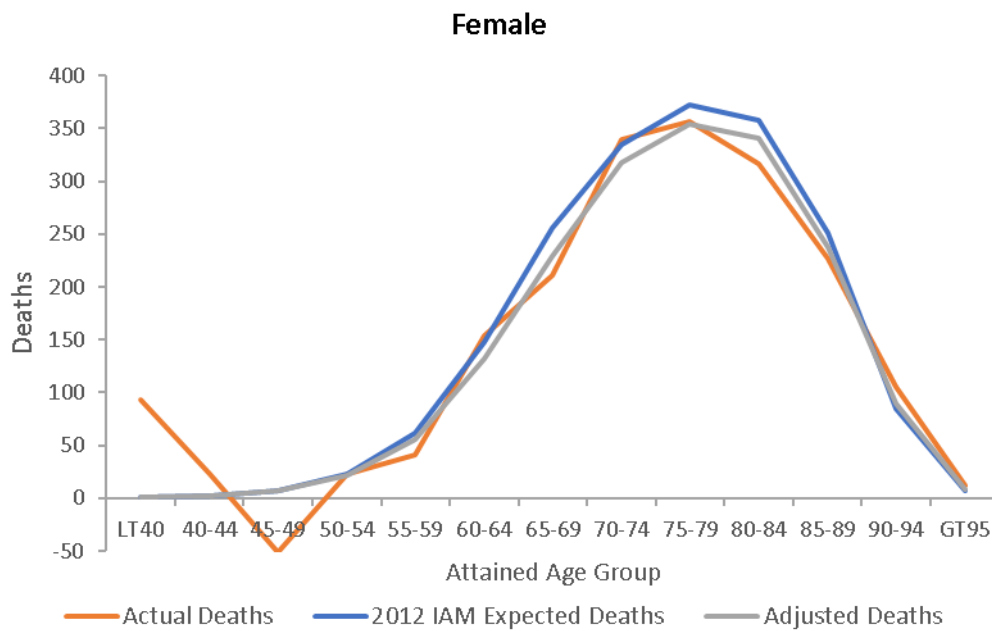
### Attained Age Adjustment Factors



As you can note in the graph above, the maximum adjustment factor applied to the base mortality table is 115%.

### Male



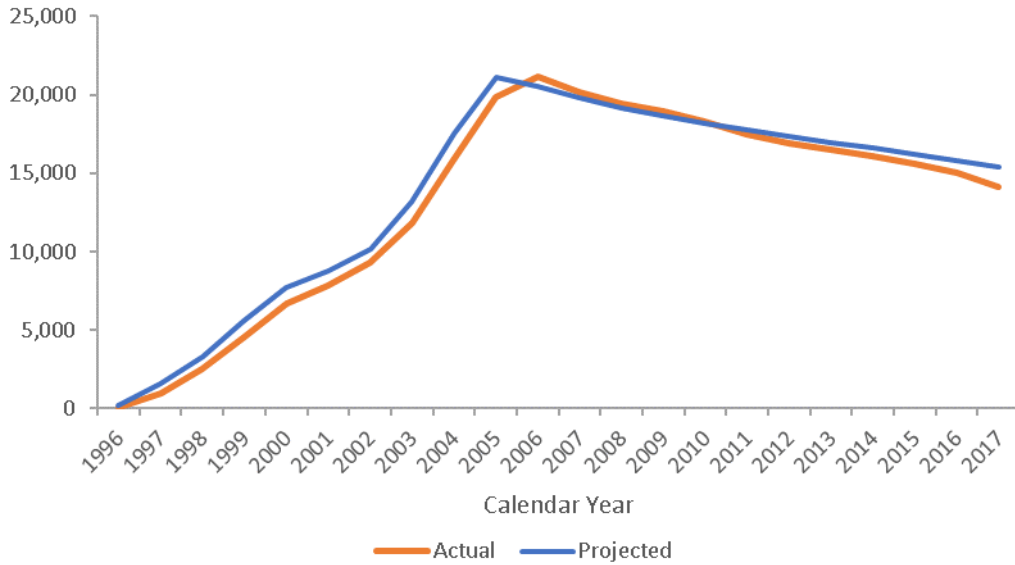


### Assumption Back-testing

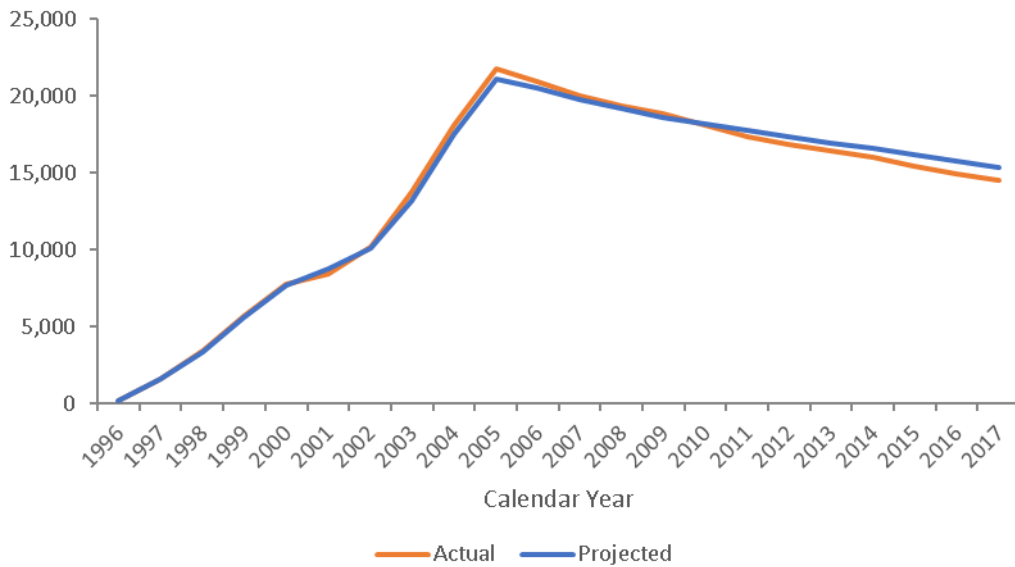
The final step in the development of the decrement assumptions was to back-test the mortality and lapse assumptions, using actual policy exposures, against the actual termination experience by various metrics, most notably: issue age and benefit period. The following two graphs demonstrate that the expected assumptions fit well against the actual persistency experience:



### Lives Exposed

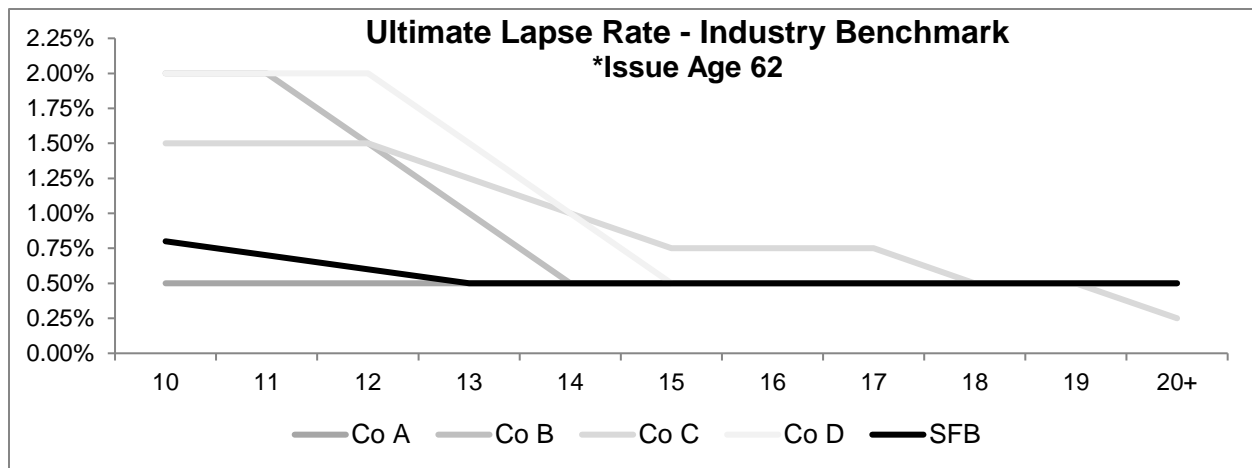


### Lives Inforce



## Industry Benchmarking

- A comparison of the assumed ultimate lapse rates (policy duration 10+) to peer company ultimate lapse rates was conducted. The following graph shows that assumptions for this block are in line with industry peers:



SFB represents the assumption derived for SFB described herein.

## Peer Review

The development of the decrement assumptions were subject to LTCG's peer review process. The scope of the review included but was not limited to:

- Collaborative discussions with SFB to ensure that the data preparation process was consistent with their expectations and understanding of the block.
- Results of the data preparation process were analyzed in detail by different parameters to ensure the data feed into the study was reasonable.
- Detailed technical review of all files related to the assumptions development which included review of: formulas, database queries, VBA macros, etc.
- High level benchmarking of results against experience of similar blocks of business observed in the LTC industry.
- High level analysis for reasonability using in depth knowledge of LTC experience as a guide.