

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Filing at a Glance

Company: Knights of Columbus
 Product Name: LTC01, NHC01
 State: Virginia
 TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care
 Sub-TOI: LTC05I.001 Qualified
 Filing Type: Rate
 Date Submitted: 02/13/2023
 SERFF Tr Num: TRIP-133533599
 SERFF Status: Closed-Approved
 State Tr Num: TRIP-133533599
 State Status: Approved
 Co Tr Num: KOC 2023 LTC RATE INCREASE

 Effective: On Approval
 Date Requested:
 Author(s): Beverly Toomey, Dave Krydynski
 Reviewer(s): Greg Smith (primary), Ian Patterson, Bobby Toone
 Disposition Date: 01/05/2024
 Disposition Status: Approved
 Effective Date:

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact: 37%	Filing Status Changed: 01/05/2024
	State Status Changed: 11/01/2023
Deemer Date: 05/28/2023	Created By: Beverly Toomey
Submitted By: Beverly Toomey	Corresponding Filing Tracking Number:
	State TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care

Filing Description:

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

RE: Knights of Columbus Long Term Care Insurance
Individual Policy Forms LTC01 and NHC01

We are filing a proposed 37% rate increase for your consideration on the above captioned LTC policy forms on behalf of Knights of Columbus. This request is being filed nationwide. The proposed increase was filed with and has been reviewed by the Multistate Actuarial LTCI Rate Review Team (MSA Team) prior to submission in individual states. The MSA has recommended the requested nationwide rate increase be fully approved. The MSA shared their advisory report with states in December 2022 / January 2023.

This is the first rate increase on the affected block. This rate increase is necessary because projected future experience is changed from what was anticipated when the products were priced in 1999.

On the Rate/Rule Schedule of this SERFF filing, we have included materials supporting the requested increase including:

- Actuarial Memorandum
- Exhibits I - X to accompany the Actuarial Memorandum
- Sample policyholder notification letters
- Authorization from KOC to submit this filing on their behalf

The Company Rate Information and Overall Rate Information provided on the Rate/Rule Schedule tab of the filing illustrates the inforce policy counts and inforce annual premium as of 12/31/2022 along with the 37% nationwide increase. Further details of the proposed increase, including inforce policy counts by state, are included within the attached exhibits.

Policyholders will be provided opportunities to mitigate the effects of the increase, including options to reduce benefits and lower premium. We will also provide a contingent non-forfeiture benefit to all policyholders regardless of whether or not their policy covers this benefit upon lapse.

We respectfully request your review of this filing. If you have any questions or would like to discuss this filing, please feel free to contact us via SERFF, email TMoltumyr@triplusservices.com or phone (224) 217-9037.

Sincerely,

Todd Moltumyr ASA, MAAA
Vice President

Company and Contact

Filing Contact Information

Beverly Toomey, Actuarial Analyst
2800 South River Road
Suite 405
Des Plaines, IL 60018

beverly.toomey@us.davies-group.com
224-217-9038 [Phone]

SERFF Tracking #: TRIP-133533599

State Tracking #: TRIP-133533599

Company Tracking #: KOC 2023 LTC RATE
INCREASE

State: Virginia

Filing Company: Knights of Columbus

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified

Product Name: LTC01, NHC01

Project Name/Number: /

Filing Company Information

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

Knights of Columbus

CoCode: 58033

State of Domicile: Connecticut

1 Columbus Plaza

Group Code:

Company Type: Life and

New Haven, CT 06510

Group Name:

Health

(000) 000-0000 ext. [Phone]

FEIN Number: 06-0416470

State ID Number:

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
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Filing Fees

State Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Ian Patterson	11/01/2023	11/01/2023

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Bill Dismore	04/11/2023	04/11/2023
Info has been requested from company	Bill Dismore	03/13/2023	03/13/2023
Info has been requested from company	Bill Dismore	03/01/2023	03/01/2023
Info has been requested from company	Bill Dismore	02/16/2023	02/16/2023

Response Letters

Responded By	Created On	Date Submitted
Beverly Toomey	04/28/2023	04/28/2023
Beverly Toomey	03/22/2023	03/22/2023
Beverly Toomey	03/27/2023	03/27/2023
Beverly Toomey	03/10/2023	03/10/2023

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Long Term Care Insurance Rate Request Summary	Beverly Toomey	05/15/2023	05/18/2023

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
RRS	Reviewer Note	Ian Patterson	01/05/2024	
Actuarial Summary & Opinion	Reviewer Note	Bill Dismore	05/15/2023	

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Disposition

Disposition Date: 11/01/2023

Effective Date:

Status: Approved

Comment: In approving this filing, the Company is reminded that pursuant to 14VAC5-200-153 D, it is required to provide updated experience reports for the next 3 years comparing the actual results to the results that the company projected in justifying the rate increase. We would expect the first of the three experience report filings to be made no later than 15-18 months after implementation, capturing a full 12 months of experience following the rate implementation, and including updated data through the most recent year end.

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):
Knights of Columbus	37.000%	37.000%	\$883,035	1,378	\$2,386,581	37.000%	37.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Rate Sheets 2023 - LTC01 - NHC01	Approved	Yes
Supporting Document	Certification of Compliance/Readability	Received & Acknowledged	No
Supporting Document	Product Checklist	Received & Acknowledged	Yes
Supporting Document	L&H Actuarial Memorandum	Received & Acknowledged	Yes
Supporting Document (revised)	Long Term Care Insurance Rate Request Summary	Received & Acknowledged	Yes
Supporting Document (revised)	Virginia and Nationwide Exhibits	Received & Acknowledged	Yes
Supporting Document	Third Party Authorization Letter	Received & Acknowledged	Yes
Supporting Document (revised)	Sample Rate Increase Letter	Received & Acknowledged	Yes
Supporting Document	Objection Response 03-10-2023	Received & Acknowledged	Yes
Supporting Document	Objection Response 03-22-2023	Received & Acknowledged	Yes
Supporting Document	Objection Response 03-27-2023	Received & Acknowledged	Yes
Supporting Document	Policy Forms and Rider Contracts	Received & Acknowledged	Yes
Supporting Document	Objection Response 04-28-2023	Received & Acknowledged	Yes
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Virginia and Nationwide Exhibits	Withdrawn	No

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Sample Rate Increase Letter	Withdrawn	No

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	04/11/2023
Submitted Date	04/11/2023
Respond By Date	05/10/2023

Dear Beverly Toomey,

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 must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)
- Virginia and Nationwide Exhibits (Supporting Document)

Comments: Please state whether the experience projections reflect the impact of policyholders reducing benefit levels to reduce or eliminate the impact of the requested premium increase. If so, please justify the assumption reflected in the experience projections. Please include quantitative support where applicable.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please demonstrate quantitatively that any proposed benefit buy down options are actuarially equivalent to the proposed rate increase.

Objection 3

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please describe how assumptions by the Company are reflected for contingent benefit upon lapse (CBUL) in the experience projections. Please include quantitative support where applicable.

Objection 4

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide an actual to expected comparison of incurred claims on a nationwide basis by experience year for policy forms subject to this rate filing.

Objection 5

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please clarify whether adjustments have been made to the morbidity assumptions to account for future morbidity improvement. If so, please state the assumed level of future morbidity improvement and include quantitative support.

Objection 6

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please clarify whether adjustments have been made to the mortality assumptions to account for future mortality improvement. If so, please state the assumed level of future mortality improvement and include quantitative support.

Objection 7

- L&H Actuarial Memorandum (Supporting Document)

State: Virginia **Filing Company:** Knights of Columbus
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Comments: Please identify the portion of the proposed rate increase that is attributed to each of the following components:

- a. Changes in the voluntary lapse assumptions*
- b. Changes in the mortality assumptions*
- c. Changes in the expected claim cost assumptions*
- d. Changes in any other assumptions (e.g., interest rates)*

Objection 8

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm that waiver of premium benefits has been treated as a reduction to premium instead of a claims expense in the experience projections. If waiver of premium benefits has not been treated as a reduction to premium, please provide a revised experience projection making this change.

Conclusion:

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

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

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 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.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/13/2023
Submitted Date	03/13/2023
Respond By Date	03/30/2023

Dear Beverly Toomey,

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 must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)
- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please revise the "Key Drivers of Need for Rate Increase.pdf" so that it is similar to that provided in the actuarial memorandum (see below) under Section 4. Rate Increase Request, Reasons for and Expected Effect on Premium.

In addition, please add the page to the existing "LTC Rate Increase Request Summary.pdf" so that it is one document instead of two.

4. Rate Increase Request, Reasons for and Expected Effect on Premiums

This rate increase is necessary because projected future experience is changed from what was anticipated when the products were priced in 1999. There are several reasons for this change in projected future experience:

- Actual policy termination rates have been lower than originally expected. The revised voluntary lapse assumptions based on emerging experience and used to project future experience consist of an ultimate lapse rate of 0.82% versus the 2% assumed at pricing. Similarly, updated mortality assumptions apply a 51% factor on the original pricing mortality assumption.
- Incurred claim lengths of stay have significantly exceeded those assumed in pricing.
- Claim incidence rates at older ages have been in excess of those expected at the time of original pricing.
- Actual portfolio investment rates have been and are projected to continue to be significantly lower than assumed in pricing.

Conclusion:

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

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

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 you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior

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to making a new SERFF submission.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/01/2023
Submitted Date	03/01/2023
Respond By Date	03/30/2023

Dear Beverly Toomey,

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 must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the current average attained policyholder age for the Virginia policyholders.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the number of Virginia and Nationwide active policyholders as follows:

- 1) # of policies in force with an issue date prior to 10/01/2003 (pre-rate stability period)
- 2) # of policies in force with an issue date of 10/01/2003 and later (post-rate stability period).

Objection 3

- L&H Actuarial Memorandum (Supporting Document)

Comments: Since the policies were issued from 2000 - 2016 it appears that the Virginia block will need to be separated by issue date into different subsets.

- 1) Pursuant to 14VAC5-200-150 please provide the 60/80 Test for each subset (5% Compound Indexed Benefit and Guarantee Purchase Inflation Protection subsets) and include all projections required to validate those tests for policies issued in Virginia before October 1, 2003.
- 2) Please provide the 58/85 Test for each subset (5% Compound Indexed Benefit and Guarantee Purchase Inflation Protection subsets) and include all projections required to validate those tests pursuant to 14VAC5-200-153 for policies issued in Virginia on or after October 1, 2003.

Objection 4

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain the difference in the policies with Guarantee Purchase Inflation Protection and those with 5% Compound Indexed Benefit. Is the 5% Compound Indexed Benefit added by the 5% Compound Inflation Rider BIR01?

Please provide a copy of each policy and rider under the Supporting Documentation tab.

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Objection 5

Comments: Please advise the % of premium increase required to reach the original anticipated lifetime loss ratio target of 68.3%

Objection 6

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide an explanation for why the Virginia average premium is 11% higher than the Nationwide average premium.

Objection 7

- L&H Actuarial Memorandum (Supporting Document)

Comments: If the proposed premium increase is approved, please clearly define the experience factors that will prompt the company to file a future rate increase.

Objection 8

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all Exhibits in Excel with working formulas.

Objection 9

- L&H Actuarial Memorandum (Supporting Document)

Comments: For all projections requested in this question, the baseline should comply with the following:

- a. Any policies issued as limited-pay which are now in paid-up status should be removed, both from historical experience and future projections.
- b. Premiums should be at the Virginia rate level for both historical and projected future.
- c. Please use the appropriate maximum valuation interest rate for accumulation and discounting of this block.

Objection 10

- L&H Actuarial Memorandum (Supporting Document)

Comments: To assist the Virginia Bureau of Insurance in its review, for each of the subsets of the business corresponding to the combinations of Benefit Period, Elimination Period and Inflation Option, please provide in Excel format the following projections on a nationwide basis:

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with premiums restated as if the proposed rate increase had been in effect from inception.
- d. actual historical experience to the projection date and future projections based on the prior assumptions (to be used in the Prospective PV test).
- e. original assumptions and original premiums from inception

Projections a. - e. can be separate tabs or combined into separate columns on the same exhibit.

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Objection 11

- L&H Actuarial Memorandum (Supporting Document)

Comments: For each subset of business used in the requested projections, please provide the active life reserve balance as of the projection date on a nationwide basis.

Objection 12

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm if margin was included in claim reserve estimates.

Objection 13

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the full credibility standard used to determine the credibility of the experience of each policy series associated with this filing. Additionally, please provide the number of claims associated with each policy series

Objection 14

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if there are any partnership policies issued to any of the remaining Virginia policyholders.

Conclusion:

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

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

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 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.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	02/16/2023
Submitted Date	02/16/2023
Respond By Date	03/17/2023

Dear Beverly Toomey,

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 must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

Objection 2

- Sample Rate Increase Letter (Supporting Document)

Comments: 1) Please provide the SERFF Tracking Number under which the Policyholder Rate Increase notification letter was approved.

2) Please provide a John Doe version of the Rate Increase Letter just as if addressed to the policyholder.

Objection 3

- Virginia and Nationwide Exhibits (Supporting Document)

Comments: Please provide all exhibits in Excel format with working formulas so that the calculations can be followed.

Conclusion:

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

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

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 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.

Sincerely,
Bill Dismore

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 04/28/2023
 Submitted Date 04/28/2023

Dear Greg Smith,

Introduction:

Response 1

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)
- Virginia and Nationwide Exhibits (Supporting Document)

Comments: Please state whether the experience projections reflect the impact of policyholders reducing benefit levels to reduce or eliminate the impact of the requested premium increase. If so, please justify the assumption reflected in the experience projections. Please include quantitative support where applicable.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 04-28-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230411_20230428.pdf Exhibits for Objection Response 4-28-2023.xlsx

Response 2

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 2

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Filing Company: Knights of Columbus

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please demonstrate quantitatively that any proposed benefit buy down options are actuarially equivalent to the proposed rate increase.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 04-28-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230411_20230428.pdf Exhibits for Objection Response 4-28-2023.xlsx

Response 3

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please describe how assumptions by the Company are reflected for contingent benefit upon lapse (CBUL) in the experience projections. Please include quantitative support where applicable.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
 TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
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Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 04-28-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230411_20230428.pdf Exhibits for Objection Response 4-28-2023.xlsx

Response 4

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 4

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide an actual to expected comparison of incurred claims on a nationwide basis by experience year for policy forms subject to this rate filing.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 04-28-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230411_20230428.pdf Exhibits for Objection Response 4-28-2023.xlsx

Response 5

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 5

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Comments: Please clarify whether adjustments have been made to the morbidity assumptions to account for future morbidity improvement. If so, please state the assumed level of future morbidity improvement and include quantitative support.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 6

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 6

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please clarify whether adjustments have been made to the mortality assumptions to account for future mortality improvement. If so, please state the assumed level of future mortality improvement and include quantitative support.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 04-28-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230411_20230428.pdf Exhibits for Objection Response 4-28-2023.xlsx

Response 7

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 7

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please identify the portion of the proposed rate increase that is attributed to each of the following components:

- a. Changes in the voluntary lapse assumptions
- b. Changes in the mortality assumptions
- c. Changes in the expected claim cost assumptions
- d. Changes in any other assumptions (e.g., interest rates)

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 04-28-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230411_20230428.pdf Exhibits for Objection Response 4-28-2023.xlsx

Response 8**Comments:**

Please see our response on the Supporting Documentation Tab.

Related Objection 8**Applies To:**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm that waiver of premium benefits has been treated as a reduction to premium instead of a claims expense in the experience projections. If waiver of premium benefits has not been treated as a reduction to premium, please provide a revised experience projection making this change.

Changed Items:

No Form Schedule items changed.

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State:

Virginia

Filing Company:

Knights of Columbus

TOI/Sub-TOI:

LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified

Product Name:

LTC01, NHC01

Project Name/Number:

/

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 04-28-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230411_20230428.pdf Exhibits for Objection Response 4-28-2023.xlsx

Conclusion:

Sincerely,

Beverly Toomey

State:	Virginia	Filing Company:	Knights of Columbus
TOI/Sub-TOI:	LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified		
Product Name:	LTC01, NHC01		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/22/2023
Submitted Date	03/22/2023

Dear Greg Smith,

Introduction:

Response 1

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)
- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please revise the "Key Drivers of Need for Rate Increase.pdf" so that it is similar to that provided in the actuarial memorandum (see below) under Section 4. Rate Increase Request, Reasons for and Expected Effect on Premium.

In addition, please add the page to the existing "LTC Rate Increase Request Summary.pdf" so that it is one document instead of two.

4. Rate Increase Request, Reasons for and Expected Effect on Premiums

This rate increase is necessary because projected future experience is changed from what was anticipated when the products were priced in 1999. There are several reasons for this change in projected future experience:

- Actual policy termination rates have been lower than originally expected. The revised voluntary lapse assumptions based on emerging experience and used to project future experience consist of an ultimate lapse rate of 0.82% versus the 2% assumed at pricing. Similarly, updated mortality assumptions apply a 51% factor on the original pricing mortality assumption.

- Incurred claim lengths of stay have significantly exceeded those assumed in pricing.

- Claim incidence rates at older ages have been in excess of those expected at the time of original pricing.

- Actual portfolio investment rates have been and are projected to continue to be significantly lower than assumed in pricing.

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
 TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
 Product Name: LTC01, NHC01
 Project Name/Number: /

Filing Company: Knights of Columbus

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 03-22-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230313_20230322.pdf

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 03-22-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230313_20230322.pdf

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	LTC Rate Increase Request Summary - Revised 03-22-2023.pdf

Previous Version

Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>LTC Rate Increase Request Summary.pdf</i> <i>Key Drivers of Need for Rate Increase.pdf</i>

Previous Version

Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>LTC Rate Increase Request Summary.pdf</i>

Conclusion:

Sincerely,
Beverly Toomey

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 03/27/2023
 Submitted Date 03/27/2023

Dear Greg Smith,

Introduction:

Response 1

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the current average attained policyholder age for the Virginia policyholders.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx
Satisfied - Item:	Policy Forms and Rider Contracts
Comments:	
Attachment(s):	LTC01-VA 6-99.pdf LTC01-VA 1-03.pdf NHC01-VA 6-99.pdf NHC01-VA 1-03.pdf BIR01 6-99.pdf ROP01 1-03.pdf NFB01-VA 6-99.pdf NFB01-VA 1-03.pdf

Response 2

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the number of Virginia and Nationwide active policyholders as follows:

- 1) # of policies in force with an issue date prior to 10/01/2003 (pre-rate stability period)
- 2) # of policies in force with an issue date of 10/01/2003 and later (post-rate stability period).

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Filing Company: Knights of Columbus

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Response 3

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Since the policies were issued from 2000 - 2016 it appears that the Virginia block will need to be separated by issue date into different subsets.

1) Pursuant to 14VAC5-200-150 please provide the 60/80 Test for each subset (5% Compound Indexed Benefit and Guarantee Purchase Inflation Protection subsets) and include all projections required to validate those tests for policies issued in Virginia before October 1, 2003.

2) Please provide the 58/85 Test for each subset (5% Compound Indexed Benefit and Guarantee Purchase Inflation Protection subsets) and include all projections required to validate those tests pursuant to 14VAC5-200-153 for policies issued in Virginia on or after October 1, 2003.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
 TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
 Product Name: LTC01, NHC01
 Project Name/Number: /

Filing Company: Knights of Columbus

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Response 4

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 4

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain the difference in the policies with Guarantee Purchase Inflation Protection and those with 5% Compound Indexed Benefit. Is the 5% Compound Indexed Benefit added by the 5% Compound Inflation Rider BIR01?

Please provide a copy of each policy and rider under the Supporting Documentation tab.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx
Satisfied - Item:	Policy Forms and Rider Contracts
Comments:	
Attachment(s):	LTC01-VA 6-99.pdf LTC01-VA 1-03.pdf NHC01-VA 6-99.pdf NHC01-VA 1-03.pdf BIR01 6-99.pdf ROP01 1-03.pdf NFB01-VA 6-99.pdf NFB01-VA 1-03.pdf

Response 5

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 5

Comments: Please advise the % of premium increase required to reach the original anticipated lifetime loss ratio target of 68.3%

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Response 6**Comments:**

Please see our response on the Supporting Documentation Tab.

Related Objection 6

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide an explanation for why the Virginia average premium is 11% higher than the Nationwide average premium.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Response 7**Comments:**

Please see our response on the Supporting Documentation Tab.

Related Objection 7

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: If the proposed premium increase is approved, please clearly define the experience factors that will prompt the company to file a future rate increase.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State: Virginia
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Filing Company: Knights of Columbus

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Response 8

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 8

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all Exhibits in Excel with working formulas.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Response 9

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 9

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: For all projections requested in this question, the baseline should comply with the following:

- a. Any policies issued as limited-pay which are now in paid-up status should be removed, both from historical experience and future projections.
- b. Premiums should be at the Virginia rate level for both historical and projected future.
- c. Please use the appropriate maximum valuation interest rate for accumulation and discounting of this block.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Response 10

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 10

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Comments: To assist the Virginia Bureau of Insurance in its review, for each of the subsets of the business corresponding to the combinations of Benefit Period, Elimination Period and Inflation Option, please provide in Excel format the following projections on a nationwide basis:

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with premiums restated as if the proposed rate increase had been in effect from inception.
- d. actual historical experience to the projection date and future projections based on the prior assumptions (to be used in the Prospective PV test).
- e. original assumptions and original premiums from inception

Projections a. - e. can be separate tabs or combined into separate columns on the same exhibit.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Response 11

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 11

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia Filing Company: Knights of Columbus
 TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
 Product Name: LTC01, NHC01
 Project Name/Number: /

Comments: For each subset of business used in the requested projections, please provide the active life reserve balance as of the projection date on a nationwide basis.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Response 12

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 12

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm if margin was included in claim reserve estimates.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Response 13**Comments:**

Please see our response on the Supporting Documentation Tab.

Related Objection 13

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the full credibility standard used to determine the credibility of the experience of each policy series associated with this filing. Additionally, please provide the number of claims associated with each policy series

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Response 14**Comments:**

Please see our response on the Supporting Documentation Tab.

Related Objection 14

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if there are any partnership policies issued to any of the remaining Virginia policyholders.

Changed Items:

No Form Schedule items changed.

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State:

Virginia

Filing Company:

Knights of Columbus

TOI/Sub-TOI:

LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified

Product Name:

LTC01, NHC01

Project Name/Number:

/

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx

Conclusion:

Sincerely,

Beverly Toomey

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 03/10/2023
 Submitted Date 03/10/2023

Dear Greg Smith,

Introduction:

Response 1

Comments:

Please see our response on the Supporting Documentation Tab.

Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Virginia and Nationwide Exhibits
Comments:	
Attachment(s):	Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf Virginia Experience Exhibit - 12-31-2021.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx
<i>Previous Version</i>	
Satisfied - Item:	Virginia and Nationwide Exhibits
Comments:	
Attachment(s):	Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Filing Company: Knights of Columbus**Supporting Document Schedule Item Changes**

Satisfied - Item:	Virginia and Nationwide Exhibits
Comments:	
Attachment(s):	Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf Virginia Experience Exhibit - 12-31-2021.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx
<i>Previous Version</i>	
Satisfied - Item:	<i>Virginia and Nationwide Exhibits</i>
Comments:	
Attachment(s):	<i>Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf</i>

Satisfied - Item:	Sample Rate Increase Letter
Comments:	
Attachment(s):	Sample Rate Increase Letter - KOC - 2-6-2023.pdf Rate increase letter - Form CL-R 02-23 - John Doe Version.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Rate Increase Letter</i>
Comments:	
Attachment(s):	<i>Sample Rate Increase Letter - KOC - 2-6-2023.pdf</i>

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Filing Company: Knights of Columbus**Supporting Document Schedule Item Changes**

Satisfied - Item:	Virginia and Nationwide Exhibits
Comments:	
Attachment(s):	Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf Virginia Experience Exhibit - 12-31-2021.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx
<i>Previous Version</i>	
Satisfied - Item:	<i>Virginia and Nationwide Exhibits</i>
Comments:	
Attachment(s):	<i>Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf</i>

Satisfied - Item:	Sample Rate Increase Letter
Comments:	
Attachment(s):	Sample Rate Increase Letter - KOC - 2-6-2023.pdf Rate increase letter - Form CL-R 02-23 - John Doe Version.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Rate Increase Letter</i>
Comments:	
Attachment(s):	<i>Sample Rate Increase Letter - KOC - 2-6-2023.pdf</i>

Satisfied - Item:	Objection Response 03-10-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230216_20230310.pdf

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Supporting Document Schedule Item Changes

Satisfied - Item:	Virginia and Nationwide Exhibits
Comments:	
Attachment(s):	Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf Virginia Experience Exhibit - 12-31-2021.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx
<i>Previous Version</i>	
Satisfied - Item:	<i>Virginia and Nationwide Exhibits</i>
Comments:	
Attachment(s):	<i>Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf</i>

Satisfied - Item:	Sample Rate Increase Letter
Comments:	
Attachment(s):	Sample Rate Increase Letter - KOC - 2-6-2023.pdf Rate increase letter - Form CL-R 02-23 - John Doe Version.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Rate Increase Letter</i>
Comments:	
Attachment(s):	<i>Sample Rate Increase Letter - KOC - 2-6-2023.pdf</i>

Satisfied - Item:	Objection Response 03-10-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230216_20230310.pdf

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	LTC Rate Increase Request Summary.pdf Key Drivers of Need for Rate Increase.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>LTC Rate Increase Request Summary.pdf</i>

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Response 2**Comments:**

Please see our response on the Supporting Documentation Tab.

Related Objection 2

Applies To:

- Sample Rate Increase Letter (Supporting Document)

Comments: 1) Please provide the SERFF Tracking Number under which the Policyholder Rate Increase notification letter was approved.

2) Please provide a John Doe version of the Rate Increase Letter just as if addressed to the policyholder.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Sample Rate Increase Letter
Comments:	
Attachment(s):	Sample Rate Increase Letter - KOC - 2-6-2023.pdf Rate increase letter - Form CL-R 02-23 - John Doe Version.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Rate Increase Letter</i>
Comments:	
Attachment(s):	<i>Sample Rate Increase Letter - KOC - 2-6-2023.pdf</i>

Response 3**Comments:**

Please see our response on the Supporting Documentation Tab.

Related Objection 3

Applies To:

- Virginia and Nationwide Exhibits (Supporting Document)

Comments: Please provide all exhibits in Excel format with working formulas so that the calculations can be followed.

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Filing Company: Knights of Columbus

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Virginia and Nationwide Exhibits
Comments:	
Attachment(s):	Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf Virginia Experience Exhibit - 12-31-2021.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx
<i>Previous Version</i>	
Satisfied - Item:	Virginia and Nationwide Exhibits
Comments:	
Attachment(s):	Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf

Conclusion:

Sincerely,
Beverly Toomey

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
 TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
 Product Name: LTC01, NHC01
 Project Name/Number: /

Filing Company: Knights of Columbus

Amendment Letter

Submitted Date: 05/18/2023

Comments:
 As requested in SERFF #TRIP-133593351 objection dated 4/18/2023 (Objection #9), we have revised the narrative in the LTC Rate Request Summary to be consistent with the Policyholder letter.

Changed Items:
No Form Schedule Items Changed.
No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	LTC Rate Increase Request Summary - Revised 05-15-2023.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>LTC Rate Increase Request Summary - Revised 03-22-2023.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>LTC Rate Increase Request Summary.pdf Key Drivers of Need for Rate Increase.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>LTC Rate Increase Request Summary.pdf</i>

State: Virginia

Filing Company: Knights of Columbus

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified

Product Name: LTC01, NHC01

Project Name/Number: /

Reviewer Note

Created By:

Ian Patterson on 01/05/2024 10:02 AM

Last Edited By:

Ian Patterson

Submitted On:

01/05/2024 10:02 AM

Subject:

RRS

Comments:

Rate Review Summary

**Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company**

Company Name and NAIC Number:

SERFF Tracking Number:

Revised Rates

Average Annual Premium Per Member:

Average Requested Percentage Rate Change Per Member:

Range of Requested Rate Changes:

Number of Virginia Policyholders Affected:

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
LTC01	Long Term Care	2000-2016	None	
NHC01	Long Term Care	2000-2016	None	

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. (Rev. 06/19)

It is necessary to increase premiums due to greater than anticipated claims payments expected over the lifetime of all policies like yours. Premium rates must be adjusted to ensure current and future claims are adequately funded, so that long term care benefits will be available to you when you need them. Please be assured that you have not been singled out, and this premium increase is not a reflection of any previous claims history you may have had.

Part 2 - Long Term Care Insurance Rate Request Summary

Completed by the Bureau of Insurance (Bureau) of the Virginia State Corporation Commission

Company Name and NAIC Number: Knights of Columbus – NAIC # 58033

SERFF Tracking Number: TRIP-133533599

Disposition: Approved

Approval Date: 11/1/2023

Current Average Annual Premium Per Member: \$1,732

Rate Changes:

Average Percentage Rate Change Per Member: 37%

Minimum Requested Percentage Rate Change Per Member: 37%

Maximum Requested Percentage Rate Change Per Member: 37%

Number of Virginia Policy Holders Affected: 1378

Summary of the Bureau's review of the rate request:

The Company requested, and the Bureau approved a rate increase of 37% for this block of individual long-term care insurance policy forms.

The Bureau and its consulting actuary reviewed the documentation and determined that this rate increase complies with the regulatory and actuarial requirements for a rate increase as set forth in 14VAC5-200-150 and 14VAC5-200-153 of the Virginia Administrative Code. The review indicated that the anticipated lifetime loss ratio after the increase will be 75.7%, which exceeds the minimum required loss ratio of 60%.

The Company has advised that they do not intend to request future rates increases on this block unless the actual experience is worse than projected.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer, which has resulted in more claims being filed than the Company anticipated when the policy was originally priced. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced and to ensure that sufficient funds are available to pay claims.

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions, or a paid-up policy. Specific options are included in the letter sent to all

policyholders notifying them of the rate increase and can be discussed with the Company by calling its customer service department.

The filing can be reviewed on the Bureau's webpage under the Rate/Policy Form Search at: <https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>

State: Virginia

Filing Company: Knights of Columbus

TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified

Product Name: LTC01, NHC01

Project Name/Number: /

Reviewer Note

Created By:

Bill Dismore on 05/15/2023 12:14 PM

Last Edited By:

Ian Patterson

Submitted On:

11/01/2023 08:28 AM

Subject:

Actuarial Summary & Opinion

Comments:

5/15/2023 - received the actuary's summary and opinion report. See attachment.

Mr. Bill Dismore
Life and Health Division
Bureau of Insurance
Richmond, VA 23218

May 15, 2023

Knights of Columbus
State Tracking Number: TRIP-133533599
Rate Revision Filing on LTC Policy Forms LTC01, NHC01

Dear Mr. Dismore,

The Virginia Bureau of Insurance has engaged Oliver Wyman Actuarial Consulting, Inc. (Oliver Wyman) to perform an actuarial review of the above captioned rate filing submitted by Knights of Columbus (the Company), requesting approval of revised rates for a closed block of individual long-term care (LTC) policies (policy forms LTC01 and NHC01) and riders (BIR01 and NFB01). The purpose of this letter is to provide you with our analysis and opinion with respect to the rate increase requested by the Company. This letter is not intended for any other purposes.

OPINION

Based on the information provided, we believe this filing satisfies the loss ratio requirements of 14VAC5-200-150 and 14VAC5-200-153.

OTHER REGULATORY CONSIDERATIONS

In addition to evaluating this filing for compliance with 14VAC5-200-150 and 14VAC5-200-153, we compared the requested rate increase to the maximum rate increase under various approaches, as requested by the Bureau. The maximum average rate increase allowed under each approach is summarized in the table below:

Proposed Increase Under 14VAC5-200-150 and 14VAC5-200-153	37.0%
Other Rate Increase Tests	
Present Value of Future Loss	26.6%
Prospective Present Value (Texas Approach)	-4.5%
If-Knew/Makeup	49.1%
State Equity	37.0%

BACKGROUND

The Company is requesting a flat rate increase of 37.0% for its individual long-term care policies issued under policy forms LTC01 and NHC01, providing comprehensive long-term care benefits to insureds.

These policies were originally issued between 2000 and 2016 in Virginia. As of December 31, 2022, there were 1,378 active, premium paying policies in Virginia that would be impacted by the proposed rate increase. About 249 active policies were issued prior to 10/1/2003 and 1,129 policies were issued on or after 10/1/2003. No prior rate increase has been approved for these policy forms in Virginia.

METHODOLOGY

We reviewed the filing materials for compliance with all relevant regulations, verified the calculations in the exhibits provided by the Company, and assessed the reasonability of the assumptions underlying this rate increase request.

Assumptions

Morbidity Assumptions

The morbidity assumptions were developed using institutional benefit rates based upon the 1985 and 1995 National Nursing Home Surveys with adjustments, and Home and Community benefit rates based upon the 1989 and 1994 National Long-Term Care Survey of disabled elders in the Community. The morbidity assumptions vary by attained age and policy duration. Morbidity adjustments made to pricing claim costs include a utilization rate factor of 72.6% and length of stay factor of 268.5% for the current filing. According to the Company, the changes in morbidity do not contribute to the need for a rate increase. However, the change in assumptions due to interest and total termination assumptions do become a contributing factor to the need for an increase if the current rate increase request is not taken to account. The Company provided a comparison of actual to expected incurred claims by experience year for policy forms subject to this rate filing. We find the morbidity assumptions are not unreasonable.

Mortality Assumptions

The mortality assumptions are based on a Basic Ultimate Mortality Table from years 1975-1980, blended equally by gender. A baseline blended adjustment to pricing mortality includes 23%, 33% and 51% adjustments for years 1-5, years 6-10 years and at least 11 years of policy duration, respectively. A comparison of actual deaths to expected for the policy forms subject to this rate filing and other similar policy forms nationwide by duration and issue age demonstrates the morbidity assumptions are not unreasonable. There is no assumed level of future mortality improvement used in the projected experience implemented beyond the initial policy filings.

Voluntary Lapse Assumptions

The voluntary lapse assumptions are based on historical Company experience for all policy forms and vary by duration. The revised voluntary lapse assumptions for the current filing are based on emerging experience and are used to project future experience. The revised voluntary lapse rate for durations 5 and greater is 0.82% compared to the ultimate rate of 2% assumed at initial pricing. Approximately 41%

of the requested rate increase is attributable to the updated voluntary lapse assumptions. A comparison of actual lapse rates to expected for the policy forms subject to this rate filing and other similar policy forms nationwide by duration and issue age demonstrates the lapse rate assumptions are not unreasonable. We note that the Company does not assume any impact of shock lapses or elected benefit reductions due to the rate increase in the experience projections.

Interest Rate Assumptions

The prevailing valuation interest rate of 3.5% is assumed for the experience projections. The original interest rate was 6.25%. The change in the interest rate assumption contributes approximately 52% of the requested rate increase.

Loss Ratio Testing

Compliance with VA Statute

We have reviewed the filing for compliance with 14VAC5-200-150 and 14VAC5-200-153. We utilized the nationwide experience as Virginia specific experience is not deemed credible by the Company.

According to 14VAC5-200-150, the Company must demonstrate the sum of the accumulated value of past incurred claims without active life reserves plus the present value of future projected incurred claims without active life reserves is at least the sum of the following for policies issued prior to October 1, 2003:

1. The accumulated value of the initial earned premium times sixty percent (60%), or the lifetime loss ratio used in the original pricing, whichever is greater;
2. Eighty percent (80%) of the accumulated value of prior premium rate schedule increases on an earned basis;
3. The present value of future projected initial earned premiums times sixty percent (60%), or the lifetime loss ratio used in the original pricing, whichever is greater; and
4. Eighty percent (80%) of the present value of future projected premiums not in specified above in subsection 3 on an earned basis.

The original pricing lifetime loss ratio of 68.3% was used in place of 60% when performing the calculation outlined above. Based on the information provided by the Company, 14VAC5-200-150 is satisfied for policies issued prior to October 1, 2003.

According to 14VAC5-200-153, the Company must demonstrate the sum of the accumulated value of past incurred claims without active life reserves plus the present value of future projected incurred claims without active life reserves is at least the sum of the following for policies issued between October 1, 2003 and August 31, 2015:

1. The accumulated value of the initial earned premium times fifty-eight percent (58%);
2. Eighty-five percent (85%) of the accumulated value of prior premium rate schedule increases on an earned basis;

3. The present value of future projected initial earned premiums times fifty-eight percent (58%); and
4. Eighty-five percent (85%) of the present value of future projected premiums not in specified above in subsection 3 on an earned basis.

Since all policyholders are eligible for a contingent benefit upon lapse, the original lifetime loss ratio of 68.3% was used in place of 58% when performing the calculation outlined above. Based on the information provided by the Company, 14VAC5-200-153 is satisfied for policies issued on or after October 1, 2003.

Loss Ratio Projections

Original L/R	Future L/R without Increase*	Lifetime L/R without Increase	Future L/R with Increase*	Lifetime L/R with Increase	From Inception
68.3%	84.5%	84.5%	70.3%	75.7%	61.6%

*After deducting ALR

We have reviewed the future loss ratio projection for the combined pre- and post-stability policy forms subjects to this rate filing on nationwide basis. The original lifetime loss ratio adjusted to reflect the actual mix of business sold is 68.3%. The Company projects the lifetime loss ratio to be 84.5% and 75.7%, without and with the proposed rate increase, respectively. The future loss ratio when considering active life reserves, discounted at the average maximum statutory valuation rate, would be 84.5% and 70.3%, without and with the proposed increase, respectively. When assuming the proposed rates would have been implemented since inception, the lifetime loss ratio would be 61.6%.

Present Value of Future Loss Test

Original	Current	Proposed	Allowed Rate Increase
-\$359 M	-\$493 M	-\$299 M	26.6%

The Company provided sufficient detail for us to determine that the maximum allowable rate increase based on the present value of future loss test is 26.6%. In coming to this amount, we used information from Attachment B provided with the Company's April 28, 2023 responses. The evaluation of future losses using the current assumptions without the proposed rate increase ("Current") and future losses using the current assumptions with the proposed rate increase ("Proposed") was performed assuming the average maximum statutory interest rate of 3.50%. The evaluation of future losses using the original pricing assumptions was performed assuming the original pricing interest rate of 6.25%.

Prospective Present Value Test (Texas Approach)

Based on information provided by the Company, the maximum allowable rate increase under the prospective present value approach is -4.5%. The Company notes that prospective present value test does not consider changes in the interest rate environment and is not indicative of the necessary change in premium rates.

If-Knew/Makeup Blend Test (Minnesota Approach)

Based on the information provided by the Company, we estimate that the allowable increase based on the if-knew/makeup blend test is 49.1%.

State Rate Equity Test

VA Current Cumulative Increase	VA Proposed Cumulative Increase	NW Current Cumulative Increase	NW Proposed Cumulative Increase	Allowed Rate Increase
0.0%	37.0%	0.0%	37.0%	37.0%

As noted previously, no prior rate increases have been approved in Virginia. If the proposed rate increase is approved, the cumulative average rate increase in Virginia would be 37.0%. Nationwide, no prior rate increases have been approved, and if all pending rate increase are approved, the nationwide cumulative average rate increase would be 37.0%. In order to ensure the cumulative average rate increase approved in Virginia does not exceed the nationwide average rate increase, assuming all pending rate increases were approved, the proposed rate increase in Virginia would need to be 37.0% or below.

RELIANCE

In arriving at our opinion, we used and relied on information provided by the Company without independent investigation or verification. If this information is inaccurate, incomplete, or out of date, our findings and conclusions may need to be revised. While we have relied on the data provided by the Company without independent investigation or verification, we have reviewed the data for consistency and reasonableness. Where we found the data inconsistent or unreasonable, we have requested clarification.

We have utilized generally accepted actuarial methodology in reaching this opinion. I am a member of the American Academy of Actuaries and meet all of its requirements to render this opinion.

If you have any questions regarding this filing, please feel free to contact me. I can be reached at 414-223-7960.

Sincerely,



Peter Kaczmarek, FSA, MAAA
Senior Manager

Copy: Tammy Tomczyk, Oliver Wyman Actuarial Consulting, Inc.
Shay Darga, Oliver Wyman Actuarial Consulting, Inc.

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Filing Company: Knights of Columbus

Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision:
Filing Method of Last Filing:
SERFF Tracking Number of Last Filing:

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):
Knights of Columbus	37.000%	37.000%	\$883,035	1,378	\$2,386,581	37.000%	37.000%

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State:

Virginia

Filing Company:

Knights of Columbus

TOI/Sub-TOI:

LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified

Product Name:

LTC01, NHC01

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		Rate Sheets 2023 - LTC01 - NHC01	LTC01, NHC01	Revised	Previous State Filing Number: Percent Rate Change Request: 37	Rate Sheets 2023 - LTC01 - NHC01.pdf,

Knights of Columbus
Form LTC01 with 5% Compound Inflation Rider BIR01
Rates per \$10 of Daily Benefit
90 Day Elimination Period
5% Compound Indexed Benefit

<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>	<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>
18	\$51.55	\$64.39	\$87.64	57	\$172.59	\$215.99	\$294.92
19	\$52.62	\$65.73	\$89.46	58	\$178.65	\$223.58	\$305.35
20	\$53.70	\$67.08	\$91.28	59	\$185.61	\$232.31	\$317.35
21	\$54.77	\$68.42	\$93.11	60	\$193.87	\$242.68	\$331.59
22	\$55.84	\$69.76	\$94.93	61	\$203.10	\$254.26	\$347.50
23	\$56.92	\$71.10	\$96.76	62	\$213.04	\$266.71	\$364.63
24	\$57.99	\$72.45	\$98.59	63	\$224.19	\$280.70	\$383.85
25	\$59.06	\$73.79	\$100.41	64	\$237.05	\$296.84	\$406.03
26	\$59.94	\$74.88	\$101.91	65	\$252.16	\$315.77	\$432.06
27	\$60.64	\$75.75	\$103.08	66	\$268.37	\$336.12	\$462.68
28	\$61.42	\$76.73	\$104.42	67	\$285.34	\$357.43	\$497.28
29	\$62.60	\$78.19	\$106.42	68	\$304.77	\$381.82	\$534.79
30	\$64.43	\$80.49	\$109.55	69	\$328.35	\$411.38	\$574.08
31	\$67.13	\$83.86	\$114.13	70	\$357.79	\$448.21	\$614.08
32	\$70.51	\$88.08	\$119.88	71	\$393.07	\$495.42	\$654.89
33	\$74.27	\$92.78	\$126.26	72	\$441.29	\$552.45	\$697.25
34	\$78.13	\$97.59	\$132.81	73	\$490.13	\$613.36	\$740.96
35	\$81.79	\$102.16	\$139.03	74	\$538.20	\$673.36	\$785.85
36	\$85.21	\$106.45	\$144.85	75	\$581.41	\$727.32	\$831.67
37	\$88.60	\$110.67	\$150.60	76	\$618.60	\$774.37	\$879.09
38	\$92.01	\$114.93	\$156.39	77	\$652.48	\$817.89	\$928.23
39	\$95.50	\$119.29	\$162.32	78	\$684.82	\$859.22	\$978.13
40	\$99.13	\$123.83	\$168.52	79	\$717.36	\$899.71	\$1,027.87
41	\$102.94	\$128.62	\$175.06	80	\$751.86	\$940.68	\$1,076.48
42	\$106.90	\$133.58	\$181.84	81	\$788.44	\$980.65	\$1,122.26
43	\$110.94	\$138.64	\$188.79	82	\$825.93	\$1,018.72	\$1,165.84
44	\$115.01	\$143.75	\$195.77	83	\$864.14	\$1,057.13	\$1,209.78
45	\$119.05	\$148.82	\$202.72	84	\$902.86	\$1,098.11	\$1,256.66
46	\$123.04	\$153.82	\$209.56	85	\$941.90	\$1,143.88	\$1,309.04
47	\$127.00	\$158.80	\$216.36	86	\$980.99	\$1,195.78	\$1,368.42
48	\$130.99	\$163.80	\$223.23	87	\$1,020.28	\$1,252.32	\$1,433.13
49	\$135.05	\$168.89	\$230.20	88	\$1,060.13	\$1,311.49	\$1,500.85
50	\$139.23	\$174.14	\$237.41	89	\$1,100.95	\$1,371.34	\$1,569.34
51	\$143.43	\$179.39	\$244.61	90	\$1,143.13	\$1,429.86	\$1,636.30
52	\$147.58	\$184.61	\$251.78	91	\$1,187.09	\$1,487.05	\$1,701.75
53	\$151.89	\$190.01	\$259.20	92	\$1,232.60	\$1,544.25	\$1,767.20
54	\$156.52	\$195.83	\$267.20	93	\$1,278.98	\$1,601.43	\$1,832.65
55	\$161.67	\$202.28	\$276.08	94	\$1,325.57	\$1,658.63	\$1,898.11
56	\$167.07	\$209.05	\$285.38	95	\$1,371.73	\$1,715.83	\$1,963.55

Modal Factors: Semi-Annual: 0.52, Quarterly: 0.265, Monthly: 0.0865

Elimination Period Factors: 30 Days: 1.12, 60 Days: 1.07, 90 Days: 1.0, 180 days: 0.9

Spousal Discount: 15% if both spouses are issued coverage, 10% if one spouse issued coverage

Knights of Columbus
Form LTC01
Rates per \$10 of Daily Benefit
90 Day Elimination Period
Guarantee Purchase Inflation Protection

<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>	<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>
18	\$14.25	\$17.56	\$23.51	57	\$70.97	\$88.37	\$119.77
19	\$14.55	\$17.93	\$24.00	58	\$75.12	\$93.57	\$126.89
20	\$14.84	\$18.30	\$24.50	59	\$79.95	\$99.64	\$135.22
21	\$15.14	\$18.67	\$24.99	60	\$85.76	\$106.91	\$145.19
22	\$15.44	\$19.03	\$25.47	61	\$92.27	\$115.07	\$156.36
23	\$15.73	\$19.40	\$25.96	62	\$99.28	\$123.85	\$168.41
24	\$16.03	\$19.76	\$26.44	63	\$107.22	\$133.79	\$182.03
25	\$16.33	\$20.13	\$26.93	64	\$116.46	\$145.37	\$197.92
26	\$16.58	\$20.43	\$27.33	65	\$127.44	\$159.11	\$216.78
27	\$16.77	\$20.66	\$27.65	66	\$139.21	\$173.88	\$238.75
28	\$16.97	\$20.93	\$28.02	67	\$151.51	\$189.33	\$263.38
29	\$17.30	\$21.33	\$28.55	68	\$165.72	\$207.17	\$290.43
30	\$17.81	\$21.96	\$29.39	69	\$183.21	\$229.06	\$319.63
31	\$18.56	\$22.88	\$30.62	70	\$205.35	\$256.72	\$350.76
32	\$19.50	\$24.03	\$32.17	71	\$233.74	\$292.10	\$383.82
33	\$20.52	\$25.30	\$33.88	72	\$267.47	\$334.07	\$418.97
34	\$21.59	\$26.62	\$35.63	73	\$304.13	\$379.70	\$456.20
35	\$22.61	\$27.87	\$37.31	74	\$341.34	\$426.02	\$495.46
36	\$23.48	\$28.93	\$38.73	75	\$376.68	\$470.09	\$536.74
37	\$24.26	\$29.91	\$40.02	76	\$409.64	\$511.28	\$580.24
38	\$25.10	\$30.92	\$41.37	77	\$441.83	\$551.56	\$625.97
39	\$26.10	\$32.17	\$43.03	78	\$474.01	\$591.87	\$673.63
40	\$27.40	\$33.78	\$45.21	79	\$506.98	\$633.19	\$722.88
41	\$29.06	\$35.85	\$48.02	80	\$541.55	\$676.44	\$773.41
42	\$30.99	\$38.26	\$51.31	81	\$578.25	\$722.33	\$825.99
43	\$33.10	\$40.92	\$54.92	82	\$616.55	\$770.23	\$880.84
44	\$35.32	\$43.70	\$58.72	83	\$655.65	\$819.10	\$936.79
45	\$37.57	\$46.53	\$62.55	84	\$694.70	\$867.88	\$992.65
46	\$39.84	\$49.37	\$66.43	85	\$732.87	\$915.58	\$1,047.24
47	\$42.20	\$52.33	\$70.46	86	\$770.04	\$962.01	\$1,100.37
48	\$44.63	\$55.38	\$74.62	87	\$806.74	\$1,007.88	\$1,152.83
49	\$47.14	\$58.53	\$78.90	88	\$843.19	\$1,053.42	\$1,204.90
50	\$49.72	\$61.75	\$83.31	89	\$879.58	\$1,098.86	\$1,256.88
51	\$52.27	\$64.92	\$87.67	90	\$916.09	\$1,144.48	\$1,309.05
52	\$54.77	\$68.06	\$91.95	91	\$952.74	\$1,190.27	\$1,361.41
53	\$57.40	\$71.36	\$96.48	92	\$989.37	\$1,236.04	\$1,413.77
54	\$60.31	\$75.01	\$101.46	93	\$1,026.02	\$1,281.83	\$1,466.15
55	\$63.65	\$79.19	\$107.19	94	\$1,062.65	\$1,327.60	\$1,518.51
56	\$67.24	\$83.68	\$113.35	95	\$1,099.30	\$1,373.38	\$1,570.87

Modal Factors: Semi-Annual: 0.52, Quarterly: 0.265, Monthly: 0.0865

Elimination Period Factors: 30 Days: 1.12, 60 Days: 1.07, 90 Days: 1.0, 180 days: 0.9

Spousal Discount: 15% if both spouses are issued coverage, 10% if one spouse issued coverage

Knights of Columbus
Form NHC01 with 5% Compound Inflation Rider BIR01
Rates per \$10 of Daily Benefit
90 Day Elimination Period
5% Compound Indexed Benefit

<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>	<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>
18	\$32.17	\$40.18	\$43.74	57	\$107.12	\$134.05	\$156.74
19	\$32.84	\$41.02	\$44.66	58	\$110.60	\$138.42	\$168.61
20	\$33.51	\$41.85	\$45.57	59	\$115.04	\$144.00	\$182.14
21	\$34.18	\$42.69	\$46.48	60	\$120.97	\$151.44	\$197.36
22	\$34.85	\$43.52	\$47.39	61	\$128.49	\$160.87	\$214.75
23	\$35.51	\$44.37	\$48.31	62	\$137.25	\$171.83	\$234.26
24	\$36.18	\$45.21	\$49.21	63	\$147.08	\$184.16	\$255.20
25	\$36.85	\$46.05	\$50.13	64	\$157.87	\$197.68	\$276.89
26	\$37.40	\$46.73	\$50.88	65	\$169.46	\$212.20	\$298.63
27	\$37.84	\$47.28	\$51.46	66	\$181.21	\$227.17	\$320.10
28	\$38.33	\$47.90	\$52.13	67	\$193.22	\$242.71	\$341.77
29	\$39.06	\$48.81	\$53.11	68	\$206.46	\$259.66	\$364.12
30	\$40.21	\$50.25	\$54.68	69	\$221.87	\$278.86	\$387.59
31	\$41.89	\$52.36	\$56.98	70	\$240.44	\$301.19	\$412.66
32	\$44.00	\$54.98	\$59.84	71	\$263.18	\$327.24	\$438.72
33	\$46.35	\$57.90	\$63.05	72	\$289.45	\$356.45	\$465.47
34	\$48.74	\$60.90	\$66.32	73	\$317.72	\$387.89	\$493.80
35	\$51.03	\$63.75	\$69.43	74	\$346.40	\$420.66	\$524.64
36	\$53.17	\$66.42	\$72.34	75	\$373.97	\$453.85	\$558.88
37	\$55.28	\$69.05	\$75.20	76	\$400.01	\$487.67	\$597.42
38	\$57.42	\$71.71	\$78.09	77	\$425.59	\$522.70	\$639.64
39	\$59.58	\$74.43	\$81.04	78	\$451.26	\$558.64	\$684.22
40	\$61.86	\$77.27	\$84.13	79	\$477.62	\$595.24	\$729.80
41	\$64.24	\$80.25	\$87.39	80	\$505.24	\$632.15	\$775.06
42	\$66.71	\$83.35	\$90.78	81	\$534.30	\$669.35	\$819.88
43	\$69.23	\$86.52	\$94.24	82	\$564.40	\$707.08	\$865.14
44	\$71.77	\$89.71	\$97.74	83	\$595.28	\$745.33	\$911.04
45	\$74.30	\$92.87	\$101.20	84	\$626.72	\$784.16	\$957.71
46	\$76.77	\$96.00	\$104.61	85	\$658.44	\$823.59	\$1,005.33
47	\$79.25	\$99.09	\$108.01	86	\$690.63	\$863.84	\$1,054.26
48	\$81.73	\$102.22	\$111.44	87	\$723.46	\$904.91	\$1,104.36
49	\$84.27	\$105.39	\$114.93	88	\$756.66	\$946.44	\$1,155.13
50	\$86.89	\$108.67	\$118.52	89	\$789.96	\$988.09	\$1,206.07
51	\$89.50	\$111.94	\$121.61	90	\$823.05	\$1,029.50	\$1,256.67
52	\$92.09	\$115.19	\$124.16	91	\$855.98	\$1,070.68	\$1,306.94
53	\$94.78	\$118.56	\$127.11	92	\$888.90	\$1,111.86	\$1,357.20
54	\$97.68	\$122.19	\$131.36	93	\$921.82	\$1,153.03	\$1,407.48
55	\$100.89	\$126.22	\$137.82	94	\$954.74	\$1,194.22	\$1,457.75
56	\$104.07	\$130.20	\$146.48	95	\$987.66	\$1,235.40	\$1,508.01

Modal Factors: Semi-Annual: 0.52, Quarterly: 0.265, Monthly: 0.0865

Elimination Period Factors: 30 Days: 1.12, 60 Days: 1.07, 90 Days: 1.0, 180 days: 0.9

Spousal Discount: 15% if both spouses are issued coverage, 10% if one spouse issued coverage

Knights of Columbus
Form NHC01
Rates per \$10 of Daily Benefit
90 Day Elimination Period
Guarantee Purchase Inflation Protection

<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>	<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>
18	\$9.26	\$11.43	\$12.22	57	\$45.83	\$57.06	\$66.35
19	\$9.45	\$11.66	\$12.48	58	\$48.36	\$60.25	\$72.97
20	\$9.64	\$11.89	\$12.74	59	\$51.57	\$64.27	\$80.78
21	\$9.84	\$12.12	\$12.99	60	\$55.75	\$69.50	\$90.02
22	\$10.03	\$12.37	\$13.25	61	\$60.88	\$75.93	\$100.83
23	\$10.23	\$12.60	\$13.49	62	\$66.75	\$83.27	\$113.04
24	\$10.43	\$12.85	\$13.75	63	\$73.39	\$91.58	\$126.45
25	\$10.62	\$13.08	\$14.00	64	\$80.86	\$100.93	\$140.86
26	\$10.78	\$13.28	\$14.21	65	\$89.20	\$111.38	\$156.08
27	\$10.89	\$13.44	\$14.37	66	\$97.90	\$122.44	\$171.83
28	\$11.04	\$13.60	\$14.56	67	\$106.90	\$134.04	\$188.22
29	\$11.25	\$13.86	\$14.84	68	\$117.01	\$146.96	\$205.69
30	\$11.58	\$14.28	\$15.28	69	\$129.03	\$161.93	\$224.67
31	\$12.07	\$14.88	\$15.92	70	\$143.74	\$179.70	\$245.53
32	\$12.67	\$15.62	\$16.71	71	\$161.71	\$200.51	\$267.78
33	\$13.34	\$16.45	\$17.62	72	\$182.43	\$223.89	\$291.11
34	\$14.04	\$17.30	\$18.54	73	\$205.03	\$249.42	\$316.35
35	\$14.70	\$18.11	\$19.40	74	\$228.63	\$276.77	\$344.28
36	\$15.26	\$18.81	\$20.14	75	\$252.38	\$305.55	\$375.72
37	\$15.78	\$19.44	\$20.81	76	\$275.86	\$335.72	\$410.99
38	\$16.32	\$20.10	\$21.51	77	\$299.66	\$367.53	\$449.55
39	\$16.96	\$20.91	\$22.37	78	\$324.37	\$401.05	\$490.93
40	\$17.81	\$21.96	\$23.51	79	\$350.64	\$436.36	\$534.59
41	\$18.89	\$23.30	\$24.98	80	\$379.08	\$473.51	\$580.06
42	\$20.14	\$24.88	\$26.67	81	\$410.92	\$513.91	\$628.97
43	\$21.51	\$26.59	\$28.55	82	\$445.74	\$557.52	\$681.63
44	\$22.95	\$28.40	\$30.52	83	\$481.71	\$602.24	\$735.61
45	\$24.41	\$30.24	\$32.52	84	\$516.96	\$645.98	\$788.49
46	\$25.89	\$32.09	\$34.54	85	\$549.66	\$686.69	\$837.80
47	\$27.43	\$34.02	\$36.63	86	\$579.26	\$723.68	\$882.77
48	\$29.02	\$36.00	\$38.80	87	\$607.02	\$758.34	\$925.05
49	\$30.65	\$38.04	\$41.03	88	\$633.72	\$791.68	\$965.78
50	\$32.32	\$40.14	\$43.32	89	\$660.13	\$824.69	\$1,006.13
51	\$33.98	\$42.21	\$45.35	90	\$687.07	\$858.36	\$1,047.24
52	\$35.61	\$44.25	\$47.11	91	\$714.51	\$892.69	\$1,089.14
53	\$37.32	\$46.39	\$49.11	92	\$741.94	\$927.02	\$1,131.02
54	\$39.21	\$48.76	\$51.83	93	\$769.36	\$961.37	\$1,172.91
55	\$41.37	\$51.47	\$55.73	94	\$796.78	\$995.70	\$1,214.79
56	\$43.61	\$54.27	\$60.68	95	\$824.21	\$1,030.03	\$1,256.69

Modal Factors: Semi-Annual: 0.52, Quarterly: 0.265, Monthly: 0.0865

Elimination Period Factors: 30 Days: 1.12, 60 Days: 1.07, 90 Days: 1.0, 180 days: 0.9

Spousal Discount: 15% if both spouses are issued coverage, 10% if one spouse issued coverage

**Knights of Columbus
Nonforfeiture Benefit Rider NFB01
Premium Rate Factors**

<u>Attained Age</u>	<u>Factor</u>
18-40	0.2
41-45	0.19
46-50	0.18
51-55	0.17
56-60	0.16
61-65	0.15
66-70	0.14
71-75	0.13
76-80	0.12
81+	0.11

**Knights of Columbus
Return of Premium Rider ROP01
Premium Rate Factors**

<u>Attained Age</u>	<u>Factor</u>
18-54	0.42
55-59	0.48
60-64	0.57
65-69	0.72
70+	0.8

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	Product Checklist
Comments:	
Attachment(s):	Long-Term-Care-Rate-Revision-Checklist.pdf
Item Status:	Received & Acknowledged
Status Date:	03/27/2023

Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	Rate Increase 2023 Memo - KofC - Virginia.pdf
Item Status:	Received & Acknowledged
Status Date:	03/27/2023

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	LTC Rate Increase Request Summary - Revised 05-15-2023.pdf
Item Status:	Received & Acknowledged
Status Date:	11/01/2023

Satisfied - Item:	Virginia and Nationwide Exhibits
Comments:	
Attachment(s):	Virginia Experience Exhibit - 12-31-2021.pdf Nationwide Experience Exhibit - 12-31-2021.pdf Virginia Experience Exhibit - 12-31-2021.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx
Item Status:	Received & Acknowledged
Status Date:	03/27/2023

Satisfied - Item:	Third Party Authorization Letter
Comments:	
Attachment(s):	KOC Authorization 01-30-2023.pdf
Item Status:	Received & Acknowledged
Status Date:	02/16/2023

Satisfied - Item:	Sample Rate Increase Letter
Comments:	

SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State: Virginia **Filing Company:** Knights of Columbus
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Attachment(s):	Sample Rate Increase Letter - KOC - 2-6-2023.pdf Rate increase letter - Form CL-R 02-23 - John Doe Version.pdf
Item Status:	Received & Acknowledged
Status Date:	03/27/2023

Satisfied - Item:	Objection Response 03-10-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230216_20230310.pdf
Item Status:	Received & Acknowledged
Status Date:	03/27/2023

Satisfied - Item:	Objection Response 03-22-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230313_20230322.pdf
Item Status:	Received & Acknowledged
Status Date:	03/27/2023

Satisfied - Item:	Objection Response 03-27-2023
Comments:	
Attachment(s):	Response to VA objection KOC 20230301_20230327.pdf Attachment A.xlsx Attachment B.xlsx Nationwide Experience Exhibit - 12-31-2021.xlsx
Item Status:	Received & Acknowledged
Status Date:	03/27/2023

Satisfied - Item:	Policy Forms and Rider Contracts
Comments:	
Attachment(s):	LTC01-VA 6-99.pdf LTC01-VA 1-03.pdf NHC01-VA 6-99.pdf NHC01-VA 1-03.pdf BIR01 6-99.pdf ROP01 1-03.pdf NFB01-VA 6-99.pdf NFB01-VA 1-03.pdf
Item Status:	Received & Acknowledged
Status Date:	03/27/2023

Satisfied - Item:	Objection Response 04-28-2023
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SERFF Tracking #:

TRIP-133533599

State Tracking #:

TRIP-133533599

Company Tracking #:

KOC 2023 LTC RATE INCREASE

State:

Virginia

Filing Company:

Knights of Columbus

TOI/Sub-TOI:

LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified

Product Name:

LTC01, NHC01

Project Name/Number:

/

Comments:	
Attachment(s):	Response to VA objection KOC 20230411_20230428.pdf Exhibits for Objection Response 4-28-2023.xlsx
Item Status:	Received & Acknowledged
Status Date:	05/16/2023

State: Virginia
TOI/Sub-TOI: LTC05I Individual Long Term Care - Nursing Home and Home Health Care/LTC05I.001 Qualified
Product Name: LTC01, NHC01
Project Name/Number: /

Filing Company: Knights of Columbus

Attachment Virginia Experience Exhibit - 12-31-2021.xlsx is not a PDF document and cannot be reproduced here.

Attachment Nationwide Experience Exhibit - 12-31-2021.xlsx is not a PDF document and cannot be reproduced here.

Attachment Attachment A.xlsx is not a PDF document and cannot be reproduced here.

Attachment Attachment B.xlsx is not a PDF document and cannot be reproduced here.

Attachment Nationwide Experience Exhibit - 12-31-2021.xlsx is not a PDF document and cannot be reproduced here.

Attachment Exhibits for Objection Response 4-28-2023.xlsx is not a PDF document and cannot be reproduced here.

Review Requirements Checklist
 FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

NOTE: This document is intended to assist carriers in preparing LTCI rate increase filings for review and approval by the Bureau of Insurance. It provides guidance based on current Virginia laws and regulations. It should be noted, however, that this checklist should not be used exclusive of other important resources, including, but not limited to, any and all other applicable state insurance laws and associated rules and regulations. Note that some regulatory references in the Comments column are approximate. It is the responsibility of the carriers to verify that their products comply with all relevant statutory and regulatory requirements.

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
Source of Filing	14 VAC 5-101-40	Filings shall be submitted in SERFF. Third-party filing authorization must be included.	Submitted via SERFF. Third-party authorization letter is included
	14VAC5-101-50 C 1	Filing description must include the type of insurance form, including a description of the form and the market for which the form is intended; and intentions to concentrate on a specialized market should be noted.	Actuarial Memorandum Sections 2 and 3.
	14VAC5-101-50 C 2	Filing description must include the form number of each form that is being filed.	Actuarial Memorandum Section 3.
General Information Filing Description	14VAC5-101-50 C 3	Filing description must state whether submitted form is new, or if replacing, revising, or modifying a previously approved form, the exact changes that are intended.	Actuarial Memorandum Section 2
	14VAC5-101-50 C 4	Filing description must identify any change in benefits and indicate whether the change affects premium rates for the form.	Not Applicable; no change in benefits
	14VAC5-101-50 C 5	Filing description must state if approval of a form submitted has been withdrawn by another regulatory body and the reasons for such a withdrawal.	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
	14VAC5-101-50 F	Any form filed that is to be used with a previously approved form, including an application, shall identify the form number, approval date, and SERFF or state tracking number in the new filing.	Not Applicable; this is a rate increase filing.
	14VAC5-101-50 G	Any amendment, endorsement, or rider that intends to revise a previously approved form shall be accompanied by the previously approved form filed as supporting documentation.	Not Applicable
Form Number	14VAC5-101-60 1	Form Number must appear in the lower left-hand corner of the first page of the form. It shall consist of numbers, letters, or a combination of both. The form number shall distinguish the form from all other forms used by the company.	Not Applicable
Company Name and Address	14VAC5-101-60 2	Full and proper name (including "Inc.") must appear prominently on first page or cover sheet of all forms. Home office address must be included on first page of any policy, application, or enrollment form.	Not Applicable
Marketing Name or Logo	14VAC5-101-60 3	A marketing name or logo also may be used on the form, provided that the marketing name or logo does not mislead as to the identity of the company.	Not Applicable
	14VAC5-101-60 4	The cover page of a policy also shall include the address of an office that will administer the policy if different from the home office, a company telephone number, and company website address.	Not Applicable
Final Form	14VAC5-101-60 5	Form must be submitted in "final form" and in "John Doe fashion" to indicate its intended use.	Not Applicable
Electronic Version	14VAC5-101-60 6	Each form that is to be used in an electronic version shall be filed in a format that matches the electronic version exactly.	Not Applicable
Readability	14VAC5-101-70 A	Each form submitted for review or approval shall be written in simplified language, logically and clearly arranged, and printed in a legible format.	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
	14VAC5-101-70 C	Defined words and terms shall be placed in a separate definition section that is clearly identified, unless only used in one section.	Not Applicable
Type Size	14VAC5-101-70 E	Any form submitted for review or approval shall be printed in at least 10-point type size.	Not Applicable
	14VAC5-101-70 F	Any policy shall achieve a minimum Flesch reading ease score of 50 or an equivalent score using another comparable test, unless otherwise specified by statute, or an exception requested pursuant to 14 VAC 5-101-70 G.	Not Applicable
Variability	14VAC5-101-80	<p>A. Use of variable bracketed information shall be limited. All variable information shall be clear, easily understood and fully explain each use of the variable language.</p> <p>B. Administrative information, such as officer names, titles and signatures, contact information, or company logo may be presented as variable bracketed text.</p> <p>C. Different types of benefits may be variable only for inclusion or exclusion within the form. The use of brackets within brackets is not permitted, except when variability is necessary to identify a period of time or other numeric value.</p> <p>D. Each instance of variable text shall appear in brackets on a form and shall be separately and completely explained in detail in a Statement of Variability document. Each explanation of variability shall appear in the same order that it appears on the form.</p> <p>E. Requests for revisions to a Statement of Variability contained in a previously approved filing shall be accomplished by notification in the original filing.</p>	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
Filing a Rate Revision	14 VAC 5-130-70 A	(i) New rate sheet;	Rate/Rule Schedule Tab
		(ii) All information required by SERFF.	Supporting Documentation Tab
	14 VAC 5-130-70 B	Actuarial Memorandum	Supporting Documentation Tab
	14VAC5-130-70 B 1	A description of the type of policy, including benefits, renewability, issue age limits, and if applicable, whether the policy includes grandfathered, non-grandfathered plans, or both.	Actuarial Memorandum Section 3
	14VAC5-130-70 B 2	The scope and reason for the premium or rate revision.	Actuarial Memorandum Section 2
	14VAC5-130-70 B 3	A comparison of the revised premiums with the current premium scale, including all percentage rate changes and any rating factor changes.	Nationwide Experience Exhibit 12-31-2021
	14VAC5-130-70 B 4	A statement of whether the revision applies only to new business, only to in-force business, or to both.	Applies to in-force business only.
	14VAC5-130-70 B 5	The estimated average annual premium per policy and per member, before and after the proposed rate revision. If different changes by rating classification are requested, the filing also must include: (i) Range of changes; and (ii) Average overall change, including a detailed explanation of how the change was determined.	Nationwide Experience Exhibit 12-31-2021
	14VAC5-130-70 B 6	<i>The following is applicable to all coverage with the exception of coverage issued in the small group market:</i> (i) Projections for future experience, and Virginia and national historical experience of earned premiums, paid claims, incurred claims and loss from inception through most recent quarter. Virginia and national experience should be shown separately. Missing experience should be estimated with all estimation assumptions and methodologies provided in detail; (ii) A statement of the basis for determining the rate revision (Virginia, national, or blended); and	(i) Nationwide Experience Exhibit 12-31- 2021 and VA Experience Exhibit 12-31-2021 (ii) Actuarial Memorandum Sections 2 and 4

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		(iii) If blended, provide the credibility factor assigned to the national experience.	(iii) Not Applicable
	14VAC5-130-70 B 7	Details and dates of all past rate revisions, including annual rate revisions members will experience resulting from this filing. If a company only revises rates annually, the rate revision must be identical to the current submission. If a company has had more frequent rate revisions, the annual revision must reflect the compounding impact of all revisions for the past 12 months.	No prior rate increases
	14VAC5-130-70 B 8	A description of how revised rates were determined, including the general description and source of each assumption of Form 130-A. For claims, provide historical and projected claims by major service category for both cost and utilization on Form 130-B.	Actuarial Memorandum Sections 4,7,8,9 and 10 Form 130-B is N/A
	14VAC5-130-70 B 9	If the rate revision applies to new business, provide the anticipated loss ratio and a description of how it was calculated.	Not Applicable
	14VAC5-130-70 B 10	If the rate revision applies to in-force business provide: (a) The anticipated loss ratio and a description of how it was calculated; and (b) The estimated cumulative loss ratio, historical and anticipated, and a description of how it was calculated.	Actuarial Memorandum (a) Section 10 (b) Sections 8,9 and 10
	14VAC5-130-70 B 11	The loss ratio that was originally anticipated for the policy.	Exhibit X
	14VAC5-130-70 B 12	If 9, 10a, or 10b is less than 11, supporting documentation for the use of such premiums or rates.	Not Applicable
	14VAC5-130-70 B 13	The current number of Virginia and national members to which the revision applies for the most recent month for which such data is available, and either premiums in force, premiums earned, or premiums collected for such	Nationwide Experience Exhibit 12-31-2021 and VA Experience Exhibit 12-31-2021

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		members in the year immediately prior to the filing of the rate revision.	
	14VAC5-130-70 B 14	Certification by a qualified actuary that, to the best of the actuary's knowledge and judgment, the rate filing is in compliance with applicable laws and regulations of this Commonwealth and the premiums are reasonable in relation to the benefits provided.	Actuarial Memorandum - Page 6
Policyholder Letter Review	14VAC5-200-75 A	Other than policies for which no applicable premium rate or rate schedule increases can be made, insurers shall provide all of the information listed in this subsection to the applicant at the time of application or enrollment, unless the method of application does not allow for delivery at that time. In such a case, an insurer shall provide all the information listed in this section to the applicant no later than at the time of delivery of the policy or certificate.	Not Applicable; this is a Rate Increase Filing
	14VAC5-200-75 A 1	A statement that the policy may be subject to rate increases in the future;	Not Applicable
	14VAC5-200-75 A 2	An explanation of potential future premium rate revisions, and the policyholder's or certificateholder's option in the event of a premium rate revision;	Not Applicable
	14VAC5-200-75 A 3	The premium rate or rate schedules applicable to the applicant that will be in effect until a request is made for an increase;	Not Applicable
	14VAC5-200-75 A 4	A general explanation for applying premium rate or rate schedule adjustments that shall include: a. A description of when premium rate or rate schedule adjustments will be effective (e.g., next anniversary date, next billing date, etc.); and b. The right to a revised premium rate or rate schedule as provided in subdivision 2 of this subsection if the premium rate or rate schedule is changed;	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
	14VAC5-200-75 D	An insurer shall provide notice of an upcoming premium rate schedule increase to all policyholders or certificate holders, if applicable, at least 75 days prior to the implementation of the premium rate schedule increase by the insurer. Such notice shall be filed with the commission at the time the premium rate increase is filed. The notice shall include at least the following information:	Not Applicable
	14VAC5-200-75 D 1	All applicable information identified in subsection A of this section when the rate increase is implemented;	Not Applicable
Policyholder Options	14VAC5-200-75 D 2	A clear explanation of options available to the policyholder as alternatives to paying the increased premium amount, including: a. An offer to reduce policy benefits provided by the current coverage consistent with the requirements of 14VAC5-200-183; b. A disclosure stating that all options available to the policyholder may not be of equal value; c. In the case of a partnership policy, a disclosure that some benefit reduction options may result in a loss in partnership status that may reduce policyholder protections; and d. Contact information that will allow the policyholder to contact the insurer for additional options available;	Sample Rate Increase Letter
	14VAC5-200-75 D 3	A clear identification of the driving factors of the premium rate increase; and	Sample Rate Increase Letter
	14VAC5-200-75 D 4	A statement substantially similar to the following: The rate increase request was reviewed by the commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available	Sample Rate Increase Letter

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at www.scc.virginia.gov/BOI .	
Pre-Rate Stability	14VAC5-200-150 A	This section applies to any premium rate increase filed with the commission on or after September 1, 2015, for any long-term care insurance policy issued in this Commonwealth before October 1, 2003.	Acknowledged
Reasonableness of Benefits	14VAC5-200-150 B	Benefits under individual long-term care insurance policies shall be deemed reasonable in relation to premiums provided the expected loss ratio is the greater of 60% or the lifetime loss ratio used in the original pricing applied to the current rate schedule plus: (i) 80% applied to any premium rate increase for individual policy forms or, (ii) 75% applied to any premium rate increase on group policy forms.	Actuarial Memorandum Sections 4,7,8,9 and 10
		In evaluating the expected loss ratio, due consideration shall be given to all relevant factors, including:	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 1	Statistical credibility of incurred claims experience and earned premiums.	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 2	The period for which rates are computed to provide coverage.	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 3	Experienced and projected trends;	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 4	Concentration of experience within early policy duration;	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 5	Expected claim fluctuation;	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 6	Experience refunds, adjustments or dividends.	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 7	Renewability features;	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 8	All appropriate expense factors;	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 9	Interest;	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 10	Experimental nature of the coverage;	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 11	Policy reserves;	Actuarial Memorandum Sections 4,7,8,9 and 10

Revision to Long-Term Care Insurance (LTCI) Rates Checklist
Virginia 1st Edition July 2001
Updated: October 2020

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
	14VAC5-200-150 B 12	Mix of business by risk classification; and	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 B 13	Product features such a long elimination periods, high deductibles and high maximum limits.	Actuarial Memorandum Sections 4,7,8,9 and 10
		Demonstrations of loss ratios shall be made in compliance with the Rules Governing the Filing of Rates for Individual and Certain Group Accident and Sickness Insurance Policy Forms, Chapter 130 (14 VAC 5-130) of this title. All present and accumulated values used to determine rate increases, including the lifetime loss ratio used in the original pricing, shall use the maximum valuation interest rate for contract reserves as specified in § 38.2-1371 of the Code of Virginia.	Actuarial Memorandum Sections 4,7,8,9 and 10
	14VAC5-200-150 C	Any insurer may request a series of scheduled rate increases that are actuarially equivalent to a single amount requested over the lifetime of the policy. The entire series mat be approved at one time as part of the current rate increase filing.	Not Applicable
	14VAC5-200-150 D	As a condition of approval of a rate increase for a block of business for which the contingent benefit upon lapse is not otherwise required, a contingent benefit upon lapse provision will be required in accordance with 14VAC5-200-185 D. If the rate increase is approved in a series of scheduled rate increases and the sum of all scheduled rate increases will trigger the offering of a contingent benefit upon lapse, the insurer shall be required to include contingent benefit upon lapse at the time of each scheduled increase.	Actuarial Memorandum Page 3
	14VAC5-200-150 E	All submissions shall include information required by 14VAC5-200-75.	Acknowledged
Long-Term Care Insurance Funded by Life Insurance	14VAC5-200-150 F	A life insurance policy that funds long-term care benefits entirely by accelerating the death benefit is considered to provide reasonable benefits in relation to	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		premiums paid, if the policy complies with all the following provisions:	Not Applicable
	14VAC5-200-150 F 1	The interest credited internally to determine cash value accumulations, including long term care, if any, are guaranteed not to be less than the minimum guaranteed interest rate for cash value accumulations without long-term care set forth in the policy;	Not Applicable
	14VAC5-200-150 F 2	The portion of the policy that provides life insurance benefits meets the nonforfeiture requirements of Chapter 32 (§ 38.2-3200 et seq.) of Title 38.2 of the Code of Virginia;	Not Applicable
	14VAC5-200-150 F 3	If an application for a long-term care insurance contract or certificate is approved, the issuer shall deliver the contract or certificate of insurance to the applicant no later than 30 days after the date of approval;	Not Applicable
	14VAC5-200-150 F 4	At the time of policy delivery, a policy summary shall be delivered for an individual life insurance policy that provides long-term care benefits within the policy or by rider. In the case of direct response solicitations, the insurer shall deliver the policy summary upon the applicant's request, but regardless of request shall make delivery no later than at the time of policy delivery. In addition to complying with all applicable requirements, the summary shall also include:	Not Applicable
		a. An explanation of how the long-term care benefit interacts with other components of the policy, including deductions from death benefits;	Not Applicable
		b. An illustration of the amount of benefits, the length of benefit, and the guaranteed lifetime benefits, if any, for each covered person;	Not Applicable
		c. Any exclusions, reductions and limitations on benefits of long-term care;	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		d. A statement that any long-term care inflation protection option required by 14VAC5- 200-100 is not available under this policy;	Not Applicable
		e. If applicable to the policy type, the summary shall also include: (1) A disclosure of the effects of exercising other rights under the policy; (2) A disclosure of guarantees related to long-term care costs of insurance charges; and (3) Current and projected maximum lifetime benefits; and	Not Applicable
		f. The provisions of the policy summary listed above may be incorporated into a basic illustration or into the life insurance policy summary;	Not Applicable
	14VAC5-200-150 F 5	Any time a long-term care benefit, funded through a life insurance vehicle by the acceleration of the death benefit, is in benefit payment status, a monthly report shall be provided to the policyholder. The report shall include:	Not Applicable
		a. Any long-term care benefits paid out during the month;	Not Applicable
		b. An explanation of any changes in the policy (e.g., death benefits or cash values) due to long-term care benefits being paid out; and	Not Applicable
		c. The amount of long-term care benefits existing or remaining;	Not Applicable
	14VAC5-200-150 F 6	Any policy illustration that meets the applicable requirements of 14VAC5-41; and	Not Applicable
	14VAC5-200-150 F 7	An actuarial memorandum is filed with the Bureau of Insurance that includes:	Not Applicable
		a. A description of the basis on which the long-term care rates were determined;	Not Applicable
		b. A description of the basis for the reserves;	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		c. A summary of the type of policy, benefits, renewability, general marketing method, and limits on ages of issuance;	Not Applicable
		d. A description and a table of each actuarial assumption used. For expenses, an insurer must include percentage of premium dollars per policy and dollars per unit of benefits, if any;	Not Applicable
		e. A description and a table of the anticipated policy reserves and additional reserves to be held in each future year for active lives;	Not Applicable
		f. The estimated average annual premium per policy and the average issue age;	Not Applicable
		g. A statement as to whether underwriting is performed at the time of application. The statement shall indicate whether underwriting is used and, if used, the statement shall include a description of the type or types of underwriting used, such as medical underwriting or functional assessment underwriting. Concerning a group policy, the statement shall indicate whether the enrollee or any dependent will be underwritten and when underwriting occurs; and	Not Applicable
		h. A description of the effect of the long-term care policy provision on the required premiums, nonforfeiture values and reserves on the underlying life insurance policy, both for active lives and those in long-term care claim status.	Not Applicable
Post-Stability Policies	14VAC5-200-153 A	This section applies to any premium rate increase filed with the commission on or after September 1, 2015, for any long-term care insurance policy issued in this Commonwealth on or after October 1, 2003, but prior to September 1, 2015.	Acknowledged
	14VAC5-200-153 B	An insurer shall request the commission's approval of a pending premium rate schedule increase, including an	Acknowledged

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		exceptional increase, prior to the notice to the policyholders and shall include:	
	14VAC5-200-153 B 1	Information required by 14VAC5-200-75;	Separate filing for Personal Worksheet
	14VAC5-200-153 B 2	Certification by a qualified actuary that:	
		a. If the requested premium rate schedule increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized, no further premium rate schedule increases are anticipated; and	Best Estimate Assumptions Used in this Filing
		b. The premium rate filing is in compliance with the provisions of this section;	Not Applicable
	14VAC5-200-153 B 3	An actuarial memorandum justifying the rate schedule change request that includes:	Supporting Documentation Tab
		a. Lifetime projections of earned premiums and incurred claims based on the filed premium rate schedule increase and the method and assumptions used in determining the projected values, including reflection of any assumptions that deviate from those used for pricing other forms currently available for sale;	Nationwide Experience Exhibit 12-31-2021
		(1) Annual values for the five years preceding and the three years following the valuation date shall be provided separately;	Nationwide Experience Exhibit 12-31- 2021
		(2) The projections shall include the development of the lifetime loss ratio, unless the rate increase is an exceptional increase;	Nationwide Experience Exhibit 12-31 2021 and AM Section 7
		(3) The projections shall demonstrate compliance with subsection C of this section; and	Nationwide Experience Exhibit 12-31 2021 and AM Section 7
		(4) For exceptional increases,	Not Applicable
		(a) The projected experience should be limited to the increases in claims expenses attributable to the approved reasons for the exceptional increase; and	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		(b) In the event the commission determines as provided in the definition of exceptional increase in 14VAC5-200-40 that offsets may exist, the insurer shall use appropriate net projected experience;	Not Applicable
		b. Disclosure of how reserves have been incorporated in this rate increase whenever the rate increase will trigger contingent benefit upon lapse;	Not Applicable
		c. Disclosure of the analysis performed to determine why a rate adjustment is necessary, which pricing assumptions were not realized and why, and what other actions taken by the company have been relied on by the actuary;	Actuarial Memorandum Section Section 7
		d. A statement that policy design, underwriting, and claims adjudication practices have been taken into consideration;	Actuarial Memorandum Section Section 11
		e. If it is necessary to maintain consistent premium rates for new policies and policies receiving a rate increase, the insurer will need to file composite rates reflecting projections of new policies; and	Exhibit VI
		f. A demonstration that actual and projected costs exceed costs anticipated at the time of initial pricing under moderately adverse experience and that the composite margin is projected to be exhausted;	Exhibit II
	14VAC5-200-153 B 4	A statement that renewal premium rate schedules are not greater than new business premium rate schedules except for differences attributable to benefits, unless sufficient justification is provided to the commission; and	Exhibit VI
	14VAC5-200-153 B 5	Sufficient information for review and approval of the premium rate schedule increase by the commission.	Supporting Documentation Tab
Series Rate Increases		An insurer may request a series of scheduled rate increases that are actuarially equivalent to a single amount requested over the lifetime of the policy. The	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		entire series may be approved at one time as part of the current rate increase filing. The insurer shall be required to include contingent benefit upon lapse at the time of each scheduled increase.	
		The insurer may request a premium rate schedule increase less than what is required under this section and the commission may approve such premium rate schedule increase, without submission of the certification in subdivision 2 a of this subsection, if the actuarial memorandum discloses the premium rate schedule increase necessary to make such certification required, the premium rate schedule increase filing satisfies all other requirements of this section, and is, in the opinion of the commission, in the best interest of policyholders.	Not Applicable
	14VAC5-200-153 C	All premium rate schedule increases shall be determined in accordance with the following requirements:	Acknowledged
Exceptional Increases	14VAC5-200-153 C 1	Exceptional increases shall provide that 70% of the present value of projected additional premiums from the exceptional increase will be returned to policyholders in benefits;	Not Applicable
	14VAC5-200-153 C 2	Premium rate schedule increases shall be calculated such that the sum of the accumulated value of incurred claims, without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:	Not Applicable
		a. The accumulated value of the initial earned premium times 58%;	Not Applicable
		b. 85% of the accumulated value of prior premium rate schedule increases on an earned basis;	Not Applicable
		c. The present value of future projected initial earned premiums times 58%; and	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		d. 85% of the present value of future projected premiums not in subdivision 2 c of this subsection on an earned basis;	Not Applicable
	14VAC5-200-153 C 3	In the event that a policy form has both exceptional and other increases, the values in subdivisions 2 b and d of this subsection will also include 70% for exceptional rate increase amounts; and	Not Applicable
	14VAC5-200-153 C 4	All present and accumulated values used to determine rate increases shall use the maximum valuation interest rate for contract reserves as specified in § 38.2-1371 of the Code of Virginia. The actuary shall disclose as part of the actuarial memorandum the use of any appropriate averages.	Not Applicable
	14VAC5-200-153 D	For each rate increase that is implemented, the insurer shall file for approval by the commission updated projections, as defined in subdivision B 3 a of this section, annually for the next three years and include a comparison of actual results to projected values. The commission may extend the period to greater than three years if actual results are not consistent with projected values from prior projections. For group insurance policies that meet the conditions in subsection K of this section, the projections required by subdivision B 3 a of this section shall be provided to the policyholder in lieu of filing with the commission.	Acknowledged
	14VAC5-200-153 E	If any increased premium rate in the revised premium rate schedule is greater than 200% of the comparable rate in the initial premium schedule, the premiums exceeding 200% shall be clearly identified and lifetime projections, as defined in subdivision B 3 a of this section, shall be filed for approval by the commission every five years following the end of the required period in subsection D of	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		this section. For group insurance policies that meet the conditions in subsection K of this section, the projections required by this subsection shall be provided to the policyholder in lieu of filing with the commission.	
Premium Rate Increases for Policies Issued After September 1, 2015.	14VAC5-200-154 A	An insurer shall request the commission's approval of a pending premium rate schedule increase, including an exceptional increase, prior to the notice to the policyholders and shall include:	Not Applicable
	14VAC5-200-154 A 1	Information required by 14VAC5-200-75;	Not Applicable
	14VAC5-200-154 A 2	Certification by a qualified actuary that:	Not Applicable
		a. If the requested premium rate schedule increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized, no further premium rate schedule increases are anticipated; and	Not Applicable
		b. The premium rate filing is in compliance with the provisions of this section;	Not Applicable
	14VAC5-200-154 A 3	An actuarial memorandum justifying the rate schedule change request that includes:	Not Applicable
		a. Lifetime projections of earned premiums and incurred claims based on the filed premium rate schedule increase and the method and assumptions used in determining the projected values, including reflection of any assumptions that deviate from those used for pricing other forms currently available for sale;	Not Applicable
		(1) Annual values for the five years preceding and the three years following the valuation date shall be provided separately;	Not Applicable
		(2) The projections shall include the development of the lifetime loss ratio, unless the rate increase is an exceptional increase;	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		(3) The projections shall demonstrate compliance with subsection B of this section; and	Not Applicable
		(4) For exceptional increases:	Not Applicable
		(a) The projected experience should be limited to the increases in claims expenses attributable to the approved reasons for the exceptional increase; and	Not Applicable
		(b) In the event the commission determines as provided in the definition of exceptional increase in 14VAC5-200-40 that offsets may exist, the insurer shall use appropriate net projected experience;	Not Applicable
		b. Disclosure of how reserves have been incorporated in this rate increase whenever the rate increase will trigger contingent benefit upon lapse;	Not Applicable
		c. Disclosure of the analysis performed to determine why a rate adjustment is necessary, which pricing assumptions were not realized and why, and what other actions taken by the company have been relied on by the actuary;	Not Applicable
		d. A statement that policy design, underwriting, and claims adjudication practices have been taken into consideration;	Not Applicable
		e. In the event that it is necessary to maintain consistent premium rates for new policies and policies receiving a rate increase, the insurer will need to file composite rates reflecting projections of new policies; and	Not Applicable
		f. A demonstration that actual and projected costs exceed costs anticipated at the time of initial pricing under moderately adverse experience and that the composite margin is projected to be exhausted;	Not Applicable
	14VAC5-200-154 A 4	A statement that renewal premium rate schedules are not greater than new business premium rate schedules	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		except for differences attributable to benefits, unless sufficient justification is provided to the commission; and	Not Applicable
	14VAC5-200-154 A 5	Sufficient information for review and approval of the premium rate schedule increase by the commission.	Not Applicable
	14VAC5-200-154 B	All premium rate schedule increases shall be determined in accordance with the following requirements:	Not Applicable
Exceptional Increases	14VAC5-200-154 B 1	Exceptional increases shall provide that 70% of the present value of projected additional premiums from the exceptional increase will be returned to policyholders in benefits;	Not Applicable
	14VAC5-200-154 B 2	Premium rate schedule increases shall be calculated such that the sum of the lesser of (i) the accumulated value of actual incurred claims, without the inclusion of active life reserves, or (ii) the accumulated value of historic expected claims without the inclusion of active life reserves, plus the present value of the future expected incurred claims, projected without the inclusion of actual life reserves, will not be less than the sum of the following:	Not Applicable
		a. The accumulated value of the initial earned premium times the greater of (i) 58% and (ii) the lifetime loss ratio consistent with the original filing including margins for moderately adverse experience;	Not Applicable
		b. 85% of the accumulated value of prior premium rate schedule increases on an earned basis;	Not Applicable
		c. The present value of future projected initial earned premiums times the greater of (i) 58% and (ii) the lifetime loss ratio consistent with the original filing including margins for moderately adverse experience; and	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		d. 85% of the present value of future projected premiums not in subdivision 2 c of this subsection on an earned basis;	Not Applicable
	14VAC5-200-154 B 3	Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase. Expected claims are calculated for each calendar year based on the in-force policies at the beginning of the calendar year. Expected claims shall include margins for moderately adverse experience; either amounts included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing;	Not Applicable
	14VAC5-200-154 B 4	In the event that a policy form has both exceptional and other increases, the values in subdivisions 2 b and d of this subsection will also include 70% for exceptional rate increase amounts; and	Not Applicable
	14VAC5-200-154 B 5	All present and accumulated values used to determine rate increases, including the lifetime loss ratio consistent with the original filing reflecting margins for moderately adverse experience, shall use the maximum valuation interest rate for contract reserves as specified in § 38.2-1371 of the Code of Virginia. The actuary shall disclose as part of the actuarial memorandum the use of any appropriate averages.	Not Applicable
	14VAC5-200-154 C	For each rate increase that is implemented, the insurer shall file for approval by the commission updated projections, as defined in subdivision A 3 a of this section, annually for the next three years and include a comparison of actual results to projected values. The	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		commission may extend the period to greater than three years if actual results are not consistent with projected values from prior projections. For group insurance policies that meet the conditions in subsection J of this section, the projections required by subdivision A 3 a of this section shall be provided to the policyholder in lieu of filing with the commission.	Not Applicable
	14VAC5-200-154 D	If any increased premium rate in the revised premium rate schedule is greater than 200% of the comparable rate in the initial premium schedule, the premiums exceeding 200% shall be clearly identified and lifetime projections, as defined in subdivision A 3 a of this section, shall be filed for approval by the commission every five years following the end of the required period in subsection C of this section. For group insurance policies that meet the conditions in subsection J of this section, the projections required by this subsection shall be provided to the policyholder in lieu of filing with the commission.	Not Applicable

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:
<http://www.scc.virginia.gov/boi/laws.aspx>

The Rates Section of the Life and Health Division reviews long-term care insurance rate revisions . Please contact the assigned rates examiner or this section directly at (804) 371-9348 if you have questions or need additional information about this line of insurance.

The Flesch reading ease score of the filed policy form is _____.

I represent that a review of the enclosed form has been conducted, and I certify that, to the best of my knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the applicable rules and regulations. I understand that a failure to comply with these requirements will result in a disapproval of the filing.

I hereby certify that I have reviewed the attached revision to the long-term care insurance rate filing and determined that it is in compliance with the Revision to Long-Term Care Insurance (LTCI) Rates checklist.

Signed: **Todd Moltumyr** Digitally signed by Todd Moltumyr
DN: cn=Todd Moltumyr, o, ou,
email=tmoltumyr@triplusservices.com, c=US
Date: 2023.02.13 10:50:08 -06'00'

Name (please print): **Todd Moltumyr**

Title: **Vice President**

Company Name: **Davies Life & Health, Inc.**

Date: **02/13/2023** Phone No: () **224-217-9037**

E-Mail Address: **tmoltumyr@triplusservices.com**

Knights of Columbus
New Haven, Connecticut
Actuarial Memorandum - Individual A&H Rate Filing
Virginia Long Term Care Insurance Policy Forms and Riders
Virginia

1. Purpose of Filing

The purpose of this filing is to demonstrate that the anticipated lifetime loss ratio of these forms meets the minimum requirements in all states with regards to the included rate increase request. It is not intended for any other purpose.

2. Scope of Filing

This filing applies to the Long Term Care Policy Forms and Riders as shown in the 'Benefits' section. The forms were available to any Knights of Columbus (KofC) member and his spouse and were issued from 2000-2016 through a captive agent force. This is the first rate revision requested on these Policy Forms.

KofC is requesting an increase to the current premium rates of 37%. The increase will be requested in all states where there are inforce policies. The following table shows the number of inforce policies and annual premium, as well as the current and proposed average annual premium as of 12/31/2022 in your state and nationwide. Inforce counts and premiums for all states can be found in the attached Exhibit IV.

	Inforce Policies	Inforce Annual Premium	Avg. Annual Premium (Current Rates)	Avg. Annual Premium (Proposed Rates)
Virginia	1,378	\$2,386,581	\$1,732	\$2,373
Nationwide	38,836	\$61,029,653	\$1,571	\$2,153

This request was filed with and has been reviewed by the Multistate Actuarial LTCI Rate Review Team (MSA Team) prior to submission in individual states. The MSA has recommended the requested nationwide rate increase be fully approved. The MSA shared their advisory report with states in December 2022 / January 2023.

3. Benefits

These policies and corresponding riders cover Long Term Care expenses and have been grouped for rating purposes.

Policy Form LTC01 and Rider Forms BIR01 and NFB01: Developed in 1999, Form LTC01 provides benefits for Nursing Home Care, Assisted Living Facility, Home Health Care (including caregiver training, equipment, and respite care), Adult Day Care and Alternative Care. The policy also has provisions for Waiver of Premium. Additional benefits include care management, bed reservation, contingent nonforfeiture, and a shared care benefit. Benefits are subject to an elimination period of 30, 60, 90 or 180 days, and a benefit period of 3 years, 5 years or Lifetime. Rider BIR01 increases the policy daily benefit by 5% of the previous year's daily benefit. Policies that do not elect the inflation rider can be eligible for guaranteed purchase offers. Rider NFB01 provides a Non-forfeiture Benefit if the policy lapses after being inforce for at least three years.

Policy Form NHC01 and Rider Forms BIR01 and NFB01: Developed in 1999, Form NHC01 provides benefits for Nursing Home Care, Assisted Living Facility and Alternative Care. The policy also has provisions for Waiver of Premium. Additional benefits include care management, bed reservation, contingent nonforfeiture, and a shared care benefit. Benefits are subject to an elimination period of 30, 60, 90 or 180 days, and a benefit period of 3 years, 5 years or Lifetime. Rider BIR01 increases the policy daily benefit by 5% of the previous year's daily benefit. Policies that do not elect the inflation rider can be eligible for guaranteed purchase offers. Rider NFB01 provides a Non-forfeiture Benefit if the policy lapses after being inforce for at least three years.

4. Rate Increase Request, Reasons for and Expected Effect on Premiums

KofC is requesting a level 37% increase to the current premium rates. This increase is being requested in all states where there are inforce policies. Inforce counts and premiums for all states can be found in the attached Exhibit IV.

Knights of Columbus
 New Haven, Connecticut
 Actuarial Memorandum - Individual A&H Rate Filing
 Virginia Long Term Care Insurance Policy Forms and Riders
 Virginia

This rate increase is necessary because projected future experience is changed from what was anticipated when the products were priced in 1999. There are several reasons for this change in projected future experience:

- Actual policy termination rates have been lower than originally expected. The revised voluntary lapse assumptions based on emerging experience and used to project future experience consist of an ultimate lapse rate of 0.82% versus the 2% assumed at pricing. Similarly, updated mortality assumptions apply a 51% factor on the original pricing mortality assumption.
- Incurred claim lengths of stay have significantly exceeded those assumed in pricing.
- Claim incidence rates at older ages have been in excess of those expected at the time of original pricing.
- Actual portfolio investment rates have been and are projected to continue to be significantly lower than assumed in pricing.

Rate Stability Loss Ratio Test

Exhibit II demonstrates that the requested increase satisfies the Rate Stability 58%/85% dual loss ratio minimum test, substituting the estimated original pricing loss ratio of 68.3% (Exhibit X) for the 58% minimum loss ratio applied to initial earned premiums. The maximum increase allowable under this test would be 60.9% while the requested increase is 37%.

Blended If-Knew/Make-up Method (Minnesota Approach)

A demonstration that this request is in line with the increase indicated by the Blended If-Knew/Make-up method of review is attached as Exhibit III. The results of that demonstration are summarized in the following table:

Loss Ratio at the original premium level	84.5%
Minimum loss ratio applicable to the form	56.8%
If-knew increase	48.7%
Make-up increase	151.3%
Remaining policyholders percentage	69.8%
Blended increase	120.2%
Past rate increase	0.0%
Maximum allowable rate increase	120.2%
Adjusted for company share calculation	97.2%

Prospective Present Value Method (Texas Approach)

The reasons for the need for a rate increase and the unique features of this block result in the Texas PPV method not being a good fit for an approach at determining a justified rate action on this block.

The PPV approach does not account for or consider changes in the interest rate environment. While there are other assumption changes contributing to the need for an increase at this time, the lower than originally anticipated investment return rates assumed going forward are a significant contributing factor. Because the PPV approach does not account for that assumption change, it does not indicate an increase based on the aggregate of other assumption changes at this time, even though the projected lifetime loss ratio is now significantly in excess of original expectations and other measures as discussed above indicate significant justified increase amounts.

Finally, total historical incurred claims have been less than originally expected to date. This is driven by lower than expected incidence rates at younger ages, although incidence rates at older ages have been higher than expected. Revised claim incidence assumptions were developed based on these historical A/E results, and those revised tables were utilized in projecting the updated experience projections included in this filing. Therefore, while the block is currently at an average attained age such that projected calendar

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year loss ratios in the next 10-20 years are actually less than those that would be projected using the original claim cost assumptions, the steeper incidence rate curve in the revised assumptions results in that comparison eventually inverting, where projected loss ratios under the revised assumptions become higher than under original assumptions.

This pattern compounded with lower than originally expected termination rates results in a much heavier backloading of lifetime claims expenses than originally expected. This creates a situation where, while the Texas approach does not currently indicate an increase is necessary, in future years it will indicate an increase is necessary, and in fact the longer that rate action is delayed, a larger increase will be indicated by the method even if experience develops as projected in this filing. The following table shows the increases indicated by the Texas method now, and in 5-year increments to illustrate this result:

<u>Time</u>	<u>Indicated Increase</u>
Now	None
5 years later	5.7%
10 years later	49.2%
15 years later	149.7%

We do not believe it is in the best interest of policyholders, insurers, or states to hold off or delay rate action knowing that in future years a much larger increase will be needed on the remaining policyholders, solely due to the nature of this particular method of review. The unique aspects of this block should be taken into consideration when selecting or utilizing an approach to analyzing the need for an increase.

Other Considerations and Notes

- The projected lifetime and future loss ratio for these forms is far in excess of that expected in pricing. The currently projected lifetime loss ratio without any rate increase is 84.5% compared to our estimate of the original pricing loss ratio of 68.3%. KofC is not attempting to recoup past losses for poor experience, and the loss ratio after the proposed increase is 75.7%, still in excess of the estimated original pricing loss ratio.
- There have been no prior rate increases on these policy forms.
- This rate increase is solely intended to bring premiums to a level that supports the revised projected experience for years 2022 and forward. Exhibit V shows a comparison of the proposed rates for the policy forms in this block to the new business rates for policies currently issued by KofC. Currently sold policies were introduced in 2014 and use gender-distinct premium rates so Exhibit V uses an estimated blended unisex rate for comparing to the proposed rates on the affected forms. The proposed increase will bring the rates on inforce policies closer to the levels of the rates on the currently sold policy forms, but rates will still remain below the corresponding new business rates at all ages on policies with automatic inflation options and all but the highest issue ages on policies without an automatic inflation benefit.
- KofC voluntarily added \$22.2 mm to active life LTC reserves for year end 2020 to reflect updated mortality and valuation interest rates.

Implementation Notes

The increase will become effective as of the next policy anniversary date for each affected policy. We will notify policyholders 95 days in advance of their next policy anniversary date before implementing the rate increase.

KofC intends to offer reduced benefit options to policyholders that can help mitigate the cost of the increase for those who cannot afford the full requested amount. Most policyholders will receive pre-programmed downgrade offers in the rate increase notification letter that would allow them to reduce their premium rate by choosing to increase their elimination period or decrease their benefit period or daily benefit amount.

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Policyholders will also be informed that they may call in to our customer service line to discuss other downgrade options as well if they would like to lower their premium rate.

KofC will be providing a contingent non-forfeiture benefit to all policyholders regardless of whether their policy covers this benefit. This non-forfeiture benefit would be in the form of a shortened benefit maximum amount/period equal to the amount of premium the policyholder paid in over the lifetime of the policy should the policyholder lapse coverage within 120 days following the effective date of the rate increase. This benefit will not be reduced by prior claims, although the maximum non-forfeiture benefit will be limited to the remaining maximum benefit amount under the policy.

5. Rate Justification Standard - Minimum Loss Ratio

This filing demonstrates that both the projected future loss ratio and the anticipated lifetime loss ratio are higher than the minimum loss ratio required for long term care policy forms.

Furthermore, Exhibit II demonstrates that the requested increase satisfies the 58/85 loss ratio minimum test, substituting the estimated original pricing loss ratio of 68.3% for the 58% minimum loss ratio applied to initial earned premiums.

6. Rate Increase History

This is the first rate increase request submitted on these policy forms.

7. Projection Assumptions

The following table shows the assumptions that were used in order to generate the present value of future premium and claims and their loss ratio and how they compare to the corresponding assumptions from original pricing.

Assumption	Current Filing	Original Pricing
Interest	Valuation rate of 3.5%	Earned interest rate of 6.25%
Lapse	Updated voluntary lapse rates 41% of pricing: Year 1: 3.27% Year 2: 2.45% Year 3: 1.63% Year 4: 1.23% Year 5+: 0.82% Note that all inforce policies are in the ultimate durations 5+.	Voluntary Lapse rates based on Policy Duration: Year 1: 8% Year 2: 6% Year 3: 4% Year 4: 3% Year 5+: 2%
Policy Terminations due to Claim Incidence	Claim Incidence Rates added to baseline lapse and mortality rates to determine total decrements out of active life status	N/A

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Mortality	<p>Baseline blended adjusted pricing mortality with the following factors applied (in addition to the Male/Female factors from pricing):</p> <p style="text-align: center;">23% in years 1-5, 33% in years 6-10, and 51% for years 11 and on.</p>	<p>1975-1980 Basic Ultimate Mortality Table blended 50/50 Male/Female with the following factors:</p> <p style="text-align: center;">Male: 86.31% Female: 80.55%</p>
Morbidity	<p>Adjustments to Pricing Claim Costs as follows:</p> <p style="text-align: center;">Utilization Rate Factor: 72.6% Length of Stay Factor: 268.5%</p> <p>Incidence Rate Adjustments based on Attained Age and Policy Duration. Generally reduced incidence rates at attained ages < 90 and increased at attained ages 90+, and extended the durational selection period from 7 year to 20 years.</p>	<p>Institutional benefits rates based upon the 1985 and 1995 National Nursing Home Surveys with adjustments.</p> <p>Home and Community benefits rates based upon the 1989 and 1994 National Long-Term Care Survey of disabled elders in the Community.</p> <p>Further adjustments to the source data were made to reflect the selection effects of underwriting and the non-duplication of benefits with other payment sources.</p>
Rate Increase	<p style="text-align: center;">Level 37% Increase</p> <p>Assumed Implementation % by Year:</p> <p style="text-align: center;">2022: 25% 2023: 60% 2024: 80% 2025: 100%</p>	N/A
Shock Lapse	None	N/A

These assumptions, other than the proposed rate increase and implementation schedule, are consistent with those developed by Knights of Columbus and used in the year-end 2021 asset adequacy testing and AG51 memorandum. While a variety of interest rate scenarios are applied in asset adequacy, for the purposes of this filing, cash flows are accumulated and projected at the prevailing valuation interest rate of 3.5%.

8. Past Experience

Exhibit I shows the past experience for the business. The experience is through December 31, 2021 and is based on nationwide experience. The accumulated value of past earned premium is \$1,086,116,534 and the accumulated value of past incurred claims is \$330,441,509. This results in a loss ratio of 30.4%.

9. Projected Future Experience

The future experience has been generated for 50 years using the business in force as of year-end 2021 and is also presented in Exhibit I. Adjustments have been made to the experience by applying the termination rates and rate increase assumptions as shown in the Projection Assumptions section. The rate increase of 37% requested within this filing is then applied to that premium stream using the phase-in implementation percentages shown above resulting in the Revised Earned Premium in the Projected Experience W/ Rate Increase section.

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The present value of future earned premium after the requested increase is \$796,532,039 and the present value of future incurred claims is \$1,095,084,257. This results in a loss ratio of 137.5%.

10. Anticipated Lifetime Loss Ratio

The anticipated lifetime loss ratio is defined as the sum of the present value of past and projected incurred claims divided by the sum the present value of past and future earned premium. These values, including the requested rate increase as shown in Exhibit I, are summarized below:

Experience Period	Earned Premium	Incurred Claims	Loss Ratio
Past Years	1,086,116,534	330,441,509	30.4%
Projected Future	796,532,039	1,095,084,257	137.5%
Anticipated Lifetime	1,882,648,573	1,425,525,766	75.7%

Exhibit II further demonstrates that the requested increase satisfies the 58/85 loss ratio minimum test, substituting the estimated original pricing loss ratio of 68.3% for the 58% minimum loss ratio applied to initial earned premiums.

11. Actuarial Certification

I am a consulting actuary with Davies Life and Health, and retained by Knights of Columbus to render an opinion with regard to long-term care insurance rates. I am a member of the American Academy of Actuaries. I meet the Academy's qualification standards to render this actuarial opinion and am familiar with the requirements for filing long-term care insurance premiums and rate increases.

This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8, "Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits" and 18, "Long-Term Care Insurance."

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 this jurisdiction and the rules of the department of insurance.

This rate increase request utilizes best estimate assumptions. If the requested premium rate schedule increase is implemented and the underlying best estimate assumptions are realized, no further premium rate schedule increases are anticipated. If moderately adverse conditions had been utilized instead of best estimate assumptions, a larger increase would have been necessary.

In my opinion, the rates have been calculated in a manner that complies with accepted actuarial practices, are uniformly applied to all policies within each issue age rate class, are not excessive or unfairly discriminatory, and bear reasonable relationship to the benefits based on the loss ratio standards of this jurisdiction.

I have relied on data and information provided by Knights of Columbus to develop this memorandum, including but not limited to projection assumptions and projections of future experience, management's view of when a rate change may be considered, policy design, underwriting and claim adjudication process and claim data. I have not audited or independently verified the data and information provided but have reviewed

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

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



Todd Moltumyr, ASA, MAAA
Vice President

**Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company**

Company Name and NAIC Number:

SERFF Tracking Number:

Revised Rates

Average Annual Premium Per Member:

Average Requested Percentage Rate Change Per Member:

Range of Requested Rate Changes:

Number of Virginia Policyholders Affected:

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
LTC01	Long Term Care	2000-2016	None	
NHC01	Long Term Care	2000-2016	None	

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. (Rev. 06/19)

It is necessary to increase premiums due to greater than anticipated claims payments expected over the lifetime of all policies like yours. Premium rates must be adjusted to ensure current and future claims are adequately funded, so that long term care benefits will be available to you when you need them. Please be assured that you have not been singled out, and this premium increase is not a reflection of any previous claims history you may have had.

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Virginia Historical and Projected Future Experience

Projection Before Requested Increase				Projection With Requested 37% Increase			
Experience	Earned	Incurred	Loss	Experience	Earned	Incurred	Loss
Year	Premium	Claims	Ratio	Year	Premium	Claims	Ratio
2000	\$45,254	\$0	0.0%	2000	\$45,254	\$0	0.0%
2001	\$165,998	\$0	0.0%	2001	\$165,998	\$0	0.0%
2002	\$246,651	\$0	0.0%	2002	\$246,651	\$0	0.0%
2003	\$364,784	\$324	0.1%	2003	\$364,784	\$324	0.1%
2004	\$467,791	\$0	0.0%	2004	\$467,791	\$0	0.0%
2005	\$569,325	\$0	0.0%	2005	\$569,325	\$0	0.0%
2006	\$705,235	\$0	0.0%	2006	\$705,235	\$0	0.0%
2007	\$848,440	\$0	0.0%	2007	\$848,440	\$0	0.0%
2008	\$1,005,506	\$79,260	7.9%	2008	\$1,005,506	\$79,260	7.9%
2009	\$1,162,908	\$145,978	12.6%	2009	\$1,162,908	\$145,978	12.6%
2010	\$1,294,240	\$0	0.0%	2010	\$1,294,240	\$0	0.0%
2011	\$1,458,331	\$84,948	5.8%	2011	\$1,458,331	\$84,948	5.8%
2012	\$1,628,443	\$19,374	1.2%	2012	\$1,628,443	\$19,374	1.2%
2013	\$1,791,381	\$249,392	13.9%	2013	\$1,791,381	\$249,392	13.9%
2014	\$2,051,204	\$59,790	2.9%	2014	\$2,051,204	\$59,790	2.9%
2015	\$2,198,608	\$581,443	26.4%	2015	\$2,198,608	\$581,443	26.4%
2016	\$2,220,765	\$290,882	13.1%	2016	\$2,220,765	\$290,882	13.1%
2017	\$2,234,342	\$146,585	6.6%	2017	\$2,234,342	\$146,585	6.6%
2018	\$2,270,372	\$0	0.0%	2018	\$2,270,372	\$0	0.0%
2019	\$2,299,728	\$369,608	16.1%	2019	\$2,299,728	\$369,608	16.1%
2020	\$2,338,320	\$935,899	40.0%	2020	\$2,338,320	\$935,899	40.0%
2021	\$2,350,024	\$1,483,288	63.1%	2021	\$2,350,024	\$1,483,288	63.1%
2022	\$2,308,934	\$1,203,157	52.1%	2022	\$2,522,510	\$1,203,157	47.7%
2023	\$2,232,310	\$1,292,387	57.9%	2023	\$2,727,882	\$1,292,387	47.4%
2024	\$2,153,173	\$1,382,192	64.2%	2024	\$2,790,513	\$1,382,192	49.5%
2025	\$2,070,458	\$1,464,051	70.7%	2025	\$2,836,528	\$1,464,051	51.6%
2026	\$1,986,557	\$1,549,865	78.0%	2026	\$2,721,582	\$1,549,865	56.9%
2027	\$1,900,986	\$1,634,345	86.0%	2027	\$2,604,351	\$1,634,345	62.8%
2028	\$1,813,471	\$1,708,280	94.2%	2028	\$2,484,455	\$1,708,280	68.8%
2029	\$1,724,377	\$1,773,105	102.8%	2029	\$2,362,396	\$1,773,105	75.1%
2030	\$1,634,129	\$1,824,800	111.7%	2030	\$2,238,757	\$1,824,800	81.5%
2031	\$1,543,253	\$1,863,063	120.7%	2031	\$2,114,257	\$1,863,063	88.1%
2032	\$1,452,011	\$1,946,125	134.0%	2032	\$1,989,256	\$1,946,125	97.8%
2033	\$1,361,014	\$1,999,757	146.9%	2033	\$1,864,590	\$1,999,757	107.2%
2034	\$1,271,397	\$2,064,157	162.4%	2034	\$1,741,813	\$2,064,157	118.5%
2035	\$1,183,048	\$2,120,127	179.2%	2035	\$1,620,776	\$2,120,127	130.8%
2036	\$1,096,785	\$2,179,099	198.7%	2036	\$1,502,596	\$2,179,099	145.0%
2037	\$1,012,723	\$2,264,060	223.6%	2037	\$1,387,430	\$2,264,060	163.2%
2038	\$931,664	\$2,343,982	251.6%	2038	\$1,276,380	\$2,343,982	183.6%
2039	\$853,577	\$2,412,719	282.7%	2039	\$1,169,400	\$2,412,719	206.3%
2040	\$778,858	\$2,470,969	317.3%	2040	\$1,067,035	\$2,470,969	231.6%
2041	\$707,986	\$2,523,372	356.4%	2041	\$969,941	\$2,523,372	260.2%
2042	\$640,585	\$2,561,921	399.9%	2042	\$877,601	\$2,561,921	291.9%
2043	\$577,425	\$2,588,850	448.3%	2043	\$791,072	\$2,588,850	327.3%
2044	\$518,434	\$2,608,043	503.1%	2044	\$710,255	\$2,608,043	367.2%
2045	\$463,719	\$2,616,533	564.2%	2045	\$635,295	\$2,616,533	411.9%
2046	\$412,721	\$2,606,971	631.7%	2046	\$565,427	\$2,606,971	461.1%
2047	\$365,789	\$2,578,195	704.8%	2047	\$501,131	\$2,578,195	514.5%
2048	\$322,637	\$2,532,630	785.0%	2048	\$442,013	\$2,532,630	573.0%
2049	\$283,047	\$2,467,259	871.7%	2049	\$387,774	\$2,467,259	636.3%
2050	\$247,385	\$2,392,827	967.2%	2050	\$338,917	\$2,392,827	706.0%
2051	\$215,166	\$2,307,893	1072.6%	2051	\$294,777	\$2,307,893	782.9%
2052	\$186,550	\$2,217,852	1188.9%	2052	\$255,574	\$2,217,852	867.8%
2053	\$160,710	\$2,108,261	1311.8%	2053	\$220,173	\$2,108,261	957.5%
2054	\$137,638	\$1,999,246	1452.5%	2054	\$188,564	\$1,999,246	1060.2%
2055	\$117,498	\$1,884,771	1604.1%	2055	\$160,972	\$1,884,771	1170.9%
2056	\$99,672	\$1,770,536	1776.4%	2056	\$136,551	\$1,770,536	1296.6%
2057	\$84,246	\$1,655,790	1965.4%	2057	\$115,417	\$1,655,790	1434.6%
2058	\$70,722	\$1,548,173	2189.1%	2058	\$96,889	\$1,548,173	1597.9%
2059	\$58,921	\$1,414,666	2400.9%	2059	\$80,722	\$1,414,666	1752.5%
2060	\$49,013	\$1,304,847	2662.3%	2060	\$67,148	\$1,304,847	1943.3%
2061	\$40,601	\$1,193,133	2938.6%	2061	\$55,624	\$1,193,133	2145.0%
2062	\$33,427	\$1,088,498	3256.3%	2062	\$45,795	\$1,088,498	2376.9%
2063	\$27,507	\$1,000,310	3636.6%	2063	\$37,685	\$1,000,310	2654.4%
2064	\$22,453	\$903,646	4024.6%	2064	\$30,761	\$903,646	2937.6%
2065	\$18,183	\$795,891	4377.2%	2065	\$24,910	\$795,891	3195.0%
2066	\$14,603	\$687,429	4707.3%	2066	\$20,007	\$687,429	3436.0%
2067	\$11,654	\$582,059	4994.4%	2067	\$15,966	\$582,059	3645.6%
2068	\$9,331	\$503,897	5400.3%	2068	\$12,783	\$503,897	3941.8%
2069	\$7,460	\$446,369	5983.5%	2069	\$10,220	\$446,369	4367.5%
2070	\$5,910	\$391,711	6628.3%	2070	\$8,096	\$391,711	4838.1%
Past	\$29,717,649	\$4,446,770	15.0%	Past	\$29,717,649	\$4,446,770	15.0%
Future	\$35,219,718	\$86,777,817	246.4%	Future	\$47,120,568	\$86,777,817	184.2%
Lifetime	64,937,367	91,224,587	140.5%	Lifetime	76,838,217	91,224,587	118.7%
PV Past	38,737,067	5,058,416	13.1%	PV Past	38,737,067	5,058,416	13.1%
PV Future	25,248,733	43,832,203	173.6%	PV Future	33,500,992	43,832,203	130.8%
PV Lifetime	63,985,801	48,890,619	76.4%	PV Lifetime	72,238,060	48,890,619	67.7%

Exhibit I
Knights of Columbus
Nationwide Historical and Projected Future Experience

	Projection Before Requested Increase				Projection With Requested 37% Increase			
	Experience Year	Earned Premium	Incurred Claims	Loss Ratio	Experience Year	Earned Premium	Incurred Claims	Loss Ratio
Historical Experience	2000	\$1,834,557	\$30,786	1.7%	2000	\$1,834,557	\$30,786	1.7%
	2001	\$5,916,873	\$343,405	5.8%	2001	\$5,916,873	\$343,405	5.8%
	2002	\$8,891,001	\$253,691	2.9%	2002	\$8,891,001	\$253,691	2.9%
	2003	\$12,345,799	\$650,756	5.3%	2003	\$12,345,799	\$650,756	5.3%
	2004	\$15,715,330	\$1,452,371	9.2%	2004	\$15,715,330	\$1,452,371	9.2%
	2005	\$18,645,084	\$2,017,918	10.8%	2005	\$18,645,084	\$2,017,918	10.8%
	2006	\$22,042,055	\$1,416,452	6.4%	2006	\$22,042,055	\$1,416,452	6.4%
	2007	\$25,861,319	\$4,325,299	16.7%	2007	\$25,861,319	\$4,325,299	16.7%
	2008	\$29,804,166	\$4,403,159	14.8%	2008	\$29,804,166	\$4,403,159	14.8%
	2009	\$33,006,979	\$7,684,696	23.3%	2009	\$33,006,979	\$7,684,696	23.3%
	2010	\$36,309,692	\$5,666,198	15.6%	2010	\$36,309,692	\$5,666,198	15.6%
	2011	\$39,957,828	\$9,137,123	22.9%	2011	\$39,957,828	\$9,137,123	22.9%
	2012	\$44,097,482	\$11,000,181	24.9%	2012	\$44,097,482	\$11,000,181	24.9%
	2013	\$48,727,448	\$11,206,578	23.0%	2013	\$48,727,448	\$11,206,578	23.0%
	2014	\$55,238,943	\$10,767,751	19.5%	2014	\$55,238,943	\$10,767,751	19.5%
	2015	\$59,291,248	\$16,393,800	27.6%	2015	\$59,291,248	\$16,393,800	27.6%
	2016	\$60,167,765	\$18,835,358	31.3%	2016	\$60,167,765	\$18,835,358	31.3%
	2017	\$60,460,547	\$24,973,498	41.3%	2017	\$60,460,547	\$24,973,498	41.3%
	2018	\$60,904,242	\$23,599,153	38.7%	2018	\$60,904,242	\$23,599,153	38.7%
	2019	\$61,219,070	\$33,778,582	55.2%	2019	\$61,219,070	\$33,778,582	55.2%
	2020	\$61,601,555	\$40,640,982	66.0%	2020	\$61,601,555	\$40,640,982	66.0%
2021	\$61,698,559	\$48,181,745	78.1%	2021	\$61,698,559	\$48,181,745	78.1%	
2022	\$59,644,027	\$40,920,110	68.6%	2022	\$65,161,099	\$40,920,110	62.8%	
2023	\$57,285,445	\$43,254,191	75.5%	2023	\$70,002,814	\$43,254,191	61.8%	
2024	\$54,855,337	\$45,441,236	82.8%	2024	\$71,092,516	\$45,441,236	63.9%	
2025	\$52,356,685	\$47,495,698	90.7%	2025	\$71,728,658	\$47,495,698	66.2%	
2026	\$49,815,776	\$49,344,009	99.1%	2026	\$68,247,613	\$49,344,009	72.3%	
2027	\$47,244,202	\$50,941,812	107.8%	2027	\$64,724,557	\$50,941,812	78.7%	
2028	\$44,648,092	\$52,191,807	116.9%	2028	\$61,167,886	\$52,191,807	85.3%	
2029	\$42,047,146	\$53,117,321	126.3%	2029	\$57,604,589	\$53,117,321	92.2%	
2030	\$39,449,666	\$53,673,032	136.1%	2030	\$54,046,042	\$53,673,032	99.3%	
2031	\$36,868,495	\$53,829,481	146.0%	2031	\$50,509,839	\$53,829,481	106.6%	
2032	\$34,317,524	\$55,284,279	161.1%	2032	\$47,015,008	\$55,284,279	117.6%	
2033	\$31,812,909	\$55,887,084	175.7%	2033	\$43,583,686	\$55,887,084	128.2%	
2034	\$29,363,641	\$56,754,604	193.3%	2034	\$40,228,189	\$56,754,604	141.1%	
2035	\$26,983,632	\$57,314,129	212.4%	2035	\$36,967,576	\$57,314,129	155.0%	
2036	\$24,683,237	\$57,926,776	234.7%	2036	\$33,816,034	\$57,926,776	171.3%	
2037	\$22,471,265	\$59,141,034	263.2%	2037	\$30,785,633	\$59,141,034	192.1%	
2038	\$20,362,087	\$60,104,666	295.2%	2038	\$27,896,060	\$60,104,666	215.5%	
2039	\$18,363,201	\$60,765,653	330.9%	2039	\$25,157,586	\$60,765,653	241.5%	
2040	\$16,474,655	\$61,108,023	370.9%	2040	\$22,570,278	\$61,108,023	270.7%	
2041	\$14,706,700	\$61,119,691	415.6%	2041	\$20,148,180	\$61,119,691	303.4%	
2042	\$13,060,289	\$60,800,779	465.5%	2042	\$17,892,596	\$60,800,779	339.8%	
2043	\$11,535,359	\$60,113,853	521.1%	2043	\$15,803,442	\$60,113,853	380.4%	
2044	\$10,135,820	\$59,119,303	583.3%	2044	\$13,886,073	\$59,119,303	425.7%	
2045	\$8,857,802	\$57,771,504	652.2%	2045	\$12,135,189	\$57,771,504	476.1%	
2046	\$7,697,135	\$56,136,503	729.3%	2046	\$10,545,075	\$56,136,503	532.3%	
2047	\$6,646,540	\$54,083,666	813.7%	2047	\$9,105,760	\$54,083,666	594.0%	
2048	\$5,709,469	\$51,791,504	907.1%	2048	\$7,821,972	\$51,791,504	662.1%	
2049	\$4,876,982	\$49,271,600	1010.3%	2049	\$6,681,466	\$49,271,600	737.4%	
2050	\$4,144,025	\$46,535,270	1122.9%	2050	\$5,677,315	\$46,535,270	819.7%	
2051	\$3,502,002	\$43,639,440	1246.1%	2051	\$4,797,743	\$43,639,440	909.6%	
2052	\$2,943,634	\$40,660,728	1381.3%	2052	\$4,032,779	\$40,660,728	1008.3%	
2053	\$2,459,458	\$37,464,816	1523.3%	2053	\$3,369,457	\$37,464,816	1111.9%	
2054	\$2,045,350	\$34,306,404	1677.3%	2054	\$2,802,129	\$34,306,404	1224.3%	
2055	\$1,693,331	\$31,092,499	1836.2%	2055	\$2,319,864	\$31,092,499	1340.3%	
2056	\$1,396,908	\$28,062,208	2008.9%	2056	\$1,913,763	\$28,062,208	1466.3%	
2057	\$1,147,453	\$25,143,235	2191.2%	2057	\$1,572,010	\$25,143,235	1599.4%	
2058	\$939,019	\$22,349,665	2380.1%	2058	\$1,286,456	\$22,349,665	1737.3%	
2059	\$766,992	\$19,725,108	2571.7%	2059	\$1,050,780	\$19,725,108	1877.2%	
2060	\$625,970	\$17,404,932	2780.5%	2060	\$857,580	\$17,404,932	2029.5%	
2061	\$510,215	\$15,333,588	3005.3%	2061	\$698,994	\$15,333,588	2193.7%	
2062	\$415,481	\$13,545,840	3260.3%	2062	\$569,209	\$13,545,840	2379.8%	
2063	\$338,016	\$12,022,832	3556.9%	2063	\$463,082	\$12,022,832	2596.3%	
2064	\$274,854	\$10,715,224	3898.5%	2064	\$376,550	\$10,715,224	2845.6%	
2065	\$223,169	\$9,554,131	4281.1%	2065	\$305,742	\$9,554,131	3124.9%	
2066	\$180,900	\$8,592,863	4750.0%	2066	\$247,834	\$8,592,863	3467.2%	
2067	\$146,173	\$7,758,171	5307.5%	2067	\$200,257	\$7,758,171	3874.1%	
2068	\$117,520	\$7,024,542	5977.3%	2068	\$161,003	\$7,024,542	4363.0%	
2069	\$93,860	\$6,320,829	6734.3%	2069	\$128,588	\$6,320,829	4915.6%	
2070	\$74,300	\$5,716,495	7693.8%	2070	\$101,791	\$5,716,495	5615.9%	
Past	\$823,737,542	\$276,759,481	33.6%	Past	\$823,737,542	\$276,759,481	33.6%	
Future	\$816,311,751	\$1,967,672,171	241.0%	Future	\$1,089,258,341	\$1,967,672,171	180.6%	
Lifetime	1,640,049,293	2,244,431,651	136.9%	Lifetime	1,912,995,883	2,244,431,651	117.3%	
PV Past	1,086,116,534	330,441,509	30.4%	PV Past	1,086,116,534	330,441,509	30.4%	
PV Future	601,881,472	1,095,084,257	181.9%	PV Future	796,532,039	1,095,084,257	137.5%	
PV Lifetime	1,687,998,006	1,425,525,766	84.5%	PV Lifetime	1,882,648,573	1,425,525,766	75.7%	

Exhibit II
Knights of Columbus
Demonstration that the Requested Rate Increase Passes the 58%/85% Loss Ratio Minimum

1	Accumulated value of initial earned premium	1,086,116,534	x	68.3%	=	741,817,593
2a	Accumulated value of earned premium	1,086,116,534				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	-	x	85%	=	-
3	Present value of future projected initial earned premium	601,881,472	x	68.3%	=	411,085,046
4a	Present Value of future projected premium	796,532,039				
4b	Present Value of future projected premium in excess of the projected initial earned premiums (4a - 3)	194,650,567	x	85%	=	165,452,982
5	Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b					1,318,355,620
6a	Accumulated value of incurred claims without the inclusion of active life reserves					330,441,509
6b	Present value of future projected incurred claims without the inclusion of active life reserves					1,095,084,257
7	Lifetime Incurred claims with Rate Increase: Sum of 6a and 6b					1,425,525,766
8	Test: 7 is not less than 5					Pass

All values are accumulated or discounted at 3.5%, which is the valuation interest rate for contract reserves that Knights of Columbus uses for all long term care policies. Future projected initial earned premium schedule (i.e., without the requested rate increase) does not reflect the assumed impact of CBUL and RBO.

Exhibit IV
Knights of Columbus
Nationwide Projected Future Experience
Demonstration of the Texas PPV Approach

Experience Year	Original Assumptions		Current Assumptions	
	Earned	Incurred	Earned	Incurred
	Premium	Claims	Premium	Claims
2022	58,948,380	55,404,150	59,644,027	40,920,110
2023	55,519,890	57,060,690	57,285,445	43,254,191
2024	52,156,210	58,545,320	54,855,337	45,441,236
2025	48,859,760	59,907,400	52,356,685	47,495,698
2026	45,637,249	61,135,390	49,815,776	49,344,009
2027	42,499,139	62,111,290	47,244,202	50,941,812
2028	39,441,868	62,822,980	44,648,092	52,191,807
2029	36,487,807	63,249,000	42,047,146	53,117,321
2030	33,641,562	63,474,410	39,449,666	53,673,032
2031	30,907,612	63,468,150	36,868,495	53,829,481
2032	28,288,067	63,253,110	34,317,524	55,284,279
2033	25,800,417	62,795,430	31,812,909	55,887,084
2034	23,440,162	62,099,700	29,363,641	56,754,604
2035	21,212,058	61,122,220	26,983,632	57,314,129
2036	19,116,534	59,895,300	24,683,237	57,926,776
2037	17,148,293	58,418,880	22,471,265	59,141,034
2038	15,318,873	56,742,120	20,362,087	60,104,666
2039	13,634,254	54,857,130	18,363,201	60,765,653
2040	12,074,171	52,801,260	16,474,655	61,108,023
2041	10,647,090	50,563,250	14,706,700	61,119,691
2042	9,346,016	48,207,120	13,060,289	60,800,779
2043	8,162,546	45,720,490	11,535,359	60,113,853
2044	7,101,200	43,193,340	10,135,820	59,119,303
2045	6,152,766	40,598,830	8,857,802	57,771,504
2046	5,303,584	37,981,670	7,697,135	56,136,503
2047	4,537,231	35,251,830	6,646,540	54,083,666
2048	3,867,484	32,556,629	5,709,469	51,791,504
2049	3,278,869	29,879,182	4,876,982	49,271,600
2050	2,768,618	27,249,205	4,144,025	46,535,270
2051	2,326,717	24,701,291	3,502,002	43,639,440
2052	1,945,906	22,283,887	2,943,634	40,660,728
2053	1,616,312	19,950,847	2,459,458	37,464,816
2054	1,337,396	17,808,770	2,045,350	34,306,404
2055	1,102,085	15,818,375	1,693,331	31,092,499
2056	905,311	14,037,664	1,396,908	28,062,208
2057	739,547	12,420,618	1,147,453	25,143,235
2058	600,247	10,956,648	939,019	22,349,665
2059	485,342	9,616,481	766,992	19,725,108
2060	391,553	8,446,005	625,970	17,404,932
2061	314,534	7,400,628	510,215	15,333,588
2062	252,423	6,504,788	415,481	13,545,840
2063	201,803	5,734,842	338,016	12,022,832
2064	161,332	5,068,000	274,854	10,715,224
2065	129,005	4,477,656	223,169	9,554,131
2066	103,248	3,984,212	180,900	8,592,863
2067	82,774	3,551,470	146,173	7,758,171
2068	66,211	3,164,408	117,520	7,024,542
2069	52,717	2,790,781	93,860	6,320,829
2070	37,637	2,238,222	74,300	5,716,495
PV 2022+	525,212,717	1,073,456,493	601,881,472	1,095,084,257
3.50%				

Cumulative Rate Increase to date: 0%
(0.58+0.85C)/(1+C) prem adjustment: 44,467,878
PPV Indicated Rate Increase%: -4.5%

Exhibit V
Knights of Columbus
KofC Care Inforce by State as of 12/31/2022

<u>State</u>	<u>Inforce Policies</u>	<u>Inforce Annual Premium</u>	<u>Avg. Annual Premium (Current Rates)</u>	<u>Avg. Annual Premium (Proposed Rates)</u>
AK	9	\$25,264	\$2,807	\$3,846
AL	160	\$244,823	\$1,530	\$2,096
AR	174	\$283,324	\$1,628	\$2,231
AZ	367	\$610,104	\$1,662	\$2,277
CA	2,912	\$4,902,395	\$1,684	\$2,306
CO	686	\$1,108,667	\$1,616	\$2,214
CT	420	\$861,972	\$2,052	\$2,812
DC	29	\$51,543	\$1,777	\$2,435
DE	63	\$124,808	\$1,981	\$2,714
FL	1,545	\$2,513,226	\$1,627	\$2,229
GA	451	\$768,333	\$1,704	\$2,334
HI	19	\$30,498	\$1,605	\$2,199
IA	1,419	\$1,979,554	\$1,395	\$1,911
ID	188	\$276,754	\$1,472	\$2,017
IL	1,971	\$2,970,710	\$1,507	\$2,065
IN	842	\$1,105,414	\$1,313	\$1,799
KS	2,681	\$3,408,702	\$1,271	\$1,742
KY	208	\$332,107	\$1,597	\$2,187
LA	673	\$1,113,929	\$1,655	\$2,268
MA	785	\$1,375,702	\$1,752	\$2,401
MD	1,348	\$2,543,802	\$1,887	\$2,585
ME	119	\$198,883	\$1,671	\$2,290
MI	1,001	\$1,428,072	\$1,427	\$1,955
MN	1,591	\$2,270,018	\$1,427	\$1,955
MO	2,463	\$3,170,005	\$1,287	\$1,763
MS	91	\$161,605	\$1,776	\$2,433
MT	189	\$242,484	\$1,283	\$1,758
NC	527	\$863,873	\$1,639	\$2,246
ND	693	\$1,129,763	\$1,630	\$2,233
NE	2,227	\$3,208,190	\$1,441	\$1,974
NH	123	\$234,124	\$1,903	\$2,608
NJ	1,154	\$2,358,006	\$2,043	\$2,799
NM	198	\$257,568	\$1,301	\$1,782
NV	225	\$439,767	\$1,955	\$2,678
NY	1,095	\$1,990,890	\$1,818	\$2,491
OH	1,069	\$1,787,611	\$1,672	\$2,291
OK	303	\$474,561	\$1,566	\$2,146
OR	348	\$499,075	\$1,434	\$1,965
PA	827	\$1,270,111	\$1,536	\$2,104
PR	55	\$45,051	\$819	\$1,122
RI	39	\$71,057	\$1,822	\$2,496
SC	385	\$712,744	\$1,851	\$2,536
SD	423	\$535,976	\$1,267	\$1,736
TN	326	\$566,057	\$1,736	\$2,379
TX	3,148	\$4,939,954	\$1,569	\$2,150
UT	84	\$87,074	\$1,037	\$1,420
VA	1,378	\$2,386,581	\$1,732	\$2,373
VT	50	\$92,564	\$1,851	\$2,536
WA	756	\$1,158,655	\$1,533	\$2,100
WI	823	\$1,491,366	\$1,812	\$2,483
WV	70	\$136,172	\$1,945	\$2,665
WY	106	\$190,168	\$1,794	\$2,458
Total	38,836	\$61,029,653	\$1,571	\$2,153

Exhibit VI

Knights of Columbus

Premium Comparison of Proposed Premium Rates with Current New Business Premium Rates

Knights of Columbus Form LTC01 Proposed Rates per \$10 of Daily Benefit 90 Day Elimination Period 5% Compound Indexed Benefit				Knights of Columbus Form LTC02 (Currently Sold Form) Rates per \$10 of Daily Benefit 90 Day Elimination Period 5% Compound Indexed Benefit Estimated Unisex Rate for Class 2				Ratio of Proposed LTC01 Rates to Currently Sold Form LTC02 Rates			
<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>	<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Life/10</u>
40	\$99.13	\$123.83	\$168.52	40	\$246.31	\$309.02	\$378.53	40	0.40	0.40	0.45
45	\$119.05	\$148.82	\$202.72	45	\$249.65	\$312.75	\$383.70	45	0.48	0.48	0.53
50	\$139.23	\$174.14	\$237.41	50	\$252.15	\$315.88	\$387.54	50	0.55	0.55	0.61
55	\$161.67	\$202.28	\$276.08	55	\$254.67	\$319.04	\$391.42	55	0.63	0.63	0.71
60	\$193.87	\$242.68	\$331.59	60	\$314.06	\$396.63	\$478.11	60	0.62	0.61	0.69
65	\$252.16	\$315.77	\$432.06	65	\$337.27	\$417.68	\$509.06	65	0.75	0.76	0.85
70	\$357.79	\$448.21	\$614.08	70	\$459.20	\$583.20	\$699.17	70	0.78	0.77	0.88
75	\$581.41	\$727.32	\$831.67	75	\$734.93	\$1,026.27	\$1,237.45	75	0.79	0.71	0.67

Knights of Columbus Form LTC01 Proposed Rates per \$10 of Daily Benefit 90 Day Elimination Period Guarantee Purchase Inflation Protection				Knights of Columbus Form LTC02 (Currently Sold Form) Rates per \$10 of Daily Benefit 90 Day Elimination Period Guarantee Purchase Inflation Protection Estimated Unisex Rate for Class 2				Ratio of Proposed LTC01 Rates to Currently Sold Form LTC02 Rates			
<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Lifetime</u>	<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Issue Age</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Life/10</u>
40	\$27.40	\$33.78	\$45.21	40	\$50.66	\$58.81	\$66.15	40	0.54	0.57	0.68
45	\$37.57	\$46.53	\$62.55	45	\$58.51	\$68.44	\$77.28	45	0.64	0.68	0.81
50	\$49.72	\$61.75	\$83.31	50	\$70.21	\$82.00	\$93.87	50	0.71	0.75	0.89
55	\$63.65	\$79.19	\$107.19	55	\$83.49	\$103.54	\$118.08	55	0.76	0.76	0.91
60	\$85.76	\$106.91	\$145.19	60	\$114.72	\$135.37	\$164.77	60	0.75	0.79	0.88
65	\$127.44	\$159.11	\$216.78	65	\$149.22	\$183.29	\$216.23	65	0.85	0.87	1.00
70	\$205.35	\$256.72	\$350.76	70	\$234.92	\$295.47	\$337.71	70	0.87	0.87	1.04
75	\$376.68	\$470.09	\$536.74	75	\$356.15	\$442.40	\$505.11	75	1.06	1.06	1.06
80	\$541.55	\$676.44	\$773.41	80*	\$690.09	\$824.26	\$938.15	80*	0.78	0.82	0.82
85	\$732.87	\$915.58	\$1,047.24	85*	\$1,221.15	\$1,458.84	\$1,657.54	85*	0.60	0.63	0.63

* Policies are no longer issued at ages 76+ so the above rates are for guarantee purchase option premium rates only

Exhibit VII
Knights of Columbus
2022 Mortality A/E Study
Actual-to-Expected Mortality Rates by Issue Age and Policy Year

A/E Ratios with Expected Mortality Based on Original Pricing Assumptions

Policy Year	Issue Age				
	18-49	50-59	60-69	70-85	All
1	21%	13%	17%	17%	16%
2	16%	22%	23%	18%	22%
3	20%	23%	23%	26%	23%
4	54%	25%	23%	36%	27%
5	41%	16%	30%	35%	28%
6	14%	22%	29%	28%	26%
7	24%	27%	27%	47%	31%
8	44%	25%	32%	45%	33%
9	15%	35%	36%	51%	38%
10	30%	33%	39%	52%	39%
11	4%	28%	43%	52%	39%
12	15%	31%	45%	67%	44%
13	44%	44%	48%	71%	51%
14	43%	33%	53%	70%	50%
15	20%	31%	52%	89%	51%
16	40%	36%	65%	86%	60%
17	36%	41%	66%	97%	63%
18	67%	42%	62%	101%	63%
19	42%	46%	73%	162%	78%
20	0%	48%	81%	95%	73%
21	113%	34%	83%	129%	80%
Total	29%	29%	41%	54%	40%

A/E Ratios with Expected Mortality Based on Current Projection Assumptions

Policy Year	Issue Age				
	18-49	50-59	60-69	70-85	All
1	90%	57%	72%	75%	69%
2	72%	95%	101%	80%	94%
3	86%	100%	99%	115%	102%
4	233%	107%	100%	155%	118%
5	178%	72%	130%	151%	121%
6	43%	65%	86%	85%	79%
7	73%	80%	82%	143%	93%
8	134%	76%	98%	136%	101%
9	45%	107%	108%	155%	115%
10	90%	100%	118%	156%	120%
11	7%	54%	84%	103%	77%
12	30%	61%	88%	130%	86%
13	86%	86%	94%	138%	99%
14	84%	65%	103%	138%	98%
15	38%	61%	102%	174%	100%
16	79%	70%	127%	168%	117%
17	70%	81%	129%	189%	124%
18	131%	82%	122%	196%	123%
19	83%	91%	143%	316%	152%
20	0%	94%	158%	186%	143%
21	221%	66%	162%	253%	156%
Total	78%	77%	106%	145%	104%

Exhibit VIII
Knights of Columbus
2022 Lapse A/E Study
Actual-to-Expected Lapse Rates by Issue Age and Policy Year

A/E Ratios with Expected Lapses Based on Original Pricing Assumptions

Policy Year	Issue Age					
	18-37	38-47	48-57	58-67	68-85	All
1	223%	77%	41%	39%	56%	52%
2	93%	63%	37%	34%	38%	40%
3	100%	62%	39%	35%	50%	43%
4	166%	85%	48%	35%	43%	49%
5	186%	84%	45%	46%	57%	54%
6	104%	73%	41%	38%	54%	46%
7	78%	93%	34%	29%	39%	39%
8	167%	53%	28%	27%	40%	34%
9	85%	48%	27%	29%	54%	33%
10	27%	42%	20%	26%	44%	27%
11	108%	39%	27%	26%	56%	31%
12	125%	46%	18%	27%	38%	27%
13	44%	37%	21%	20%	65%	26%
14	0%	28%	19%	21%	38%	22%
15	200%	26%	17%	37%	58%	31%
16	0%	16%	23%	22%	48%	24%
17	0%	27%	14%	18%	47%	20%
18	0%	0%	17%	20%	41%	20%
19	0%	13%	8%	25%	46%	21%
20		0%	21%	16%	26%	18%
21		0%	9%	17%	50%	17%
Total	152%	65%	36%	34%	48%	42%

A/E Ratios with Expected Lapses Based on Current Projection Assumptions

Policy Year	Issue Age					
	18-37	38-47	48-57	58-67	68-85	All
1	519%	179%	96%	91%	131%	120%
2	217%	146%	87%	80%	87%	94%
3	232%	145%	91%	81%	117%	99%
4	385%	197%	112%	80%	99%	114%
5	433%	196%	105%	106%	134%	126%
6	242%	171%	95%	89%	125%	107%
7	181%	215%	78%	67%	90%	92%
8	388%	124%	66%	63%	93%	78%
9	197%	112%	62%	67%	126%	78%
10	62%	98%	46%	62%	101%	64%
11	252%	91%	62%	61%	130%	73%
12	291%	106%	42%	62%	89%	64%
13	103%	85%	48%	46%	151%	62%
14	0%	64%	44%	48%	89%	52%
15	465%	61%	40%	86%	135%	73%
16	0%	36%	54%	51%	112%	57%
17	0%	62%	31%	42%	110%	47%
18	0%	0%	40%	46%	96%	46%
19	0%	31%	19%	59%	107%	50%
20		0%	50%	37%	60%	41%
21		0%	21%	39%	115%	40%
Total	353%	152%	83%	78%	113%	97%

Exhibit IX
Knights of Columbus
2022 Claim Incidence Rate A/E Study
Actual-to-Expected Incidence Rates by Attained Age and Experience Period

Expected Incidence Rates Based on Current Projection Assumptions

Attained Age	Experience Period by Policy Year Ending				All
	2001-2005	2006-2010	2011-2015	2016-2020	
18-54	405%	538%	137%	0%	190%
55-59	0%	395%	195%	139%	202%
60-64	155%	157%	115%	100%	119%
65-69	107%	117%	112%	75%	96%
70-74	82%	109%	98%	101%	101%
75-79	160%	127%	121%	112%	117%
80-84	47%	93%	123%	112%	112%
85-89	91%	97%	120%	121%	119%
90-95	NA	134%	79%	118%	109%
95+	NA	NA	85%	77%	79%
Grand Total	103%	122%	114%	109%	112%

Exhibit X
Knights of Columbus
Nationwide Estimated Original Pricing Projected Experience
Based on Pricing Assumptions and Actual Issued Policies

Experience	Earned	Incurred	Loss
<u>Year</u>	<u>Premium</u>	<u>Claims</u>	<u>Ratio</u>
2000	\$5,983,371	\$133,877	2.2%
2001	\$11,301,872	\$874,587	7.7%
2002	\$15,334,827	\$583,407	3.8%
2003	\$19,821,752	\$1,393,092	7.0%
2004	\$23,517,529	\$2,897,907	12.3%
2005	\$26,476,091	\$3,820,602	14.4%
2006	\$29,901,659	\$2,562,028	8.6%
2007	\$33,905,258	\$7,560,861	22.3%
2008	\$36,436,949	\$7,177,417	19.7%
2009	\$38,462,173	\$11,939,701	31.0%
2010	\$40,597,701	\$8,447,134	20.8%
2011	\$42,802,248	\$13,050,073	30.5%
2012	\$45,365,719	\$15,088,727	33.3%
2013	\$48,271,309	\$14,802,230	30.7%
2014	\$53,817,672	\$13,987,603	26.0%
2015	\$51,674,967	\$19,050,570	36.9%
2016	\$49,387,965	\$20,614,360	41.7%
2017	\$47,105,823	\$25,943,026	55.1%
2018	\$44,953,711	\$23,224,863	51.7%
2019	\$42,890,982	\$31,554,362	73.6%
2020	\$40,851,506	\$35,935,139	88.0%
2021	\$38,829,690	\$40,430,597	104.1%
2022	\$36,827,088	\$34,612,885	94.0%
2023	\$34,847,689	\$35,814,790	102.8%
2024	\$32,894,297	\$36,923,832	112.2%
2025	\$30,973,303	\$37,976,650	122.6%
2026	\$29,085,728	\$38,963,070	134.0%
2027	\$27,237,168	\$39,806,351	146.1%
2028	\$25,431,473	\$40,507,232	159.3%
2029	\$23,672,911	\$41,035,295	173.3%
2030	\$21,967,114	\$41,447,231	188.7%
2031	\$20,317,909	\$41,722,412	205.3%
2032	\$18,727,882	\$41,876,202	223.6%
2033	\$17,200,810	\$41,864,916	243.4%
2034	\$15,741,806	\$41,704,551	264.9%
2035	\$14,353,639	\$41,359,790	288.1%
2036	\$13,035,332	\$40,841,877	313.3%
2037	\$11,792,038	\$40,171,790	340.7%
2038	\$10,621,708	\$39,343,512	370.4%
2039	\$9,526,739	\$38,330,629	402.3%
2040	\$8,510,342	\$37,216,365	437.3%
2041	\$7,568,042	\$35,940,789	474.9%
2042	\$6,699,958	\$34,558,648	515.8%
2043	\$5,903,921	\$33,069,361	560.1%
2044	\$5,177,299	\$31,491,132	608.3%
2045	\$4,521,663	\$29,836,052	659.8%
2046	\$3,932,979	\$28,166,065	716.2%
2047	\$3,400,841	\$26,422,697	776.9%
2048	\$2,922,129	\$24,598,592	841.8%
2049	\$2,501,694	\$22,797,061	911.3%
2050	\$2,130,483	\$20,968,573	984.2%
2051	\$1,807,230	\$19,186,227	1061.6%
2052	\$1,525,394	\$17,468,321	1145.2%
2053	\$1,282,170	\$15,826,382	1234.3%
2054	\$1,070,660	\$14,256,913	1331.6%
2055	\$891,309	\$12,793,079	1435.3%
2056	\$738,659	\$11,453,563	1550.6%
2057	\$610,514	\$10,253,518	1679.5%
2058	\$501,584	\$9,155,696	1825.4%
2059	\$410,473	\$8,133,050	1981.4%
2060	\$334,422	\$7,213,653	2157.1%
2061	\$271,798	\$6,395,096	2352.9%
2062	\$220,549	\$5,683,425	2576.9%
2063	\$178,722	\$5,078,922	2841.8%
2064	\$143,967	\$4,522,504	3141.4%
2065	\$115,834	\$4,020,493	3470.9%
2066	\$93,323	\$3,601,202	3858.9%
2067	\$75,228	\$3,227,707	4290.6%
2068	\$60,589	\$2,895,714	4779.3%
2069	\$48,651	\$2,575,508	5293.9%
2070	\$38,614	\$2,296,346	5946.9%
Total	\$1,245,634,448	\$1,506,477,830	120.9%
PV (Pricing Val Rate)	\$567,005,537	\$387,228,082	68.3%
PV (Pricing Earned Rate)	\$441,050,238	\$250,486,278	56.8%



**KNIGHTS
OF COLUMBUS**
IN SERVICE TO ONE. IN SERVICE TO ALL.

January 30, 2023

TO: State Insurance Department Staff

SUBJECT: KNIGHTS OF COLUMBUS AUTHORIZATION FOR LONG-TERM CARE REPRESENTATION

Name	Action authorized on behalf of the Company
Raymond Nelson, SVP Actuary, Davies Life & Health, Inc.	Communications and Regulatory Filings and Certifications with Regulatory Agencies
Todd Moltumyr, VP Actuary, Davies Life & Health, Inc.	Communications and Regulatory Filings and Certifications with Regulatory Agencies
Beverly Toomey, Analyst, Davies Life & Health, Inc.	Communications and Regulatory Filings and Certifications with Regulatory Agencies
David Krydyski, Director, Davies Life & Health, Inc.	Communications and Regulatory Filings and Certifications with Regulatory Agencies
Karen Babio, Esq. AVP, Assistant General Counsel, Davies Life & Health, Inc.	Communications and Regulatory Filings and Certifications with Regulatory Agencies
Thea Gonzalez, Accounting, Davies Life & Health, Inc.	Communications and Regulatory Filings and Certifications with Regulatory Agencies

The above referenced individuals, employed by Davies Life & Health, Inc. (formerly known as TriPlus Services, Inc.), are hereby authorized to represent Knights of Columbus (NAIC. No. 58033) and perform the above referenced actions as necessary pursuant to the Administrative Services Agreement between Knights of Columbus and Davies Life & Health, Inc. signed the fifteenth of December 2021.

Signed on Behalf of Knights of Columbus by its officer:

January 30, 2023

Date

Ronald D. Franzluebbbers, FSA, MAAA

Printed Name

Senior Vice President & Chief Actuary

Title

Privileged and Confidential Attorney/Client Communication:



Knights of Columbus®

<<Month Day, Year>>

<<John Doe>>
<<123 Main Street>>
<<City, State, Zip>>

Insured: <<John Doe>>
Policy Number: <<00001>>
General Agent: <<John Jones>>
Agent Number: <<00000>>
Council Number: <<00000>>

We value your business and thank you for choosing Knights of Columbus (“KofC”) to provide your long term care coverage. We are committed to ensuring that your long term care insurance benefits are there when you need them.

The purpose of this letter is to notify you that we have determined it necessary to increase premiums for your coverage. <<This increase is less than what was originally requested. KofC is likely to pursue additional premium increases in the future.>> This is not a premium notice; if you are on a direct, paper bill mode you will receive a notice of premium due approximately 30 days before the premium is due. <<Currently, this policy is on Waiver of Premium and it is not necessary to send us any money at this time, but we wanted to advise you that if or when the policy is removed from waiver, the renewal premium will be \$###.##. You will receive a renewal premium notice prior to your due date.>> Your future premium rate(s) will be as follows:

<<* The <<Monthly>> renewal premium rate of \$<<###.##>> will become effective on <<MM/DD/YYYY>>. This represents a percentage increase of <<##.#>>%.

* The <<Monthly>> renewal premium rate of \$<<###.##>> will become effective on <<MM/DD/YYYY>>. This represents a percentage increase of <<##.#>>%.

* The <<Monthly>> renewal premium rate of \$<<###.##>> will become effective on <<MM/DD/YYYY>>. This represents a percentage increase of <<##.#>>%.

* The <<Monthly>> renewal premium rate of \$<<###.##>> will become effective on <<MM/DD/YYYY>>. This represents a percentage increase of <<##.#>>%. Please note that this premium rate does not reflect any future rate increases that may occur.

Reasons for the Premium Increase

It is necessary to increase premiums due to greater than anticipated claims payments expected over the lifetime of all policies like yours. Premium rates must be adjusted to ensure current and future claims are adequately funded, so that long term care benefits will be available to you when you need them. Please be assured that you have not been singled out, and this premium increase is not a reflection of any previous claims history you may have had.

Options Available To You:

We do understand that this premium increase may make it more difficult to continue your current level of coverage. Please know that we do not take this action lightly and we recognize that raising premiums may have a significant impact on you. As such, below are options that you may consider at this time:

- 1. Continue current level of coverage:** Keep your exact coverage without any changes and the new premium will take effect on <<MM/DD/YYYY>>. If we do not hear from you, then we will assume that you have accepted the higher premium amount.

(Continued on reverse)



**Knights of
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- 2. Adjust your coverage:** You may consider adjusting your level of coverage in order to make premiums more affordable. <<We have provided you with the attached Benefit Adjustment Option Return Form, which illustrates some of the policy adjustment offer(s) that are available as an alternative to the current plan, while still maintaining essential coverage. If you would like to investigate additional benefit adjustment options, not mentioned in the attached, please contact us at <<###-###-####>>.>> <<If you would like to investigate the availability of benefit adjustment options, please contact us at <<###-###-####>>.>>

Please discuss potential policy changes with your family or advisors as well as our Policyholder Services Department to make sure any changes to your policy will best suit your needs.

- 3. Elect the Contingent Benefit Upon Lapse:** If you determine that you would like to discontinue your coverage we will provide a Contingent Benefit Upon Lapse. The Contingent Benefit Upon Lapse is a pool of money that you can use to fund future long-term care expenses. If you elect this option, your policy will be paid-up with a maximum benefit equal to the sum of the premiums you have paid thus far. If you currently have an open claim, or if a new claim is filed, any benefits paid for dates of service after the effective date of the paid-up policy status will be applied to and will not exceed the policy's new maximum benefit amount. To determine the minimum number of days payable under the policy, the sum of all premiums paid is divided by the maximum Daily Benefit at the time of lapse. Benefit Eligibility is determined by the policy terms and all benefits paid by us will not exceed the maximum benefits which would have been payable if the policy had remained in premium paying status.

This Contingent Benefit Upon Lapse acts as a form of reduced paid up coverage and will be available should you choose to lapse your coverage at any point between now and 120 days following the date the new premium rates take effect. If you would like to elect this benefit please complete and return the enclosed Request to Exercise Contingent Benefit Upon Lapse form. If you do not complete this form, and you lapse your policy within 120 days after the effective date of the rate increase, this benefit will be automatically applied.

When you purchased your long-term care coverage, you made a conscious decision to protect yourself and your family from the increasing costs associated with long-term care, which can be significant; therefore we would like to stress the importance of retaining your valuable coverage. Before considering the options above, please carefully evaluate your situation and your reasons for initially purchasing coverage.

In addition, you may also wish to contact the State Health Insurance Assistance Program (SHIP) located in your state if you need additional counseling on determining your response. Please go to <<www.shiphelp.org>> to find the nearest SHIP to you.

This policy is guaranteed renewable. You have the right to renew your policy for life as long as you continue to pay your premium on time. KofC has the right to change your premium if it does so for all policies of your class in your state.

We have enclosed additional information about this increase in the attached Frequently Asked Questions document. For any additional questions, please call our Policyholder Services Department at <<###-###-####>> and a customer support representative will be happy to assist you.

Sincerely,

<<Davies Life & Health, Inc.
Third Party Administrator for Knights of Columbus>>

CC: <<General Agent Name, #######>>
<<Field Agent Name, #######>>



**Knights of
Columbus®**

FREQUENTLY ASKED QUESTIONS FOR INSURED

Q. Why is my premium increasing?

A: It is necessary to increase premiums due to greater than anticipated claims payments expected over the lifetime of all policies like this one. Many of the pricing assumptions that were common in the industry when your product was originally marketed have not developed as expected. The factors that contribute to the higher anticipated claims payments include morbidity, persistency and mortality. The claims experience trends have emerged higher than originally priced and more policyholders have kept their coverage in force, resulting in more claims in the later policy durations. This premium increase will help ensure that KofC is able to live up to its obligations to you as a policyholder.

Q. When will my premium increase?

A: Premium for your in force coverage will increase on the date specified in your letter. If your premium is paid through automatic bank draft, your new premium will be deducted automatically from your account on the stated date. If you pay your premium by check, you will receive a premium notice for the increased amount approximately 30 days before that premium due date.

Q. I thought my premium could never go up. Am I being singled out for this rate increase because of my age or health?

A: No. Your premium rates for long term care insurance will never change based on changes in your age or health. As stated in your policy, we can only change premium rates on a class basis, not an individual basis. This means that the rates have been changed on all policies like yours on a statewide class basis. Even though you may not have used your policy, we need to ensure that we can deliver on the promises of the policy should you need to make a claim in the future.

Q. Will my premium continue to increase?

A: <<This increase is less than what was originally requested. KofC is likely to pursue an additional premium increase in the future. >>KofC will continue to monitor emerging claims experience to ensure that it is able to deliver on the promises of your policy, primarily to pay any future claims you might incur.

Q. Have other insurance companies raised their long term care rates?

A: Yes. The deviations from expected claim and persistency assumptions that KofC has experienced have also been experienced by other long term care insurance carriers. Numerous other carriers have also implemented rate increases for long term care policies.

<<Q. What are the options to reduce my coverage?

A: Please refer to the Benefit Adjustment Option Return Form for a description of some of the options available to you. If there are no specific options listed in your letter, or you would like to

investigate additional options, please contact our Policyholder Services Department at <<###-###-###>>. >>

(continued on reverse)



**Knights of
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Q. To keep my policy without paying the higher premium, how do I change my coverage?

A: To change your coverage we require your request in writing. If a Benefit Adjustment Option Return Form is included with this letter you may circle the option you wish to implement, sign, date and return the form. If this form was not included or you wish to hear about additional options available you may contact our Policyholder Services Department at <<####-###-####>>.

Q. How long do I have to make any coverage changes before the effective date of the increase?

A: You can change your coverage at any time, however in order for us to process any changes before the rate increase effective date you should submit your election to us 15 business days in advance of the effective date of the increase.

Q. I am currently receiving Long Term Care benefits. Do I have to remit the new premium?

A: The premium increase will not impact your current claim benefits. Your policy will continue to provide you with the benefits in accordance with the terms of the coverage you purchased. If your policy contains a provision that waives premium and you are currently receiving that benefit, the new premium will also be waived until such time as you are no longer eligible for waiver of premium, as stated in your policy. You will have to pay the increased premium only after you return to a premium paying status. If your policy does not have a waiver of premium provision or if you do not qualify under this provision, then the premium increase will impact you, even if you are on claim. Please refer to the "Options Available To You" section of the rate increase notification letter.

Q. What safety measures are in place should Knights of Columbus become financially distressed?

A: The premium increases are designed to prevent this from happening. Also, KofC, like all other fraternal insurers, may assess its members (in this case, all KofC policyholders), should the need ever arise. The manner for doing so is set forth in your Contract's Maintenance of Solvency clause:

Maintenance of Solvency

If the Premiums paid by all Contract owners should be less than the amount required to pay claims and other benefits and maintain the reserves required by law, this Contract may be assessed. The Order will determine the fair share of the total amount required and bill accordingly. Any such assessment will be a debt against this Contract until paid. Interest will be charged on any such unpaid debt at the rate of 5% annually until it is paid. The amount of any such debt is limited to the value of this Contract. You will not be held personally responsible for it.

Q. Whom should I contact if I have additional questions about this rate increase?

A: If you have additional questions, please contact our Policyholder Services Department at <<###-###-####>>. The office hours are <<Monday through Friday 8:30 a.m. to 6:00 p.m. EST.>>



**Knights of
Columbus®**

<<BENEFIT ADJUSTMENT OPTION RETURN FORM

Date: <<MM/DD/YYYY>>

Insured: <<John Doe>>

Policy Number: <<00001>>

If you would like to implement one of the benefit adjustment options listed in this letter please circle the option you would like to exercise and then sign, date, and return this page using the enclosed envelope. While you are able to adjust your benefits at any time, to ensure that your option is effective before the rate increase effective date, please return your option to us within 75 days from the date of this letter.

If you would like to investigate additional benefit adjustment offers, not mentioned below, please call our dedicated Policyholder Services Department, toll free at <<###-###-####>>.

If you do not wish to implement any of these options you do not need to return this form to us.

<<* Reduce your policy maximum from <<Lifetime>> to <<5 Years>> for a new <<Monthly>> premium of \$<<###.##>>>>

<<* Increase your Elimination Period from <<0 Days>> to <<90 Days>> for a new <<Monthly>> premium of \$<<####.##>>>>

<<* Reduce your base Daily Benefit Amount from \$<<##.##>> to \$<<##.##>> for a new <<Monthly>> premium of \$<<###.##>>. <<Since you have an active Compound Inflation rider, your new inflated Daily Benefit Amount would be \$<<####.##>> as of <<MM/DD/YYYY>> and is subject to further increases per rider terms.>>>>

<<Please be aware when considering these options, that if you choose to reduce the maximum available under your policy, then any prior claims made on your policy will affect the benefits available after the reduction.>>

By signing and returning this page, Knights of Columbus will change the policy's available benefits, effective <<MM/DD/YYYY>>, to the choice you selected above. You will receive an updated Contract Specifications Page once this change to the policy has been made. Please note that the above premium rates are for the current rate increase period and do not reflect any additional rate increases that may be scheduled to occur, or may occur in the future, whether mentioned in this letter or not.

Signature _____

Date _____

If anyone other than the insured signs above, we must have copies of Durable Financial Power of Attorney papers or other legal representative papers on file>>



**Knights of
Columbus®**

REQUEST TO EXERCISE CONTINGENT BENEFIT UPON LAPSE

Date: <<MM/DD/YYYY>>

Insured: <<John Doe>>

Policy Number: <<00001>>

NOTE: This benefit can be elected by either lapsing your coverage by means of not paying your premium, or by completing and returning this form to us. Either way your election for this coverage must be made within 120 days following the effective date of this rate increase. *If you do not want to exercise the Contingent Benefit Upon Lapse, then you do not need to complete this form.*

By completing and returning this form, I am electing to stop paying premiums for my long term care coverage and I am exercising the Contingent Benefit Upon Lapse option available with this rate increase.

By exercising this option, I understand that:

- My new maximum benefit amount under this policy will be equal to the sum of the premiums paid into the policy from the issue date through the current paid to date or the remaining amount of benefits available under the policy; whichever is less; and,
- If I currently have an open claim, or if a new claim is filed, any benefits paid for dates of service after the effective date of this new policy status will be applied to and will not exceed the policy's new maximum benefit amount; and,
- Once I exercise this option, I will only be able to reinstate my original maximum benefit amount if I submit a premium payment within 65 days from my premium due date; and,
- I must meet the eligibility requirements required under the Policy in order to receive benefit payments.

By signing below I agree to elect the Contingent Benefit Upon Lapse and I agree to all of the above.

Signature _____

Date _____

If anyone other than the insured signs above, we must have copies of Durable Financial Power of Attorney papers or other legal representative papers on file.



**Knights of
Columbus®**

April 1, 2023

John Doe
123 Main Street
City, VA Zip Code

Insured: John Doe
Policy Number: 00001
General Agent: John Jones
Agent Number: 00000
Council Number: 00000

We value your business and thank you for choosing Knights of Columbus (“KofC”) to provide your long term care coverage. We are committed to ensuring that your long term care insurance benefits are there when you need them.

The purpose of this letter is to notify you that we have determined it necessary to increase premiums for your coverage. This is not a premium notice; if you are on a direct, paper bill mode you will receive a notice of premium due approximately 30 days before the premium is due. Your future premium rate(s) will be as follows:

* The Monthly renewal premium rate of \$100.00 will become effective on 07/05/2023. This represents a percentage increase of 37.0%. Please note that this premium rate does not reflect any future rate increases that may occur.

Reasons for the Premium Increase

It is necessary to increase premiums due to greater than anticipated claims payments expected over the lifetime of all policies like yours. Premium rates must be adjusted to ensure current and future claims are adequately funded, so that long term care benefits will be available to you when you need them. Please be assured that you have not been singled out, and this premium increase is not a reflection of any previous claims history you may have had.

Options Available To You:

We do understand that this premium increase may make it more difficult to continue your current level of coverage. Please know that we do not take this action lightly and we recognize that raising premiums may have a significant impact on you. As such, below are options that you may consider at this time:

- 1. Continue current level of coverage:** Keep your exact coverage without any changes and the new premium will take effect on 07/05/2023. If we do not hear from you, then we will assume that you have accepted the higher premium amount.

- 2. Adjust your coverage:** You may consider adjusting your level of coverage in order to make premiums more affordable. We have provided you with the attached Benefit Adjustment Option Return Form, which illustrates some of the policy adjustment offer(s) that are available as an alternative to the current plan, while still maintaining essential coverage. If you would like to investigate additional benefit adjustment options, not mentioned in the attached, please contact us at 800-214-9825.

Please discuss potential policy changes with your family or advisors as well as our Policyholder Services Department to make sure any changes to your policy will best suit your needs.

- 3. Elect the Contingent Benefit Upon Lapse:** If you determine that you would like to discontinue your coverage we will provide a Contingent Benefit Upon Lapse. The Contingent Benefit Upon Lapse is a pool of money that you can use to fund future long term care expenses. If you elect this option, your policy will be paid-up with a maximum benefit equal to the sum of the premiums you have paid thus far. If you currently have an open claim, or if a new claim is filed, any benefits paid for dates of service after the effective date of the paid-up policy status will be applied to and will not exceed the policy's new maximum benefit amount. To determine the minimum number of days payable under the policy, the sum of all premiums paid is divided by the maximum Daily Benefit at the time of lapse. Benefit Eligibility is determined by the policy terms and all benefits paid by us will not exceed the maximum benefits which would have been payable if the policy had remained in premium paying status.

This Contingent Benefit Upon Lapse acts as a form of reduced paid up coverage and will be available should you choose to lapse your coverage at any point between now and 120 days following the date the new premium rates take effect. If you would like to elect this benefit please complete and return the enclosed Request to Exercise Contingent Benefit Upon Lapse form. If you do not complete this form, and you lapse your policy within 120 days after the effective date of the rate increase, this benefit will be automatically applied.

When you purchased your long term care coverage, you made a conscious decision to protect yourself and your family from the increasing costs associated with long term care, which can be significant; therefore we would like to stress the importance of retaining your valuable coverage. Before considering the options above, please carefully evaluate your situation and your reasons for initially purchasing coverage.

In addition, you may also wish to contact the State Health Insurance Assistance Program (SHIP) located in your state if you need additional counseling on determining your response. Please go to www.shiphelp.org to find the nearest SHIP to you.

This policy is guaranteed renewable. You have the right to renew your policy for life as long as you continue to pay your premium on time. KofC has the right to change your premium if it does so for all policies of your class in your state.

We have enclosed additional information about this increase in the attached Frequently Asked Questions document. For any additional questions, please call our Policyholder Services Department at 800-214-9825 and a customer support representative will be happy to assist you.

Sincerely,

Davies Life & Health, Inc.
Third Party Administrator for Knights of Columbus

CC: John Jones, 00000
Bill Johnson, 11111

March 10, 2023

Bill Dismore
Virginia Bureau of Insurance

Via *SERFF*

RE: SERFF Tracking #TRIP-133533599

Dear Mr. Dismore:

Thank you for reviewing this filing. This letter is in response to your letter dated February 16, 2023 regarding the above- referenced filing. The comments made in the letter are restated in italics for reference.

Additionally, as highlighted in the Filing description and Actuarial Memorandum, this request was filed with and has been reviewed by the Multistate Actuarial LTCI Rate Review Team (MSA Team) prior to submission in individual states. The MSA has recommended the requested nationwide rate increase be fully approved. The MSA shared their advisory report with states in December 2022 / January 2023. We understand that the Virginia Bureau of Insurance and the Commissioner are advocates of the MSA Team construct.

Objection 1

Please attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

We have added a narrative summarizing the key information used to develop the rates including the main drivers for the revised rates to the Rate Request Summary item on the Supporting Documentation tab.

Objection 2

1) Please provide the SERFF Tracking Number under which the Policyholder Rate Increase notification letter was approved.

2) Please provide a John Doe version of the Rate Increase Letter just as if addressed to the policyholder.

This is the first rate increase on the affected policy forms and as such the notification letter has not been previously filed. We have submitted a separate filing with SERFF tracking #TRIP-133593351 for review of the policyholder rate increase notification letter to be used for this increase. We have also attached a John Doe version of the letter with this response for reference as requested.

Objection 3

Please provide all exhibits in Excel format with working formulas so that the calculations can be followed.

We have attached Excel versions of the Nationwide and Virginia Experience Exhibits. All future exhibits added will be included in both PDF and Excel formats.

Thank you for working with us to complete this filing in Virginia. Please let me know if you have any additional questions. You can reach me directly at (224) 217-9037 or by e-mail at: tmoltumyr@triplusservices.com.

Bill Dismore
March 10, 2023

Respectfully,



Todd M. Moltumyr, ASA, MAAA
Vice President, Actuarial

March 22, 2023

Bill Dismore
Virginia Bureau of Insurance

Via *SERFF*

RE: SERFF Tracking #TRIP-133533599

Dear Mr. Dismore:

Thank you for reviewing this filing. This letter is in response to your letter dated March 13, 2023 regarding the above- referenced filing. The comments made in the letter are restated in italics for reference.

Please revise the "Key Drivers of Need for Rate Increase.pdf" so that it is similar to that provided in the actuarial memorandum (see below) under Section 4. Rate Increase Request, Reasons for and Expected Effect on Premium.

In addition, please add the page to the existing "LTC Rate Increase Request Summary.pdf" so that it is one document instead of two.

We have made revisions to the narrative summarizing the key information used to develop the rates and the main drivers for the revised rates as requested. The language has been modified from section 4 of the actuarial memorandum to be more appropriate for a consumer facing purpose, but the main ideas and general structure remain the same. The summary is now attached as the second page of the LTC Rate Increase Request Summary.

Thank you for working with us to complete this filing in Virginia. Please let me know if you have any additional questions. You can reach me directly at (224) 217-9037 or by e-mail at:

tmoltumyr@triplusservices.com.

Respectfully,

A handwritten signature in black ink, appearing to read 'T.M. Moltumyr', with a long horizontal flourish extending to the right.

Todd M. Moltumyr, ASA, MAAA
Vice President, Actuarial

March 27, 2023

Bill Dismore
Virginia Bureau of Insurance

Via *SERFF*

RE: SERFF Tracking #TRIP-133533599

Dear Mr. Dismore:

Thank you for reviewing this filing. This letter is in response to your letter dated March 1, 2023 regarding the above- referenced filing. The comments made in the letter are restated in italics for reference.

Furthermore, as highlighted in the actuarial memorandum, this request was filed with and has been reviewed by the Multistate Actuarial LTCI Rate Review Team (MSA Team) prior to submission in individual states. The MSA has recommended the requested nationwide rate increase be fully approved. The MSA shared their advisory report with states in December 2022 / January 2023. We understand that the Virginia Bureau of Insurance and the Commissioner are advocates of the MSA Team construct and want to ensure that all those involved with this review are aware of the MSA involvement with this filing. We have provided the additional information as requested in this objection below but also urge the Department to consider the MSA's review and recommendation to hopefully reach an expedited approval on this filing.

Objection 1

Please provide the current average attained policyholder age for the Virginia policyholders.

The current average attained policyholder age for inforce Virginia policyholders as of year end 2022 is 67.

Objection 2

Please provide the number of Virginia and Nationwide active policyholders as follows:

- 1) # of policies in force with an issue date prior to 10/01/2003 (pre-rate stability period)*
- 2) # of policies in force with an issue date of 10/01/2003 and later (post-rate stability period).*

The following table shows the requested policy counts split by the Virginia rate stability cutover date. As you know, states adopted rate stability regulations for LTC at different times, or many not at all.

	<u>Issued Prior to 10/1/2003</u>	<u>Issued 10/1/2003 or later</u>
Virginia	249	1,129
Nationwide	6,997	31,839

Objection 3

Since the policies were issued from 2000 - 2016 it appears that the Virginia block will need to be separated by issue date into different subsets.

- 1) Pursuant to 14VAC5-200-150 please provide the 60/80 Test for each subset (5% Compound Indexed Benefit and Guarantee Purchase Inflation Protection subsets) and include all projections required to validate those tests for policies issued in Virginia before October 1, 2003.*

2) Please provide the 58/85 Test for each subset (5% Compound Indexed Benefit and Guarantee Purchase Inflation Protection subsets) and include all projections required to validate those tests pursuant to 14VAC5-200-153 for policies issued in Virginia on or after October 1, 2003.

Note that we are asking for a level 37% increase across all policies and that is the level at which this requested increase was reviewed by the MSA and at which we believe we should be required to satisfy the 60-80/58/85 tests rather than split between policies with and without an inflation benefit. We have provided the requested projection breakdowns by pre/post rate stability and inflation but also have provided the rate stability splits for all policies combined.

While we acknowledge the 10/1/2003 cutover issue date in the rating requirements set forth in 14VAC5-200-150 and 14VAC5-200-153, we respectfully request that the Department consider reviewing the combined experience and making a single determination for rate action across the entirety of the block. Our reasoning for this request is based on several factors:

- The majority of inforce Virginia policyholders (1,129 / 1,378, about 81.9%) were issued after adoption of rate-stability regulation in Virginia, on or after 10/1/2003.
- While there actually were revised versions of the affected policy forms LTC01 and NHC01 filed for use post-rate stability adoption in Virginia, they were substantially similar to the policies issued pre-rate stability. Premium rates are identical across the two form versions in Virginia and there is no reason to expect experience to vary by form version. The tables below show the form numbers, approval dates, and marketing start and end dates of each version of the forms and riders.

Base Policy Forms	Comprehensive Form #	Facility Only Form #	Approval Date	Marketing Start Date	Marketing End Date
Pre Rate Stability v1	LTC01-VA 6-99	NHC01-VA 6-99	1/31/2000	3/24/2000	7/23/2003
Post Rate Stability v2	LTC01-VA 1-03	NHC01-VA 1-03	7/23/2003	7/24/2003	8/17/2014

Rider Forms	Rider Form #	Approval Date	Marketing Start Date	Marketing End Date
Benefit Increase Rider (Pre and Post RS)	BIR01 6-99	1/31/2000	3/24/2000	8/17/2014
Nonforfeiture Benefit Rider v1 Pre RS	NFB01-VA 6-99	1/31/2000	3/24/2000	7/23/2003
Nonforfeiture Benefit Rider v2 Post RS	NFB01-VA 1-03	7/23/2003	7/24/2003	8/17/2014
Return of Premium at Death Rider (Post RS)	ROP01 1-03	7/23/2003	7/24/2003	8/17/2014

- The need for a rate increase was determined on a nationwide basis. The nationwide requested increase was reviewed and recommended by the Multistate Actuarial (MSA) LTCI Rate Review Team prior to submission in individual states. That review was performed on the block as a whole, not split into pre- and post-rate stabilized subsets.

While we are able to split the historical and projected experience by the pre- and post Rate Stability issue date and have included the requested subsets of projections and 60-80/58-85 demonstrations as Attachment A, we would still ask that the Department consider reviewing the combined experience provided throughout the rest of this filing and making a single determination for rate action across the entirety of the block in order (a) to be consistent with the MSA review and (b) to allow for a simplified implementation of any approved rate action.

Objection 4

Please explain the difference in the policies with Guarantee Purchase Inflation Protection and those with 5% Compound Indexed Benefit. Is the 5% Compound Indexed Benefit added by the 5% Compound Inflation Rider BIR01?

Please provide a copy of each policy and rider under the Supporting Documentation tab.

You are correct, the 5% Compound Indexed Benefit is added to policies via rider BIR01. Those policies issued with the BIR01 rider receive automatic annual increases of 5% to their daily and lifetime maximum benefit amounts. Policies that do not elect the BIR01 rider can be eligible for guaranteed purchase offers.

Copies of each policy and rider have been included under the Supporting Documentation tab.

Objection 5

Please advise the % of premium increase required to reach the original anticipated lifetime loss ratio target of 68.3%.

An increase of 76% would be required to reach the estimated original anticipated lifetime loss ratio of 68.3%.

Objection 6

Please provide an explanation for why the Virginia average premium is 11% higher than the Nationwide average premium.

A higher average inforce premium within a state is not indicative that the actual per-unit rates for policies sold in that state are higher than those in other states. In fact, the originally filed per-unit rates for the affected policies were identical in all states except CA and FL. There have been no prior rate increases on the forms, and the current request is for a level 37% increase in all states. The differences in average inforce premiums by state are influenced by many factors, including the distribution of issue age and benefit elections.

Objection 7

If the proposed premium increase is approved, please clearly define the experience factors that will prompt the company to file a future rate increase.

As certified in the actuarial memorandum, if the requested premium rate schedule increase is implemented and the underlying best estimate assumptions are realized, no further premium rate schedule increases are anticipated.

This rate increase request utilizes best estimate assumptions. If moderately adverse conditions had been utilized instead of best estimate assumptions, a larger increase would have been necessary. While specific thresholds at which an additional rate action would be considered have not been determined, no future increases will be considered without deterioration in experience that results in a higher projected future loss ratio.

Objection 8

Please provide all Exhibits in Excel with working formulas.

We have included Excel versions of all previously provided exhibits as well as those additional exhibits provided in response to this objection letter.

Objection 9

For all projections requested in this question, the baseline should comply with the following:

a. Any policies issued as limited-pay which are now in paid-up status should be removed, both from historical experience and future projections.

There were no limited pay or paid-up survivorship options available on this block.

b. Premiums should be at the Virginia rate level for both historical and projected future.

There have been no prior rate increases in any states on this form so historical and projected experience is already presented at the Virginia rate level.

c. Please use the appropriate maximum valuation interest rate for accumulation and discounting of this block.

The prevailing valuation interest rate of 3.5% has been used for accumulation and discounting. Please note at year end 2020 KofC added over \$22 million to reserves for these policy forms in order to reflect updated mortality and a change in the valuation rate to 3.5% which served to make reserves more conservative. We have used a discount rate that corresponds to the valuation rate being used on the block.

Objection 10

To assist the Virginia Bureau of Insurance in its review, for each of the subsets of the business corresponding to the combinations of Benefit Period, Elimination Period and Inflation Option, please provide in Excel format the following projections on a nationwide basis:

a. current assumptions and current rates

b. current assumptions with the proposed rate increase

c. current assumptions with premiums restated as if the proposed rate increase had been in effect from inception.

d. actual historical experience to the projection date and future projections based on the prior assumptions (to be used in the Prospective PV test).

e. original assumptions and original premiums from inception

Projections a. - e. can be separate tabs or combined into separate columns on the same exhibit.

Attachment B included with this response provides each of the requested projections. The first tab of Attachment B shows projections 'a'-'e' for all policies in total and matches up to the projections that were included in various places within the Nationwide Exhibits file include in the initial materials.

The remainder of the tabs provide a split of the projections by benefit period and inflation option. Note that we are unable to produce projections 'd' and 'e' for subsets of experience at this time as there is limited availability of the original pricing models from over 20 years ago.

Again, the requested increase is a level 37% applied to all policies and that is consistent with how the experience was reviewed by the MSA in making their recommendation for approval of the level 37%. We

ask that the Department take into consideration the MSA report prior expanding the amount of additional information required for the remaining review of this request.

Objection 11

For each subset of business used in the requested projections, please provide the active life reserve balance as of the projection date on a nationwide basis.

Active life Reserve Balances
Premium Paying Policies Nationwide as of 12/31/2021
KOC Care Policies LTC01 and NHC01

<u>Subset</u>	<u>ALR Balance</u>
All Policies	\$535,421,354
Inflation	135,174,651
Non-Inflation (GPO)	400,246,703
3 Year Benefit Period	121,116,846
5 Year Benefit Period	135,088,291
Lifetime Benefit Period	279,216,217
30 Day Elim Period	212,009,076
60 Day Elim Period	43,032,727
90 Day Elim Period	254,939,238
180 Day Elim Period	25,440,313

Objection 12

Please confirm if margin was included in claim reserve estimates.

This rate increase request and all underlying projections utilize best estimate assumptions and have not included any additional margin.

Objection 13

Please provide the full credibility standard used to determine the credibility of the experience of each policy series associated with this filing. Additionally, please provide the number of claims associated with each policy series.

While we do not have our own specific definition of credibility, when asked we use the Florida OIR definition of credibility, which is based on the number of claims over the past five years. The formula is:

Number of claims in last 5 years > 1,000 = 100% credible
Number of claims in last 5 years < 200 = 0% credible
If the number of claims in last 5 years is between 200 – 1,000;
Credibility % = (# claims last 5 years – 200) / 800

There have been 1,356 claims nationwide in the past 5 years, thus the nationwide experience is deemed to be 100% credible. In Virginia, there have been 60 claims in the past 5 years so the VA specific experience would be considered 0% credible on its own. Rate analysis for this block and the requested rate increase was performed on a nationwide basis and the same level 37% increase is being requested in all states.

Objection 14

Please advise if there are any partnership policies issued to any of the remaining Virginia policyholders.

These policies are not certified as partnership eligible.

Thank you for working with us to complete this filing in Virginia. Please let me know if you have any additional questions. You can reach me directly at (224) 217-9037 or by e-mail at:

tmoltumyr@triplusservices.com.

Respectfully,



Todd M. Moltumyr, ASA, MAAA
Vice President, Actuarial



Knights of Columbus
A Fraternal Benefit Society
One Columbus Plaza
New Haven, Connecticut 06510

Tax-Qualified Comprehensive Long-Term Care Insurance Contract

This long-term care contract is intended to qualify for favorable federal tax treatment. As such, it must meet certain federal standards in addition to all applicable standards in the state in which the contract was issued or issued for delivery. If you have any questions regarding the tax qualification of this product, you should direct such questions to the appropriate federal agency, or you should contact your tax advisor.

This is a legal contract between you and Knights of Columbus.

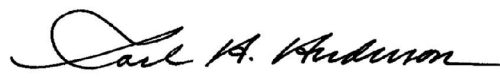
Caution: This contract may not apply when you have a claim! Please read! This insurance contract was issued based on your answers to the questions on the application. A copy of this application is attached. If your answers are incorrect or untrue, we have the right to deny benefits or rescind your contract. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact us in writing at One Columbus Plaza, New Haven, Connecticut 06510 or call us at (800) 214-9825.


Notice to Buyer: This contract may not cover all of the costs associated with long-term care, which may be incurred during the period of coverage. You are advised to periodically review this contract in relation to the changes in the cost of long-term care and carefully review all limitations.

Right to Cancel: You may cancel this contract within 30 days of receiving it by returning it to us at One Columbus Plaza, New Haven, Connecticut 06510 or to the agent from whom it was purchased. As soon as you deliver or mail this contract, it is void from the start and we will refund all premium payments within 30 days.

Guaranteed Renewable: This contract may be kept in force during your lifetime by paying premiums when due, subject to your Maximum Lifetime Benefit. We may change the premium rates, but only if the changes apply to all similar contracts issued in your state on this contract form. If a new rate applies, the new premiums will be based on your original issue age.

Signed for Knights of Columbus in New Haven, Connecticut.


Supreme Secretary


Supreme Knight

ANNUAL DIVIDENDS PAYABLE IF EARNED

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CONTRACT SPECIFICATIONS

INSURED [First, Middle, Last Name] [Jan 07, 1999] REGISTER DATE
 ISSUE AGE [65] [Male] [02214521] CONTRACT NUMBER
 AND GENDER
 ISSUE DATE [Jan 07, 1999] [\$73,000] MAXIMUM LIFETIME
 BENEFIT
 COUNCIL [02770] [Standard] CLASS
 Lifetime Elimination Period.....[30 Days][60 Days][90 Days][180 Days]
 Maximum Monthly Benefit.....[Selected Daily Benefit x 30 days = \$xx]

Additional Benefits:

Care Management Benefit.....up to \$500 per Calendar Year
 Caregiver Training Benefit.....up to \$500 per Calendar Year
 Home Modification/Medical Equipment Benefit.....up to \$1,000 per Calendar Year
 Transportation Benefit.....up to \$250 per Calendar Year
 Respite Care Benefit.....up to 21 days per Calendar Year
 Bed Reservation Benefit.....up to 21 days per Calendar Year

[Riders:

5% Compound Benefit Increase Rider
 Nonforfeiture Benefit Rider]

[Options:

Shared Care Benefit Option or Spousal Discount.....[Option][Discount] Elected]

Premium:

Basic Coverage.....[\$xx]
 [5% Compound Benefit Increase Rider.....[\$xx]
 [Nonforfeiture Benefit Rider.....[\$xx]
 [Spousal Discount.....[-\$xx]
 Total Annual Premium.....[\$xx]
 Premium Mode and Amount...[M.A.C./E.F.T.][Quarterly][Semi-Annual][Annual].....[\$xx.xx]

DEFINITIONS

1. **Activities of Daily Living:** The following functions allowing for personal independence in everyday living are used as the measurement standard to determine your functioning capacity.
 - a. **Bathing:** Washing oneself by sponge bath, or in either a tub or shower, including the task of getting into or out of the tub or shower;
 - b. **Continence:** The ability to maintain control of bowel and bladder function, or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag);
 - c. **Dressing:** Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs;
 - d. **Eating:** Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously;
 - e. **Toileting:** Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene; and
 - f. **Transferring:** Moving into or out of a bed, chair or wheelchair.
2. **Adult Day Care:** A program for five or more individuals, of social and health-related services provided during the day in a community group setting for the purpose of supporting frail, impaired elderly or other disabled adults who can benefit from care in a group setting outside the home.
3. **Adult Day Care Center:** A place that is licensed and operated according to the laws of the jurisdiction in which it is located. If licensing is not required, it is a place which: (a) provides Adult Day Care pursuant to a Plan of Care, (b) maintains a daily written record of each client who receives services, and (c) employs a director and at least one full-time registered nurse, licensed practical nurse or licensed vocational nurse.
4. **Annual Contract Date:** The day in any Calendar Year after the Issue Date, shown on Page 3, which has the same month and day as the Issue Date.
5. **Assisted Living Facility:** A facility which is licensed and operated according to the laws of the jurisdiction in which it is located. If licensing is not required, it is a facility which: (a) has 24 hour on-site staff to provide Custodial Care, (b) provides care pursuant to a Plan of Care and maintains daily care documentation, and (c) has established procedures for obtaining appropriate aid in the event of a medical emergency.
6. **Calendar Year:** The period beginning on January 1st of any year and ending at 12:01A.M. on January 1st of the following year.

7. **Care Manager:** A Licensed Health Care Practitioner approved by us who prescribes and periodically reviews an appropriate Plan of Care.

For Home and Community-based Benefits, your Lifetime Elimination Period will be reduced by half, if you follow a Plan of Care prescribed by one of our approved Care Managers.

8. **Chronically Ill Individual:** Any individual who has been certified in writing pursuant to a Plan of Care by a Licensed Health Care Practitioner as:
 - (i) being unable to perform without Substantial Assistance from another individual at least two of the six Activities of Daily Living for a period expected to last at least 90 days due to a loss of functional capacity; or
 - (ii) requiring Substantial Supervision to protect the individual from threats to health and safety due to Severe Cognitive Impairment.

This written certification must be renewed or updated at least every twelve months.

9. **Contract:** This contract of insurance.
10. **Custodial Care:** Care primarily for meeting personal needs such as eating, toileting and transferring. Custodial Care is not intended to restore health or the ability to function and can be provided by someone without professional medical skills.
11. **Family:** Anyone related to you or your spouse in the following manner: brother or sister, children, spouse of any of the above, parents or grandchildren.
12. **Home Health Care Services:** Medical and nonmedical services provided to ill, disabled or infirm persons in their residences. Such services may include Homemaker Services, assistance with Activities of Daily Living and Respite Care services.
13. **Home Health Care Agency/Provider:** An agency or individual that is licensed and/or certified and operating in accordance with the laws of the jurisdiction where Home Health Care Services are provided. If licensing or certification is not required, it is an agency or individual that: (a) provides Home Health Care Services pursuant to a Plan of Care, (b) maintains a daily written record of each client who receives services, and (c) provides care which is documented on an itemized bill listing the date of service and the type of service provided.
14. **Homemaker Services:** Any Qualified Long-Term Care Services which involve assistance that a person provides you that are necessary to or consistent with your ability to remain safely in your home. Such services include light work and household tasks you would normally perform (but can no longer manage because of your need for assistance) and activities such as simple household repairs, preparing meals, doing laundry and other incidental household tasks that do not require the services of a trained aide or attendant, to the extent such services constitute Qualified Long-Term Care Services.
15. **Hospice Care:** A planned program of care relating to a terminally ill individual.

16. **Hospital Long-Term Care Unit:** An acute general hospital with units or beds assigned for long-term or Custodial Care. Such a hospital must be certified or accredited by the state, Medicare, or the Joint Commission on Accreditation of Health Care Organizations.
17. **Intermediate Care:** Intermittent nursing and rehabilitative care performed by, or under the supervision of, skilled medical personnel.
18. **Issue Date:** The date, shown on Page 3, on which the contract takes effect. All time periods begin and end at 12:01 a.m. at the place of your residence.
19. **Laws:** The Charter, Constitution, Laws and any other rules of the Order, as amended from time to time.
20. **Licensed Health Care Practitioner:** Any physician (as defined in section 1861(r)(1) of the Social Security Act), any registered professional nurse and any licensed social worker.
21. **Lifetime Elimination Period:** The consecutive number of days, shown on Page 3, for which you must meet the benefit eligibility requirements of this contract before we will begin to make payments. This Lifetime Elimination Period has to be satisfied only once while your contract is in force. Once you have satisfied the Lifetime Elimination Period, any further functional or cognitive impairment for the same or other condition covered by this contract will be covered immediately.

For Home or Community-based Benefits, your Lifetime Elimination Period will be reduced by half, if you follow a Plan of Care prescribed by one of our approved Care Managers.

22. **Long-Term Care Facility:** A facility which: (a) is licensed and operated to provide nursing care according to the laws of the jurisdiction in which it is located, (b) administers programs of treatment and observation that are ordered by and are part of a Plan of Care, and (c) has services performed by or under the continual supervision of a registered nurse, licensed practical nurse or licensed vocational nurse, on-site 24 hours a day.

A Long-Term Care Facility does not mean a hospital, your primary residence or a facility for the treatment of alcoholism, drug addiction or Mental or Nervous Disorders.

23. **Maintenance or Personal Care Services:** Any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the individual is a Chronically Ill Individual (including the threats to health and safety due to Severe Cognitive Impairment).
24. **Maximum Lifetime Benefit:** The total amount payable, shown on Page 3, for all Qualified Long-Term Care Services available under this contract.
25. **Maximum Monthly Benefit:** The total amount payable, shown on Page 3, for all Facility-based Benefits and Home and Community-based Benefits described on Page 9 of this contract in any 30 day period. This amount is 30 times the Daily Benefit selected in the application.

26. **Medicaid:** The reimbursement system under Title XIX of the Federal Social Security Act, as amended.
27. **Medicare:** The Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965 as then constituted or later amended.
28. **Mental or Nervous Disorder:** A condition of neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder.
29. **Personal Care:** The provision of hands-on services to assist an individual with Activities of Daily Living.
30. **Plan of Care:** A written plan for Qualified Long-Term Care Services prepared by a Care Manager or by any other Licensed Health Care Practitioner. The Plan of Care must specify the type, frequency and providers of care or services you may require and must confirm that you are a Chronically Ill Individual. Your Plan of Care will be reviewed periodically to make sure that your care continues to be necessary and appropriate.
31. **Premium(s):** The amount, shown on Page 3, to be paid for this contract.
32. **Qualified Long-Term Care Services:** Necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services that are required by a Chronically Ill Individual, and provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.
33. **Register Date:** The date, shown on Page 3, on which the first premium is due.
34. **Respite Care:** Care provided to you when those who normally care for you at home (generally family members, friends, neighbors, etc.) need relief from providing such care.
35. **Severe Cognitive Impairment:** A loss or deterioration in intellectual capacity due to Alzheimer's Disease or other forms of irreversible dementias that is measurable by clinical evidence and standardized tests. Such impairments include: (a) loss of short-term or long-term memory, (b) disorientation as to people, places or time, and (c) deterioration of deductive or abstract reasoning.
36. **Skilled Care:** Daily care performed by, or under the supervision of a Licensed Health Care Practitioner.
37. **Substantial Assistance:** Hands-on assistance and standby assistance.
 - (a) Hands-on assistance: The physical assistance of another person without which an individual would be unable to perform an Activity of Daily Living.
 - (b) Stand-by assistance: The presence of another person within arm's reach of an individual that is necessary to prevent, by physical intervention, injury to him/her while performing an Activity of Daily Living.

38. **Substantial Supervision:** Continual supervision (which may include cueing by verbal prompting, gestures or other demonstrations) by another person that is necessary to protect an individual from threats to health or safety (such as may result from wandering).
39. **We, Us, Our, the Order, Order's:** Knights of Columbus.
40. **You, Your, Yourself:** The insured under this contract. The person insured under this contract is the owner.

BENEFITS

Benefit Eligibility

To be eligible for benefits provided by this contract, you must be certified as a Chronically Ill Individual pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner and your claim for benefits must be approved by us. Benefits are payable only for Qualified Long-Term Care Services, and all benefits are subject to your Maximum Lifetime Benefit. Certain benefits are subject to your Maximum Monthly Benefit.

Facility-based Benefits

We will pay 100% of the expenses you incur for care rendered in a Long-Term Care Facility, Hospital Long-Term Care Unit or Assisted Living Facility up to your Maximum Monthly Benefit and Maximum Lifetime Benefit.

Home and Community-based Benefits

We will pay 100% of the expenses you incur for Home Health Care Services, Adult Day Care, Homemaker Services or Hospice Care rendered in your home or other community-based setting up to your Maximum Monthly Benefit and Maximum Lifetime Benefit.

Your Lifetime Elimination Period will be reduced by half, if you follow a Plan of Care prescribed by one of our approved Care Managers.

Care Management Benefit

We will pay 100% of the expenses you incur for Care Management services for up to \$500 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

Such Care Management services may be provided by a Care Manager or any other Licensed Health Care Practitioner.

Alternative Care Benefit

We may pay for alternative benefits under this provision for Qualified Long-Term Care Services that are medically acceptable, cost effective and agreed to by you and us. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

You maintain the right to discontinue an Alternative Care Benefit and resume receiving benefits as defined in this contract.

Bed Reservation Benefit

We will pay 100% of the expenses you incur to reserve your bed, if you are hospitalized temporarily while receiving eligible services in a facility covered under this contract and that facility charges you a fee to reserve your bed, for up to 21 days per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

Your eventual need to return to the facility where the bed is reserved must be prescribed in a Plan of Care by a Licensed Health Care Practitioner.

Informal Caregiver Training Benefit

We will pay 100% of the expenses you incur for Informal Caregiver Training received by an informal (unpaid) caregiver for up to \$500 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

There is no Lifetime Elimination Period for the Informal Caregiver Training Benefit. Days for which the Informal Caregiver Training Benefit is paid will not count toward satisfying the Lifetime Elimination Period.

Home Modification/Medical Equipment Benefit

We will pay 100% of the expenses you incur for: (a) structural modification to your home that will allow you to remain in your home, or (b) medical equipment designed and used to treat a sickness or injury for up to \$1,000 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

There is no Lifetime Elimination Period for the Home Modification/Medical Equipment Benefit. Days for which the Home Modification/Medical Equipment Benefit is paid will not count toward satisfying the Lifetime Elimination Period.

Respite Care Benefit

We will pay 100% of the expenses you incur for each day you receive Respite Care provided at home or in an approved facility for up to 21 days per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

There is no Lifetime Elimination Period for the Respite Care Benefit. Days for which the Respite Care Benefit is paid will not count toward satisfying the Lifetime Elimination Period.

Transportation Benefit

We will pay 100% of the expenses you incur for any transportation to medical facilities, for essential errands such as shopping or for essential business with you or on your behalf for up to \$250 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

There is no Lifetime Elimination Period for the Transportation Benefit. Days for which the Transportation Benefit is paid will not count toward satisfying the Lifetime Elimination Period.

OPTIONS

Shared Care Benefit Option

If elected, and if the applicable requirements are met, we will name your spouse as a secondary insured under this contract. This designation will, upon your written authorization, allow your spouse to access benefits under this contract if your spouse first exhausts the Maximum Lifetime Benefit under his/her contract. You and your spouse may both receive benefits under your contract at the same time. In no event will we pay benefits that exceed the Maximum Lifetime Benefit of both contracts combined. Your spouse must have purchased an identical contract and identical riders and named you as secondary insured for that contract.

If the Shared Care Benefit Option is elected and both contracts are in force at the death of either spouse, the remaining Maximum Lifetime Benefit will transfer to the surviving spouse's contract with no increase in premium.

You may rescind your election of the Shared Care Benefit Option at any time.

Guaranteed Purchase Option

If there is no 5% Compound Benefit Increase Rider attached to this contract, we will offer you, on the second Annual Contract Date and every two years thereafter, the option to increase your Maximum Monthly Benefit and Maximum Lifetime Benefit in the prior contract year by an additional benefit amount. At the time of the offer, we will notify you of the availability of the increase, the additional premium amount and what you must do to obtain the increase. If the increase is desired, you must accept it within 60 days of our offer. Evidence of insurability is not required. If you do not accept the optional increase, that particular increase will not be available to you again.

If two consecutive offers are declined, you will be ineligible for future offers. The increase will not be offered if you are receiving covered services under this contract. The additional premium for the increase will be based upon your attained age at the time the increase becomes effective at the rates then in effect.

RIDERS

The following riders are available to you at issue for an additional premium:

- a) 5% Compound Benefit Increase Rider; and
- b) Nonforfeiture Benefit Rider.

Please refer to each rider for a detailed description of the benefits available and the terms and conditions of each rider.

LIMITATIONS AND EXCLUSIONS

This contract does not limit or exclude coverage by type of illness, treatment, medical condition or accident, except as follows:

Mental or Nervous Disorders; however, this shall not permit exclusion or limitation of benefits for Alzheimer's Disease or other forms of irreversible dementias;

Alcoholism and drug addiction;

Illness, treatment or medical condition arising out of:

- War or act of war (whether declared or undeclared);
- Participation in a felony, riot or insurrection;
- Service in the armed forces or units auxiliary thereto;
- Suicide (sane or insane), attempted suicide or intentionally self-inflicted injury; or
- Aviation (this exclusion applies only to non-fare-paying passengers);

Treatment provided in a government facility (unless otherwise required by law), services for which benefits are available under Medicare or other governmental program (except Medicaid), any state or federal workers' compensation, or employer's liability or occupational disease law, services provided by a member of the covered person's immediate family and services for which no charge is normally made in the absence of insurance; and

Treatment provided outside the United States or its territories.

PREMIUMS

Premium Payments

Premium payments, shown on Page 3, must be paid in advance. The first premium is due on the Register Date. You may change the frequency of payment by notifying us in writing. Except as provided below, no premium payment will keep this contract in force beyond the next premium due date.

Grace Period

You may pay the premium up to 31 days after it is due. This contract stays in force during such time. If the premium is not paid during the Grace Period, this contract will terminate.

Reinstatement of this Contract

An application and premium payment is required by us to reinstate the contract. The amount of the premium payment is the sum of all overdue premiums. We will issue a conditional receipt for the premium payment. If your application is approved, the contract will be reinstated as of the approval date. If it is disapproved, we will inform you in writing within 45 days after the date of the conditional receipt. If we fail to inform you, the contract will be reinstated upon such 45th day.

The reinstated contract will cover only a loss due to an injury sustained or physical or cognitive impairment which begins after the date of reinstatement. Except for this and any new provisions added in connection with reinstatement, your rights and ours under this contract will be the same as they were before the contract terminated.

Extended Reinstatement for Severe Cognitive Impairment

If you failed to pay a premium within the Grace Period due to Severe Cognitive Impairment, you (or someone acting on your behalf) may request automatic reinstatement up to six months after termination of your contract. Your physician must submit proof of the Severe Cognitive Impairment. We will conduct a benefit eligibility assessment before deciding on reinstatement. If your contract is reinstated, you must pay the premium due retroactive to the date your contract terminated.

Waiver of Premium

After you have satisfied your Lifetime Elimination Period, your premium payments, on a month-by-month basis, will be waived while you remain benefit eligible. Once benefit eligibility ceases, premium payments must begin again if this contract is to remain in force.

If your premium has been paid for a period for which premiums are waived, we will refund the premium for such period.

Return of Unearned Premium

The proceeds payable at the insured's death will be the sum of any premium paid beyond the month of death.

Payor of Last Resort

Should the premium not be paid during the Grace Period, the Department of Medical Assistance Services will pay the premium due in order to keep the contract in force.

CLAIMS

How to Notify Us of a Claim

To file a claim for benefits, you (or someone acting on your behalf) must first notify us that you are currently receiving or plan to receive services covered by this contract. You can notify us in writing or by calling us at (800) 214-9825 within 30 days after any covered impairment begins or as soon as reasonably possible. Your notice must include your name, contract number and the address to which the claim forms are to be sent.

How to File a Claim

When we receive notice of your claim for benefits, we will send you claim forms. If forms are not received within 15 days, proof of loss can be provided by giving us a written statement of the type and nature of your impairment, names and addresses of health care providers who are aware of your condition or who have provided care covered by this contract and the periods for which you are claiming benefits.

Proofs of Loss

Written proof of loss must be given within 90 days after such loss. If this is not reasonably possible to give written proof in the time required, we will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, except in the absence of legal capacity, the proof required must be given no later than one year from the time specified.

Time of Payment of Claims

After we receive the proper written proof of loss, we will pay monthly any benefits then due for covered services. Benefits for any other loss covered by this contract will be paid as soon as Knights of Columbus receives proper written proof.

Payment of Claims

All benefit payments will be made directly to you or an alternative payee designated by you or your legal representative.

Physical Examinations

At our expense, we will have the right to examine you as often as reasonably necessary while a claim is pending.

Extension of Benefits

If you terminate your contract, it will not affect any claim payable under a Plan of Care that began prior to termination. Benefits will be payable pursuant to the Plan of Care, subject to the provisions of this contract.

Appeal Procedure

We will notify you in writing if we deny your claim, and we will provide you with a written explanation of the reasons for the denial. If you believe that our claim decision is in error, we will reconsider your claim if you submit a written request explaining why you disagree with our decision. Your appeal request should include the names, addresses and telephone numbers of the health care providers who you think we should contact to learn more about your health and the care you received. We will notify you of our decision in writing within 60 days. You may authorize someone else to act for you in this appeal procedure.

GENERAL PROVISIONS

Entire Contract

The following constitute the entire contract:

- (1) this contract and any attached riders or endorsements;
- (2) the application, a copy of which is attached to this contract; and
- (3) the Order's Laws. Any change in our Laws after the Issue Date will apply to this contract, but benefits granted by this contract will not be reduced by future changes in these Laws.

The consideration for this contract is the application and payment of premium. The laws of the state or territory where this contract is issued for delivery control your rights and duties.

Changes or Waiver of Provisions

No statement, whether oral or written, made by a Knights of Columbus Field Agent or General Agent shall be construed as waiving, modifying or amending any of the provisions of this contract. No amendment to this contract is valid unless it is made in writing and signed on behalf of the Order by the Supreme Knight or Supreme Secretary.

Claims of Creditors

To the extent permitted by law, the proceeds of this contract will not be subject to the claims of creditors.

Conformity with Laws

Any provision of this contract which is in conflict with the laws of the state or territory in which you reside on the Issue Date is amended to conform to the minimum requirements of such law.

Dividends

Each year the Order determines its divisible surplus. This contract's share, if any, will be credited as a dividend on the Annual Contract Date. Since we do not expect this contract to contribute to divisible surplus, it is not expected that any dividends will be credited.

Incontestability

We will not contest this contract after it has been in force during your lifetime for two years from the Issue Date, except for fraudulent misstatements made in the application and for nonpayment of premium.

Maintenance of Solvency

If the premiums paid by all contract owners should be less than the amount required to pay claims and other benefits and maintain the reserves required by law, this contract may be assessed. The Order will determine the fair share of the total amount required and bill accordingly. Any such assessment will be a debt against this contract until paid. Interest will be charged on any such unpaid debt at the rate of 5% annually until it is paid. The amount of any such debt is limited to the value of this contract. You will not be held personally responsible for it.

Membership

Even if the applicant ceases to be a member of the Order, you may keep this contract in force by making the required premium payments.

Misstatement of Age

Your Issue Age, shown on Page 3, is your age at the birthday nearest the Register Date. If your age is misstated, the Maximum Lifetime Benefit will be that which the premium would have bought at the true age.

Spouse's Right to Apply for Insurance

In addition to the other rights and benefits provided under this contract, after your death your spouse shall have the right to request insurance coverage: (1) on his/her life; and (2) on the lives of your minor children. This right must be exercised within 90 days following the Order's receipt of proof of your death. The insurance coverage requested will be issued, provided that satisfactory evidence of insurability is submitted to the Order. The date the insurance coverage takes effect will depend upon: (1) the rules of the Order, and (2) the date the Order accepts the evidence of insurability.

For purposes of this provision, the following definitions apply: "insurance coverage" includes all plans of insurance offered by the Order at the age and premium class of the proposed insured at the time of the exercise of this right; "minor children" includes all your children, stepchildren and legally adopted children who have not yet reached their 18th birthday as of the date the insurance coverage is requested; and "spouse" means the person to whom you are married as of the date of your death.

Legal Actions

You cannot bring legal action until at least 60 days after written proof of loss has been given to us. Your time limit for commencing legal action is three years after the date written proof of loss is furnished.

Unintentional Lapse Protection

You have the right to designate an individual, in writing, in addition to yourself to receive notification when this contract is about to terminate because of nonpayment of premiums. We will give the person you designate notification of the impending termination at least 20 days before the date such termination occurs. You have the right to change the designated person at any time by sending us written notification.

Termination of Coverage: When one of the following occurs, you will no longer be entitled to benefits under this contract:

1. a premium is not paid (subject to the Grace Period and Waiver of Premium requirements and to the provisions of any Nonforfeiture Benefit Rider attached to this contract); or
2. the Maximum Lifetime Benefits are exhausted; or
3. you elect to terminate this contract; or
4. we terminate this contract for fraudulent misstatements made in the application (subject to the incontestability provision); or
5. you die.



Knights of Columbus
A Fraternal Benefit Society
One Columbus Plaza
New Haven, Connecticut 06510

Tax-Qualified Comprehensive Long-Term Care Insurance Contract

This long-term care contract is intended to qualify for favorable federal tax treatment. As such, it must meet certain federal standards in addition to all applicable standards in the state in which the contract was issued or issued for delivery. If you have any questions regarding the tax qualification of this product, you should direct such questions to the appropriate federal agency, or you should contact your tax advisor.

This is a legal contract between you and Knights of Columbus.

Caution: This contract may not apply when you have a claim! Please read! This insurance contract was issued based on your answers to the questions on the application. A copy of this application is attached. If your answers are incorrect or untrue, we have the right to deny benefits or rescind your contract. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact us in writing at One Columbus Plaza, New Haven, Connecticut 06510 or call us at (800) 214-9825.

Notice to Buyer: This contract may not cover all of the costs associated with long-term care, which may be incurred during the period of coverage. You are advised to periodically review this contract in relation to the changes in the cost of long-term care and carefully review all limitations.

Right to Cancel: You may cancel this contract within 30 days of receiving it by returning it to us at One Columbus Plaza, New Haven, Connecticut 06510 or to the agent from whom it was purchased. As soon as you deliver or mail this contract, it is void from the start and we will refund all premium payments within 30 days.

Guaranteed Renewable: This contract is guaranteed renewable during your lifetime by paying premiums when due, subject to your Maximum Lifetime Benefit. We may change the premium rates, but only if the changes apply to all similar contracts issued in your state on this contract form. If a new rate applies, the new premiums will be based on your original issue age, and we will notify you at least 60 days prior to the implementation of any premium rate increase.

Signed for the Knights of Columbus in New Haven, Connecticut.

Handwritten signature of Charles W. Joz in black ink.

Supreme Secretary

Handwritten signature of Carl A. Anderson in black ink.

Supreme Knight

ANNUAL DIVIDENDS PAYABLE IF EARNED

APPROVED

Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance

DATE

7/23/03

BY

man

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CONTRACT SPECIFICATIONS

INSURED [First, Middle, Last Name] [Jan 07, 1999] REGISTER DATE
ISSUE AGE [65] [Male] [02214521] CONTRACT NUMBER
AND GENDER
ISSUE DATE [Jan 07, 1999] [\$73,000] MAXIMUM LIFETIME
BENEFIT
COUNCIL [02770] [Standard] CLASS

Lifetime Elimination Period.....[30 Days][60 Days][90 Days][180 Days]
Maximum Monthly Benefit.....[Selected Daily Benefit x 30 days = \$xx]

Additional Benefits:

Care Management Benefit.....up to \$500 per Calendar Year
Caregiver Training Benefit.....up to \$500 per Calendar Year
Home Modification/Medical Equipment Benefit.....up to \$1,000 per Calendar Year
Transportation Benefit.....up to \$250 per Calendar Year
Respite Care Benefit.....up to 21 days per Calendar Year
Bed Reservation Benefit.....up to 21 days per Calendar Year

Riders:

5% Compound Benefit Increase Rider
Nonforfeiture Benefit Rider]
Return of Premium at Death Rider]

Options:

Shared Care Benefit Option or Spousal Discount.....[Option][Discount] Elected]

Premium:

Basic Coverage.....[\$xx]
[5% Compound Benefit Increase Rider.....[\$xx]
[Nonforfeiture Benefit Rider.....[\$xx]
[Return of Premium at Death Rider.....[\$xx]
[Spousal Discount.....[-\$xx]
Total Annual Premium.....[\$xx]
Premium Mode and Amount...[M.A.C./E.F.T.][Quarterly][Semi-Annual][Annual].....[\$xx.xx]

DEFINITIONS

1. **Activities of Daily Living:** The following functions allowing for personal independence in everyday living are used as the measurement standard to determine your functioning capacity.
 - a. **Bathing:** Washing oneself by sponge bath, or in either a tub or shower, including the task of getting into or out of the tub or shower;
 - b. **Continence:** The ability to maintain control of bowel and bladder function, or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag);
 - c. **Dressing:** Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs;
 - d. **Eating:** Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously;
 - e. **Toileting:** Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene; and
 - f. **Transferring:** Moving into or out of a bed, chair or wheelchair.
2. **Adult Day Care:** A program for five or more individuals, of social and health-related services provided during the day in a community group setting for the purpose of supporting frail, impaired elderly or other disabled adults who can benefit from care in a group setting outside the home.
3. **Adult Day Care Center:** A place that is licensed and operated according to the laws of the jurisdiction in which it is located. If licensing is not required, it is a place which: (a) provides Adult Day Care pursuant to a Plan of Care, (b) maintains a daily written record of each client who receives services, and (c) employs a director and at least one full-time registered nurse, licensed practical nurse or licensed vocational nurse.
4. **Annual Contract Date:** The day in any Calendar Year after the Issue Date, shown on Page 3, which has the same month and day as the Issue Date.
5. **Assisted Living Facility:** A facility which is licensed and operated according to the laws of the jurisdiction in which it is located. If licensing is not required, it is a facility which: (a) has 24 hour on-site staff to provide Custodial Care, (b) provides care pursuant to a Plan of Care and maintains daily care documentation, and (c) has established procedures for obtaining appropriate aid in the event of a medical emergency.
6. **Calendar Year:** The period beginning on January 1st of any year and ending at 12:01A.M. on January 1st of the following year.

7. **Care Manager:** A Licensed Health Care Practitioner approved by us who prescribes and periodically reviews an appropriate Plan of Care.

For Home and Community-based Benefits, your Lifetime Elimination Period will be reduced by half, if you follow a Plan of Care prescribed by one of our approved Care Managers.

8. **Chronically Ill Individual:** Any individual who has been certified in writing pursuant to a Plan of Care by a Licensed Health Care Practitioner as:
- (i) being unable to perform without Substantial Assistance from another individual at least two of the six Activities of Daily Living for a period expected to last at least 90 days due to a loss of functional capacity; or
 - (ii) requiring Substantial Supervision to protect the individual from threats to health and safety due to Severe Cognitive Impairment.

This written certification must be renewed or updated at least every twelve months.

9. **Contract:** This contract of insurance.
10. **Custodial Care:** Care primarily for meeting personal needs such as eating, toileting and transferring. Custodial Care is not intended to restore health or the ability to function and can be provided by someone without professional medical skills.
11. **Family:** Anyone related to you or your spouse in the following manner: brother or sister, children, spouse of any of the above, parents or grandchildren.
12. **Home Health Care Services:** Medical and nonmedical services provided to ill, disabled or infirm persons in their residences. Such services may include Homemaker Services, assistance with Activities of Daily Living and Respite Care services.
13. **Home Health Care Agency/Provider:** An agency or individual that is licensed and/or certified and operating in accordance with the laws of the jurisdiction where Home Health Care Services are provided. If licensing or certification is not required, it is an agency or individual that: (a) provides Home Health Care Services pursuant to a Plan of Care, (b) maintains a daily written record of each client who receives services, and (c) provides care which is documented on an itemized bill listing the date of service and the type of service provided.
14. **Homemaker Services:** Any Qualified Long-Term Care Services which involve assistance that a person provides you that are necessary to or consistent with your ability to remain safely in your home. Such services include light work and household tasks you would normally perform (but can no longer manage because of your need for assistance) and activities such as simple household repairs, preparing meals, doing laundry and other incidental household tasks that do not require the services of a trained aide or attendant, to the extent such services constitute Qualified Long-Term Care Services.
15. **Hospice Care:** A planned program of care relating to a terminally ill individual.

16. **Hospital Long-Term Care Unit:** An acute general hospital with units or beds assigned for long-term or Custodial Care. Such a hospital must be certified or accredited by the state, Medicare, or the Joint Commission on Accreditation of Health Care Organizations.
17. **Intermediate Care:** Intermittent nursing and rehabilitative care performed by, or under the supervision of, skilled medical personnel.
18. **Issue Date:** The date, shown on Page 3, on which the contract takes effect. All time periods begin and end at 12:01 a.m. at the place of your residence.
19. **Laws:** The Charter, Constitution, Laws and any other rules of the Order, as amended from time to time.
20. **Licensed Health Care Practitioner:** Any physician (as defined in section 1861(r)(1) of the Social Security Act), any registered professional nurse and any licensed social worker.
21. **Lifetime Elimination Period:** The consecutive number of days, shown on Page 3, for which you must meet the benefit eligibility requirements of this contract before we will begin to make payments. This Lifetime Elimination Period has to be satisfied only once while your contract is in force. Once you have satisfied the Lifetime Elimination Period, any further functional or cognitive impairment for the same or other condition covered by this contract will be covered immediately.

For Home or Community-based Benefits, your Lifetime Elimination Period will be reduced by half, if you follow a Plan of Care prescribed by one of our approved Care Managers.

22. **Long-Term Care Facility:** A facility which: (a) is licensed and operated to provide nursing care according to the laws of the jurisdiction in which it is located, (b) administers programs of treatment and observation that are ordered by and are part of a Plan of Care, and (c) has services performed by or under the continual supervision of a registered nurse, licensed practical nurse or licensed vocational nurse, on-site 24 hours a day.

A Long-Term Care Facility does not mean a hospital, your primary residence or a facility for the treatment of alcoholism, drug addiction or Mental or Nervous Disorders.

23. **Maintenance or Personal Care Services:** Any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the individual is a Chronically Ill Individual (including the threats to health and safety due to Severe Cognitive Impairment).
24. **Maximum Lifetime Benefit:** The total amount payable, shown on Page 3, for all Qualified Long-Term Care Services available under this contract.
25. **Maximum Monthly Benefit:** The total amount payable, shown on Page 3, for all Facility-based Benefits and Home and Community-based Benefits described on Page 9 of this contract in any 30 day period. This amount is 30 times the Daily Benefit selected in the application.

26. **Medicaid:** The reimbursement system under Title XIX of the Federal Social Security Act, as amended.
27. **Medicare:** The Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965 as then constituted or later amended.
28. **Mental or Nervous Disorder:** A condition of neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder.
29. **Personal Care:** The provision of hands-on services to assist an individual with Activities of Daily Living.
30. **Plan of Care:** A written plan for Qualified Long-Term Care Services prepared by a Care Manager or by any other Licensed Health Care Practitioner. The Plan of Care must specify the type, frequency and providers of care or services you may require and must confirm that you are a Chronically Ill Individual. Your Plan of Care will be reviewed periodically to make sure that your care continues to be necessary and appropriate.
31. **Premium(s):** The amount, shown on Page 3, to be paid for this contract.
32. **Qualified Long-Term Care Services:** Necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services that are required by a Chronically Ill Individual, and provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.
33. **Register Date:** The date, shown on Page 3, on which the first premium is due.
34. **Respite Care:** Care provided to you when those who normally care for you at home (generally family members, friends, neighbors, etc.) need relief from providing such care.
35. **Severe Cognitive Impairment:** A loss or deterioration in intellectual capacity due to Alzheimer's Disease or other forms of irreversible dementias that is measurable by clinical evidence and standardized tests. Such impairments include: (a) loss of short-term or long-term memory, (b) disorientation as to people, places or time, (c) deterioration of deductive or abstract reasoning, and (d) a deficiency in judgment as it relates to safety awareness.
36. **Skilled Care:** Daily care performed by, or under the supervision of a Licensed Health Care Practitioner.
37. **Substantial Assistance:** Hands-on assistance and standby assistance.
 - (a) Hands-on assistance: The physical assistance of another person without which an individual would be unable to perform an Activity of Daily Living.
 - (b) Stand-by assistance: The presence of another person within arm's reach of an individual that is necessary to prevent, by physical intervention, injury to him/her while performing an Activity of Daily Living.

38. **Substantial Supervision:** Continual supervision (which may include cueing by verbal prompting, gestures or other demonstrations) by another person that is necessary to protect an individual from threats to health or safety (such as may result from wandering).
39. **We, Us, Our, the Order, Order's:** Knights of Columbus.
40. **You, Your, Yourself:** The insured under this contract. The person insured under this contract is the owner.

BENEFITS

Benefit Eligibility

To be eligible for benefits provided by this contract, you must be certified as a Chronically Ill Individual pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner and your claim for benefits must be approved by us. Benefits are payable only for Qualified Long-Term Care Services, and all benefits are subject to your Maximum Lifetime Benefit. Certain benefits are subject to your Maximum Monthly Benefit.

Facility-based Benefits

We will pay 100% of the expenses you incur for care rendered in a Long-Term Care Facility, Hospital Long-Term Care Unit or Assisted Living Facility up to your Maximum Monthly Benefit and Maximum Lifetime Benefit.

Home and Community-based Benefits

We will pay 100% of the expenses you incur for Home Health Care Services, Adult Day Care, Homemaker Services or Hospice Care rendered in your home or other community-based setting up to your Maximum Monthly Benefit and Maximum Lifetime Benefit.

Your Lifetime Elimination Period will be reduced by half, if you follow a Plan of Care prescribed by one of our approved Care Managers.

Care Management Benefit

We will pay 100% of the expenses you incur for Care Management services for up to \$500 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

Such Care Management services may be provided by a Care Manager or any other Licensed Health Care Practitioner.

Alternative Care Benefit

We may pay for alternative benefits under this provision for Qualified Long-Term Care Services that are medically acceptable, cost effective and agreed to by you and us. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

You maintain the right to discontinue an Alternative Care Benefit and resume receiving benefits as defined in this contract.

Bed Reservation Benefit

We will pay 100% of the expenses you incur to reserve your bed, if you are hospitalized temporarily while receiving eligible services in a facility covered under this contract and that facility charges you a fee to reserve your bed, for up to 21 days per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

Your eventual need to return to the facility where the bed is reserved must be prescribed in a Plan of Care by a Licensed Health Care Practitioner.

Informal Caregiver Training Benefit

We will pay 100% of the expenses you incur for Informal Caregiver Training received by an informal (unpaid) caregiver for up to \$500 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

There is no Lifetime Elimination Period for the Informal Caregiver Training Benefit. Days for which the Informal Caregiver Training Benefit is paid will not count toward satisfying the Lifetime Elimination Period.

Home Modification/Medical Equipment Benefit

We will pay 100% of the expenses you incur for: (a) structural modification to your home that will allow you to remain in your home, or (b) medical equipment designed and used to treat a sickness or injury for up to \$1,000 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

There is no Lifetime Elimination Period for the Home Modification/Medical Equipment Benefit. Days for which the Home Modification/Medical Equipment Benefit is paid will not count toward satisfying the Lifetime Elimination Period.

Respite Care Benefit

We will pay 100% of the expenses you incur for each day you receive Respite Care provided at home or in an approved facility for up to 21 days per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

There is no Lifetime Elimination Period for the Respite Care Benefit. Days for which the Respite Care Benefit is paid will not count toward satisfying the Lifetime Elimination Period.

Transportation Benefit

We will pay 100% of the expenses you incur for any transportation to medical facilities, for essential errands such as shopping or for essential business with you or on your behalf for up to \$250 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

There is no Lifetime Elimination Period for the Transportation Benefit. Days for which the Transportation Benefit is paid will not count toward satisfying the Lifetime Elimination Period.

Contingent Benefit Upon Lapse

If you reject the Nonforfeiture Benefit Rider offered in conjunction with this contract, we will provide a contingent benefit if:

1. your premium rates are increased to a level which equals or exceeds the percentage, found in the table below, of your initial annual premium based on your issue age; and
2. your contract lapses within 120 days of the due date of the new premium.

You will be notified at least 60 days before the due date of the premium reflecting the rate increase. At that time, we will: (a) offer to reduce your contract benefits without additional underwriting so that your premium payments are not increased or (b) offer to convert your contract to a paid-up status with a shortened benefit period. If your contract lapses within 120

days of the due date of the new premium, such lapse will be deemed an election to accept option (b).

For purposes of calculating option (b), the standard nonforfeiture credit will be equal to 100 percent of the sum of all premiums paid, including the premiums paid prior to any changes in benefits. The minimum nonforfeiture credit will not be less than 30 times the Daily Benefit amount at the time of lapse.

Triggers for a Substantial Premium Increase

Issue Age	Percent Increase Over Initial Premium	Issue Age	Percent Increase Over Initial Premium
29 and under	200%	72	36%
30-34	190%	73	34%
35-39	170%	74	32%
40-44	150%	75	30%
45-49	130%	76	28%
50-54	110%	77	26%
55-59	90%	78	24%
60	70%	79	22%
61	66%	80	20%
62	62%	81	19%
63	58%	82	18%
64	54%	83	17%
65	50%	84	16%
66	48%	85	15%
67	46%	86	14%
68	44%	87	13%
69	42%	88	12%
70	40%	89	11%
71	38%	90 and over	10%

OPTIONS

Shared Care Benefit Option

If elected, and if the applicable requirements are met, we will name your spouse as a secondary insured under this contract. This designation will, upon your written authorization, allow your spouse to access benefits under this contract if your spouse first exhausts the Maximum Lifetime Benefit under his/her contract. You and your spouse may both receive benefits under your contract at the same time. In no event will we pay benefits that exceed the Maximum Lifetime Benefit of both contracts combined. Your spouse must have purchased an identical contract and identical riders and named you as secondary insured for that contract.

If the Shared Care Benefit Option is elected and both contracts are in force at the death of either spouse, the remaining Maximum Lifetime Benefit will transfer to the surviving spouse's contract with no increase in premium.

You may rescind your election of the Shared Care Benefit Option at any time.

Guaranteed Purchase Option

If there is no 5% Compound Benefit Increase Rider attached to this contract, we will offer you, on the second Annual Contract Date and every two years thereafter, the option to increase your Maximum Monthly Benefit and Maximum Lifetime Benefit in the prior contract year by an additional benefit amount. At the time of the offer, we will notify you of the availability of the increase, the additional premium amount and what you must do to obtain the increase. If the increase is desired, you must accept it within 60 days of our offer. Evidence of insurability is not required. If you do not accept the optional increase, that particular increase will not be available to you again.

If two consecutive offers are declined, you will be ineligible for future offers. The increase will not be offered if you are receiving covered services under this contract. The additional premium for the increase will be based upon your attained age at the time the increase becomes effective at the rates then in effect.

RIDERS

The following riders are available to you at issue for an additional premium:

- a) 5% Compound Benefit Increase Rider; and
- b) Nonforfeiture Benefit Rider.

Please refer to each rider for a detailed description of the benefits available and the terms and conditions of each rider.

LIMITATIONS AND EXCLUSIONS

This contract does not limit or exclude coverage by type of illness, treatment, medical condition or accident, except as follows:

Mental or Nervous Disorders; however, this shall not permit exclusion or limitation of benefits for Alzheimer's Disease or other forms of irreversible dementias;

Alcoholism and drug addiction;

Illness, treatment or medical condition arising out of:

- War or act of war (whether declared or undeclared);
- Participation in a felony, riot or insurrection;
- Service in the armed forces or units auxiliary thereto;
- Suicide (sane or insane), attempted suicide or intentionally self-inflicted injury; or
- Aviation (this exclusion applies only to non-fare-paying passengers);

Treatment provided in a government facility (unless otherwise required by law), services for which benefits are available under Medicare or other governmental program (except Medicaid), any state or federal workers' compensation, or employer's liability or occupational disease law, services provided by a member of the covered person's immediate family and services for which no charge is normally made in the absence of insurance; and

Treatment provided outside the United States or its territories.

PREMIUMS

Premium Payments

Premium payments, shown on Page 3, must be paid in advance. The first premium is due on the Register Date. You may change the frequency of payment by notifying us in writing. Except as provided below, no premium payment will keep this contract in force beyond the next premium due date.

Grace Period

You may pay the premium up to 31 days after it is due. This contract stays in force during such time. If the premium is not paid during the Grace Period, this contract will terminate.

Reinstatement of this Contract

An application and premium payment is required by us to reinstate the contract. The amount of the premium payment is the sum of all overdue premiums. We will issue a conditional receipt for the premium payment. If your application is approved, the contract will be reinstated as of the approval date. If it is disapproved, we will inform you in writing within 45 days after the date of the conditional receipt. If we fail to inform you, the contract will be reinstated upon such 45th day.

The reinstated contract will cover only a loss due to an injury sustained or physical or cognitive impairment which begins after the date of reinstatement. Except for this and any new provisions added in connection with reinstatement, your rights and ours under this contract will be the same as they were before the contract terminated.

Extended Reinstatement for Severe Cognitive Impairment

If you failed to pay a premium within the Grace Period due to Severe Cognitive Impairment, you (or someone acting on your behalf) may request automatic reinstatement up to six months after termination of your contract. Your physician must submit proof of the Severe Cognitive Impairment. If your contract is reinstated, you must pay the premium due retroactive to the date your contract terminated.

Waiver of Premium

After you have satisfied your Lifetime Elimination Period, your premium payments, on a month-by-month basis, will be waived while you remain benefit eligible. Once benefit eligibility ceases, premium payments must begin again if this contract is to remain in force.

If your premium has been paid for a period for which premiums are waived, we will refund the premium for such period.

Refund of Premium

The proceeds payable in the event of cancellation or at the insured's death will be the prorated sum of any premium paid beyond the month of death or request for cancellation. The return of unearned premium will be made within 30 days of the effective date of the cancellation or termination.

Payor of Last Resort

In the Commonwealth of Virginia, the Department of Medical Assistance Services will be the payor of last resort.

CLAIMS

How to Notify Us of a Claim

To file a claim for benefits, you (or someone acting on your behalf) must first notify us that you are currently receiving or plan to receive services covered by this contract. You can notify us in writing or by calling us at (800) 214-9825 within 30 days after any covered impairment begins or as soon as reasonably possible. Your notice must include your name, contract number and the address to which the claim forms are to be sent.

How to File a Claim

When we receive notice of your claim for benefits, we will send you claim forms. If forms are not received within 15 days, proof of loss can be provided by giving us a written statement of the type and nature of your impairment and the periods for which you are claiming benefits.

Proofs of Loss

Written proof of loss must be given within 90 days after such loss. If this is not reasonably possible to give written proof in the time required, we will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, except in the absence of legal capacity, the proof required must be given no later than one year from the time specified.

Time of Payment of Claims

After we receive the proper written proof of loss, we will pay monthly any benefits then due for covered services. Benefits for any other loss covered by this contract will be paid as soon as Knights of Columbus receives proper written proof.

Payment of Claims

All benefit payments will be made directly to you or an alternative payee designated by you or your legal representative.

Physical Examinations

At our expense, we will have the right to examine you as often as reasonably necessary while a claim is pending.

Extension of Benefits

If you terminate your contract, it will not affect any claim payable under a Plan of Care that began prior to termination. Benefits will be payable pursuant to the Plan of Care, subject to the provisions of this contract.

Appeal Procedure

We will notify you in writing if we deny your claim, and we will provide you with a written explanation of the reasons for the denial. If you believe that our claim decision is in error, we will reconsider your claim if you submit a written request explaining why you disagree with our decision. Your appeal request should include the names, addresses and telephone numbers of the health care providers who you think we should contact to learn more about your health and the care you received. We will notify you of our decision in writing within 60 days. You may authorize someone else to act for you in this appeal procedure.

GENERAL PROVISIONS

Entire Contract

The following constitute the entire contract:

- (1) this contract and any attached riders or endorsements;
- (2) the application, a copy of which is attached to this contract; and
- (3) the Order's Laws. Any change in our Laws after the Issue Date will apply to this contract, but benefits granted by this contract will not be reduced by future changes in these Laws.

The consideration for this contract is the application and payment of premium. The laws of the state or territory where this contract is issued for delivery control your rights and duties.

Changes or Waiver of Provisions

No statement, whether oral or written, made by a Knights of Columbus Field Agent or General Agent shall be construed as waiving, modifying or amending any of the provisions of this contract. No amendment to this contract is valid unless it is made in writing and signed on behalf of the Order by the Supreme Knight or Supreme Secretary.

Claims of Creditors

To the extent permitted by law, the proceeds of this contract will not be subject to the claims of creditors.

Conformity with Laws

Any provision of this contract which is in conflict with the laws of the state or territory in which you reside on the Issue Date is amended to conform to the minimum requirements of such law.

Dividends

Each year the Order determines its divisible surplus. This contract's share, if any, will be credited as a dividend on the Annual Contract Date. Since we do not expect this contract to contribute to divisible surplus, it is not expected that any dividends will be credited.

Incontestability

If this contract has been in force for less than six months from the Issue Date, we may only rescind this contract or deny an otherwise valid long-term care claim upon a showing of misrepresentation that is material to the acceptance of coverage.

After this contract has been in force for at least six months but less than two years from the Issue Date, we may only rescind this contract or deny an otherwise valid long-term care claim upon a showing of misrepresentation that is both material to the acceptance of coverage and which pertains to the condition for which benefits are sought.

After your contract has been in force for two years from the Issue Date, we cannot contest this contract upon the grounds of misrepresentation alone. We may only contest this contract upon showing that you knowingly and intentionally misrepresented relevant facts relating to your health.

If benefit payments have been made under this contract, we may not recover such payments should we void your contract.

This provision will apply anew from the date this contract is reinstated with regard to statements made in the application for reinstatement.

Maintenance of Solvency

If the premiums paid by all contract owners should be less than the amount required to pay claims and other benefits and maintain the reserves required by law, this contract may be assessed. The Order will determine the fair share of the total amount required and bill accordingly. Any such assessment will be a debt against this contract until paid. Interest will be charged on any such unpaid debt at the rate of 5% annually until it is paid. The amount of any such debt is limited to the value of this contract. You will not be held personally responsible for it.

Membership

Even if the applicant ceases to be a member of the Order, you may keep this contract in force by making the required premium payments.

Misstatement of Age

Your Issue Age, shown on Page 3, is your age at the birthday nearest the Register Date. If your age is misstated, the Maximum Lifetime Benefit will be that which the premium would have bought at the true age.

Spouse's Right to Apply for Insurance

In addition to the other rights and benefits provided under this contract, after your death your spouse shall have the right to request insurance coverage: (1) on his/her life; and (2) on the lives of your minor children. This right must be exercised within one year following the Order's receipt of proof of your death. The insurance coverage requested will be issued, provided that satisfactory evidence of insurability is submitted to the Order. The date the insurance coverage takes effect will depend upon: (1) the rules of the Order, and (2) the date the Order accepts the evidence of insurability.

For purposes of this provision, the following definitions apply: "insurance coverage" includes all plans of insurance offered by the Order at the age and premium class of the proposed insured at the time of the exercise of this right; "minor children" includes all your children, stepchildren and legally adopted children who have not yet reached their 18th birthday as of the date the insurance coverage is requested; and "spouse" means the person to whom you are married as of the date of your death.

Legal Actions

You cannot bring legal action until at least 60 days after written proof of loss has been given to us. Your time limit for commencing legal action is three years after the date written proof of loss is furnished.

Unintentional Lapse Protection

You have the right to designate an individual, in writing, in addition to yourself to receive notification when this contract is about to terminate because of nonpayment of premiums. We will give the person you designate notification of the impending termination at least 30 days

before the date such termination occurs. You have the right to change the designated person at any time by sending us written notification.

Termination of Coverage: When one of the following occurs, you will no longer be entitled to benefits under this contract:

1. a premium is not paid (subject to the Grace Period and Waiver of Premium requirements and to the provisions of any Nonforfeiture Benefit Rider attached to this contract); or
2. the Maximum Lifetime Benefits are exhausted; or
3. you elect to terminate this contract; or
4. you die.



Knights of Columbus
A Fraternal Benefit Society
One Columbus Plaza
New Haven, Connecticut 06510

Tax-Qualified Long-Term Facility Care Insurance Contract

This long-term care contract is intended to qualify for favorable federal tax treatment. As such, it must meet certain federal standards in addition to all applicable standards in the state in which the contract was issued or issued for delivery. If you have any questions regarding the tax qualification of this product, you should direct such questions to the appropriate federal agency, or you should contact your tax advisor.

This is a legal contract between you and Knights of Columbus.

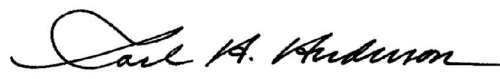
Caution: This contract may not apply when you have a claim! Please read! This insurance contract was issued based on your answers to the questions on the application. A copy of this application is attached. If your answers are incorrect or untrue, we have the right to deny benefits or rescind your contract. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact us in writing at One Columbus Plaza, New Haven, Connecticut 06510 or call us at (800) 214-9825.

Notice to Buyer: This contract may not cover all of the costs associated with long-term care, which may be incurred during the period of coverage. You are advised to periodically review this contract in relation to the changes in the cost of long-term care and carefully review all limitations.

Right to Cancel: You may cancel this contract within 30 days of receiving it by returning it to us at One Columbus Plaza, New Haven, Connecticut 06510 or to the agent from whom it was purchased. As soon as you deliver or mail this contract, it is void from the start and we will refund all premium payments within 30 days.

Guaranteed Renewable: This contract may be kept in force during your lifetime by paying premiums when due, subject to your Maximum Lifetime Benefit. We may change the premium rates, but only if the changes apply to all similar contracts issued in your state on this contract form. If a new rate applies, the new premiums will be based on your original issue age.

Signed for Knights of Columbus in New Haven, Connecticut.


Supreme Secretary


Supreme Knight

ANNUAL DIVIDENDS PAYABLE IF EARNED

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CONTRACT SPECIFICATIONS

INSURED [First, Middle, Last Name] [Jan 07, 1999] REGISTER DATE
ISSUE AGE [65] [Male] [02214521] CONTRACT NUMBER
AND GENDER
ISSUE DATE [Jan 07, 1999] [\$73,000] MAXIMUM LIFETIME
BENEFIT
COUNCIL [02770] [Standard] CLASS
Lifetime Elimination Period.....[30 Days][60 Days][90 Days][180 Days]
Maximum Monthly Benefit.....[Selected Daily Benefit x 30 days = \$xx]

Additional Benefits:

Care Management Benefit.....up to \$500 per Calendar Year
Bed Reservation Benefit.....up to 21 days per Calendar Year

Riders:

5% Compound Benefit Increase Rider
Nonforfeiture Benefit Rider]

Options:

Shared Care Benefit Option or Spousal Discount.....[Option][Discount] Elected]

Premium:

Basic Coverage.....[\$xx]
[5% Compound Benefit Increase Rider.....[\$xx]
[Nonforfeiture Benefit Rider.....[\$xx]
[Spousal Discount.....[-\$xx]
Total Annual Premium.....[\$xx]
Premium Mode and Amount...[M.A.C./E.F.T.][Quarterly][Semi-Annual][Annual].....[\$xx.xx]

DEFINITIONS

1. **Activities of Daily Living:** The following functions allowing for personal independence in everyday living are used as the measurement standard to determine your functioning capacity.
 - a. **Bathing:** Washing oneself by sponge bath, or in either a tub or shower, including the task of getting into or out of the tub or shower;
 - b. **Continence:** The ability to maintain control of bowel and bladder function, or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag);
 - c. **Dressing:** Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs;
 - d. **Eating:** Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously;
 - e. **Toileting:** Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene; and
 - f. **Transferring:** Moving into or out of a bed, chair or wheelchair.
2. **Annual Contract Date:** The day in any Calendar Year after the Issue Date, shown on Page 3, which has the same month and day as the Issue Date.
3. **Assisted Living Facility:** A facility which is licensed and operated according to the laws of the jurisdiction in which it is located. If licensing is not required, it is a facility which: (a) has 24 hour on-site staff to provide Custodial Care, (b) provides care pursuant to a Plan of Care and maintains daily care documentation, and (c) has established procedures for obtaining appropriate aid in the event of a medical emergency.
4. **Calendar Year:** The period beginning on January 1st of any year and ending at 12:01A.M. on January 1st of the following year.
5. **Care Manager:** A Licensed Health Care Practitioner approved by us who prescribes and periodically reviews an appropriate Plan of Care.
6. **Chronically Ill Individual:** Any individual who has been certified in writing pursuant to a Plan of Care by a Licensed Health Care Practitioner as:
 - (i) being unable to perform without Substantial Assistance from another individual at least two of the six Activities of Daily Living for a period expected to last at least 90 days due to a loss of functional capacity; or
 - (ii) requiring Substantial Supervision to protect the individual from threats to health and safety due to Severe Cognitive Impairment.

This written certification must be renewed or updated at least every twelve months.

7. **Contract:** This contract of insurance.
8. **Custodial Care:** Care primarily for meeting personal needs such as eating, toileting and transferring. Custodial Care is not intended to restore health or the ability to function and can be provided by someone without professional medical skills.
9. **Family:** Anyone related to you or your spouse in the following manner: brother or sister, children, spouse of any of the above, parents or grandchildren.
10. **Hospice Care:** A planned program of care relating to a terminally ill individual.
11. **Hospital Long-Term Care Unit:** An acute general hospital with units or beds assigned for long-term or Custodial Care. Such a hospital must be certified or accredited by the state, Medicare, or the Joint Commission on Accreditation of Health Care Organizations.
12. **Intermediate Care:** Intermittent nursing and rehabilitative care performed by, or under the supervision of, skilled medical personnel.
13. **Issue Date:** The date, shown on Page 3, on which the contract takes effect. All time periods begin and end at 12:01 a.m. at the place of your residence.
14. **Laws:** The Charter, Constitution, Laws and any other rules of the Order, as amended from time to time.
15. **Licensed Health Care Practitioner:** Any physician (as defined in section 1861(r)(1) of the Social Security Act), any registered professional nurse and any licensed social worker.
16. **Lifetime Elimination Period:** The consecutive number of days, shown on Page 3, for which you must meet the benefit eligibility requirements of this contract before we will begin to make payments. This Lifetime Elimination Period has to be satisfied only once while your contract is in force. Once you have satisfied the Lifetime Elimination Period, any further functional or cognitive impairment for the same or other condition covered by this contract will be covered immediately.
17. **Long-Term Care Facility:** A facility which: (a) is licensed and operated to provide nursing care according to the laws of the jurisdiction in which it is located, (b) administers programs of treatment and observation that are ordered by and are part of a Plan of Care, and (c) has services performed by or under the continual supervision of a registered nurse, licensed practical nurse or licensed vocational nurse, on-site 24 hours a day.

A Long-Term Care Facility does not mean a hospital, your primary residence or a facility for the treatment of alcoholism, drug addiction or Mental or Nervous Disorders.

18. **Maintenance or Personal Care Services:** Any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the individual is a Chronically Ill Individual (including the threats to health and safety due to Severe Cognitive Impairment).

19. **Maximum Lifetime Benefit:** The total amount payable, shown on Page 3, for all Qualified Long-Term Care Services available under this contract.
20. **Maximum Monthly Benefit:** The total amount payable, shown on Page 3, for all Facility-based Benefits described on Page 8 of this contract in any 30 day period. This amount is 30 times the Daily Benefit selected in the application.
21. **Medicaid:** The reimbursement system under Title XIX of the Federal Social Security Act, as amended.
22. **Medicare:** The Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965 as then constituted or later amended.
23. **Mental or Nervous Disorder:** A condition of neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder.
24. **Personal Care:** The provision of hands-on services to assist an individual with Activities of Daily Living.
25. **Plan of Care:** A written plan for Qualified Long-Term Care Services prepared by a Care Manager or by any other Licensed Health Care Practitioner. The Plan of Care must specify the type, frequency and providers of care or services you may require and must confirm that you are a Chronically Ill Individual. Your Plan of Care will be reviewed periodically to make sure that your care continues to be necessary and appropriate.
26. **Premium(s):** The amount, shown on Page 3, to be paid for this contract.
27. **Qualified Long-Term Care Services:** Necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services that are required by a Chronically Ill Individual, and provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.
28. **Register Date:** The date, shown on Page 3, on which the first premium is due.
29. **Severe Cognitive Impairment:** A loss or deterioration in intellectual capacity due to Alzheimer's Disease or other forms of irreversible dementias that is measurable by clinical evidence and standardized tests. Such impairments include: (a) loss of short-term or long-term memory, (b) disorientation as to people, places or time, and (c) deterioration of deductive or abstract reasoning.
30. **Skilled Care:** Daily care performed by, or under the supervision of a Licensed Health Care Practitioner.

31. **Substantial Assistance:** Hands-on assistance and standby assistance.
- (a) Hands-on assistance: The physical assistance of another person without which an individual would be unable to perform an Activity of Daily Living.
 - (b) Stand-by assistance: The presence of another person within arm's reach of an individual that is necessary to prevent, by physical intervention, injury to him/her while performing an Activity of Daily Living.
32. **Substantial Supervision:** Continual supervision (which may include cueing by verbal prompting, gestures or other demonstrations) by another person that is necessary to protect an individual from threats to health or safety (such as may result from wandering).
33. **We, Us, Our, the Order, Order's:** Knights of Columbus.
34. **You, Your, Yourself:** The insured under this contract. The person insured under this contract is the owner.

BENEFITS

Benefit Eligibility

To be eligible for benefits provided by this contract, you must be certified as a Chronically Ill Individual pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner and your claim for benefits must be approved by us. Benefits are payable only for Qualified Long-Term Care Services, and all benefits are subject to your Maximum Lifetime Benefit. Certain benefits are subject to your Maximum Monthly Benefit.

Facility-based Benefits

We will pay 100% of the expenses you incur for care rendered in a Long-Term Care Facility, Hospital Long-Term Care Unit or Assisted Living Facility up to your Maximum Monthly Benefit and Maximum Lifetime Benefit.

Care Management Benefit

We will pay 100% of the expenses you incur for Care Management services for up to \$500 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

Alternative Care Benefit

We may pay for alternative benefits under this provision for Qualified Long-Term Care Services that are medically acceptable, cost effective and agreed to by you and us. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

You maintain the right to discontinue an Alternative Care Benefit and resume receiving benefits as defined in this contract.

Bed Reservation Benefit

We will pay 100% of the expenses you incur to reserve your bed, if you are hospitalized temporarily while receiving eligible services in a facility covered under this contract and that facility charges you a fee to reserve your bed, for up to 21 days per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

Your eventual need to return to the facility where the bed is reserved must be prescribed in a Plan of Care by a Licensed Health Care Practitioner.

OPTIONS

Shared Care Benefit Option

If elected, and if the applicable requirements are met, we will name your spouse as a secondary insured under this contract. This designation will, upon your written authorization, allow your spouse to access benefits under this contract if your spouse first exhausts the Maximum Lifetime Benefit under his/her contract. You and your spouse may both receive benefits under your contract at the same time. In no event will we pay benefits that exceed the Maximum Lifetime Benefit of both contracts combined. Your spouse must have purchased an identical contract and identical riders and named you as secondary insured for that contract.

If the Shared Care Benefit Option is elected and both contracts are in force at the death of either spouse, the remaining Maximum Lifetime Benefit will transfer to the surviving spouse's contract with no increase in premium.

You may rescind your election of the Shared Care Benefit Option at any time.

Guaranteed Purchase Option

If there is no 5% Compound Benefit Increase Rider attached to this contract, we will offer you, on the second Annual Contract Date and every two years thereafter, the option to increase your Maximum Monthly Benefit and Maximum Lifetime Benefit in the prior contract year by an additional benefit amount. At the time of the offer, we will notify you of the availability of the increase, the additional premium amount and what you must do to obtain the increase. If the increase is desired, you must accept it within 60 days of our offer. Evidence of insurability is not required. If you do not accept the optional increase, that particular increase will not be available to you again.

If two consecutive offers are declined, you will be ineligible for future offers. The increase will not be offered if you are receiving covered services under this contract. The additional premium for the increase will be based upon your attained age at the time the increase becomes effective at the rates then in effect.

RIDERS

The following riders are available to you at issue for an additional premium:

- a) 5% Compound Benefit Increase Rider; and
- b) Nonforfeiture Benefit Rider.

Please refer to each rider for a detailed description of the benefits available and the terms and conditions of each rider.

LIMITATIONS AND EXCLUSIONS

This contract does not limit or exclude coverage by type of illness, treatment, medical condition or accident, except as follows:

Mental or Nervous Disorders; however, this shall not permit exclusion or limitation of benefits for Alzheimer's Disease or other forms of irreversible dementias;

Alcoholism and drug addiction;

Illness, treatment or medical condition arising out of:

- War or act of war (whether declared or undeclared);
- Participation in a felony, riot or insurrection;
- Service in the armed forces or units auxiliary thereto;
- Suicide (sane or insane), attempted suicide or intentionally self-inflicted injury; or
- Aviation (this exclusion applies only to non-fare-paying passengers);

Treatment provided in a government facility (unless otherwise required by law), services for which benefits are available under Medicare or other governmental program (except Medicaid), any state or federal workers' compensation, or employer's liability or occupational disease law, services provided by a member of the covered person's immediate family and services for which no charge is normally made in the absence of insurance; and

Treatment provided outside the United States or its territories.

PREMIUMS

Premium Payments

Premium payments, shown on Page 3, must be paid in advance. The first premium is due on the Register Date. You may change the frequency of payment by notifying us in writing. Except as provided below, no premium payment will keep this contract in force beyond the next premium due date.

Grace Period

You may pay the premium up to 31 days after it is due. This contract stays in force during such time. If the premium is not paid during the Grace Period, this contract will terminate.

Reinstatement of this Contract

An application and premium payment is required by us to reinstate the contract. The amount of the premium payment is the sum of all overdue premiums. We will issue a conditional receipt for the premium payment. If your application is approved, the contract will be reinstated as of the approval date. If it is disapproved, we will inform you in writing within 45 days after the date of the conditional receipt. If we fail to inform you, the contract will be reinstated upon such 45th day.

The reinstated contract will cover only a loss due to an injury sustained or physical or cognitive impairment which begins after the date of reinstatement. Except for this and any new provisions added in connection with reinstatement, your rights and ours under this contract will be the same as they were before the contract terminated.

Extended Reinstatement for Severe Cognitive Impairment

If you failed to pay a premium within the Grace Period due to Severe Cognitive Impairment, you (or someone acting on your behalf) may request automatic reinstatement up to six months after termination of your contract. Your physician must submit proof of the Severe Cognitive Impairment. We will conduct a benefit eligibility assessment before deciding on reinstatement. If your contract is reinstated, you must pay the premium due retroactive to the date your contract terminated.

Waiver of Premium

After you have satisfied your Lifetime Elimination Period, your premium payments, on a month-by-month basis, will be waived while you remain benefit eligible. Once benefit eligibility ceases, premium payments must begin again if this contract is to remain in force.

If your premium has been paid for a period for which premiums are waived, we will refund the premium for such period.

Return of Unearned Premium

The proceeds payable at the insured's death will be the sum of any premium paid beyond the month of death.

Payor of Last Resort

Should the premium not be paid during the Grace Period, the Department of Medical Assistance Services will pay the premium due in order to keep the contract in force.

CLAIMS

How to Notify Us of a Claim

To file a claim for benefits, you (or someone acting on your behalf) must first notify us that you are currently receiving or plan to receive services covered by this contract. You can notify us in writing or by calling us at (800) 214-9825 within 30 days after any covered impairment begins or as soon as reasonably possible. Your notice must include your name, contract number and the address to which the claim forms are to be sent.

How to File a Claim

When we receive notice of your claim for benefits, we will send you claim forms. If forms are not received within 15 days, proof of loss can be provided by giving us a written statement of the type and nature of your impairment, names and addresses of health care providers who are aware of your condition or who have provided care covered by this contract and the periods for which you are claiming benefits.

Proofs of Loss

Written proof of loss must be given within 90 days after such loss. If this is not reasonably possible to give written proof in the time required, we will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, except in the absence of legal capacity, the proof required must be given no later than one year from the time specified.

Time of Payment of Claims

After we receive the proper written proof of loss, we will pay monthly any benefits then due for covered services. Benefits for any other loss covered by this contract will be paid as soon as Knights of Columbus receives proper written proof.

Payment of Claims

All benefit payments will be made directly to you or an alternative payee designated by you or your legal representative.

Physical Examinations

At our expense, we will have the right to examine you as often as reasonably necessary while a claim is pending.

Extension of Benefits

If you terminate your contract, it will not affect any claim payable under a Plan of Care that began prior to termination. Benefits will be payable pursuant to the Plan of Care, subject to the provisions of this contract.

Appeal Procedure

We will notify you in writing if we deny your claim, and we will provide you with a written explanation of the reasons for the denial. If you believe that our claim decision is in error, we will reconsider your claim if you submit a written request explaining why you disagree with our decision. Your appeal request should include the names, addresses and telephone numbers of the health care providers who you think we should contact to learn more about your health and the care you received. We will notify you of our decision in writing within 60 days. You may authorize someone else to act for you in this appeal procedure.

GENERAL PROVISIONS

Entire Contract

The following constitute the entire contract:

- (1) this contract and any attached riders or endorsements;
- (2) the application, a copy of which is attached to this contract; and
- (3) the Order's Laws. Any change in our Laws after the Issue Date will apply to this contract, but benefits granted by this contract will not be reduced by future changes in these Laws.

The consideration for this contract is the application and payment of premium. The laws of the state or territory where this contract is issued for delivery control your rights and duties.

Changes or Waiver of Provisions

No statement, whether oral or written, made by a Knights of Columbus Field Agent or General Agent shall be construed as waiving, modifying or amending any of the provisions of this contract. No amendment to this contract is valid unless it is made in writing and signed on behalf of the Order by the Supreme Knight or Supreme Secretary.

Claims of Creditors

To the extent permitted by law, the proceeds of this contract will not be subject to the claims of creditors.

Conformity with Laws

Any provision of this contract which is in conflict with the laws of the state or territory in which you reside on the Issue Date is amended to conform to the minimum requirements of such law.

Dividends

Each year the Order determines its divisible surplus. This contract's share, if any, will be credited as a dividend on the Annual Contract Date. Since we do not expect this contract to contribute to divisible surplus, it is not expected that any dividends will be credited.

Incontestability

We will not contest this contract after it has been in force during your lifetime for two years from the Issue Date, except for fraudulent misstatements made in the application and for nonpayment of premium.

Maintenance of Solvency

If the premiums paid by all contract owners should be less than the amount required to pay claims and other benefits and maintain the reserves required by law, this contract may be assessed. The Order will determine the fair share of the total amount required and bill accordingly. Any such assessment will be a debt against this contract until paid. Interest will be charged on any such unpaid debt at the rate of 5% annually until it is paid. The amount of any such debt is limited to the value of this contract. You will not be held personally responsible for it.

Membership

Even if the applicant ceases to be a member of the Order, you may keep this contract in force by making the required premium payments.

Misstatement of Age

Your Issue Age, shown on Page 3, is your age at the birthday nearest the Register Date. If your age is misstated, the Maximum Lifetime Benefit will be that which the premium would have bought at the true age.

Spouse's Right to Apply for Insurance

In addition to the other rights and benefits provided under this contract, after your death your spouse shall have the right to request insurance coverage: (1) on his/her life; and (2) on the lives of your minor children. This right must be exercised within 90 days following the Order's receipt of proof of your death. The insurance coverage requested will be issued, provided that satisfactory evidence of insurability is submitted to the Order. The date the insurance coverage takes effect will depend upon: (1) the rules of the Order, and (2) the date the Order accepts the evidence of insurability.

For purposes of this provision, the following definitions apply: "insurance coverage" includes all plans of insurance offered by the Order at the age and premium class of the proposed insured at the time of the exercise of this right; "minor children" includes all your children, stepchildren and legally adopted children who have not yet reached their 18th birthday as of the date the insurance coverage is requested; and "spouse" means the person to whom you are married as of the date of your death.

Legal Actions

You cannot bring legal action until at least 60 days after written proof of loss has been given to us. Your time limit for commencing legal action is three years after the date written proof of loss is furnished.

Unintentional Lapse Protection

You have the right to designate an individual, in writing, in addition to yourself to receive notification when this contract is about to terminate because of nonpayment of premiums. We will give the person you designate notification of the impending termination at least 20 days before the date such termination occurs. You have the right to change the designated person at any time by sending us written notification.

Termination of Coverage: When one of the following occurs, you will no longer be entitled to benefits under this contract:

1. a premium is not paid (subject to the Grace Period and Waiver of Premium requirements and to the provisions of any Nonforfeiture Benefit Rider attached to this contract); or
2. the Maximum Lifetime Benefits are exhausted; or
3. you elect to terminate this contract; or
4. we terminate this contract for fraudulent misstatements made in the application (subject to the incontestability provision); or
5. you die.



Knights of Columbus
A Fraternal Benefit Society
One Columbus Plaza
New Haven, Connecticut 06510

Tax-Qualified Long-Term Facility Care Insurance Contract

This long-term care contract is intended to qualify for favorable federal tax treatment. As such, it must meet certain federal standards in addition to all applicable standards in the state in which the contract was issued or issued for delivery. If you have any questions regarding the tax qualification of this product, you should direct such questions to the appropriate federal agency, or you should contact your tax advisor.

This is a legal contract between you and Knights of Columbus.

Caution: This contract may not apply when you have a claim! Please read! This insurance contract was issued based on your answers to the questions on the application. A copy of this application is attached. If your answers are incorrect or untrue, we have the right to deny benefits or rescind your contract. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact us in writing at One Columbus Plaza, New Haven, Connecticut 06510 or call us at (800) 214-9825.

Notice to Buyer: This contract may not cover all of the costs associated with long-term care, which may be incurred during the period of coverage. You are advised to periodically review this contract in relation to the changes in the cost of long-term care and carefully review all limitations.

Right to Cancel: You may cancel this contract within 30 days of receiving it by returning it to us at One Columbus Plaza, New Haven, Connecticut 06510 or to the agent from whom it was purchased. As soon as you deliver or mail this contract, it is void from the start and we will refund all premium payments within 30 days.

Guaranteed Renewable: This contract is guaranteed renewable during your lifetime by paying premiums when due, subject to your Maximum Lifetime Benefit. We may change the premium rates, but only if the changes apply to all similar contracts issued in your state on this contract form. If a new rate applies, the new premiums will be based on your original issue age, and we notify you at least 60 days prior to the implementation of any premium rate increase.

Signed for the Knights of Columbus in New Haven, Connecticut.

Handwritten signature of Charles W. Jones in black ink.

Supreme Secretary

Handwritten signature of Paul A. Anderson in black ink.

Supreme Knight

ANNUAL DIVIDENDS PAYABLE IF EARNED

NHC01-VA 1-03

APPROVED
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
DATE 7/23/03
BY mar

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CONTRACT SPECIFICATIONS

INSURED [First, Middle, Last Name] [Jan 07, 1999] REGISTER DATE
ISSUE AGE [65] [Male] [02214521] CONTRACT NUMBER
AND GENDER
ISSUE DATE [Jan 07, 1999] [\$73,000] MAXIMUM LIFETIME
BENEFIT
COUNCIL [02770] [Standard] CLASS

Lifetime Elimination Period.....[30 Days][60 Days][90 Days][180 Days]
Maximum Monthly Benefit.....[Selected Daily Benefit x 30 days = \$xx]

Additional Benefits:

Care Management Benefit.....up to \$500 per Calendar Year
Bed Reservation Benefit.....up to 21 days per Calendar Year

Riders:

5% Compound Benefit Increase Rider
Nonforfeiture Benefit Rider]
Return of Premium at Death Rider]

Options:

Shared Care Benefit Option or Spousal Discount.....[Option][Discount] Elected]

Premium:

Basic Coverage.....[\$xx]
[5% Compound Benefit Increase Rider.....[\$xx]
[Nonforfeiture Benefit Rider.....[\$xx]
[Return of Premium at Death Rider.....[\$xx]
[Spousal Discount.....[-\$xx]
Total Annual Premium.....[\$xx]
Premium Mode and Amount... [M.A.C./E.F.T.][Quarterly][Semi-Annual][Annual].....[\$xx.xx]

DEFINITIONS

1. **Activities of Daily Living:** The following functions allowing for personal independence in everyday living are used as the measurement standard to determine your functioning capacity.
 - a. **Bathing:** Washing oneself by sponge bath, or in either a tub or shower, including the task of getting into or out of the tub or shower;
 - b. **Continence:** The ability to maintain control of bowel and bladder function, or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag);
 - c. **Dressing:** Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs;
 - d. **Eating:** Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously;
 - e. **Toileting:** Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene; and
 - f. **Transferring:** Moving into or out of a bed, chair or wheelchair.
2. **Annual Contract Date:** The day in any Calendar Year after the Issue Date, shown on Page 3, which has the same month and day as the Issue Date.
3. **Assisted Living Facility:** A facility which is licensed and operated according to the laws of the jurisdiction in which it is located. If licensing is not required, it is a facility which: (a) has 24 hour on-site staff to provide Custodial Care, (b) provides care pursuant to a Plan of Care and maintains daily care documentation, and (c) has established procedures for obtaining appropriate aid in the event of a medical emergency.
4. **Calendar Year:** The period beginning on January 1st of any year and ending at 12:01A.M. on January 1st of the following year.
5. **Care Manager:** A Licensed Health Care Practitioner approved by us who prescribes and periodically reviews an appropriate Plan of Care.
6. **Chronically Ill Individual:** Any individual who has been certified in writing pursuant to a Plan of Care by a Licensed Health Care Practitioner as:
 - (i) being unable to perform without Substantial Assistance from another individual at least two of the six Activities of Daily Living for a period expected to last at least 90 days due to a loss of functional capacity; or
 - (ii) requiring Substantial Supervision to protect the individual from threats to health and safety due to Severe Cognitive Impairment.

This written certification must be renewed or updated at least every twelve months.

7. **Contract:** This contract of insurance.
8. **Custodial Care:** Care primarily for meeting personal needs such as eating, toileting and transferring. Custodial Care is not intended to restore health or the ability to function and can be provided by someone without professional medical skills.
9. **Family:** Anyone related to you or your spouse in the following manner: brother or sister, children, spouse of any of the above, parents or grandchildren.
10. **Hospice Care:** A planned program of care relating to a terminally ill individual.
11. **Hospital Long-Term Care Unit:** An acute general hospital with units or beds assigned for long-term or Custodial Care. Such a hospital must be certified or accredited by the state, Medicare, or the Joint Commission on Accreditation of Health Care Organizations.
12. **Intermediate Care:** Intermittent nursing and rehabilitative care performed by, or under the supervision of, skilled medical personnel.
13. **Issue Date:** The date, shown on Page 3, on which the contract takes effect. All time periods begin and end at 12:01 a.m. at the place of your residence.
14. **Laws:** The Charter, Constitution, Laws and any other rules of the Order, as amended from time to time.
15. **Licensed Health Care Practitioner:** Any physician (as defined in section 1861(r)(1) of the Social Security Act), any registered professional nurse and any licensed social worker.
16. **Lifetime Elimination Period:** The consecutive number of days, shown on Page 3, for which you must meet the benefit eligibility requirements of this contract before we will begin to make payments. This Lifetime Elimination Period has to be satisfied only once while your contract is in force. Once you have satisfied the Lifetime Elimination Period, any further functional or cognitive impairment for the same or other condition covered by this contract will be covered immediately.
17. **Long-Term Care Facility:** A facility which: (a) is licensed and operated to provide nursing care according to the laws of the jurisdiction in which it is located, (b) administers programs of treatment and observation that are ordered by and are part of a Plan of Care, and (c) has services performed by or under the continual supervision of a registered nurse, licensed practical nurse or licensed vocational nurse, on-site 24 hours a day.

A Long-Term Care Facility does not mean a hospital, your primary residence or a facility for the treatment of alcoholism, drug addiction or Mental or Nervous Disorders.

18. **Maintenance or Personal Care Services:** Any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the individual is a Chronically Ill Individual (including the threats to health and safety due to Severe Cognitive Impairment).

19. **Maximum Lifetime Benefit:** The total amount payable, shown on Page 3, for all Qualified Long-Term Care Services available under this contract.
20. **Maximum Monthly Benefit:** The total amount payable, shown on Page 3, for all Facility-based Benefits described on Page 8 of this contract in any 30 day period. This amount is 30 times the Daily Benefit selected in the application.
21. **Medicaid:** The reimbursement system under Title XIX of the Federal Social Security Act, as amended.
22. **Medicare:** The Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965 as then constituted or later amended.
23. **Mental or Nervous Disorder:** A condition of neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder.
24. **Personal Care:** The provision of hands-on services to assist an individual with Activities of Daily Living.
25. **Plan of Care:** A written plan for Qualified Long-Term Care Services prepared by a Care Manager or by any other Licensed Health Care Practitioner. The Plan of Care must specify the type, frequency and providers of care or services you may require and must confirm that you are a Chronically Ill Individual. Your Plan of Care will be reviewed periodically to make sure that your care continues to be necessary and appropriate.
26. **Premium(s):** The amount, shown on Page 3, to be paid for this contract.
27. **Qualified Long-Term Care Services:** Necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services that are required by a Chronically Ill Individual, and provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.
28. **Register Date:** The date, shown on Page 3, on which the first premium is due.
29. **Severe Cognitive Impairment:** A loss or deterioration in intellectual capacity due to Alzheimer's Disease or other forms of irreversible dementias that is measurable by clinical evidence and standardized tests. Such impairments include: (a) loss of short-term or long-term memory, (b) disorientation as to people, places or time, (c) deterioration of deductive or abstract reasoning, and (d) a deficiency in judgment as it relates to safety awareness.
30. **Skilled Care:** Daily care performed by, or under the supervision of a Licensed Health Care Practitioner.

31. **Substantial Assistance:** Hands-on assistance and standby assistance.
- (a) Hands-on assistance: The physical assistance of another person without which an individual would be unable to perform an Activity of Daily Living.
 - (b) Stand-by assistance: The presence of another person within arm's reach of an individual that is necessary to prevent, by physical intervention, injury to him/her while performing an Activity of Daily Living.
32. **Substantial Supervision:** Continual supervision (which may include cueing by verbal prompting, gestures or other demonstrations) by another person that is necessary to protect an individual from threats to health or safety (such as may result from wandering).
33. **We, Us, Our, the Order, Order's:** Knights of Columbus.
34. **You, Your, Yourself:** The insured under this contract. The person insured under this contract is the owner.

BENEFITS

Benefit Eligibility

To be eligible for benefits provided by this contract, you must be certified as a Chronically Ill Individual pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner and your claim for benefits must be approved by us. Benefits are payable only for Qualified Long-Term Care Services, and all benefits are subject to your Maximum Lifetime Benefit. Certain benefits are subject to your Maximum Monthly Benefit.

Facility-based Benefits

We will pay 100% of the expenses you incur for care rendered in a Long-Term Care Facility, Hospital Long-Term Care Unit or Assisted Living Facility up to your Maximum Monthly Benefit and Maximum Lifetime Benefit.

Care Management Benefit

We will pay 100% of the expenses you incur for Care Management services for up to \$500 per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

Alternative Care Benefit

We may pay for alternative benefits under this provision for Qualified Long-Term Care Services that are medically acceptable, cost effective and agreed to by you and us. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

You maintain the right to discontinue an Alternative Care Benefit and resume receiving benefits as defined in this contract.

Bed Reservation Benefit

We will pay 100% of the expenses you incur to reserve your bed, if you are hospitalized temporarily while receiving eligible services in a facility covered under this contract and that facility charges you a fee to reserve your bed, for up to 21 days per Calendar Year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

Your eventual need to return to the facility where the bed is reserved must be prescribed in a Plan of Care by a Licensed Health Care Practitioner.

Contingent Benefit Upon Lapse

If you reject the Nonforfeiture Benefit Rider offered in conjunction with this contract, we will provide a contingent benefit if:

1. your premium rates are increased to a level which equals or exceeds the percentage, found in the table below, of your initial annual premium based on your issue age; and
2. your contract lapses within 120 days of the due date of the new premium.

You will be notified at least 60 days before the due date of the premium reflecting the rate increase. At that time, we will: (a) offer to reduce your contract benefits without additional underwriting so that your premium payments are not increased or (b) offer to convert your contract to a paid-up status with a shortened benefit period. If your contract lapses within 120 days of the due date of the new premium, such lapse will be deemed an election to accept option (b).

For purposes of calculating option (b), the standard nonforfeiture credit will be equal to 100 percent of the sum of all premiums paid, including the premiums paid prior to any changes in benefits. The minimum nonforfeiture credit will not be less than 30 times the Daily Benefit amount at the time of lapse.

Triggers for a Substantial Premium Increase

Issue Age	Percent Increase Over Initial Premium	Issue Age	Percent Increase Over Initial Premium
29 and under	200%	72	36%
30-34	190%	73	34%
35-39	170%	74	32%
40-44	150%	75	30%
45-49	130%	76	28%
50-54	110%	77	26%
55-59	90%	78	24%
60	70%	79	22%
61	66%	80	20%
62	62%	81	19%
63	58%	82	18%
64	54%	83	17%
65	50%	84	16%
66	48%	85	15%
67	46%	86	14%
68	44%	87	13%
69	42%	88	12%
70	40%	89	11%
71	38%	90 and over	10%

OPTIONS

Shared Care Benefit Option

If elected, and if the applicable requirements are met, we will name your spouse as a secondary insured under this contract. This designation will, upon your written authorization, allow your spouse to access benefits under this contract if your spouse first exhausts the Maximum Lifetime Benefit under his/her contract. You and your spouse may both receive benefits under your contract at the same time. In no event will we pay benefits that exceed the Maximum Lifetime Benefit of both contracts combined. Your spouse must have purchased an identical contract and identical riders and named you as secondary insured for that contract.

If the Shared Care Benefit Option is elected and both contracts are in force at the death of either spouse, the remaining Maximum Lifetime Benefit will transfer to the surviving spouse's contract with no increase in premium.

You may rescind your election of the Shared Care Benefit Option at any time.

Guaranteed Purchase Option

If there is no 5% Compound Benefit Increase Rider attached to this contract, we will offer you, on the second Annual Contract Date and every two years thereafter, the option to increase your Maximum Monthly Benefit and Maximum Lifetime Benefit in the prior contract year by an additional benefit amount. At the time of the offer, we will notify you of the availability of the increase, the additional premium amount and what you must do to obtain the increase. If the increase is desired, you must accept it within 60 days of our offer. Evidence of insurability is not required. If you do not accept the optional increase, that particular increase will not be available to you again.

If two consecutive offers are declined, you will be ineligible for future offers. The increase will not be offered if you are receiving covered services under this contract. The additional premium for the increase will be based upon your attained age at the time the increase becomes effective at the rates then in effect.

RIDERS

The following riders are available to you at issue for an additional premium:

- a) 5% Compound Benefit Increase Rider; and
- b) Nonforfeiture Benefit Rider.

Please refer to each rider for a detailed description of the benefits available and the terms and conditions of each rider.

LIMITATIONS AND EXCLUSIONS

This contract does not limit or exclude coverage by type of illness, treatment, medical condition or accident, except as follows:

Mental or Nervous Disorders; however, this shall not permit exclusion or limitation of benefits for Alzheimer's Disease or other forms of irreversible dementias;

Alcoholism and drug addiction;

Illness, treatment or medical condition arising out of:

- War or act of war (whether declared or undeclared);
- Participation in a felony, riot or insurrection;
- Service in the armed forces or units auxiliary thereto;
- Suicide (sane or insane), attempted suicide or intentionally self-inflicted injury; or
- Aviation (this exclusion applies only to non-fare-paying passengers);

Treatment provided in a government facility (unless otherwise required by law), services for which benefits are available under Medicare or other governmental program (except Medicaid), any state or federal workers' compensation, or employer's liability or occupational disease law, services provided by a member of the covered person's immediate family and services for which no charge is normally made in the absence of insurance; and

Treatment provided outside the United States or its territories.

PREMIUMS

Premium Payments

Premium payments, shown on Page 3, must be paid in advance. The first premium is due on the Register Date. You may change the frequency of payment by notifying us in writing. Except as provided below, no premium payment will keep this contract in force beyond the next premium due date.

Grace Period

You may pay the premium up to 31 days after it is due. This contract stays in force during such time. If the premium is not paid during the Grace Period, this contract will terminate.

Reinstatement of this Contract

An application and premium payment is required by us to reinstate the contract. The amount of the premium payment is the sum of all overdue premiums. We will issue a conditional receipt for the premium payment. If your application is approved, the contract will be reinstated as of the approval date. If it is disapproved, we will inform you in writing within 45 days after the date of the conditional receipt. If we fail to inform you, the contract will be reinstated upon such 45th day.

The reinstated contract will cover only a loss due to an injury sustained or physical or cognitive impairment which begins after the date of reinstatement. Except for this and any new provisions added in connection with reinstatement, your rights and ours under this contract will be the same as they were before the contract terminated.

Extended Reinstatement for Severe Cognitive Impairment

If you failed to pay a premium within the Grace Period due to Severe Cognitive Impairment, you (or someone acting on your behalf) may request automatic reinstatement up to six months after termination of your contract. Your physician must submit proof of the Severe Cognitive Impairment. If your contract is reinstated, you must pay the premium due retroactive to the date your contract terminated.

Waiver of Premium

After you have satisfied your Lifetime Elimination Period, your premium payments, on a month-by-month basis, will be waived while you remain benefit eligible. Once benefit eligibility ceases, premium payments must begin again if this contract is to remain in force.

If your premium has been paid for a period for which premiums are waived, we will refund the premium for such period.

Refund of Premium

The proceeds payable in the event of cancellation or at the insured's death will be the prorated sum of any premium paid beyond the month of death or request for cancellation. The return of unearned premium will be made within 30 days of the effective date of the cancellation or termination.

Payor of Last Resort

In the Commonwealth of Virginia, the Department of Medical Assistance Services will be the payor of last resort.

CLAIMS

How to Notify Us of a Claim

To file a claim for benefits, you (or someone acting on your behalf) must first notify us that you are currently receiving or plan to receive services covered by this contract. You can notify us in writing or by calling us at (800) 214-9825 within 30 days after any covered impairment begins or as soon as reasonably possible. Your notice must include your name, contract number and the address to which the claim forms are to be sent.

How to File a Claim

When we receive notice of your claim for benefits, we will send you claim forms. If forms are not received within 15 days, proof of loss can be provided by giving us a written statement of the type and nature of your impairment and the periods for which you are claiming benefits.

Proofs of Loss

Written proof of loss must be given within 90 days after such loss. If this is not reasonably possible to give written proof in the time required, we will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, except in the absence of legal capacity, the proof required must be given no later than one year from the time specified.

Time of Payment of Claims

After we receive the proper written proof of loss, we will pay monthly any benefits then due for covered services. Benefits for any other loss covered by this contract will be paid as soon as Knights of Columbus receives proper written proof.

Payment of Claims

All benefit payments will be made directly to you or an alternative payee designated by you or your legal representative.

Physical Examinations

At our expense, we will have the right to examine you as often as reasonably necessary while a claim is pending.

Extension of Benefits

If you terminate your contract, it will not affect any claim payable under a Plan of Care that began prior to termination. Benefits will be payable pursuant to the Plan of Care, subject to the provisions of this contract.

Appeal Procedure

We will notify you in writing if we deny your claim, and we will provide you with a written explanation of the reasons for the denial. If you believe that our claim decision is in error, we will reconsider your claim if you submit a written request explaining why you disagree with our decision. Your appeal request should include the names, addresses and telephone numbers of the health care providers who you think we should contact to learn more about your health and the care you received. We will notify you of our decision in writing within 60 days. You may authorize someone else to act for you in this appeal procedure.

GENERAL PROVISIONS

Entire Contract

The following constitute the entire contract:

- (1) this contract and any attached riders or endorsements;
- (2) the application, a copy of which is attached to this contract; and
- (3) the Order's Laws. Any change in our Laws after the Issue Date will apply to this contract, but benefits granted by this contract will not be reduced by future changes in these Laws.

The consideration for this contract is the application and payment of premium. The laws of the state or territory where this contract is issued for delivery control your rights and duties.

Changes or Waiver of Provisions

No statement, whether oral or written, made by a Knights of Columbus Field Agent or General Agent shall be construed as waiving, modifying or amending any of the provisions of this contract. No amendment to this contract is valid unless it is made in writing and signed on behalf of the Order by the Supreme Knight or Supreme Secretary.

Claims of Creditors

To the extent permitted by law, the proceeds of this contract will not be subject to the claims of creditors.

Conformity with Laws

Any provision of this contract which is in conflict with the laws of the state or territory in which you reside on the Issue Date is amended to conform to the minimum requirements of such law.

Dividends

Each year the Order determines its divisible surplus. This contract's share, if any, will be credited as a dividend on the Annual Contract Date. Since we do not expect this contract to contribute to divisible surplus, it is not expected that any dividends will be credited.

Incontestability

If this contract has been in force for less than six months from the Issue Date, we may only rescind this contract or deny an otherwise valid long-term care claim upon a showing of misrepresentation that is material to the acceptance of coverage.

After this contract has been in force for at least six months but less than two years from the Issue Date, we may only rescind this contract or deny an otherwise valid long-term care claim upon a showing of misrepresentation that is both material to the acceptance of coverage and which pertains to the condition for which benefits are sought.

After your contract has been in force for two years from the Issue Date, we cannot contest this contract upon the grounds of misrepresentation alone. We may only contest this contract upon showing that you knowingly and intentionally misrepresented relevant facts relating to your health.

If benefit payments have been made under this contract, we may not recover such payments should we void your contract.

This provision will apply anew from the date this contract is reinstated with regard to statements made in the application for reinstatement.

Maintenance of Solvency

If the premiums paid by all contract owners should be less than the amount required to pay claims and other benefits and maintain the reserves required by law, this contract may be assessed. The Order will determine the fair share of the total amount required and bill accordingly. Any such assessment will be a debt against this contract until paid. Interest will be charged on any such unpaid debt at the rate of 5% annually until it is paid. The amount of any such debt is limited to the value of this contract. You will not be held personally responsible for it.

Membership

Even if the applicant ceases to be a member of the Order, you may keep this contract in force by making the required premium payments.

Misstatement of Age

Your Issue Age, shown on Page 3, is your age at the birthday nearest the Register Date. If your age is misstated, the Maximum Lifetime Benefit will be that which the premium would have bought at the true age.

Spouse's Right to Apply for Insurance

In addition to the other rights and benefits provided under this contract, after your death your spouse shall have the right to request insurance coverage: (1) on his/her life; and (2) on the lives of your minor children. This right must be exercised within one year following the Order's receipt of proof of your death. The insurance coverage requested will be issued, provided that satisfactory evidence of insurability is submitted to the Order. The date the insurance coverage takes effect will depend upon: (1) the rules of the Order, and (2) the date the Order accepts the evidence of insurability.

For purposes of this provision, the following definitions apply: "insurance coverage" includes all plans of insurance offered by the Order at the age and premium class of the proposed insured at the time of the exercise of this right; "minor children" includes all your children, stepchildren and legally adopted children who have not yet reached their 18th birthday as of the date the insurance coverage is requested; and "spouse" means the person to whom you are married as of the date of your death.

Legal Actions

You cannot bring legal action until at least 60 days after written proof of loss has been given to us. Your time limit for commencing legal action is three years after the date written proof of loss is furnished.

Unintentional Lapse Protection

You have the right to designate an individual, in writing, in addition to yourself to receive notification when this contract is about to terminate because of nonpayment of premiums. We will give the person you designate notification of the impending termination at least 30 days

before the date such termination occurs. You have the right to change the designated person at any time by sending us written notification.

Termination of Coverage: When one of the following occurs, you will no longer be entitled to benefits under this contract:

1. a premium is not paid (subject to the Grace Period and Waiver of Premium requirements and to the provisions of any Nonforfeiture Benefit Rider attached to this contract); or
2. the Maximum Lifetime Benefits are exhausted; or
3. you elect to terminate this contract; or
4. you die.

**KNIGHTS OF COLUMBUS
5% COMPOUND BENEFIT INCREASE RIDER**

This rider is made part of the contract to which it is attached. It is subject to the contract's provisions. The definitions of the contract also apply to this rider.

This rider becomes effective as of the date shown here: _____

PREMIUM

The extra premium for this rider is shown on Page 3 of the contract. It is due at the same time as on the same terms as other premium under the contract. Premium for this rider will be waived if premium payments for the contract are waived due to a functional or cognitive impairment covered under the contract.

BENEFIT PROVIDED

We will increase your Maximum Monthly Benefit amount at a rate of five percent compounded annually, for each year that coverage remains continuously in force. The increase amount will be based on the Maximum Monthly Benefit amount in effect at the time and will automatically become effective on each Annual Contract Date. Your unused Maximum Lifetime Benefit will increase in proportion to the increase in your Maximum Monthly Benefit.

In the event of reinstatement, the Maximum Monthly Benefit will be the same as if your contract had never lapsed.

TERMINATION

This rider terminates:

- (a) When we receive your written request to cancel this rider;
- (b) At the end of the Grace Period for a premium not paid for the contract or this rider;
- (c) Upon your death; or
- (d) When the contract terminates for any reason.

We will refund any premium paid beyond the month of rider termination.

Issued at New Haven, Connecticut.



Attest:

Carl A. Anderson

Supreme Secretary

KNIGHTS OF COLUMBUS

By *Virgil C. Dechant*

Supreme Knight

**KNIGHTS OF COLUMBUS
RETURN OF PREMIUM AT DEATH RIDER**

COPY

This rider is made part of the contract to which it is attached. It is subject to the contract's provisions. The definitions of the contract also apply to this rider.

This rider becomes effective as of the date shown here: _____

PREMIUM

The extra premium for this rider is shown on Page 3 of the contract. It is due at the same time and on the same terms as other premium under the contract. Premium for this rider will be waived if premium payments for the contract are waived due to a functional or cognitive impairment covered under the contract.

BENEFIT PROVIDED

We will pay your estate the Return of Premium at Death benefit if this rider has been in effect for at least 10 years and is in effect on the date of your death. If you designate a beneficiary in writing, we will pay the benefit to this beneficiary, rather than to your estate. The value of this benefit will be equal to 100% of the premiums paid while this rider is in force, minus any benefits paid or payable.

LIMITATIONS

If you and your spouse have elected the Shared Care Option, the Return of Premium at Death benefit will be paid to the surviving spouse's estate or designated beneficiary, at his/her death (second-to-die).

TERMINATION

This rider terminates:

- (a) When we receive your written request to cancel this rider;
- (b) At the end of the Grace Period for a premium not paid for the contract or this rider;
- (c) Upon your death; or
- (d) When the contract terminates for any reason.

We will refund any premium paid beyond the month of rider termination.

Issued at New Haven, Connecticut.

APPROVED
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
DATE 7/23/03
BY man



Attest:

Charles N. Jooz
Supreme Secretary

KNIGHTS OF COLUMBUS

By

Carl A. Anderson
Supreme Knight

**KNIGHTS OF COLUMBUS
NONFORFEITURE BENEFIT RIDER**

This rider is made part of the contract to which it is attached. It is subject to the contract's provisions. The definitions of the contract also apply to this rider.

This rider becomes effective as of the date shown here: _____

PREMIUM

The extra premium for this rider is shown on Page 3 of the contract. It is due at the same time and on the same terms as other premium under the contract. Premium for this rider will be waived if premium payments for the contract are waived due to a functional or cognitive impairment covered under the contract.

BENEFIT PROVIDED

We will provide you with a Nonforfeiture Benefit if:

1. this rider has been in force for three years or more; and
2. premium payments are discontinued for any reason other than being waived under the Waiver of Premium provision of the contract.

The total of all long-term care benefits provided by this Nonforfeiture Benefit will be equal to the greater of:

1. the sum of all premiums paid for the policy while this rider is in force; or
2. the Maximum Monthly Benefit in effect when premiums cease.

In no event will the total of all benefits paid by this contract be greater than the Maximum Lifetime Benefit in effect when premiums cease.

The Nonforfeiture Benefit will not include any premium waived under the Waiver of Premium provision of the contract or any unearned premium returned to you.

TERMINATION

This rider terminates:

- (a) When we receive your written request to cancel this rider;
- (b) When we terminate the contract for fraudulent misstatements made in the application (subject to the incontestability provision);
- (c) The date your Maximum Lifetime Benefit has been paid;
- (d) The date your Nonforfeiture Benefit has been paid; or
- (e) Upon your death.

We will refund any premium paid beyond the month of rider termination.

Issued at New Haven, Connecticut.



Attest:

Carl A. Anderson

Supreme Secretary

KNIGHTS OF COLUMBUS

By *Virgil C. Deebart*

Supreme Knight

**KNIGHTS OF COLUMBUS
NONFORFEITURE BENEFIT RIDER**

This rider is made part of the contract to which it is attached. It is subject to the contract's provisions. The definitions of the contract also apply to this rider.

This rider becomes effective as of the date shown here: _____

PREMIUM

The extra premium for this rider is shown on Page 3 of the contract. It is due at the same time and on the same terms as other premium under the contract. Premium for this rider will be waived if premium payments for the contract are waived due to a functional or cognitive impairment covered under the contract.

BENEFIT PROVIDED

We will provide you with a shortened benefit period providing paid up long term care insurance after lapse if:

1. this rider has been in force for three years or more; and
2. premium payments are discontinued for any reason other than being waived under the Waiver of Premium provision of the contract.

The total of all long-term care benefits provided by this Nonforfeiture Benefit will be equal to the greater of:

1. the sum of all premiums paid for the policy while this rider is in force; or
2. the Maximum Monthly Benefit in effect when premiums cease. (The Maximum Monthly Benefit is equivalent to a minimum of thirty (30) times the daily benefit).

In no event will the total of all benefits paid by this contract be greater than the Maximum Lifetime Benefit in effect when premiums cease.

The Nonforfeiture Benefit will not include any premium waived under the Waiver of Premium provision of the contract or any unearned premium returned to you.

The Non-forfeiture Benefit that becomes effective under this rider may be adjusted subsequent to being initially granted only as necessary to reflect changes in claims, persistency and interest as reflected in changes in rates for premium paying policies approved by the commission for the same policy form.

APPROVED:
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance

DATE 7/23/03
BY mdr

TERMINATION

This rider terminates:

- (a) When we receive your written request to cancel this rider;
- (b) When we terminate the contract for fraudulent misstatements made in the application (subject to the incontestability provision);
- (c) The date your Maximum Lifetime Benefit has been paid;
- (d) The date your Nonforfeiture Benefit has been paid; or
- (e) Upon your death.

We will refund any premium paid beyond the month of rider termination.

Issued at New Haven, Connecticut.



Attest:

Carl H. Anderson

Supreme Secretary

KNIGHTS OF COLUMBUS

By

Virgil C. Dechant

Supreme Knight

April 28, 2023

Bill Dismore
Virginia Bureau of Insurance

Via *SERFF*

RE: SERFF Tracking #TRIP-133533599

Dear Mr. Dismore:

Thank you for reviewing this filing. This letter is in response to your letter dated April 11, 2023 regarding the above- referenced filing. The comments made in the letter are restated in italics for reference.

Additionally, this request was filed with and has been reviewed by the Multistate Actuarial LTCI Rate Review Team (MSA Team) prior to submission in individual states. The MSA has recommended the requested nationwide rate increase be fully approved. The MSA shared their advisory report with states in December 2022 / January 2023.

Objection 1

Please state whether the experience projections reflect the impact of policyholders reducing benefit levels to reduce or eliminate the impact of the requested premium increase. If so, please justify the assumption reflected in the experience projections. Please include quantitative support where applicable.

No, the projections do not reflect an assumption modeling the impact of policyholders reducing benefit levels in response to the rate increase.

We are expecting a minimal impact on policyholder behavior and expect the large majority of policyholders to accept the full increase without electing a benefit reduction option or nonforfeiture option. This expectation is based on several factors unique to this block:

- This is the first increase implemented on the affected policies and so there is not a long history of cumulative increases driving rates significantly higher than the original levels
- The 37% requested increase is a modest increase relative to larger increases seen in industry
- KofC is a fraternal organization with a captive agent force servicing policyholders

An explicit distribution of expected policyholder behavior has not been developed based on the expectation for minimal activity. Within the notification letter informing policyholders of the increase, specific options to reduce benefits, including to reduce the benefit period or daily benefit amount, or to increase the elimination period of the policy will be presented, as will the option to elect the nonforfeiture benefit. Policyholders will also be able to contact the policyholders services department to discuss any other benefit adjustment options they may be considering.

Objection 2

Please demonstrate quantitatively that any proposed benefit buy down options are actuarially equivalent to the proposed rate increase.

KofC is not offering any buy-down options in lieu of the rate increase. Policyholders will be offered specific benefit adjustment options in the notification letter which consist only of reducing their benefit period or daily benefit amount or increasing their elimination period. These types of benefit adjustments, changing to

other benefit configurations at original issue age rates, would be available for policyholders to exercise at any time, not just at the time of receiving the rate increase.

Objection 3

Please describe how assumptions by the Company are reflected for contingent benefit upon lapse (CBUL) in the experience projections. Please include quantitative support where applicable.

KofC will be providing the contingent benefit upon lapse to all policyholders regardless of whether their policy covers this benefit. The experience projections do not include any assumptions reflecting policyholders electing this option. As discussed in response to objection 1 above, we are expecting a minimal impact on policyholder behavior and expect the large majority of policyholders to accept the full increase without electing a benefit reduction option or nonforfeiture option.

Objection 4

Please provide an actual to expected comparison of incurred claims on a nationwide basis by experience year for policy forms subject to this rate filing.

Attachment A accompanying this response shows a durational actual to expected comparison of incurred claims on a nationwide basis for the policy forms subject to this rate filing. A total by experience year is included at the bottom of the exhibit.

Objection 5

Please clarify whether adjustments have been made to the morbidity assumptions to account for future morbidity improvement. If so, please state the assumed level of future morbidity improvement and include quantitative support.

There is no assumption for explicit morbidity improvement used in the projected experience.

Objection 6

Please clarify whether adjustments have been made to the mortality assumptions to account for future mortality improvement. If so, please state the assumed level of future mortality improvement and include quantitative support.

There is no assumption for explicit mortality improvement used in the projected experience.

Objection 7

Please identify the portion of the proposed rate increase that is attributed to each of the following components:

- a. Changes in the voluntary lapse assumptions*
- b. Changes in the mortality assumptions*
- c. Changes in the expected claim cost assumptions*
- d. Changes in any other assumptions (e.g., interest rates)*

Based on current future projections, the total morbidity levels are estimated to be lower than pricing in aggregate based on current inforce and the adjustment factors summarized in the memo and do not contribute to the increase attribution.

The need for an increase is instead driven by changes in the expected termination and interest assumptions. While separate assumptions are developed for expected voluntary lapses and mortality, experience is typically

measured against expectations on a total terminations basis to minimize the impact of incomplete information about deaths and reasons for terminations. Actual total policy termination rates have been lower than originally expected. The revised voluntary lapse assumptions based on emerging experience and used to project future experience consist of an ultimate lapse rate of 0.82% versus the relatively conservative ultimate rate of 2% assumed at pricing. Similarly, updated mortality assumptions apply a 51% factor on the original pricing mortality assumption. Original pricing assumed an earned rate of 6.25% while current assumptions use the valuation rate of 3.5%.

Attachment B included with this response shows a series of progressive projections all starting 1/1/2022 and incorporating actual historical experience to that point. The projections start on the left using pricing assumptions, then as we step through to the right incrementally change the interest rate, then the persistency assumptions and finally the morbidity assumptions, thus arriving at a projection using all current assumptions. The second tab of Attachment B summarizes the results of those projections, highlighting the incremental change in the difference in future premium and claims from each step to the next in column (E) and finally calculating an attribution percentage for each assumption change in column (F). It is estimated the change in interest rate accounts for approximately 52% of the indicated rate increase while the changes to the total termination assumptions account for the remaining 48% - the changes in morbidity again do not contribute to the need for an increase.

It is important to note however that these assumption changes do not occur in isolation and instead interact and compound with one another. The change in interest and total termination assumptions exacerbates the change in morbidity assumptions such that we see the result discussed in the actuarial memorandum where eventually the change in expected future morbidity *does* become a contributing factor to the need for an increase if action is not taken to account for that now.

Objection 8

Please confirm that waiver of premium benefits has been treated as a reduction to premium instead of a claims expense in the experience projections. If waiver of premium benefits has not been treated as a reduction to premium, please provide a revised experience projection making this change.

Waiver of premium is treated as earned premium and then a claims expense in the experience and projections. We are unable to provide these exhibits by treating projected waiver of premium as a reduction to premium because the block is projected on a total lives, total claim cost basis. Please note that the projected future loss ratio would be higher if we treated waiver of premium as a reduction to premium instead of a claims expense.

Thank you for working with us to complete this filing in Virginia. Please let me know if you have any additional questions. You can reach me directly at (224) 217-9037 or by e-mail at: tmoltumyr@triplusservices.com.

Respectfully,



Todd M. Moltumyr, ASA, MAAA
Vice President, Actuarial