

For all that apply below, use the provided Excel templates. All formulas must be left active.

The actuarial memorandum should be consistent with all pertinent Actuarial Standards of Practice, including but not restricted to ASOP No. 8 and include premium rate tables. In addition, please provide the following information and exhibits.

General Premium Rate Increase Filing Information

1. Provide separate filings for policies issued prior to the effective date of the rate stability requirements (January 1, 2009) and those issued on or after this date, or provide sufficient explanation on why the filings should be combined.
2. Separately list prior premium rate increase requests for each form and provide the corresponding SERFF tracking number. If prior rate increase requests were made outside of SERFF please provide copies of the rate increase request filings in a pdf in the current SERFF filing.
3. Provide the number of policyholders by form in Montana impacted by this premium rate increase request.
4. Summarize all assumption changes since the previous premium rate increase filing, if applicable.
5. Explain whether the revised assumptions for projected experience include any margin for adverse experience or confirm that the assumptions are based on best estimates.
6. Explain whether the revised assumptions for projected experience include any adjustments assuming that the premium rate increase is implemented including such items as shock lapses and anti-selection factors. Anti-selection factors should grade to zero within ten years unless actual experience or industry information justifies a longer-term impact.
7. Provide actual lapse experience analysis demonstrating actual vs. current expected lapses. In addition, provide lapse experience analysis demonstrating either the actual vs. the originally expected lapses, or for those that have had a previous premium increase approved in Montana, demonstrate actual vs. the lapse assumption assumed for the last approved premium rate increase. Provide lapse counts by policy duration.
8. Provide actual-to-expected mortality analysis demonstrating actual vs. current expected mortality. In addition, provide mortality analysis demonstrating either the actual vs. the originally expected mortality, or for those that have had a previous premium increase approved in Montana, demonstrate actual vs. the mortality assumption assumed for the last approved premium rate increase. Provide death counts by attained age group used in the mortality experience study.
9. Provide a summary of the morbidity assumption changes made and include actual-to-expected analysis demonstrating actual vs. current expected morbidity. In addition, provide morbidity analysis demonstrating either the actual vs. the originally expected morbidity, or for those plans that have had a previous premium increase approved in Montana, demonstrate actual vs. the morbidity assumption assumed for the last approved premium rate increase. For actual claims experience utilized to adjust assumed claims assumptions, provide actual claim counts by claim duration. In addition, provide actual claim counts by attained age.

Premium Rate Increase Request Based on Loss Ratios (policies issued prior to January 1, 2009)

1. Provide the following loss ratio exhibits updated for actual experience through a recent reporting period; however, not longer than 15 months prior to this filing. Provide these exhibits for national experience (unless specified below) and separate these exhibits by policy form number or groupings of policy forms along with an explanation of why the groupings of policy forms should be reviewed together.
 - a. Replace actual past and projected future experience with the original pricing assumptions. These exhibits should use actual issued policies rather than assumed distributions, and all historical and projected experience should be based on the original filing assumptions including originally filed discount rates. These exhibits will be considered the original filed loss ratio.
 - b. Provide exhibits similar to 1.a.; however replace past experience with actual experience.
 - c. Provide exhibits similar to 1.b.; however future premiums should be restated to reflect previously approved Montana premium rate increases and the national projection should be revised to use a rate level consistent with the Montana rate level.
 - d. Provide exhibits similar to 1.c.; however use updated persistency assumptions for the projected experience.
 - e. Provide exhibits similar to 1.d.; however use the revised claims assumptions. These exhibits, when combined, should reflect the expected lifetime loss ratio using best estimate assumptions with the exception that the original pricing discount rates will be used for this exhibit. Include in Exhibit 1e a separate exhibit for Montana only issued policies in addition to the national experience.
 - f. For exhibit 1.e. above, include results with and without the requested premium increase.
 - g. For the exhibits 1.e. above, include results with all past Montana premium rate increases assumed to be implemented at policy issue.

Premium Rate Increase Request Based on Rate Stability Regulation (policies issued on or after January 1, 2009 or combined for all issue years if sufficiently justified)

1. The filer should review [ARM 6.6.3124\(PREMIUM RATE SCHEDULE INCREASES\)](#) to help ensure compliance.
2. Provide the SERFF tracking number and/or provide the actuarial memorandum for the initial premium rate filing. These materials should identify the original definition of the Moderately Adverse Experience (MAE). Please explain if the MAE definition on this filing has changed since the original filing, and if it has changed explain the reason for making this change.
3. Demonstrate that actual experience has exceeded the MAE by providing sufficient experience studies showing the adverse experience as specified in ARM 6.6.3124(3)(c)(iii).
4. Provide lifetime loss ratio calculations consistent with Exhibits 1a through 1f in the previous section. These loss ratio calculations should include a version with and without the requested premium rate increase.