

Allianz Life Insurance Company of North America

**Home Office:
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Actuarial Memorandum Supporting 18% Aggregate Premium Rate Increase On Individual Long-Term Care Insurance Policy Forms

1. TYPE OF CHANGE

Allianz Life Insurance Company of North America (the Company) proposes the following rate revisions on the below long-term care (LTC) policy form. The company issued this policy form in Maryland between 2006 and 2010.

Product Name

Generation Protector II / Generation Protector Select (GP2)

Form series (including associated riders)

11-P-Q-MD

The premium rate increase request varies by benefit period. The table below provides the requested rate increase:

Policy Form Series	Benefit Period		
	2-4 Years	5-8 Years	Lifetime
GP2	15%	15%	30%

As the Company is not currently marketing new business, the required statement that the renewal premium rate schedules are not greater than the new business premium rate schedules is not applicable.

2. PURPOSE OF FILING

This memorandum has been prepared to provide actuarial information supporting a rate revision to premiums for the form series above. The rate revision meets the minimum requirements in the statutes of Maryland.

The Company is requesting a premium rate increase on the above-listed form, including all associated riders. This form is in need of a premium rate increase due to past and projected future experience that continues to be more adverse than previously expected and originally priced for.

3. LIMITATIONS AND EXCLUSIONS

This actuarial memorandum is intended to support the premium rate increases on the policy form described above and it is not appropriate to use for any other purposes.

4. HISTORY OF RATE REVISION

The table below provides the rate increase history in Maryland for the policy form series in this filing.

Rate Increase Round	Policy Form Series: GP2		
	Date of Approval	Rate Increase Amount	SERFF Tracking Number (if available)
First Rate Increase	5/19/2016	15.0%	ALLB-130163702
Second Rate Increase	7/2/2019	11.4%	ALLB-131810182
Third Rate Increase	10/14/2021	7.3%	ALLB-132819009

Exhibit 1 provides the rate increase history nationwide for the policy form series in this filing.

5. SCOPE AND APPLICABILITY

This filing applies to active premium paying policies issued in this state for the policy form listed above. This policy form is no longer being marketed. This policy form includes premium payment options and traditional level-pay-for-life. All premium paying policies are included in this filing and in the attached distribution of business Exhibits. Exhibit 1 provides a distribution of in-force policies and total annual premiums by issue state.

These rates when approved will be applied to policies delivered or issued for delivery in the state of Maryland, regardless of place of current residence.

6. DESCRIPTION OF BENEFITS

These plans are Guaranteed Renewable, Tax-Qualified, Individual Long Term Care Insurance plans. Plans cover facility care and home and community care where applicable. Premiums vary by issue age and are projected to be level for the duration of the policy, unless modified by the riders elected by the policyholder. Rider charges are factor based and are a multiplier of the base premium.

Several coverage options are available:

- ❖ Various Maximum Benefit Periods
- ❖ Various Daily Benefit Amounts
- ❖ Various Elimination Periods
- ❖ Facility Care Plan with various Home and Community Care Benefit levels
- ❖ Separate rates for different underwriting classes
- ❖ Separate rates for joint and single lives

7. POLICYHOLDER OPTIONS

Assuming that the proposed rate increase becomes effective, policyholders will have the following options upon notification of the rate increase:

Policyholder Options to Reduce Benefits:

Policyholders with benefits above the minimum coverage level have the option to modify their policy benefits to mitigate the impact of the proposed rate increase. As examples, the options include, but are not limited to the following:

1. Reduce their benefit period,
2. Lower their daily benefit,
3. Increase their elimination period,
4. Reduce or cancel cost of living accumulation (COLA) riders.

To further minimize the impact to policyholders: As a part of this rate increase, for a limited time policyholders who reduce or cancel their COLA benefit riders will maintain all of their past COLA benefit increase percentages. Future premiums and benefit increases will be based on the new coverage levels elected by the policyholder. If the policyholder reduces their daily benefit, then the past increase in daily benefit from COLA rider will be reduced by the same proportion.

Non-forfeiture Offers:

In addition, the Company will give the policyholder the option to accept a non-forfeiture benefit if they receive a premium increase at no charge. Acceptance of the non-forfeiture benefit will provide the policyholder with a reduced paid-up policy, with no future premiums required after the effective date of the policyholder's rate increase. Policyholders who elect this option will pay no additional premiums after the effective date of the rate increase, and their benefit pool will be their total premiums paid. In consideration of our policyholders, our company does not subtract past claims from the benefit pool prior to the election of this rider.

8. ISSUE YEAR

This form was sold from 2006 to 2010 in Maryland, and marketed nationally from 2006 through 2010. This form is no longer being issued in any state as Allianz stopped issuing all individual standalone long-term care insurance in 2010.

9. UNDERWRITING DESCRIPTION

All policies subject to this rate revision were subject to full underwriting in accordance with Company standards in place at the time of issue. Those underwriting standards were taken into consideration when projecting future experience.

10. MARKETING METHOD

Sales were conducted by individual agents, who sold primarily on an individual policy basis. The Company no longer sells long-term care insurance policies.

11. AREA FACTORS

The Company did not use area factors within the state.

12. AVERAGE ANNUAL PREMIUM PER INSURED

This section compares the average premiums of the Maryland policy form and nationwide policy form. The following table provides the average annual premium based on December 31, 2022 in-force policies for the policy form included in this filing, both without and with the requested increase.

Maryland Generation Protector II / Generation Protector Select Policy Form:

Current Average Annual Premium:	\$2,629	(292 Premium Paying Policies)
Proposed (18% increase):	\$3,103	

National Generation Protector II / Generation Protector Select Policy Form:

2022 Annual Premium:	\$2,470	(13,071 Premium Paying Policies)
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13. PREMIUM MODALIZATION RULES

The modal premium factors will remain unchanged from the current factors.

14. RESERVES

Active life reserves have not been used in the experience exhibits for this rate increase analysis for the purpose of demonstrating compliance with minimum loss ratio requirements, except as detailed in the supplement to the actuarial memorandum.

At each valuation date, a claim reserve is computed for each active and pending claim case. For active claims, the claim reserve is calculated as the present value of future benefits from the valuation date to the end of the benefit period. Benefit amounts are discounted for interest and claim continuance. Claim reserves have been discounted and allocated to the appropriate incurred year.

15. BEST ESTIMATE ACTUARIAL ASSUMPTIONS

a. Morbidity:

Attained age claim costs and Waiver of Premium benefits used in projecting future experience for this form have been developed utilizing Company-specific policy experience enhanced with other industry data as needed. Claim costs vary by joint policy status (joint vs. single), gender and various levels of home health care with adjustments for elimination periods, benefit periods, and riders.

Claim costs are developed from first principle using company-specific historical claim experience. Allianz incidence rates are typically credible up to age 90. Allianz data was then graded towards industry data for ages 90 and above, ultimately equating with industry experience by age 100. Continuance and utilization rates from Allianz claim data were blended with industry data when experience lacked credibility (fewer than 1,000 beginning of month claim exposures). Allianz experience was generally in line with industry data.

Future claim costs are projected on a seriatim basis for each policyholder. These claim costs are adjusted according to each policy's benefit designs, such as COLA option, elimination periods and benefit periods.

Underwriting, claim management and product design were taken into consideration when setting the assumptions. Allianz historical experience includes the positive impact of underwriting selection. No scalar increases to the claim cost assumption are made within these projections to reflect future wear off from underwriting selection.

b. Mortality:

The projected future experience uses the gender-distinct 2012 Individual Annuitant Mortality (2012 IAM) table. This assumption is developed based on feedback from our consultants and is consistent with industry practice. The mortality assumption balances our morbidity assumption as neither is projected to have future improvements.

c. Persistency:

The Company's own experience was used in the development of the lapse assumption. The experience is determined to be credible through policy duration 15. The voluntary lapse assumption is split by duration, marital status and COLA option as follows:

Duration	Individual		Married	
	Non-COLA	COLA	Non-COLA	COLA
1	9.50%	7.00%	7.70%	3.50%
2	6.80%	4.50%	5.80%	2.50%
3	4.00%	2.20%	3.80%	1.50%
4	3.00%	1.50%	2.80%	1.25%
5	2.30%	1.30%	1.00%	0.50%
6	1.60%	0.90%	1.00%	0.50%
7+	1.40%	0.75%	1.00%	0.40%

Additional lapses caused by exhaustion of benefits are also modeled using claim incidence, continuance, and utilization rates.

Based on company experience, a 1% increase to lapse rate is assumed immediately after the implementation of the rate increase to account for the election of reduced paid up benefit.

d. Expected Benefit Reduction:

Based on company experience from previous rate increases, the cash flow projection for the proposed rate increase includes an expectation of policyholders lowering their lifetime maximum benefit.

Lifetime benefit period policies are projected to reduce to a 5 year benefit period 7% of the time and to a 3 year benefit period 6% of the time. Policyholders with a non-lifetime benefit period equal to or greater than 5 years are projected to reduce to a 3 year benefit period 5% of the time.

e. Interest and Investment Income:

The interest rate of 4.0% used in the original product filing is also used in these exhibits to calculate the loss ratio. Changes in interest rates and investment income are not used to justify the rate increase.

f. Expenses:

Changes in expense are not used to justify the rate increase and are not included in this analysis. It is assumed that original expense assumptions are still appropriate.

Exhibit 2 provides additional information and justification for the assumptions used in this filing.

The Company is no longer marketing long-term care products. As a result, the requirement to reflect on any assumptions that deviate from those used for pricing other forms currently available for sale is not applicable.

16. DEMONSTRATION OF SATISFACTION OF REQUIREMENTS

The projections included in this filing are produced by applying “best estimate” actuarial assumptions that reasonably reflect actual experience. All policies other than traditional-level-pay-for-life are excluded from the historical and projected experience used to calculate loss ratios. The anticipated lifetime loss ratio for policies based on Maryland specific rate history and these assumptions before the requested rate increase is 100.9% nationwide and 105.6% in Maryland based on pooled experience (Exhibit 3 & 4). The lifetime loss ratio after the requested rate increase is 95.5% nationwide and 99.5% in Maryland based on pooled experience (Exhibits 5 & 6). Loss ratios for Maryland policyholders are slightly higher than national policies mainly due to the difference in distribution of business mix.

The requested rate increase is not calculated to achieve a targeted loss ratio or to maintain rate stability since that would require a significantly larger rate increase. The request is meant to find a balance between the poor performance of the business and the impact of rate increases on our policyholders.

The Company is aware of COMAR 31.14.01.04A(5) and that the requested rate increase would result in an increase greater than 15% for policies with a lifetime benefit period. The company would also like to advise policyholders about future rate increases and therefore the company requests an opportunity to work with the Administration to obtain a current approval of the requested premium rate increase with the agreement that the approved increase will be implemented at no more than 15% per year. However, experience in Exhibits 5 and 6 reflects a one-time rate increase implementation. Spreading the rate increase over multiple years would only increase the lifetime loss ratios.

A detailed demonstration of the 58/85 calculations justifying the rate increase can be found in Exhibit 7. The justifiable rate increases under moderately adverse conditions are over 170% on a nationwide basis based on pooled experience. Moderately adverse conditions for the 58/85 calculation are defined as a 10% increase in future claim cost over the current best estimate. All of the policies in this filing are subject to post-rate stability requirements.

17. ANALYSIS PERFORMED TO CONSIDER A RATE INCREASE

The initial premium schedules were based on pricing assumptions that reflected the Company’s best estimate utilizing the available information at the time. Recent experience studies performed show that experience is more unfavorable than previously assumed which resulted in assumptions being updated and has led to the Company requesting a rate increase on this product. The requested rate level is comprised of the remainder of the 2021 requests for each benefit period that was not approved, and is consistent with the approach taken in jurisdictions which approved less than the 2021 requests. The Maryland specific experience lacks credibility and was not considered on its own in determining the requested rate level

compared to our nationwide requests. The original pricing assumptions compared to our current assumptions are included in Exhibit 8.

18. LOSS RATIOS

The lifetime loss ratios for the policy form series split by benefit period are provided in the table below both without and with the requested rate increase. To reflect Maryland specific rate history, nationwide loss ratios are restated to reflect rate increases implemented in Maryland. For actuarial modeling purposes the requested rate increase is assumed to be effective December 2023.

Benefit Period	Before Increase	After Increase
Maryland		
2-4 Years	95.6%	92.0%
5-8 Years	105.8%	100.4%
Lifetime	122.4%	110.1%
All	105.6%	99.5%
Nationwide		
2-4 Years	88.2%	84.8%
5-8 Years	107.6%	102.5%
Lifetime	108.3%	98.5%
All	100.9%	95.5%

19. DISTRIBUTION OF BUSINESS

The historical experience reflects the actual distribution of policies during the experience period. We used the current distribution of business as of December 31, 2022 to project future experience.

Benefit period	Nationwide						
	5% Compound COLA	4% Compound COLA	3% Compound COLA	5% Simple COLA	Two Times COLA	No COLA	Grand Total
2-Year	0.5%	0.1%	0.5%	0.3%	0.1%	0.9%	2.4%
3-Year	6.1%	1.6%	4.2%	3.6%	1.9%	7.3%	24.7%
4-Year	4.1%	1.1%	2.6%	2.0%	0.9%	2.9%	13.7%
5-Year	9.8%	1.9%	6.0%	4.2%	2.5%	7.9%	32.3%
8-Year	4.4%	0.8%	2.5%	1.9%	0.7%	3.2%	13.4%
Lifetime	4.6%	0.7%	2.2%	1.8%	0.6%	3.6%	13.5%
Grand Total	29.4%	6.3%	17.9%	13.8%	6.8%	25.8%	100.0%

Benefit period	Maryland							Proposed Rate Increase	Policyholders Impacted
	5% Compound COLA	4% Compound COLA	3% Compound COLA	5% Simple COLA	Two Times COLA	No COLA	Grand Total		
2-Year	0.7%	0.0%	0.3%	0.0%	0.0%	1.4%	2.4%	15%	7
3-Year	12.0%	1.0%	1.7%	1.0%	2.4%	6.2%	24.3%	15%	71
4-Year	5.1%	2.4%	2.7%	1.0%	0.0%	2.1%	13.4%	15%	39
5-Year	7.2%	2.4%	1.7%	2.4%	5.8%	7.9%	27.4%	15%	80
8-Year	8.9%	1.7%	0.7%	4.5%	0.7%	2.1%	18.5%	15%	54
Lifetime	7.9%	0.7%	1.0%	1.4%	0.0%	3.1%	14.0%	30%	41
Grand Total	41.8%	8.2%	8.2%	10.3%	8.9%	22.6%	100.0%	18%	292

20. ACTUARIAL CERTIFICATION

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualifications standards for preparing health rate filings.

Claims, reserves, and policyholder data are provided by our third party administrator and our valuation actuaries. Data was reviewed for reasonableness.

I hereby certify that, to the best of my knowledge and belief:

- a. It complies with Actuarial Standards of Practice No. 8 "Regulatory Filings for Rates and Financial Projections for Health Plans";
- b. The premiums charged after the proposed rate increase is not unfairly discriminatory and the premiums after the proposed rate increase are not excessive. The proposed premium rate increase is not sufficient to prevent future rate actions by the company and benefits currently are not reasonable in relation to the premiums charged.
- c. Assumptions within this filing are based on best estimate without provision for adverse deviation while interest rates used are based on original product filing.
- d. Policy design, underwriting, and claims adjudication practices have been taken into consideration.

ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA

By: 

Name: Scott Laska, ASA, MAAA
Assistant Actuary
Its: Authorized Designee
May 8, 2023

Exhibit 1
Allianz Life Insurance Company of North America
Status of Filing as of 2/27/2023
Policy Form Series : 11-P-Q, et al.

State	First Rate Increase				First Rate Increase (Follow-up)				Second Rate Increase				Second Rate Increase (Follow-Up)				Cumulative Approved Increase	As of December 31, 2022	
	Amount Requested	Date Filed	Date Approved	Amount Approved	Amount Requested	Date Filed	Date Approved	Amount Approved	Amount Requested	Date Filed	Date Approved	Amount Approved	Amount Requested	Date Filed	Date Approved	Amount Approved		Policy Count	Annualized Premium
Alabama	38.0%	10/16/2015	5/11/2016	24.1%					23.5%	6/29/2021	8/13/2021	15.0%	8.5%	1/26/2023			42.7%	347	\$ 793,681
Alaska	38.0%	10/21/2015	10/21/2015	38.0%					23.1%	9/13/2021	10/1/2021	23.1%					69.9%	34	\$ 129,238
Arizona	60.0%	10/16/2015	6/21/2016	26.7%					24.6%	8/10/2021	9/2/2022	18.7%					50.4%	349	\$ 781,531
Arkansas	38.0%	6/14/2016	8/3/2016	10.0%	27.0%	2/7/2019	3/26/2019	8.2%	27.0%	8/12/2021	10/11/2021	20.0%					42.8%	103	\$ 242,358
Colorado	38.0%	12/27/2017	6/2/2017	9.8%					43.1%	7/28/2021							9.8%	505	\$ 1,108,022
Connecticut	38.0%	5/5/2016	9/22/2016	15.0%	24.0%	2/7/2019	4/3/2019	12.3%	46.7%	7/7/2021	12/2/2021	30.5%					68.5%	145	\$ 602,327
Delaware	38.0%	12/27/2018	4/1/2019	38.0%													38.0%	34	\$ 88,136
Dist. of Columbia	38.0%	1/7/2019	9/13/2019	10.0%					10.0%	7/12/2021	10/21/2021	10.0%					21.0%	26	\$ 67,928
Florida	56.4%	12/31/2019	9/24/2020	93.6%													93.6%	436	\$ 1,360,580
Georgia	38.0%	10/16/2015	3/15/2016	12.0%	25.0%	2/7/2019	5/21/2019	9.6%	47.1%	6/29/2021	7/21/2021	9.9%	37.2%	11/22/2022	1/18/2023	9.9%	48.3%	568	\$ 1,436,111
Hawaii	38.0%	10/16/2015	11/15/2018	30.2%													30.2%	20	\$ 62,297
Idaho	38.0%	10/16/2015	12/24/2015	38.0%					21.3%	10/8/2021	5/27/2022	13.6%					56.7%	120	\$ 239,300
Illinois	60.0%	10/16/2015	12/11/2017	60.0%					25.3%	4/27/2022	7/12/2022	25.3%					100.5%	686	\$ 1,620,151
Indiana	45.1%	5/22/2019	Disapproved	0.0%	87.0%	6/26/2020	9/3/2020	9.6%	41.7%	1/27/2022							9.6%	92	\$ 243,472
Iowa	38.0%	10/16/2015	4/7/2016	17.9%	22.0%	2/7/2019	3/18/2019	12.0%	28.6%	7/23/2021	11/2/2021	24.8%					64.8%	354	\$ 828,232
Kansas	60.0%	10/16/2015	7/26/2016	60.0%													60.0%	334	\$ 716,617
Kentucky	38.0%	10/16/2015	1/18/2016	31.7%					27.6%	7/28/2021	11/15/2021	27.6%					68.0%	157	\$ 398,365
Louisiana	38.0%	12/27/2018	9/23/2019	17.7%					52.2%	7/13/2021	2/10/2022	20.4%					41.7%	175	\$ 333,534
Maine	38.0%	1/12/2016	8/18/2016	33.0%					21.0%	9/8/2021	12/17/2021	20.9%					60.8%	55	\$ 148,313
Maryland	38.0%	10/16/2015	5/19/2016	15.0%	12.0%	2/7/2019	7/2/2019	11.4%	25.1%	7/13/2021	10/14/2021	7.3%					37.5%	292	\$ 767,806
Massachusetts	38.0%	7/28/2016	9/6/2017	16.0%					45.7%	7/13/2021	7/15/2022	22.9%					42.6%	42	\$ 149,246
Michigan	38.0%	10/16/2015	11/6/2015	38.0%					21.4%	7/27/2021	8/17/2021	21.4%					67.5%	402	\$ 971,980
Minnesota	38.0%	7/28/2016	11/4/2016	33.1%					40.7%	5/26/2022	8/15/2022	25.6%					67.2%	1,466	\$ 3,577,342
Mississippi	38.0%	10/16/2015	12/16/2015	25.0%	8.0%	2/7/2019	10/22/2019	8.0%	25.5%	8/10/2021							35.0%	95	\$ 174,937
Missouri	38.0%	11/16/2015	1/29/2016	38.0%					48.1%	8/20/2021	11/22/2021	47.9%					104.1%	622	\$ 1,386,536
Montana	38.0%	10/16/2015	6/8/2017	27.1%	12.0%	2/7/2019	5/21/2019	11.6%	24.2%	7/21/2021	10/1/2021	22.9%					74.3%	108	\$ 307,829
Nebraska	38.0%	10/16/2015	12/10/2015	38.0%					27.4%	10/11/2021	1/4/2022	27.4%					75.8%	338	\$ 768,579
Nevada	38.0%	6/14/2016	7/7/2017	38.0%					22.5%	8/26/2021	12/22/2021	18.6%					63.7%	78	\$ 186,930
New Hampshire	38.0%	10/16/2015	2/16/2016	38.0%					23.5%	10/21/2021	11/29/2021	23.5%					70.4%	58	\$ 159,291
New Jersey	38.0%	10/16/2015	10/27/2016	20.9%					25.9%	11/23/2021	1/9/2023	15.7%					39.9%	292	\$ 867,262
New Mexico	38.0%	12/27/2018	1/28/2019	12.0%					46.7%	8/12/2021	11/8/2021	46.4%					64.0%	105	\$ 232,992
North Carolina	38.0%	10/16/2015	5/10/2016	30.0%					25.8%	7/12/2021	4/20/2022	25.8%					63.5%	330	\$ 762,798
North Dakota	38.0%	10/16/2015	12/14/2015	15.0%	17.0%	2/7/2019	3/11/2019	11.5%									28.2%	114	\$ 249,520
Ohio	38.0%	10/16/2015	5/20/2016	15.0%	22.0%	2/7/2019	7/24/2019	11.0%	21.0%	8/25/2021	2/17/2023	15.0%					46.8%	395	\$ 917,961
Oklahoma	38.0%	10/16/2015	2/22/2016	10.0%	24.0%	2/7/2019	3/14/2019	12.1%	28.6%	8/16/2021	10/11/2021	15.0%					41.8%	210	\$ 487,583
Oregon	38.0%	10/16/2015	1/28/2016	38.0%					21.9%	8/11/2022							38.0%	251	\$ 561,410
Pennsylvania	38.0%	10/16/2015	3/30/2016	31.5%					24.6%	7/13/2021	11/15/2021	18.1%					55.3%	494	\$ 1,363,677
Rhode Island	38.0%	12/27/2018	1/21/2020	38.0%													38.0%	66	\$ 173,149
South Carolina	38.0%	10/16/2015	2/8/2016	20.0%	14.0%	2/7/2019	11/21/2019	8.7%	26.6%	9/24/2021	12/8/2021	10.0%					43.5%	202	\$ 449,795
South Dakota	38.0%	10/16/2015	11/13/2015	38.0%					28.1%	9/7/2021	9/20/2021	28.1%					76.8%	165	\$ 440,942
Tennessee	38.0%	10/16/2015	4/5/2016	38.0%					25.3%	7/8/2021	7/21/2022	20.4%					66.2%	328	\$ 691,290
Texas	60.0%	2/17/2016	5/11/2016	60.0%					49.2%	7/12/2021	11/29/2021	41.5%					126.4%	784	\$ 1,911,202
Utah	38.0%	6/9/2016	8/17/2016	38.0%					23.4%	6/27/2022	10/18/2022	23.4%					70.3%	40	\$ 87,338
Vermont	38.0%	12/27/2018	7/7/2021	38.0%													38.0%	29	\$ 68,914
Virginia	60.0%	10/16/2015	6/8/2016	60.0%					27.3%	3/21/2023							60.0%	620	\$ 1,845,277
Washington	38.0%	10/19/2015	6/16/2016	23.9%					22.7%	9/8/2021	3/7/2022	30.0%					61.1%	237	\$ 603,609
West Virginia	38.0%	10/16/2015	2/26/2016	38.0%					28.7%	9/28/2021	3/25/2022	28.7%					77.6%	19	\$ 46,527
Wisconsin	38.0%	12/17/2015	9/19/2016	38.0%					23.5%	8/22/2022	9/13/2022	23.5%					70.4%	285	\$ 714,388
Wyoming	38.0%	10/16/2015	2/9/2016	38.0%					22.4%	10/8/2021	1/10/2022	22.4%					68.9%	64	\$ 164,414
Total																	65.1%	13,071	\$ 32,290,714

Exhibit 3
Allianz Life Insurance Company of North America
Nationwide Experience
Policy Form Series: GP2
As of 12/31/2022
No Requested Rate Increase

<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
2006	\$1,480,109	\$0	0.0%
2007	\$9,961,639	\$229,386	2.3%
2008	\$21,889,338	\$126,380	0.6%
2009	\$29,753,489	\$662,935	2.2%
2010	\$32,733,527	\$846,097	2.6%
2011	\$31,614,887	\$1,625,959	5.1%
2012	\$30,817,925	\$3,302,277	10.7%
2013	\$30,225,351	\$3,003,618	9.9%
2014	\$29,650,304	\$2,406,460	8.1%
2015	\$29,104,645	\$5,611,148	19.3%
2016	\$28,580,004	\$6,789,555	23.8%
2017	\$29,317,439	\$7,168,036	24.4%
2018	\$30,382,469	\$11,511,269	37.9%
2019	\$29,664,803	\$10,549,713	35.6%
2020	\$29,541,151	\$12,100,472	41.0%
2021	\$30,097,414	\$16,331,453	54.3%
2022	\$30,063,617	\$23,963,876	79.7%
2023	\$30,125,939	\$17,180,105	57.0%
2024	\$29,414,993	\$20,026,293	68.1%
2025	\$28,287,410	\$22,577,629	79.8%
2026	\$27,124,263	\$25,540,865	94.2%
2027	\$25,927,713	\$28,827,563	111.2%
2028	\$24,697,687	\$32,509,719	131.6%
2029	\$23,439,942	\$36,419,040	155.4%
2030	\$22,155,912	\$40,627,129	183.4%
2031	\$20,851,092	\$44,932,901	215.5%
2032	\$19,528,599	\$49,320,068	252.6%
2033	\$18,198,639	\$53,350,463	293.2%
2034	\$16,866,998	\$57,054,225	338.3%
2035	\$15,543,807	\$60,150,442	387.0%
2036	\$14,236,370	\$62,725,033	440.6%
2037	\$12,957,989	\$64,445,278	497.3%
2038	\$11,716,086	\$65,524,928	559.3%
2039	\$10,521,291	\$65,833,872	625.7%
2040	\$9,380,472	\$65,588,666	699.2%
2041	\$8,304,532	\$64,429,122	775.8%
2042	\$7,297,418	\$62,595,508	857.8%
2043	\$6,364,823	\$60,045,419	943.4%
2044	\$5,508,613	\$57,077,519	1036.2%
2045	\$4,732,997	\$53,539,192	1131.2%
2046	\$4,036,559	\$49,764,578	1232.8%
2047	\$3,418,120	\$45,755,218	1338.6%
2048	\$2,873,343	\$41,732,895	1452.4%
2049	\$2,399,192	\$37,574,996	1566.2%
2050	\$1,989,704	\$33,547,677	1686.1%
2051	\$1,639,767	\$29,667,859	1809.3%
2052	\$1,342,922	\$26,086,904	1942.5%
2053	\$1,094,015	\$22,701,749	2075.1%
2054	\$886,570	\$19,632,729	2214.5%
2055	\$715,145	\$16,871,430	2359.2%
2056	\$574,227	\$14,468,637	2519.7%
2057	\$459,415	\$12,317,635	2681.2%
2058	\$366,138	\$10,440,177	2851.4%
2059	\$290,765	\$8,791,164	3023.5%
2060	\$230,000	\$7,378,750	3208.2%
2061	\$181,333	\$6,154,900	3394.2%
2062	\$142,410	\$5,122,112	3596.7%
2063	\$111,413	\$4,242,054	3807.5%
2064	\$86,748	\$3,499,465	4034.1%
2065	\$67,245	\$2,864,698	4260.1%
2066	\$51,855	\$2,334,938	4502.8%
2067	\$39,781	\$1,890,741	4752.9%
2068	\$30,338	\$1,520,055	5010.5%
2069	\$23,006	\$1,206,907	5246.1%
2070	\$17,337	\$946,508	5459.3%
2071	\$12,993	\$733,208	5642.9%
2072	\$9,684	\$562,370	5807.1%
2073	\$7,190	\$426,917	5937.6%
2074	\$5,320	\$321,185	6037.6%
2075+	\$14,249	\$894,786	6279.7%

Summary of Experience at 4.0%

	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical (YE2022)	\$622,910,195	\$124,534,414	20.0%
Projected Future (2023 +)	\$298,403,008	\$804,813,528	269.7%
Total Lifetime Anticipated	\$921,313,203	\$929,347,942	100.9%

Exhibit 4
Allianz Life Insurance Company of North America
Maryland Experience
Policy Form Series: GP2
As of 12/31/2022
No Requested Rate Increase

<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
2006	\$6,360	\$0	0.0%
2007	\$229,624	\$0	0.0%
2008	\$526,773	\$0	0.0%
2009	\$751,129	\$0	0.0%
2010	\$845,829	\$8,356	1.0%
2011	\$809,479	\$102,084	12.6%
2012	\$799,212	\$199,372	24.9%
2013	\$785,780	\$158,246	20.1%
2014	\$774,489	\$1,734	0.2%
2015	\$758,478	\$0	0.0%
2016	\$735,995	\$0	0.0%
2017	\$746,876	\$278,164	37.2%
2018	\$779,024	\$164,243	21.1%
2019	\$753,287	\$601,517	79.9%
2020	\$757,014	\$0	0.0%
2021	\$770,967	\$429,291	55.7%
2022	\$767,245	\$686,204	89.4%
2023	\$767,850	\$375,079	48.8%
2024	\$751,781	\$441,515	58.7%
2025	\$727,481	\$506,147	69.6%
2026	\$702,130	\$583,308	83.1%
2027	\$675,747	\$671,442	99.4%
2028	\$648,305	\$772,919	119.2%
2029	\$619,876	\$882,765	142.4%
2030	\$590,456	\$1,001,476	169.6%
2031	\$560,134	\$1,127,276	201.3%
2032	\$528,948	\$1,260,324	238.3%
2033	\$497,105	\$1,384,897	278.6%
2034	\$464,718	\$1,501,991	323.2%
2035	\$432,026	\$1,604,743	371.4%
2036	\$399,238	\$1,693,493	424.2%
2037	\$366,710	\$1,760,289	480.0%
2038	\$334,665	\$1,810,594	541.0%
2039	\$303,412	\$1,838,609	606.0%
2040	\$273,179	\$1,852,242	678.0%
2041	\$244,309	\$1,843,334	754.5%
2042	\$216,986	\$1,813,303	835.7%
2043	\$191,423	\$1,763,245	921.1%
2044	\$167,725	\$1,703,848	1015.9%
2045	\$146,038	\$1,628,552	1115.2%
2046	\$126,353	\$1,542,714	1221.0%
2047	\$108,653	\$1,446,373	1331.2%
2048	\$92,830	\$1,347,224	1451.3%
2049	\$78,820	\$1,236,617	1568.9%
2050	\$66,488	\$1,127,226	1695.4%
2051	\$55,725	\$1,018,551	1827.8%
2052	\$46,379	\$912,557	1967.6%
2053	\$38,339	\$805,363	2100.7%
2054	\$31,458	\$704,510	2239.5%
2055	\$25,616	\$610,518	2383.4%
2056	\$20,686	\$526,500	2545.2%
2057	\$16,571	\$448,616	2707.2%
2058	\$13,159	\$378,078	2873.2%
2059	\$10,353	\$314,479	3037.7%
2060	\$8,066	\$259,338	3215.2%
2061	\$6,227	\$211,412	3394.9%
2062	\$4,763	\$170,238	3574.3%
2063	\$3,608	\$136,277	3777.1%
2064	\$2,704	\$108,422	4010.3%
2065	\$2,002	\$85,206	4256.5%
2066	\$1,463	\$66,756	4561.7%
2067	\$1,056	\$51,968	4923.0%
2068	\$750	\$40,149	5349.8%
2069	\$524	\$30,404	5801.8%
2070	\$359	\$22,590	6299.7%
2071	\$240	\$16,320	6793.6%
2072	\$157	\$11,300	7181.8%
2073	\$101	\$7,636	7587.3%
2074	\$63	\$5,046	8026.7%
2075+	\$91	\$8,796	9622.3%

Summary of Experience at 4.0%

	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical (YE2022)	\$15,842,314	\$3,093,187	19.5%
Projected Future (2023 +)	\$8,016,653	\$22,107,485	275.8%
Total Lifetime Anticipated	\$23,858,966	\$25,200,672	105.6%

Exhibit 5
Allianz Life Insurance Company of North America
Nationwide Experience
Policy Form Series: GP2
As of 12/31/2022
With Average 18% Rate Increase

<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
2006	\$1,480,109	\$0	0.0%
2007	\$9,961,639	\$229,386	2.3%
2008	\$21,889,338	\$126,380	0.6%
2009	\$29,753,489	\$662,935	2.2%
2010	\$32,733,527	\$846,097	2.6%
2011	\$31,614,887	\$1,625,959	5.1%
2012	\$30,817,925	\$3,302,277	10.7%
2013	\$30,225,351	\$3,003,618	9.9%
2014	\$29,650,304	\$2,406,460	8.1%
2015	\$29,104,645	\$5,611,148	19.3%
2016	\$28,580,004	\$6,789,555	23.8%
2017	\$29,317,439	\$7,168,036	24.4%
2018	\$30,382,469	\$11,511,269	37.9%
2019	\$29,664,803	\$10,549,713	35.6%
2020	\$29,541,151	\$12,100,472	41.0%
2021	\$30,097,414	\$16,331,453	54.3%
2022	\$30,063,617	\$23,963,876	79.7%
2023	\$30,415,308	\$17,309,001	56.9%
2024	\$32,817,532	\$19,960,839	60.8%
2025	\$32,744,808	\$22,383,775	68.4%
2026	\$31,402,461	\$25,311,135	80.6%
2027	\$30,021,406	\$28,556,736	95.1%
2028	\$28,601,532	\$32,191,896	112.6%
2029	\$27,149,460	\$36,049,386	132.8%
2030	\$25,666,812	\$40,200,238	156.6%
2031	\$24,159,908	\$44,445,564	184.0%
2032	\$22,632,315	\$48,771,036	215.5%
2033	\$21,095,794	\$52,743,649	250.0%
2034	\$19,557,011	\$56,393,923	288.4%
2035	\$18,027,652	\$59,443,689	329.7%
2036	\$16,516,131	\$61,978,303	375.3%
2037	\$15,037,811	\$63,667,604	423.4%
2038	\$13,601,271	\$64,723,344	475.9%
2039	\$12,218,807	\$65,017,280	532.1%
2040	\$10,898,364	\$64,764,659	594.3%
2041	\$9,652,561	\$63,608,758	659.0%
2042	\$8,485,992	\$61,788,635	728.1%
2043	\$7,405,291	\$59,262,188	800.3%
2044	\$6,412,660	\$56,324,799	878.3%
2045	\$5,513,017	\$52,825,179	958.2%
2046	\$4,704,766	\$49,093,650	1043.5%
2047	\$3,986,596	\$45,131,197	1132.1%
2048	\$3,353,559	\$41,157,467	1227.3%
2049	\$2,802,226	\$37,050,958	1322.2%
2050	\$2,325,760	\$33,074,403	1422.1%
2051	\$1,918,301	\$29,244,376	1524.5%
2052	\$1,572,402	\$25,709,974	1635.1%
2053	\$1,282,127	\$22,369,054	1744.7%
2054	\$1,039,994	\$19,340,550	1859.7%
2055	\$839,723	\$16,616,362	1978.8%
2056	\$674,933	\$14,246,553	2110.8%
2057	\$540,535	\$12,125,818	2243.3%
2058	\$431,231	\$10,275,642	2382.9%
2059	\$342,811	\$8,651,240	2523.6%
2060	\$271,453	\$7,260,605	2674.7%
2061	\$214,241	\$6,055,923	2826.7%
2062	\$168,435	\$5,039,613	2992.0%
2063	\$131,916	\$4,173,597	3163.8%
2064	\$102,825	\$3,442,977	3348.4%
2065	\$79,796	\$2,818,348	3531.9%
2066	\$61,603	\$2,296,959	3728.7%
2067	\$47,312	\$1,859,646	3930.6%
2068	\$36,121	\$1,494,765	4138.2%
2069	\$27,421	\$1,186,642	4327.4%
2070	\$20,687	\$930,615	4498.6%
2071	\$15,520	\$720,985	4645.7%
2072	\$11,578	\$553,152	4777.5%
2073	\$8,604	\$420,058	4881.9%
2074	\$6,371	\$316,127	4961.7%
2075+	\$17,101	\$881,518	5154.8%

Summary of Experience at 4.0%

	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical (YE2022)	\$622,910,195	\$124,534,414	20.0%
Projected Future (2023 +)	\$340,311,334	\$795,640,244	233.8%
Total Lifetime Anticipated	\$963,221,528	\$920,174,658	95.5%

Exhibit 6
Allianz Life Insurance Company of North America
Maryland Experience
Policy Form Series: GP2
As of 12/31/2022
With Average 18% Rate Increase

<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
2006	\$6,360	\$0	0.0%
2007	\$229,624	\$0	0.0%
2008	\$526,773	\$0	0.0%
2009	\$751,129	\$0	0.0%
2010	\$845,829	\$8,356	1.0%
2011	\$809,479	\$102,084	12.6%
2012	\$799,212	\$199,372	24.9%
2013	\$785,780	\$158,246	20.1%
2014	\$774,489	\$1,734	0.2%
2015	\$758,478	\$0	0.0%
2016	\$735,995	\$0	0.0%
2017	\$746,876	\$278,164	37.2%
2018	\$779,024	\$164,243	21.1%
2019	\$753,287	\$601,517	79.9%
2020	\$757,014	\$0	0.0%
2021	\$770,967	\$429,291	55.7%
2022	\$767,245	\$686,204	89.4%
2023	\$774,374	\$377,801	48.8%
2024	\$830,703	\$439,452	52.9%
2025	\$843,397	\$501,514	59.5%
2026	\$814,215	\$577,724	71.0%
2027	\$783,842	\$664,741	84.8%
2028	\$752,242	\$764,891	101.7%
2029	\$719,497	\$873,208	121.4%
2030	\$685,601	\$990,204	144.4%
2031	\$650,654	\$1,114,110	171.2%
2032	\$614,700	\$1,245,081	202.6%
2033	\$577,973	\$1,367,636	236.6%
2034	\$540,605	\$1,482,764	274.3%
2035	\$502,869	\$1,583,696	314.9%
2036	\$465,003	\$1,670,757	359.3%
2037	\$427,418	\$1,736,163	406.2%
2038	\$390,368	\$1,785,329	457.3%
2039	\$354,211	\$1,812,469	511.7%
2040	\$319,210	\$1,825,457	571.9%
2041	\$285,759	\$1,816,198	635.6%
2042	\$254,072	\$1,786,090	703.0%
2043	\$224,397	\$1,736,269	773.7%
2044	\$196,857	\$1,677,307	852.0%
2045	\$171,622	\$1,602,708	933.9%
2046	\$148,685	\$1,517,784	1020.8%
2047	\$128,029	\$1,422,513	1111.1%
2048	\$109,532	\$1,324,471	1209.2%
2049	\$93,127	\$1,215,181	1304.9%
2050	\$78,661	\$1,107,074	1407.4%
2051	\$66,012	\$999,678	1514.4%
2052	\$55,010	\$895,000	1627.0%
2053	\$45,527	\$789,271	1733.6%
2054	\$37,398	\$689,903	1844.7%
2055	\$30,482	\$597,382	1959.8%
2056	\$24,635	\$514,738	2089.4%
2057	\$19,746	\$438,268	2219.5%
2058	\$15,685	\$369,056	2352.9%
2059	\$12,341	\$306,649	2484.8%
2060	\$9,612	\$252,592	2627.8%
2061	\$7,416	\$205,670	2773.2%
2062	\$5,666	\$165,441	2919.9%
2063	\$4,286	\$132,298	3086.8%
2064	\$3,206	\$105,149	3280.2%
2065	\$2,368	\$82,512	3484.3%
2066	\$1,727	\$64,546	3738.0%
2067	\$1,242	\$50,166	4038.9%
2068	\$880	\$38,694	4394.6%
2069	\$613	\$29,263	4773.7%
2070	\$418	\$21,725	5194.8%
2071	\$279	\$15,690	5616.9%
2072	\$182	\$10,864	5955.6%
2073	\$116	\$7,343	6312.7%
2074	\$72	\$4,855	6700.7%
2075+	\$105	\$8,467	8087.3%

Summary of Experience at 4.0%

	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
Historical (YE2022)	\$15,842,314	\$3,093,187	19.5%
Projected Future (2023 +)	\$9,167,595	\$21,803,160	237.8%
Total Lifetime Anticipated	\$25,009,908	\$24,896,347	99.5%

Exhibit 7
58%/85% Calculations
Allianz Life Insurance of North America
Nationwide Experience
Policy Form Series: GP2

a)	The accumulated value of the initial earned premium is	600
	58% of this value	348
b)	The accumulated value of prior premium rate schedule increases is	23
	85% of this value:	20
c)	The present value of future projected initial earned premiums is	228
	58% of this value	132
d)	The present value of future projected earned premium from prior premium rate schedule increases is	70
	PV of future projected EP from 18% increase:	42
	Combined:	112
	85% of this value:	95
e)	The accumulated value of past incurred claims is	125
	The present value of future projected incurred claims* is	875
	sum of these 2 values:	1,000
f)	The sum of a,b,c and d is	595
	This amount is less than e)	1,000

*Projected incurred claims contain a 10% margin for moderately adverse experience.