

Freedom Life Insurance Company of America Part II Consumer Justification Narrative

The rate increase will affect 0 inforce members. The rate increase applied to all plans is equal to 33.98% and is due to an increase in medical cost and utilization of 11.74% and the elimination of the Federal Transitional Reinsurance Program in 2017 resulting in a 19.90% increase. This rate increase is not based on financial experience but reflects the rate we feel that will adequately meet projected profit and financial goals of the company while maintaining the reasonableness of benefits provided to customers in relation to the premiums charged. There are no changes in administrative costs that affect the rates.