

October 5, 2012

Ann Boynton
Deputy Executive Officer, Benefit Programs Policy and Planning
CalPERS
Lincoln Plaza North
400 Q Street
Sacramento, CA 95811

Subject: Actuarial Valuation of the CalPERS Long-Term Care Program
as of June 30, 2012

Dear Ms. Boynton:

We have attached a report summarizing the results of our actuarial valuation of the CalPERS Long-Term Care Program as of June 30, 2012. Please note that this report is not meant to serve as complete actuarial documentation. Much additional relevant data/information is available for distribution and could be provided upon request.

This report is organized as follows:

- The first section presents an executive summary of the valuation results and recommendations.
- The following sections present:
 - Scope and background information
 - The approach used for this valuation
 - A discussion of revised assumptions
 - Valuation results – base case and sensitivity testing
 - Observations and Recommendations
 - Caveats and/or limitations applicable to this valuation
 - Conclusions

Additional details are provided in various attachments as described in the report.

Please feel free to contact us directly to discuss anything presented in this report at the contact information summarized below.

We would like to acknowledge the efforts of our staff members, who assisted us with nearly every aspect of this project:

Constance D. Rogers, FSA, MAAA
Beth Dixon
Jevon Brenneman

Sincerely,



Clark A. Heitkamp, FSA, MAAA, LTCP
Consulting Actuary
(605) 271-4714
cheitkamp@uhasinc.com



Karl G. Volkmar, FSA, MAAA, FCA
Principal & Senior Consulting Actuary
(317) 575-7672
kvolkmar@uhasinc.com

**2012 Actuarial Valuation of the
California Public Employees' Retirement System
Long-Term Care Program
As of 6/30/2012**

Prepared by:

United Health Actuarial Services, Inc.

Clark A. Heitkamp, FSA, MAAA, LTCP
Consulting Actuary

Karl G. Volkmar, FSA, MAAA, FCA
Principal & Senior Consulting Actuary

October 5, 2012

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I. Executive Summary

United Health Actuarial Services, Inc. (UHAS) was retained by the California Public Employees' Retirement System (CalPERS) Long-Term Care (LTC) Program to perform an annual actuarial valuation of CalPERS LTC operations as of June 30, 2012 ("2012 Annual Valuation"), along with supporting analyses. Specifically, our assignment was to develop a projection of future cash flows and to evaluate the adequacy of current assets and premium levels based on those cash flows. UHAS has completed annual valuations for the CalPERS LTC Program since 2005.

As the starting point for the development of the 2012 Annual Valuation, we utilized our work on the 2011 Annual Valuation along with previous valuations.

Briefly, the 2012 valuation process could be summarized as follows:

- We compared assumptions from the 2011 Annual Valuation to actual experience through 6/30/12 and made appropriate modifications for this valuation.
- We developed morbidity assumptions that directly incorporate actual experience by calendar year of issue and underwriting type.
- We incorporated the 5% ongoing premium increases and associated assumptions approved by the CalPERS Board in December of 2009.
- We developed revised mortality assumptions utilizing the results of a mortality study based upon actual program experience and the Social Security database, and we revised the voluntary lapse assumptions accordingly.
- We updated the expense assumptions based upon actual experience and Univita's five year expense proposal, and we added an allocated investment management expense as directed by CalPERS staff.
- We utilized the discount rate approved in September 2012 by the Pension and Health Benefit Committee (PHBC), which reflects the revised investment mix that was approved in April 2012 Investment Committee.
- We input final assumptions into our model and ran the model for all scenarios to be tested.

Given all of the above, we developed projected values using our proprietary projection model, and we used those projected values along with current Program financial information to determine the projected financial standing of the Program.

While we have always reviewed all of the valuation assumptions annually and developed projection results under a number of different scenarios, we have also highlighted the potential volatility of the Program under different ongoing rate increase and market downturn scenarios again in this year's valuation. In addition, we have included a restructure scenario consistent with those presented in the October PHBC meetings, and this scenario includes corrective actions projected to bring financial stability to the Program. These will be discussed in more detail later in this report.

Please note that a Glossary of Terms that might be helpful in your review of this report is included in Attachment L.

Projection Results

Given the range of sensitivity test results presented in this report, projection results are highly dependent on the underlying assumptions.

The results of projection scenario A(1) (i.e., the “base case” scenario) is summarized in Table 1 below. Attachment A and Attachment B provide projection results for various projection scenarios.

Table 1 Base Case Scenario Summary of Projected Values Inforce Business as of 6/30/2012 Present Values Using a Level 5.75% Discount Rate as the Recommended Discount Rates	
Component	(\$ in Millions)
1. Present Value of Future Benefits	\$6,693
2. Present Value of Future Expenses	\$371
3. Present Value of Future Premiums (PVFP)	\$3,425
4. Valuation Liabilities (= 3 – 1 – 2)	-\$3,639
5. Valuation Assets	\$3,479
6. Valuation Margin/(Deficit) (= 5 + 4)	-\$160
7. Margin/(Deficit) as a % of PVFP (= 6 / 3)	(4.66%)

The results shown above reflect our best estimate of the current financial status of the CalPERS LTC Program and, therefore, we recommend that these results be used for financial reporting purposes. Please see the report and attachments for a detailed discussion and summary of projection results.

II. Scope and Background Information

United Health Actuarial Services, Inc. (UHAS) was retained by the California Public Employees' Retirement System (CalPERS) Long-Term Care (LTC) Program to perform an annual actuarial valuation of CalPERS LTC operations as of June 30, 2012 ("2012 Annual Valuation"), along with supporting analyses. Specifically, our assignment was to develop a projection of future cash flows and to evaluate the adequacy of current assets and premium levels based on those cash flows. UHAS has completed annual valuations for the CalPERS LTC Program since 2005.

Program History - Highlights

The CalPERS LTC Program ("Program") began accepting members in 1995 and quickly grew to one of the largest LTC blocks in the nation with nearly 180,000 members at its largest. Since its inception, the Program has paid claims to over 15,000 members totaling more than \$1 billion through 6/30/12. Future claim payments are funded by members' premiums, the Program's current fund balance - which is just under \$3.5 billion as of 6/30/12, and investment income.

Similar to other LTC blocks, the CalPERS LTC Program has experienced the following:

- Worse-than-expected morbidity (i.e., claims), due in part to less stringent underwriting standards in effect during the early years of the Program;
- Higher-than-expected persistency which results in more projected future claims; and,
- Lower-than-expected investment income.

All of these items have negatively impacted the projected funding status of the Program; therefore, similar to the private LTC insurance industry, CalPERS has implemented various corrective actions over time, including increasing the premium rates that members pay. These premium increases were implemented in 2003, 2007, and 2010. In addition to these past premium increases, starting in 2011 all future premiums increase annually by 5% for those members with LTC1 policies with lifetime coverage and inflation protection.

The CalPERS Investment Committee approved the reallocation of the LTC Program's invested assets in April 2012, and a revised discount rate associated with this asset change was approved in September 2012.

Preview of Report

This report summarizes the approach, assumptions, and results of our actuarial valuation of the CalPERS LTC Program as of June 30, 2012. Please note that this report is not meant to serve as complete actuarial documentation for this valuation. Additional data/information could be provided upon request.

III. Valuation Approach

As the starting point for the development of the 2012 Annual Valuation, we utilized our work on the 2011 Annual Valuation along with the previous valuations that we have completed for CalPERS since 2005.

Briefly, the 2012 Annual Valuation process could be summarized as follows:

- We compared assumptions from the 2011 Annual Valuation to actual experience through 6/30/12 and made appropriate modifications for this valuation.
- We developed morbidity assumptions that directly incorporate actual experience by calendar year of issue and underwriting type.
- We incorporated the 5% ongoing premium increases and associated assumptions approved by the CalPERS Board in December of 2009.
- We developed revised mortality assumptions utilizing the results of a mortality study based upon actual program experience and the Social Security database, and we revised the voluntary lapse assumptions accordingly.
- We updated the expense assumptions based upon actual experience and Univita's five year expense proposal, and we added an allocated investment management expense as directed by CalPERS staff.
- We utilized the discount rate approved in September 2012 by the Pension and Health Benefit Committee (PHBC), which reflects the revised investment mix that was approved in April 2012 Investment Committee.
- We input final assumptions into our model and ran the model for all scenarios to be tested.

Each of these steps is reiterated and discussed in more detail below.

- *We compared assumptions from the 2011 Annual Valuation to actual experience through 6/30/12 and made appropriate modifications.*

We reviewed all the assumptions used in the 2011 Annual Valuation. A discussion of revised assumptions is included later in this report.

- *We developed morbidity assumptions that directly incorporate actual experience by calendar year of issue and underwriting type.*

For the benefit designs modeled, we performed detailed morbidity experience analyses, and based on the results of those analyses, we were able to make adjustments to the assumed select-and-ultimate claim costs. To determine the appropriate adjustments, we relied upon an updated experience report comparing actual select-and-ultimate Program claim costs to expected select-and-ultimate claim costs. Because of the level of detail included in the study, claims with incurred dates from 7/1/11 and 6/30/12 were excluded (i.e., those within twelve

months of the valuation date). These claims were excluded because over a third of the total number of claims incurred within a given year either are not reported or have not receive a payment as of the end of that year, and an allocation or estimate of these undetermined claims could have distorted the results of our study. For all incurred claims included in this study, we used updated payment data through 6/30/12 and claim reserves calculated as of 6/30/12.

In order to validate these experience-based claim costs, we reworked the actual-to-expected analyses using the newly adjusted experience claim costs as the expected morbidity. In our opinion, the adjusted experience claim costs we developed reasonably reproduce historical experience.

As a final step in developing our morbidity assumptions, we credibility-weighted CalPERS actual experience with industry manual claim costs. This step utilized CalPERS actual experience where credible, manual claims cost where the CalPERS experience was not credible, and combined the two where CalPERS experience was partially credible. The credibility standards we applied were taken from the results of an analysis dated 5/28/03 performed by the Credibility Subgroup of the American Academy of Actuaries Long-Term Care Reserving Work Group.

The development of the claim costs assumption is discussed in greater detail in Attachment C.

- *We incorporated the 5% ongoing premium increases and associated assumptions approved by the CalPERS Board in December of 2009.*

In December of 2009, the CalPERS Board approved the premium rate increases summarized in the Scope and Background Information section. In this valuation, we have included the assumptions utilized to develop the rate increase recommendations, as appropriate. Please note that the premium rate increase recommendations were developed utilizing several assumptions in addition to traditional valuation assumptions including assumed shock lapses, morbidity anti-selection, and plan conversions.

Briefly, shock lapses are an insurance phenomenon where individuals allow their policies to lapse/terminate at a higher rate than usual due to a specific event such as a premium rate increase. Individuals who let their policies lapse because of specific events are usually in better health. Policyholders do not normally drop their policies if they anticipate that they will soon have claims. As a result, individuals who retain their policies are often, on average, in worse health than those who lapse them. This policyholder decision process is referred to as anti-selection.

Regarding conversions, with the implementation of the premium rate increases, most members were provided an option to either accept the higher premiums,

reduce their benefits to offset the rate increase, or select another plan available in the CalPERS LTC Program. The election to switch plans is referred to as a conversion.

- *We developed revised mortality assumptions utilizing the results of a mortality study based upon actual program experience and the Social Security database, and we revised the voluntary lapse assumptions accordingly.*

Deaths are not consistently reported in LTC insurance, and therefore it is customary to compare the historical inforce file to a Social Security Database to properly identify those that have died rather than those that have lapsed coverage. Accurate mortality assumptions are important when projecting future terminations within a LTC block because, as the block ages, mortality becomes a greater proportion of total terminations.

The mortality assumption used in recent past valuations was based on a 2009 study, and this is the one assumption that we do not annually update because mortality experience does not tend to vary much year-to-year. However, since the 2009 valuation, an additional 9,000 deaths were recorded, and this was sufficient to add credibility to our experience study. The 2009 mortality study included over 17,000 deaths and 2012 study covered over 26,000 deaths.

Using the March 2012 Social Security Database, Univita identified deaths within the CalPERS LTC Program by matching social security numbers, names, and birthdates. Any inconsistencies such as those reported as deaths in the Social Security Database but still active in the CalPERS program were reported to Univita's administrative area.

Using the identified deaths, we compared the actual mortality experience to what was expected using the assumptions developed from the 2009 mortality study results. Overall, the previous assumptions were reasonable, but we identified several refinements. Consistent with the 2009 study, we found that those members that were on claim had mortality rates that were several times higher than those that were not on claim. Because of the significant difference between these two cohorts, we developed two separate mortality assumptions; one for members not on claim, and one for those on claim. The development of these assumptions is discussed in Attachment C, and the impact from these two changes is described later in the "Reconciliation of Base Case Valuation Results - 2011 to 2012" section.

- *We updated the expense assumptions based upon actual experience and Univita's five year expense proposal, and we added an allocated investment management expense as directed by CalPERS staff.*

We received a copy of Univita's five year expense proposal for per member fees, which, once agreed upon, will be effective starting in 2013. For expenses after

the five year contract, we increased all expense items using an annual inflation rate of 2.75%. Previous valuations used an inflation factor of 3.00%, and switching to the lower inflation assumption was based on CalPERS actuarial adjustments to the assumed inflation rate.

In addition, we were informed that the LTC Program will be allocated investment management expenses, which is estimated to be an annual fee of 0.0164% of the fund balance starting in 2012 and increasing each subsequent year by inflation. Initially this investment expense is assumed to be about \$45,000 per month.

- *We utilized the discount rate approved in September 2012 by the Pension and Health Benefit Committee (PHBC), which reflects the revised investment mix that was approved in April 2012 Investment Committee.*

The Pension & Health Benefit Committee approved a revised discount rate for the CalPERS LTC program during the September 2012 meeting. The information provided to the committee during this meeting is provided below.

The approach used to determine the recommendation for a LTC discount rate assumption took into account both short and long term expectations as well as reflecting the expected cash flows for the LTC fund.

The first step in this approach was to derive market return assumptions for each asset classification for the first nine years. The CalPERS investment office worked closely with many external consultants in generating consensus expected returns for the various asset classes.

The second step in this approach was to derive market return assumptions for each asset classification for years ten and beyond. The CalPERS actuarial office worked closely with CalPERS investment staff in developing an approach that could be used to derive these market return assumptions. There was a common agreement by CalPERS staff that expected returns for years ten and beyond should be higher than is expected of the next nine years but that they should be lower than the historical returns when looking back to the 1920s. Projected future geometric returns were derived from adjusted historical geometric returns for the relevant asset classes since 1926. The adjustments made were for Price/Earnings expansion, bond yield revaluations and period adjustments for inflation.

Below is a table that shows both the expected geometric return for the first nine years and the expected return for years ten and beyond.

Time Period	Expected Geometric Return
First 9 Years	4.92%
Years 10 and Beyond	6.52%

The expected geometric return of 6.52% for years ten and beyond was derived by first obtaining the historical geometric returns for each asset classification and adjusting them to reflect current market conditions. For example, for public equity, the market return assumption for the first nine years was an expected geometric return of 7.50%. Long term historical geometric returns have been about 9.8%. This rate was adjusted down to 8.32% to reflect current market conditions and how these initial conditions were believed to impact long term returns. The same fundamental approach was used for each asset classification leading to different levels of adjustment for each asset classification.

Using the above expected returns, annual investment returns were stochastically generated for the next 60 years. The first nine years were simulated based on an expected return of 4.92% and a standard deviation of 6.0%. Years 10 and beyond were simulated using the same volatility of 6.0% but based on an expected return of 6.52%. Overall, 10,000 scenarios of 60 years each were simulated.

For purposes of choosing a discount rate assumption for actuarial valuations, CalPERS actuarial staff adopted a method that considers future expected cash flows. Because benefit payments being paid over the next ten years have more weight on present values than benefit payments paid 30 or 40 years from now, it would be inappropriate to base the assumption on the expected return for the next 50 years.

Using the expected cash flows for LTC, we derived a level discount rate that equates the present value of future benefit payments, using the select and ultimate investment returns, with the present value of future benefit payments using the level discount rate. It was determined that a discount rate of 5.78% would be the appropriate level rate and then this rate was rounded down to the nearest quarter percent giving the final rate of 5.75%.

- *We input final assumptions into our model and ran the model for all scenarios to be tested.*

Results of the “base case” scenario to be used for financial reporting purposes along with results from other sensitivity tests are discussed later in this report.

IV. Liability Assumptions

This section presents data/information relating to assumption revisions made to the 2012 valuation as compared to the 2011 valuation. The impacts of these assumption changes are shown later in the section entitled “Reconciliation of Base Case Valuation Results...” Assumptions are documented in more detail in Attachment C.

Fund Balance

Please see Attachment D for a summary of actual-to-projected values for the period 7/2011-6/2012. The actual fund balance as of 6/30/12 compares less favorably to the corresponding projected fund balance from the 2011 Annual Valuation. The major source of this negative result is the actual investment income, which was nearly half (55%) of the projected investment income at 6.25%. Excluding the investment income, all other cash flows combined for this twelve month period are within 1% of projected.

Morbidity

The morbidity assumptions are briefly discussed earlier in this document, and in greater detail in Attachment C.

Please note that this valuation is based on assumed morbidity more favorable than actual Program experience. If actual experience continues to emerge as it has to date, valuation results would deteriorate (e.g., a projected margin would decrease) as the credibility attributable to that experience increases. However, as the Program continues to mature, the difference between actual Program experience and assumed morbidity is decreasing, so the resulting potential deterioration of results is lessening as compared to previous valuations.

Total Terminations - Voluntary Lapsation and Mortality

We updated the mortality assumptions which were last updated in 2009, and a brief description of the study was discussed earlier in this document, and is discussed in greater detail in Attachment C. Consistent with the previous mortality study, we based the revisions on a detailed analysis of actual Program experience utilizing the Social Security Database, and we revised the voluntary lapse assumptions for this valuation to reflect the updated mortality assumptions and the additional year of total termination experience.

Please note that actual voluntary lapse rates for the CalPERS LTC Program continue to be much lower than those experienced in the LTC insurance industry as a whole.

Expenses

Assumed expenses were adjusted to reflect the Univita's expense proposal for the next five years starting in 2013. In addition, an expense as a percent of the fund balance was added per CalPERS staff to reflect the expected investment management fee allocation.

Other Assumptions

All other assumptions are substantially similar to those utilized in the 2011 Annual Valuation.

V. Valuation Results

Given everything presented above, we developed projected values using a proprietary projection model. The projection results were compared to historical experience through a review of trends for projected lives inforce, premiums collected and claims incurred. Premiums were adjusted slightly lower to reflect historical trends, and all other projected values were consistent with historical trends.

This section summarizes the results of our actuarial valuation of the CalPERS Program for 2012. Please note that this report is not meant to serve as complete actuarial documentation for this valuation. Additional data/information could be provided upon request.

Projection Results

The “base case” projection results are summarized in Attachment A(1), where all assumptions are set at “best estimates”. Included in these best-estimate assumptions is the revised discount rate of 5.75% described in Section III. Also included in these best-estimate assumptions are the ongoing premium increases for all future years for certain classes of policies as well as all corresponding additional lapse, anti-selection, and conversion assumptions assumed in conjunction with those ongoing increases. A variety of sensitivity-test results are included below, including those that illustrate the impact of stopping the ongoing rate increase at 2014.

We did not attempt to include new business or increases in future benefits from BIOs (Benefit Increase Options) in this valuation – only members and benefits inforce as of 6/30/12 were included.

“Base Case” Results

- With all of the updated assumptions and inforce data, the projected deficit for the “base case” scenario is (4.66%). As a reminder, the 2011 Annual Valuation reported the “base case” margin as 23.14%; however, the 2011 deficit calculation was developed using a 6.25% (years 1 – 10) and 7.60% (11+) discount rate. For the 2012 Annual Valuation, we used a discount rate of a level 5.75% for all years, which was the approved discount rate by PHBC on September 11, 2012 that reflected the “Immediate 15% Equity” holding.

Financial Status Measurements

The Program results summarized throughout this section either refer to “deficits” or “margins”. A deficit is an estimate of what level of one-time rate increase would be needed to bring the Program back to a zero margin. If the current fund balance and present value of earnings are adequate, a positive number or a “margin” would result. In formula terms:

$$\text{Margin / (Deficit): } \frac{\{\text{Current Fund Balance} + \text{Present Value of Earnings}\}}{\text{Present Value of Premiums}}$$

Where:

$$\text{Present Value of Earnings: Present Value of Net Premiums} \\ - \text{Present Value of Benefits and Expenses}$$

Beginning with the 2011 annual valuation, we have included a second method of expressing the current financial status of the Program called a “Funded Ratio”, which is consistent with the CalPERS pension and health plan financial status measurements. In general, the funded ratio is the Program assets divided by the accrued liability, or reserves. For the LTC Program, the accrued liability is equal to the present value of future benefits and expenses less the present value of member premiums. This definition is consistent with a statutory gross premium valuation reserve for LTC insurance. In this context, a breakeven position is a funded ratio of 100%. The LTC Program’s funded ratio uses the following formula:

LTC Program Funded Ratio:

$$\frac{\text{Fund Balance}}{\{\text{Present Value of Benefits and Expenses} - \text{Present Value of Premiums}\}}$$

These two methods of expressing the status of the LTC Program are consistent in that both will always produce a margin when the funded ratio is greater than 100% and will always produce a deficit when the funded ratio is lower than 100%. They are not consistent in that a 10% margin for example does not produce a 110% funded ratio.

Considerations

Three items to note when reviewing these (and future) valuation projection results:

- Please remember that the results are very sensitive to the assumptions used.
- Along the same line, please remember that assumption changes produce leveraged results. In other words, if an assumption is revised (for example) such that the initial pricing for a product should have been 10% greater, that would increase the projected deficit as of 6/30/12 by approximately 20%.
- All of the results presented in this report assume that the target is a 0% margin (i.e., break-even); however, a target margin of 10% after 10 years was associated with the rate increase analyses completed in 2009. In order to account for this, the projected margin/(deficit) results should be compared to the appropriate target margin to ensure the appropriate interpretation of valuation results.

Sensitivity/Scenario Test Results

The Program’s projected financial standing is highly sensitive to the underlying assumptions, so we developed a number of sensitivity tests for review and consideration.

These sensitivity testing scenarios and results are organized as described below:

- Scenarios A(1) – A(13) (Table 2) reflect specific changes to assumptions;
- Scenarios B(1) – B(7) (Table 4) reflect various investment return scenarios;
- Table 5 summarizes the impact of stopping the ongoing premium increase in 2014; and,
- Table 6 summarizes the results of the restructure scenarios presented and discussed in the October Pension Health Benefits Committee meeting, which were designed to bring projected financial stability to the Program.

The following outlines the sensitivity test scenarios associated with the projection results summarized in Attachments A(2) through A(13). Please note that scenarios A(2) and A(6) include the previously approved discount rate of 6.25% (1-9) and 7.60% (10+) utilized in the “base case” scenarios for the 2011 Annual Valuation. Except as noted in the descriptions below, all other assumptions are the same as in base case scenario A(1).

- Attachment A(2) - Discount rate changed to 6.25% (1 - 9) and 7.60 (10+).
- Attachment A(3) - LTC base policy claims reduced by 10%.
- Attachment A(4) - Model expenses reduced by 20%.
- Attachment A(5) - Model lapses increased by .25%.
- Attachment A(6) - Discount rate changed to 6.25% (1 - 9) and 7.60 (10+), LTC base policy claims reduced by 10%, model expenses reduced by 20%, and model lapses increased by .25%.
- Attachment A(7) - Discount rate changed to 4.75%.
- Attachment A(8) - LTC base policy claims increased by 10%.
- Attachment A(9) - Model expenses increased by 20%.
- Attachment A(10) - Model lapses decreased by .25%.
- Attachment A(11) - Discount rate changed to 4.75%, LTC base policy claims increased by 10%, model expenses increased by 20%, and model lapses decreased by .25%.
- Attachment A(12) – Morbidity and mortality improvement assumed to end in 19 years instead of 20 years.
- Attachment A(13) - All morbidity and mortality improvements removed from projection.

A brief summary of projection results using the above sensitivity tests is included below:

Table 2 2012 Annual Valuation Results and Sensitivities						
Scenario	Margin/ (Deficit)	Funded Ratio	LTC Claim Adj.	Model Expense Adj.	Model Lapse Adj. (all years)	Discount Rate
A(1)	(4.66%)	96%	0%	0%	None	5.75%
A(2)	21.54%	124%	0%	0%	None	6.25% 1 – 9 7.60% 10+
A(3)	14.41%	117%	-10%	0%	None	5.75%
A(4)	(2.81%)	97%	0%	-20%	None	5.75%
A(5)	(0.67%)	99%	0%	0%	+.25%	5.75%
A(6)	43.88%	164%	-10%	-20%	+.25%	6.25% 1 – 9 7.60% 10+
A(7)	(28.19%)	77%	0%	0%	None	Level 4.75%
A(8)	(23.97%)	81%	+10%	0%	None	5.75%
A(9)	(6.52%)	94%	0%	+20%	None	5.75%
A(10)	(8.88%)	92%	0%	0%	-.25%	5.75%
A(11)	(55.75%)	62%	+10%	+20%	-.25%	Level 4.75%
A(12)	(5.08%)	95%	19 years of claims improvement	0%	19 years of mortality improvement	5.75%
A(13)	(23.64%)	81%	No claims improvement	0%	No mortality improvement	5.75%

In addition to the sensitivity testing summarized above, we tested more robust investment scenarios on the "base case" scenario using the following interest rate scenarios:

- Scenario #1: No deviation.
- Scenario #2: Uniformly adding to the "base case" investment scenario one-half percent per year for ten years and then continuing at a level five percent higher than the "base case" investment scenario for all future projected years.
- Scenario #3: Uniformly adding to the "base case" investment scenario one percent per year for five years, and then uniformly subtracting one percent per year for five years to the original "base case" investment scenario, and then continuing the "base case" investment scenario beyond ten years.
- Scenario #4: Adding an immediate three percent to the "base case" investment scenario and continuing this additional three percent for all future projection years.
- Scenario #5: Uniformly subtracting from the "base case" investment scenario one-half percent per year for ten years and then continuing at a level five percent lower than the "base case" investment scenario for all future projection years.
- Scenario #6: Uniformly subtracting from the "base case" investment scenario one percent per year for five years, and then uniformly adding one percent per

year for five years to the original “base case” investment scenario, and then continuing the “base case” investment scenario beyond ten years.
 Scenario #7: Subtracting an immediate three percent from the “base case” investment scenario and continuing this three percent reduction for all future projection years.

The numeric descriptions of the above scenarios are shown in Table 3 below.

Table 3											
Investment Sensitivities											
	Projection Years										
	1	2	3	4	5	6	7	8	9	10	11+
Scenario #1	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Scenario #2	5.75%	6.25%	6.75%	7.25%	7.75%	8.25%	8.75%	9.25%	9.75%	10.25%	10.75%
Scenario #3	5.75%	6.75%	7.75%	8.75%	9.75%	10.75%	9.75%	8.75%	7.75%	6.75%	5.75%
Scenario #4	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%
Scenario #5	5.75%	5.25%	4.75%	4.25%	3.75%	3.25%	2.75%	2.25%	1.75%	1.25%	0.75%
Scenario #6	5.75%	4.75%	3.75%	2.75%	1.75%	0.75%	1.75%	2.75%	3.75%	4.75%	5.75%
Scenario #7	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%

Summaries of these additional investment sensitivity test results are included as Attachments B(1)-B(7). A brief summary of those results is included in Table 4 below:

Table 4						
Investment Sensitivities						
Scenario	Margin/ (Deficit)	Funded Ratio	LTC Claim Adj.	Model Expense Adj.	Model Lapse Adj. (all years)	Discount Rate
B(1)	(4.66%)	96%	0%	0%	None	Scenario #1
B(2)	59.51%	193%	0%	0%	None	Scenario #2
B(3)	20.18%	121%	0%	0%	None	Scenario #3
B(4)	54.51%	174%	0%	0%	None	Scenario #4
B(5)	(124.92%)	38%	0%	0%	None	Scenario #5
B(6)	(29.44%)	75%	0%	0%	None	Scenario #6
B(7)	(82.80%)	48%	0%	0%	None	Scenario #7

As noted earlier, the previous results include ongoing rate increases that continue for all future years; however, sensitivity test results assuming that the ongoing rate increases end at 2014 are summarized in Table 5 below.

Table 5 On-going Premium Increase Scenarios		
Ongoing Premium Rate Increases	Margin / (Deficit)	Funded Ratio
Continue (Base Case)	(4.66%)	96%
Last Increase 7/2014	(28.80%)	81%

Using the results in the previous table where the ongoing premium increases end in 2014, additional scenarios were completed with the goal of reaching a minimum of a 10% margin by July 2013. To reach the 10% margin by July 2013, a 2015 premium increase is needed, which is consistent with the 2009 program restructuring analyses. As previously described, the margin is a snapshot of projected future events including future premium increases and is a measure that takes into account the present value of cash flows going forward.

The restructure scenario below is consistent with the restructure scenarios presented in the October Pension and Health Benefits Committee meeting with the exception that the starting base case scenario is now the 2012 Annual Valuation rather than the 12/31/2011 quarterly valuation. This scenario assumes that 10% of those members with inflation protection and lifetime coverage -will migrate to a 10-year plan and maintain their current inflated coverage amounts. It is assumed that LTC1 and LTC2 policyholders with inflation protection or lifetime coverage without inflation that do not migrate would receive the premium increase indicated.

Table 6 Restructure Scenarios			
Ongoing Premium Rate Increases	2015 Premium Increase	Margin / (Deficit) as of July 2013	Funded Ratio as of July 2013
Continue (Base Case)	NA	(5.11%)	96%
Restructure Scenario with 10% Migration	79%	17.15%	122%

Volatility of Results

The volatility of projection results has been demonstrated using various sensitivity tests and, in this section, we demonstrate the volatility of results if another market downturn would occur next year or five years in the future. A market downturn example was developed for the May 2011 Investment Committee meeting where assumed market downturns were determined for various portfolios given their asset allocations and historical market downturn data. This same analysis was used to create a similar market downturn scenario based on the new investment portfolio approved in April 2012.

For the April 2012 asset mix, the average downturn over the past three market downturns was a negative 3.3% return. For comparison purposes, the average downturn using the May 2011 asset mix was 18%. Assuming the next market downturn consistent with these average negative returns occurs at various points in the future, the following rate increases would be needed to bring the Program back to the position it was before the assumed downturn. For this scenario testing, we used the “base case” assumptions for the 2012 Annual Valuation with the exception that the last column uses the restructure scenario assumptions with a 10% migration rate as described above in Table 6.

Table 7 Market Downturn Scenario			
Premium Rate Increase Required 1-year after Downturn to Offset Negative Returns			
Projection Year	May 2011 Portfolio with Base Case Assumptions (18% Loss)	April 2012 Portfolio with Base Case Assumptions (3.3% Loss)	April 2012 Portfolio with Restructure Assumptions (3.3% Loss)
1 Year	27%	9%	11%
5 Years	71%	14%	17%

Comparing the May 2011 portfolio to the April 2012 portfolio market downturn averages and corrective premiums increases illustrates the advantages of the April 2012 portfolio mix. In addition, the purpose of this testing is to illustrate the greater dependency of the Program on investment returns over time and to show that future rate increases would need to be larger for the same negative return in the future.

Reconciliation of Base Case Valuation Results - 2011 to 2012

The 2011 Annual Valuation reported the “base case” margin as 23.14%, and the next two tables provide the leading sources of change that produce the (4.66%) deficit for the 2012 Annual Valuation.

The reconciliation of these margins (in millions) can be broken down as follows:

Table 8 Reconciliation of Base Case Valuation Results in Millions	
Projection Model Revisions	Results
2011 aggregate present-value margin/(deficit) as of 6/30/11:	\$700.7
Adjusted to 6/30/12 (i.e., lost time):	+\$44.1
Updated Inforce:	+\$13.9
Revised expected conversions related to the ongoing premium increase (changed as of 12/31/2011)	-\$17.5
Unfavorable FY 2011-2012 experience (esp. investments):	-\$126.0
Revised assumed lapsation and mortality:	+\$69.9
Revised assumed expenses:	-\$39.1
Revised morbidity and mortality claims-related assumptions:	+\$195.9
Fit adjustments to better align with historical results:	-\$104.9
Revised discount rate from 6.25% for projection years 1-10 and 7.60% for years 11+ to 5.75%.	-\$896.5
2012 aggregate present-value margin/(deficit) as of 6/30/12:	(\$159.7)

The reconciliation of these margins (as a percent of present-value of premiums) can be broken down as follows:

Table 9 Reconciliation of Base Case Valuation Results as a Present-Value of Premiums	
Projection Model Revisions	Results
2011 aggregate present-value margin/(deficit) as of 6/30/11:	23.14%
Adjusted to 6/30/12 (i.e., lost time):	+2.68%
Updated Inforce:	+0.02%
Revised expected conversions related to the ongoing premium increase (changed as of 12/31/2011)	-3.34%
Unfavorable FY 2011-2012 experience (esp. investments):	-3.54%
Revised assumed lapsation and mortality:	+1.97%
Revised assumed expenses:	-1.11%
Revised morbidity and mortality claims-related assumptions:	+5.09%
Fit adjustments to align with historical results:	-3.13%
Revised discount rate from 6.25% for projection years 1-10 and 7.60% for years 11+ to 5.75%.	-26.43%
2012 aggregate present-value margin/(deficit) as of 6/30/12:	(4.66%)

The major driving factor that reduced the 2011 projected margin is the decline in discount rate from the 2011 rate of 6.25% for Projection years 1-10 and 7.60% for years 11+ to

this year's discount rate of a level 5.75%. In addition to this change, the past year's low investment returns resulted in a lower than expected fund balance, and thus further negatively impacting the revised projected results. An additional expense item also contributed to the declining results, and this expense item was added to reflect the newly allocated investment management expenses. Some assumption revisions led to a positive change including results from the revised mortality and morbidity assumptions.

A discussion of assumption revisions is included in an earlier section of this report and in Attachment C.

Additional Perspectives on Projection Results

The purpose of this section is to provide additional perspectives and data/information relating to the 2012 Annual Valuation results. The following items, in no particular order, are presented with this purpose in mind:

- Attachment G is identical to Attachments A(1) and B(1) – the “base case” scenario with the revised discount rate of 5.75% and assuming all ongoing premium rate increases and corresponding assumptions. In this scenario, as indicated earlier in this report regarding morbidity assumption development, actual Program claim costs were credibility-weighted with corresponding industry manual claim costs to develop assumed claim costs. The credibility standards we applied assume that “full credibility” is defined such that there is a 90% probability that estimates fall within 10% of expected claim costs. The purpose of setting the credibility standards as defined here was to attribute as much credibility to actual Program experience as we could reasonably justify given that we thought actual experience might differ from manual experience.

We reviewed alternative projection scenarios using differing credibility standards:

- Attachment H summarizes projection results assuming that no credibility can be attributed to actual Program experience.

Essentially, this attachment summarizes results assuming that this Program experiences what would be considered industry-average experience. As you can see, the projected deficit in this scenario is (1.08%) with a funded ratio of 99%.

Given that assumption changes produce leveraged results as described earlier, the difference between the “base case” projected deficit and the projected deficit shown immediately above indicate that, on average, assumed morbidity is approximately 2% greater than manual morbidity.

- Attachment I summarizes projection results assuming full credibility can be attributed to actual Program experience.

As you would expect, the projection results for this scenario are worse than those summarized in Attachment H. The projected deficit in this scenario is (5.78%)

with a funded ratio of 95%. For this scenario, we have determined that CalPERS morbidity experience is 2% higher than manual/industry experience and 0.5% greater than the morbidity assumed in the “base case”.

- Attachment J summarizes a variety of inception-to-date statistics from the Program. All claims-related statistics are increasing year after year, and we would expect this trend to continue given the increasing age of the inforce block of business. As a result, if you look at the “base case” projection (i.e., Attachments A(1), B(1), or G), projected cash flows excluding investment income turn negative in 2016 and continue that way for the remainder of the projection. If this is correct, then clearly the weight of the funding burden in the future will continue to shift toward investment income (i.e., the size of the fund balance and the return(s) achieved on that balance).

We would be happy to elaborate further on any data/information presented in this section or to discuss or present any additional data/information that might help everyone involved to better understand and interpret the valuation results.

VI. Observations and Recommendation

We have completed an annual valuation for the CalPERS LTC Program since 2005, and this is therefore the eighth annual valuation we have completed. Combining this historical knowledge of the Program and our industry knowledge, we have the following observations regarding the 2012 Annual Valuation:

- The results of this annual valuation are consistent recent quarterly valuations with the exception of the revised discount rate of 5.75% and the fluctuating investment returns.
- The liability assumptions, including morbidity and persistency, have become more stable, and the smaller fluctuations in assumptions translate to less volatile results.
- As noted previously, the range between manual claim costs and actual experience claim costs has narrowed as the block continues to mature, so the Program will likely see less deterioration from increased credibility in experience.
- The recent volatility in the asset markets continues to cause large fluctuations in results although the revised portfolio mix was adopted, in part, to address these fluctuations.
- Variability in future results is expected and the impact to the Program can be lessened with risk adjusted margins, which increase or decrease the target margin based on the underlying risk in the Program. This approach is consistent with the private sector statutory requirements.
- The continued quarterly monitoring and reporting of actual-versus-projected experience helps identify emerging issues.
- Conversion and downgrade activity continues to help the status of the program, and continued, improved efforts in that regard would lead to even better results.

- The following comments are related to the two charts in Attachment K where we summarize historical and projected cash flows. We show two scenarios - the “base case” scenario and the scenario consistent with recent restructure analysis (i.e. Scenario 1B) that supports a 10% margin by July 2013 summarized in Table 6. Please note that the premium and investment income line (blue/top line) charts are stopped earlier in the second chart because a Program that has a margin starts to have significant investment returns in these later projection years. These large investment incomes distort the chart, and the Program would likely be managed in such a way that large margins would be reduced in the later durations.
 - The historic revenues (premiums and investment income) have wide variations in results due to investment income fluctuations (i.e., the difference between the blue/top line and the green/bottom line).
 - Expenses in the Program have been and are expected to be a small relative to the overall cash flows. Expenses are shown in the chart as purple or the small box on the top of each bar.
 - Although a sizable amount of claims have been paid to members thus far, this represents only a small fraction to the total claims that will be paid in total. Paid claims are represented in the chart as the large bars and those occurring prior to 2012 are historical paid claims which total over \$1 billion.

Given the results of this valuation and the supporting analyses and observations, we recommend that CalPERS adopt this 2012 Annual Valuation report including all underlying assumptions.

VII. Caveats and Limitations

Please note the following caveats and limitations with respect this valuation and this report:

- UHAS has performed the work assigned and prepared this report assuming it will be utilized by persons technically competent in the areas addressed and for the stated purpose. Judgments should be made only after studying this report in its entirety. We are available to explain and/or amplify anything presented in this report, and it is assumed that the user of this report will seek such explanation and/or amplification regarding any matter in question.
- Nothing included in this report is to be used in any filings with any public body such as the Securities and Exchange Commission or State Insurance Departments, without prior written approval from UHAS. Any distribution of this report must be in its entirety.
- We relied on data and information supplied by CalPERS and Univita data services personnel. We have not audited or independently verified the information furnished to us. Although we have no reason to suspect the integrity of the

underlying data, to the extent that the data are materially flawed, the results of our analysis may be materially impacted. The principal items/materials relied upon include:

- Data extracts from Univita's administrative system.
 - Direction from Univita actuarial personnel regarding the appropriate interpretation and processing of the data provided.
 - Information contained in previous valuation reports and associated correspondence and documentation.
 - Financial information for the Program from inception through 6/30/12.
 - Information/analyses/summaries/etc. provided by CalPERS staff and Univita.
- The assumptions underlying the projection results summarized in this document and attachments are based on Program data and experience, industry data and experience, discussions with Program management, and informed judgment. We believe the assumptions used are reasonable in the aggregate based on the data/information we have and based on our experience; however, future experience will invariably be different from the projected experience, and other knowledgeable individuals could have different opinions about the appropriateness of any or all of the assumptions used.
 - The validity of these projections depends on how actual future experience compares to the valuation assumptions. Assumptions for future morbidity, persistency, expenses, investment return, and other factors are based upon our evaluation of recent experience and anticipated future trends. Actual experience could be more or less favorable. To the extent that actual experience differs from the assumptions underlying this report, actual results will differ from the projection results presented in this report.
 - In preparing this report, we have complied with all relevant Actuarial Standards of Practice and any other relevant documents published by the American Academy of Actuaries.
 - As indicated previously, this report is not meant to serve as complete actuarial documentation. Much additional relevant data/information is available for distribution and can be provided upon request.

VIII. Qualifications

We, Karl Volkmar and Clark Heitkamp, are associated with United Health Actuarial Services, Inc. and are members of the American Academy of Actuaries. We are qualified under the Academy's Qualification Standards to render the opinions with regard to the actuarial summaries set forth herein.

As indicated previously, please feel free to contact us with any questions at:

- Clark A. Heitkamp: (605) 271-4714 or via e-mail at cheitkamp@uhasinc.com; or,
- Karl G. Volkmar: (317) 575-7672 or via e-mail at kvolkmar@uhasinc.com.

Attachment A

Attachment A Summary

- Attachment A(1) – Deficit (4.66%) and Funded Ratio 96%
“Base Case” Scenario
- Attachment A(2) – Margin 21.54% and Funded Ratio 124%
Discount rate 6.25% through June 2021, 7.60% thereafter, (i.e. former valuation discount rate)
- Attachment A(3) – Margin 14.41% and Funded Ratio 117%
Base policy claims reduced 10%
- Attachment A(4) – Deficit (2.81%) and Funded Ratio 97%
Modeled expenses reduced 20%
- Attachment A(5) – Deficit (0.67%) and Funded Ratio 99%
Modeled lapses increased by .25%
- Attachment A(6) – Margin 43.88% and Funded Ratio 164%
Sensitivity tests A(2), A(3), A(4), and A(5) combined
- Attachment A(7) – Deficit (28.19%) and Funded Ratio 77%
Discount rate level 4.75%
- Attachment A(8) – Deficit (23.97%) and Funded Ratio 81%
Base policy claims increased 10%
- Attachment A(9) – Deficit (6.52%) and Funded Ratio 94%
Modeled expenses increased 20%
- Attachment A(10) – Deficit (8.88%) and Funded Ratio 92%
Modeled lapses decreased by .25%
- Attachment A(11) – Deficit (55.75%) and Funded Ratio 62%
Sensitivity tests A(7), A(8), A(9), and A(10) combined
- Attachment A(12) – Deficit (5.08%) and Funded Ratio 95%
Claims and mortality improvement reduced from 20 years to instead the next 19 years
- Attachment A(13) – Deficit (23.64%) and Funded Ratio 81%
Removed claims and mortality improvement

Attachment A(1)
Base Case

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	96%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(159,725,659)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(4.66%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	833,664,643	(14,843,425,722)	6,547,590,167
As a percent of total premiums:	100.00%	322.53%	1.07%	13.31%	-236.91%	104.50%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,424,616,127	6,646,511,984	46,344,298	371,078,088	(3,639,318,243)	4,089,405,717
As a percent of present value of premiums:	100.00%	194.08%	1.35%	10.84%	-106.27%	119.41%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	99,671,168	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,400,264	73,494,038	211,500,979	3,631,029,647
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,138,355	46,027,449	227,089,464	3,916,024,664
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,500,605	18,367,853	242,003,351	4,489,141,577
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,818,605	(10,458,230)	256,151,262	4,695,205,814
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,472,874	(39,845,663)	269,439,563	4,924,799,714
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,813,721	(68,863,662)	281,801,926	5,137,737,978
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	25,940,203	(95,527,210)	293,259,659	5,335,470,427
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,429,904	(122,525,624)	303,864,478	5,516,809,281
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	26,892,701	(151,979,605)	313,448,451	5,678,278,127
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,275,858	(181,747,095)	321,874,563	5,818,405,595
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,577,476	(210,610,224)	329,097,143	5,936,892,514
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	27,802,911	(239,070,047)	335,085,198	6,032,907,666
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	27,957,882	(268,687,231)	339,760,593	6,103,981,028
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	28,039,416	(301,147,356)	342,922,548	6,145,756,219
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	28,000,673	(334,392,124)	344,362,643	6,155,752,929
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	27,820,418	(365,455,454)	344,021,360	6,134,292,645
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	27,510,982	(393,168,255)	341,969,812	6,083,094,202
1-12	2030	59,379	175,415,967	567,070,511	879,995	27,089,099	(419,623,639)	338,256,680	6,001,727,244
1-12	2031	54,905	165,256,866	584,556,509	737,138	26,550,666	(446,587,447)	332,797,144	5,887,936,941
1-12	2032	50,549	154,900,523	601,742,743	627,587	25,889,316	(473,359,123)	325,477,364	5,740,055,182
1-12	2033	46,315	144,491,841	615,982,635	529,086	25,204,777	(497,224,658)	316,244,037	5,559,074,561
1-12	2034	42,225	134,096,194	623,989,724	428,058	24,392,299	(514,713,887)	305,299,728	5,349,660,402
1-12	2035	38,296	123,710,590	629,274,387	332,586	23,467,454	(529,363,836)	292,815,181	5,113,111,746
1-12	2036	34,543	113,371,483	633,572,282	256,821	22,437,385	(542,895,005)	278,805,776	4,849,022,517
1-12	2037	30,984	103,189,488	635,547,698	204,712	21,296,283	(553,859,204)	263,273,003	4,558,436,316
1-12	2038	27,635	93,354,989	631,884,085	163,438	20,056,298	(558,748,832)	246,373,289	4,246,060,773
1-12	2039	24,509	83,954,084	621,575,480	126,537	18,752,510	(556,500,444)	228,426,984	3,917,987,313
1-12	2040	21,611	75,007,662	606,934,623	93,532	17,419,719	(549,440,213)	209,730,795	3,578,277,895
1-12	2041	18,945	66,537,324	590,075,201	67,466	16,082,613	(539,687,956)	190,449,245	3,229,039,184
1-12	2042	16,509	58,597,079	570,537,629	49,355	14,746,933	(526,736,838)	170,704,634	2,873,006,979
1-12	2043	14,304	51,278,395	546,693,320	37,861	13,414,297	(508,867,083)	150,702,852	2,514,842,749
1-12	2044	12,322	44,601,206	518,431,248	29,027	12,101,914	(485,960,983)	130,727,035	2,159,608,802
1-12	2045	10,554	38,545,249	487,653,083	22,313	10,837,157	(459,967,304)	111,020,470	1,810,661,968
1-12	2046	8,987	33,080,261	456,364,330	16,693	9,633,745	(432,934,507)	91,714,158	1,469,441,619
1-12	2047	7,607	28,177,085	425,394,471	12,130	8,493,916	(405,723,432)	72,859,597	1,136,577,784
1-12	2048	6,400	23,836,164	394,115,697	8,795	7,417,295	(377,705,623)	54,504,596	813,376,757
1-12	2049	5,353	20,037,201	362,045,413	6,160	6,404,985	(348,419,356)	36,742,085	501,699,485
1-12	2050	4,450	16,737,367	329,854,782	4,055	5,468,712	(318,590,182)	19,664,001	202,773,304
1-12	2051	3,677	13,883,057	298,691,439	2,569	4,611,941	(289,422,891)	3,306,630	(83,342,957)
1-12	2052	3,020	11,422,782	269,396,721	1,710	3,882,962	(261,858,610)	(12,355,407)	(357,556,974)
1-12	2053	2,463	9,320,660	241,732,027	1,074	3,292,939	(235,705,375)	(27,376,142)	(620,638,491)
1-12	2054	1,996	7,547,910	215,235,444	614	2,781,624	(210,469,772)	(41,783,820)	(872,892,083)
1-12	2055	1,606	6,067,942	190,049,670	282	2,332,944	(186,314,954)	(55,597,208)	(1,114,804,244)
1-12	2056	1,284	4,840,121	166,534,793	65	1,944,013	(163,638,750)	(68,855,873)	(1,347,298,866)
1-12	2057	1,020	3,827,784	144,937,578	-	1,609,642	(142,719,436)	(81,621,733)	(1,571,640,035)
1-12	2058	804	2,999,529	125,273,966	-	1,323,199	(123,597,635)	(93,969,893)	(1,789,207,563)
1-12	2059	630	2,327,037	107,416,558	-	1,079,003	(106,168,523)	(105,977,331)	(2,001,353,417)
1-12	2060	490	1,786,859	91,356,645	-	872,876	(90,442,662)	(117,719,917)	(2,209,515,997)
1-12	2061	378	1,373,815	77,194,811	-	700,979	(76,521,976)	(129,285,495)	(2,415,323,468)
1-12	2062	290	1,047,054	64,781,817	-	559,289	(64,294,052)	(140,763,972)	(2,620,381,492)
1-12	2063	221	791,150	54,004,084	-	443,222	(53,656,156)	(152,245,134)	(2,826,282,783)
1-12	2064	168	592,978	44,721,739	-	348,608	(44,477,369)	(163,816,862)	(3,034,577,014)
1-12	2065	126	441,191	36,787,957	-	272,342	(36,619,109)	(175,564,366)	(3,246,760,489)
1-12	2066	94	325,989	30,070,717	-	211,487	(29,956,215)	(187,570,030)	(3,464,286,734)
1-12	2067	70	238,989	24,452,200	-	163,245	(24,376,456)	(199,914,234)	(3,688,577,424)
1-12	2068	52	173,909	19,778,496	-	125,362	(19,729,949)	(212,674,714)	(3,920,982,087)
1-12	2069	38	125,382	15,891,288	-	95,600	(15,861,506)	(225,924,556)	(4,162,768,149)
1-12	2070	27	89,407	12,674,447	-	72,242	(12,657,282)	(239,733,169)	(4,415,158,600)
1-12	2071	20	62,840	10,033,259	-	54,186	(10,024,605)	(254,168,209)	(4,679,351,414)
1-6	2072	17	23,325	4,182,185	-	21,481	(4,180,341)	(132,711,215)	(4,816,242,971)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(2)
Discount Rate at 6.25% through June 2021, 7.60% Thereafter

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	124%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	684,383,214
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	21.54%

Assumed Discount Rates	
Projection Years	Annual
1 - 9:	6.25%
10+:	7.60%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	1,228,369,124	(15,238,130,202)	60,651,937,526
As a percent of total premiums:	100.00%	322.53%	1.07%	19.61%	-243.21%	968.04%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,177,809,660	5,581,940,112	44,595,879	346,483,039	(2,795,209,370)	7,013,419,432
As a percent of present value of premiums:	100.00%	175.65%	1.40%	10.90%	-87.96%	220.70%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	108,208,353	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,401,758	73,492,544	230,424,080	3,639,566,833
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,143,135	46,022,669	248,551,258	3,943,483,457
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,509,297	18,359,161	266,103,629	4,238,057,384
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,831,898	(10,471,522)	282,988,085	4,522,520,174
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,491,520	(39,864,309)	299,108,919	4,795,036,737
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,838,545	(68,888,487)	314,399,964	5,054,281,347
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	25,972,105	(95,559,112)	328,890,286	5,299,792,824
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,469,864	(122,565,584)	342,642,601	5,533,123,998
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	26,941,788	(152,028,693)	356,415,609	5,753,201,015
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,343,655	(181,814,892)	370,309,195	5,994,681,517
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,675,052	(210,707,800)	449,498,227	6,262,364,852
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	27,934,547	(239,201,683)	468,740,894	6,520,397,945
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	28,128,264	(268,857,613)	487,262,910	6,768,459,173
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	28,253,663	(301,361,603)	504,999,886	7,004,601,445
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	28,264,364	(334,655,815)	521,726,356	7,224,966,198
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	28,139,613	(365,774,649)	551,390,650	7,413,130,813
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	27,892,260	(393,549,533)	564,415,609	7,783,996,889
1-12	2030	59,379	175,415,967	567,070,511	879,995	27,539,605	(420,074,144)	576,385,083	7,940,307,827
1-12	2031	54,905	165,256,866	584,556,509	737,138	27,078,161	(447,114,943)	587,232,660	8,080,425,544
1-12	2032	50,549	154,900,523	601,742,743	627,587	26,502,225	(473,972,032)	596,854,623	8,203,308,135
1-12	2033	46,315	144,491,841	615,982,635	529,086	25,912,233	(497,932,114)	605,227,838	8,310,603,858
1-12	2034	42,225	134,096,194	623,989,724	428,058	25,204,204	(515,525,792)	612,669,409	8,407,747,475
1-12	2035	38,296	123,710,590	629,274,387	332,586	24,394,558	(530,290,941)	619,463,873	8,496,920,407
1-12	2036	34,543	113,371,483	633,572,282	256,821	23,491,376	(543,948,996)	625,698,776	8,578,670,187
1-12	2037	30,984	103,189,488	635,547,698	204,712	22,489,872	(555,052,793)	631,448,364	8,655,065,758
1-12	2038	27,635	93,354,989	631,884,085	163,438	21,403,317	(560,095,851)	636,996,886	8,731,966,793
1-12	2039	24,509	83,954,084	621,575,480	126,537	20,268,029	(558,015,962)	642,855,156	8,816,805,982
1-12	2040	21,611	75,007,662	606,934,623	93,532	19,120,192	(551,140,686)	649,517,490	8,915,182,791
1-12	2041	18,945	66,537,324	590,075,201	67,466	17,986,045	(541,591,389)	657,318,369	9,030,909,771
1-12	2042	16,509	58,597,079	570,537,629	49,355	16,873,052	(528,862,957)	666,548,970	9,168,595,784
1-12	2043	14,304	51,278,395	546,693,320	37,861	15,784,740	(511,237,526)	677,623,519	9,334,981,777
1-12	2044	12,322	44,601,206	518,431,248	29,027	14,740,442	(488,599,511)	691,074,193	9,537,455,859
1-12	2045	10,554	38,545,249	487,653,083	22,313	13,769,909	(462,900,056)	707,399,494	9,781,955,897
1-12	2046	8,987	33,080,261	456,364,330	16,693	12,889,506	(436,190,268)	726,968,719	10,072,734,348
1-12	2047	7,607	28,177,085	425,394,471	12,130	12,104,415	(409,333,931)	750,063,853	10,413,464,269
1-12	2048	6,400	23,836,164	394,115,697	8,795	11,417,520	(381,705,848)	776,979,122	10,808,737,544
1-12	2049	5,353	20,037,201	362,045,413	6,160	10,833,527	(352,847,899)	808,086,877	11,263,976,522
1-12	2050	4,450	16,737,367	329,854,782	4,055	10,368,161	(323,489,632)	843,779,234	11,784,266,125
1-12	2051	3,677	13,883,057	298,691,439	2,569	10,029,315	(294,840,266)	884,397,302	12,373,823,161
1-12	2052	3,020	11,422,782	269,396,721	1,710	9,816,191	(267,791,839)	930,224,470	13,036,255,791
1-12	2053	2,463	9,320,660	241,732,027	1,074	9,730,756	(242,143,192)	981,534,623	13,775,647,222
1-12	2054	1,996	7,547,910	215,235,444	614	9,771,840	(217,459,988)	1,038,656,501	14,596,843,736
1-12	2055	1,606	6,067,942	190,049,670	282	9,943,699	(193,925,708)	1,101,955,766	15,504,873,793
1-12	2056	1,284	4,840,121	166,534,793	65	10,250,631	(171,945,368)	1,171,799,033	16,504,727,458
1-12	2057	1,020	3,827,784	144,937,578	-	10,695,153	(151,804,947)	1,248,553,673	17,601,476,184
1-12	2058	804	2,999,529	125,273,966	-	11,278,947	(133,553,384)	1,332,601,614	18,800,524,414
1-12	2059	630	2,327,037	107,416,558	-	12,005,424	(117,094,944)	1,424,356,372	20,107,785,842
1-12	2060	490	1,786,859	91,356,645	-	12,880,435	(102,450,221)	1,524,269,488	21,529,605,108
1-12	2061	378	1,373,815	77,194,811	-	13,911,134	(89,732,130)	1,632,815,977	23,072,688,955
1-12	2062	290	1,047,054	64,781,817	-	15,105,540	(78,840,304)	1,750,510,003	24,744,358,654
1-12	2063	221	791,150	54,004,084	-	16,472,352	(69,685,286)	1,877,910,843	26,552,584,211
1-12	2064	168	592,978	44,721,739	-	18,022,060	(62,150,821)	2,015,628,556	28,506,061,947
1-12	2065	126	441,191	36,787,957	-	19,767,764	(56,114,530)	2,164,328,607	30,614,276,024
1-12	2066	94	325,989	30,070,717	-	21,724,452	(51,469,180)	2,324,735,948	32,887,542,792
1-12	2067	70	238,989	24,452,200	-	23,909,142	(48,122,352)	2,497,638,114	35,337,058,553
1-12	2068	52	173,909	19,778,496	-	26,341,490	(45,946,078)	2,683,890,504	37,975,002,980
1-12	2069	38	125,382	15,891,288	-	29,043,505	(44,809,411)	2,884,423,834	40,814,617,403
1-12	2070	27	89,407	12,674,447	-	32,004,303	(44,625,343)	3,100,248,037	43,870,240,097
1-12	2071	20	62,840	10,033,259	-	35,360,459	(45,330,878)	3,332,455,246	47,157,364,466
1-6	2072	17	23,325	4,182,185	-	18,550,876	(22,709,736)	1,758,745,178	48,893,399,908

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(3)
Morbidity 10% Lower

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	117%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	493,461,689
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	14.41%

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	18,187,240,675	67,181,900	974,838,720	(12,963,795,279)	23,412,430,705
As a percent of total premiums:	100.00%	290.28%	1.07%	15.56%	-206.91%	373.67%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,424,616,127	5,981,860,786	46,344,298	382,541,938	(2,986,130,895)	5,696,806,767
As a percent of present value of premiums:	100.00%	174.67%	1.35%	11.17%	-87.20%	166.35%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values										
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance	
7-12	2012	147,839	157,502,499	82,347,454	2,924,197	11,315,236	60,915,612	99,796,493	3,479,592,584	
1-12	2013	142,993	308,696,047	187,133,760	5,875,345	21,401,937	94,285,005	212,616,674	3,640,304,689	
1-12	2014	138,103	302,786,978	205,956,033	5,781,136	22,143,796	68,906,012	229,524,560	3,947,206,368	
1-12	2015	133,169	296,716,526	225,220,711	5,602,833	22,510,660	43,382,322	245,954,275	4,245,636,940	
1-12	2016	128,202	290,438,639	245,429,067	5,379,299	22,834,184	16,796,088	261,830,965	4,534,973,537	
1-12	2017	123,205	283,949,890	265,698,163	5,102,498	23,495,008	(10,345,779)	277,076,926	4,813,600,590	
1-12	2018	118,185	277,288,000	284,949,416	4,727,480	24,843,561	(37,232,456)	291,636,461	5,080,331,737	
1-12	2019	113,151	270,464,109	302,207,310	4,265,216	25,979,002	(61,987,418)	305,533,759	5,334,735,474	
1-12	2020	108,109	263,311,402	320,020,830	3,828,422	26,479,017	(87,016,867)	318,827,842	5,578,282,083	
1-12	2021	103,068	255,778,106	339,677,594	3,445,462	26,953,636	(114,298,585)	331,375,435	5,810,093,057	
1-12	2022	98,039	247,932,207	359,379,501	3,092,888	27,350,314	(141,890,496)	343,061,069	6,027,169,906	
1-12	2023	93,031	239,849,296	378,161,317	2,702,803	27,667,336	(168,682,160)	353,852,863	6,228,340,480	
1-12	2024	88,055	231,535,880	396,451,273	2,301,601	27,910,238	(195,127,232)	363,733,019	6,413,511,183	
1-12	2025	83,119	222,903,810	415,498,632	1,968,012	28,084,937	(222,647,771)	372,641,305	6,582,116,970	
1-12	2026	78,230	213,889,469	436,758,465	1,710,225	28,188,710	(252,767,932)	380,406,756	6,732,110,504	
1-12	2027	73,399	204,561,586	458,511,776	1,495,508	28,175,019	(283,620,716)	386,852,392	6,859,749,328	
1-12	2028	68,639	195,035,229	478,253,952	1,276,984	28,022,924	(312,518,632)	391,936,903	6,962,981,004	
1-12	2029	63,961	185,339,612	494,941,098	1,062,332	27,745,016	(338,408,834)	395,737,845	7,042,399,274	
1-12	2030	59,379	175,415,967	510,363,460	879,995	27,358,280	(363,185,768)	398,313,008	7,099,728,285	
1-12	2031	54,905	165,256,866	526,100,858	737,138	26,858,920	(388,440,051)	399,600,368	7,134,855,525	
1-12	2032	50,549	154,900,523	541,568,469	627,587	26,240,945	(413,536,478)	399,512,844	7,146,015,842	
1-12	2033	46,315	144,491,841	554,384,371	529,086	25,604,483	(436,026,100)	398,018,856	7,131,992,208	
1-12	2034	42,225	134,096,194	561,590,751	428,058	24,845,129	(452,767,745)	395,319,024	7,093,984,964	
1-12	2035	38,296	123,710,590	566,346,948	332,586	23,978,769	(466,947,712)	391,586,706	7,036,536,243	
1-12	2036	34,543	113,371,483	570,215,054	256,821	23,012,934	(480,113,326)	386,856,452	6,961,175,236	
1-12	2037	30,984	103,189,488	571,992,928	204,712	21,942,289	(490,950,441)	381,151,831	6,867,918,362	
1-12	2038	27,635	93,354,989	568,695,677	163,438	20,779,456	(496,283,582)	374,638,033	6,758,119,572	
1-12	2039	24,509	83,954,084	559,417,932	126,537	19,559,927	(495,150,313)	367,629,963	6,636,474,204	
1-12	2040	21,611	75,007,662	546,241,161	93,532	18,318,900	(489,645,931)	360,422,802	6,508,953,854	
1-12	2041	18,945	66,537,324	531,067,681	67,466	17,081,542	(481,679,365)	353,194,266	6,379,730,725	
1-12	2042	16,509	58,597,079	513,483,866	49,355	15,854,172	(470,790,315)	346,085,845	6,251,245,625	
1-12	2043	14,304	51,278,395	492,023,988	37,861	14,639,018	(455,422,472)	339,316,464	6,126,541,155	
1-12	2044	12,322	44,601,206	466,588,123	29,027	13,453,889	(435,469,833)	333,176,814	6,010,435,148	
1-12	2045	10,554	38,545,249	438,887,775	22,313	12,326,792	(412,691,631)	327,923,569	5,908,142,129	
1-12	2046	8,987	33,080,261	410,727,897	16,693	11,272,186	(388,936,515)	323,714,197	5,823,374,067	
1-12	2047	7,607	28,177,085	382,855,024	12,130	10,293,183	(364,983,252)	320,636,636	5,758,151,749	
1-12	2048	6,400	23,836,164	354,704,127	8,795	9,390,386	(340,267,145)	318,777,730	5,713,805,133	
1-12	2049	5,353	20,037,201	325,840,872	6,160	8,565,940	(314,375,771)	318,267,392	5,692,315,719	
1-12	2050	4,450	16,737,367	296,869,304	4,055	7,832,684	(287,968,676)	319,236,996	5,626,207,340	
1-12	2051	3,677	13,883,057	268,822,295	2,569	7,195,306	(262,137,113)	321,770,219	5,727,475,660	
1-12	2052	3,020	11,422,782	242,457,049	1,710	6,649,491	(237,685,467)	325,898,506	5,787,108,767	
1-12	2053	2,463	9,320,664	217,558,824	1,074	6,193,330	(214,432,563)	331,633,989	5,875,321,805	
1-12	2054	1,996	7,547,910	193,711,900	614	5,821,342	(191,985,946)	339,012,768	5,992,523,232	
1-12	2055	1,606	6,067,942	171,044,703	282	5,532,981	(170,510,024)	348,081,166	6,139,550,054	
1-12	2056	1,284	4,840,121	149,881,314	65	5,327,213	(150,368,470)	358,869,914	6,317,121,196	
1-12	2057	1,020	3,827,784	130,443,821	-	5,200,648	(131,816,684)	371,393,144	6,525,622,640	
1-12	2058	804	2,999,529	112,746,569	-	5,148,438	(114,895,478)	385,656,866	6,765,199,100	
1-12	2059	630	2,327,037	96,674,902	-	5,166,752	(99,514,616)	401,669,411	7,035,960,488	
1-12	2060	490	1,786,859	82,220,981	-	5,253,410	(85,687,532)	419,444,303	7,338,115,283	
1-12	2061	378	1,373,815	69,475,330	-	5,406,668	(73,508,183)	438,988,891	7,671,872,054	
1-12	2062	290	1,047,054	58,303,635	-	5,624,687	(62,881,269)	460,313,333	8,037,352,762	
1-12	2063	221	791,150	48,603,676	-	5,905,239	(53,717,765)	483,432,890	8,434,784,827	
1-12	2064	168	592,978	40,249,565	-	6,246,703	(45,903,290)	508,369,866	8,864,499,952	
1-12	2065	126	441,191	33,109,162	-	6,648,758	(39,316,728)	535,154,597	9,326,966,528	
1-12	2066	94	325,989	27,063,645	-	7,111,510	(33,849,166)	563,825,905	9,822,804,396	
1-12	2067	70	238,989	22,006,980	-	7,635,489	(29,403,479)	594,430,693	10,352,781,135	
1-12	2068	52	173,909	17,800,647	-	8,222,077	(25,848,815)	627,024,873	10,917,808,348	
1-12	2069	38	125,382	14,302,160	-	8,873,032	(23,049,809)	661,675,540	11,518,984,406	
1-12	2070	27	89,407	11,407,002	-	9,591,030	(20,908,625)	698,460,485	12,157,610,137	
1-12	2071	20	62,840	9,029,933	-	10,379,783	(19,346,876)	737,466,860	12,835,161,997	
1-6	2072	17	23,325	3,763,966	-	5,394,478	(9,135,120)	384,081,147	13,553,281,982	
									13,928,228,009	

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(4)
Expenses 20% Lower

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	97%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(96,102,868)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(2.81%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	691,605,054	(14,701,366,133)	8,231,309,315
As a percent of total premiums:	100.00%	322.53%	1.07%	11.04%	-234.64%	131.38%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,424,616,127	6,646,511,984	46,344,298	307,455,297	(3,575,695,452)	4,260,579,016
As a percent of present value of premiums:	100.00%	194.08%	1.35%	8.98%	-104.41%	124.41%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	9,506,020	53,575,112	99,696,614	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	17,706,013	77,188,289	211,710,042	3,632,864,309
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	18,323,082	49,842,723	227,527,392	3,921,762,640
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	18,640,073	22,228,385	242,687,176	4,199,132,756
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	18,922,288	(6,561,912)	257,097,457	4,464,048,316
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	19,474,079	(35,846,868)	270,665,920	4,714,583,861
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	20,554,835	(64,604,777)	283,334,748	4,949,402,913
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	21,463,390	(91,050,397)	295,133,531	5,168,132,883
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	21,861,813	(117,957,533)	306,106,060	5,372,216,017
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	22,237,914	(147,324,818)	316,084,115	5,560,364,544
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	22,549,364	(177,020,601)	324,931,553	5,729,123,841
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	22,794,546	(205,827,295)	332,603,348	5,877,034,792
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	22,977,691	(234,244,826)	339,069,308	6,003,810,845
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	23,103,301	(263,832,650)	344,252,106	6,108,635,327
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	23,168,834	(296,276,774)	347,952,011	6,189,054,783
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	23,136,581	(329,528,032)	349,961,338	6,240,730,020
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	22,989,382	(360,624,418)	350,220,871	6,250,759,779
1-12	2029	63,961	185,339,619	549,934,554	1,062,332	22,737,059	(388,394,333)	348,802,091	6,211,167,537
1-12	2030	59,379	175,415,967	567,070,511	879,995	22,393,005	(414,927,544)	345,754,197	6,141,994,191
1-12	2031	54,905	165,256,866	584,556,509	737,138	21,953,881	(441,990,662)	340,993,138	6,040,996,666
1-12	2032	50,549	154,900,523	601,742,743	627,587	21,414,441	(468,884,248)	334,405,559	5,906,517,977
1-12	2033	46,315	144,491,841	615,982,635	529,086	20,854,319	(492,399,487)	325,939,487	5,739,583,264
1-12	2034	42,225	134,096,194	623,989,724	428,058	20,189,695	(510,511,283)	315,798,750	5,544,870,730
1-12	2035	38,296	123,710,590	629,274,387	332,586	19,433,255	(525,329,637)	304,154,873	5,323,695,966
1-12	2036	34,543	113,371,483	633,572,282	256,821	18,590,825	(539,048,445)	291,024,262	5,075,671,783
1-12	2037	30,984	103,189,488	635,547,698	204,712	17,657,775	(550,220,696)	276,409,459	4,801,860,546
1-12	2038	27,635	93,354,989	631,884,085	163,438	16,643,950	(555,336,484)	260,467,985	4,506,992,046
1-12	2039	24,509	83,954,084	621,575,480	126,537	15,577,754	(553,325,649)	243,521,649	4,197,188,009
1-12	2040	21,611	75,007,662	606,934,623	93,532	14,487,474	(546,507,967)	225,869,089	3,876,549,131
1-12	2041	18,945	66,537,324	590,075,201	67,466	13,393,208	(536,998,551)	207,677,721	3,547,227,791
1-12	2042	16,509	58,597,079	570,537,629	49,355	12,299,779	(524,289,684)	189,070,994	3,212,009,100
1-12	2043	14,304	51,278,395	546,693,320	37,861	11,008,763	(506,661,549)	170,259,152	2,875,606,703
1-12	2044	12,322	44,601,206	518,431,248	29,027	10,134,338	(483,993,407)	151,527,871	2,543,141,167
1-12	2045	10,554	38,545,249	487,653,083	22,313	9,098,852	(458,228,998)	133,123,941	2,218,036,110
1-12	2046	8,987	33,080,261	456,364,330	16,693	8,113,626	(431,414,387)	115,182,297	1,901,804,019
1-12	2047	7,607	28,177,085	425,394,471	12,130	7,180,655	(404,410,171)	97,758,644	1,595,152,492
1-12	2048	6,400	23,836,164	394,115,697	8,795	6,299,782	(376,588,110)	80,905,260	1,299,469,642
1-12	2049	5,353	20,037,201	362,045,413	6,160	5,472,089	(347,486,461)	64,719,758	1,016,702,939
1-12	2050	4,450	16,737,367	329,854,782	4,055	4,707,212	(317,828,682)	49,299,100	748,173,357
1-12	2051	3,677	13,883,057	298,691,439	2,569	4,008,137	(288,819,088)	34,685,006	494,039,275
1-12	2052	3,020	11,422,782	269,396,721	1,710	3,370,429	(261,346,078)	20,858,527	253,551,725
1-12	2053	2,463	9,320,664	241,732,027	1,074	2,791,386	(235,203,822)	7,776,510	26,124,412
1-12	2054	1,996	7,547,910	215,235,444	614	2,286,613	(209,974,761)	(4,580,974)	(188,431,323)
1-12	2055	1,606	6,067,942	190,049,670	282	1,888,625	(185,870,635)	(16,227,728)	(390,529,687)
1-12	2056	1,284	4,840,121	166,534,793	65	1,573,618	(163,268,355)	(27,199,250)	(580,997,291)
1-12	2057	1,020	3,827,784	144,937,578	-	1,302,828	(142,412,622)	(37,550,407)	(760,960,320)
1-12	2058	804	2,999,529	125,273,966	-	1,070,885	(123,345,321)	(47,348,409)	(931,654,051)
1-12	2059	630	2,327,037	107,416,558	-	873,184	(105,962,705)	(56,661,959)	(1,094,278,715)
1-12	2060	490	1,786,859	91,356,645	-	706,328	(90,276,115)	(65,558,224)	(1,250,113,053)
1-12	2061	378	1,373,815	77,194,811	-	567,195	(76,388,192)	(74,115,886)	(1,400,617,131)
1-12	2062	290	1,047,054	64,781,817	-	452,518	(64,187,281)	(82,415,211)	(1,547,219,623)
1-12	2063	221	791,150	54,004,084	-	358,587	(53,571,521)	(90,535,829)	(1,691,326,972)
1-12	2064	168	592,978	44,721,739	-	282,026	(44,410,787)	(98,554,936)	(1,834,292,694)
1-12	2065	126	441,191	36,787,957	-	220,316	(36,567,082)	(106,546,479)	(1,977,406,255)
1-12	2066	94	325,989	30,070,717	-	171,078	(29,915,806)	(114,580,965)	(2,121,903,025)
1-12	2067	70	238,989	24,452,200	-	132,046	(24,345,257)	(122,726,246)	(2,268,974,528)
1-12	2068	52	173,909	19,778,496	-	101,396	(19,705,983)	(131,046,836)	(2,419,727,348)
1-12	2069	38	125,382	15,891,288	-	77,318	(15,843,224)	(139,601,865)	(2,575,172,437)
1-12	2070	27	89,407	12,674,447	-	58,424	(12,643,464)	(148,446,004)	(2,736,261,905)
1-12	2071	20	62,840	10,033,259	-	43,818	(10,014,237)	(157,631,340)	(2,903,907,482)
1-6	2072	17	23,325	4,182,185	-	17,358	(4,176,218)	(82,380,533)	(2,990,464,233)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(5)
Lapses .25% Higher

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	99%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(22,336,109)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(0.67%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,038,936,468	19,234,329,109	65,934,888	806,406,358	(14,067,733,887)	9,714,556,519
As a percent of total premiums:	100.00%	318.51%	1.09%	13.35%	-232.95%	160.87%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,341,035,258	6,435,553,689	45,668,178	361,742,084	(3,501,928,693)	4,324,882,280
As a percent of present value of premiums:	100.00%	192.62%	1.37%	10.83%	-104.82%	129.45%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,652	157,364,710	91,496,382	2,922,450	11,307,895	51,637,983	99,669,357	3,479,592,584
1-12	2013	142,451	307,827,420	207,878,156	5,860,767	21,349,876	72,738,620	211,473,166	3,630,899,923
1-12	2014	137,231	301,155,860	228,626,593	5,752,277	22,038,263	44,738,726	226,999,490	3,915,111,709
1-12	2015	131,994	294,358,218	249,732,406	5,560,806	22,350,515	16,714,492	241,821,751	4,186,849,925
1-12	2016	126,751	287,374,419	271,743,362	5,325,476	22,617,870	(12,312,288)	255,856,710	4,445,386,167
1-12	2017	121,502	280,202,643	293,682,914	5,038,707	23,216,110	(41,735,088)	269,018,510	4,688,930,589
1-12	2018	116,257	272,897,652	314,368,852	4,656,612	24,479,922	(70,607,734)	281,250,315	4,916,214,011
1-12	2019	111,024	265,470,545	332,730,595	4,190,660	25,527,583	(96,978,293)	292,582,869	5,126,856,592
1-12	2020	105,808	257,757,115	351,570,717	3,751,967	25,945,746	(123,511,314)	303,076,747	5,322,461,168
1-12	2021	100,619	249,705,765	372,298,093	3,368,081	26,335,689	(152,296,097)	312,576,023	5,502,026,601
1-12	2022	95,467	241,383,459	392,935,969	3,015,767	26,646,217	(181,214,494)	320,956,433	5,662,306,528
1-12	2023	90,362	232,867,480	412,459,514	2,628,736	26,876,100	(209,096,869)	328,183,547	5,802,048,467
1-12	2024	85,312	224,167,303	431,370,631	2,232,836	27,031,176	(236,467,339)	334,235,957	5,921,135,144
1-12	2025	80,326	215,197,784	450,998,362	1,904,332	27,117,553	(264,822,464)	339,046,586	6,018,903,762
1-12	2026	75,410	205,896,970	472,904,876	1,650,654	27,132,928	(295,791,488)	342,430,615	6,093,127,884
1-12	2027	70,574	196,335,873	495,226,887	1,439,734	27,032,773	(327,363,522)	344,196,985	6,139,767,011
1-12	2028	65,830	186,632,039	515,282,702	1,226,227	26,797,583	(356,674,472)	344,299,763	6,144,225,765
1-12	2029	61,188	176,816,599	531,966,500	1,017,492	26,440,224	(382,607,618)	342,819,508	6,104,437,655
1-12	2030	56,661	166,833,175	547,195,361	840,682	25,977,646	(407,180,514)	339,815,320	6,037,072,461
1-12	2031	52,258	156,672,786	562,657,177	702,390	25,406,809	(432,093,590)	335,218,520	5,940,197,392
1-12	2032	47,990	146,383,777	577,767,821	596,464	24,722,502	(456,703,009)	328,932,716	5,812,427,099
1-12	2033	43,859	136,103,599	590,034,705	501,559	24,020,205	(478,452,869)	320,916,891	5,654,891,121
1-12	2034	39,883	125,886,925	596,233,950	404,746	23,201,048	(493,952,820)	311,378,230	5,472,316,531
1-12	2035	36,080	115,738,954	599,794,120	313,664	22,280,692	(506,649,523)	300,492,979	5,266,159,988
1-12	2036	32,462	105,689,432	602,374,014	241,582	21,266,727	(518,192,891)	288,288,114	5,036,255,210
1-12	2037	29,043	95,843,491	602,728,460	192,067	20,154,504	(527,231,540)	274,777,051	4,783,800,722
1-12	2038	25,838	86,385,703	597,761,055	152,950	18,956,238	(530,484,540)	260,118,975	4,513,435,157
1-12	2039	22,856	77,393,527	586,562,126	118,114	17,705,451	(526,992,164)	242,626,238	4,231,069,232
1-12	2040	20,102	68,881,474	571,333,773	87,083	16,435,086	(518,974,668)	228,587,318	3,940,682,082
1-12	2041	17,577	60,861,227	554,078,831	62,652	15,168,373	(508,448,629)	212,165,407	3,644,398,860
1-12	2042	15,278	53,379,439	534,393,009	45,716	13,910,758	(494,970,043)	195,842,946	3,344,911,763
1-12	2043	13,203	46,519,981	510,788,119	34,979	12,663,832	(476,966,948)	178,739,170	3,046,683,985
1-12	2044	11,344	40,294,640	483,190,301	26,749	11,443,541	(454,365,951)	162,203,738	2,754,521,771
1-12	2045	9,692	34,678,510	453,386,034	20,509	10,275,044	(429,003,077)	146,107,780	2,471,626,474
1-12	2046	8,232	29,634,950	423,243,894	15,305	9,170,732	(402,794,981)	130,577,328	2,199,408,821
1-12	2047	6,950	25,130,031	393,534,132	11,093	8,132,367	(376,547,561)	115,664,246	1,938,525,506
1-12	2048	5,832	21,161,155	363,684,660	8,022	7,159,322	(349,690,849)	101,416,716	1,690,251,373
1-12	2049	4,865	17,705,974	333,259,509	5,604	6,252,323	(321,811,462)	87,924,115	1,456,364,026
1-12	2050	4,034	14,721,618	302,877,842	3,680	5,421,749	(293,581,654)	75,274,593	1,238,056,966
1-12	2051	3,325	12,154,444	273,584,961	2,325	4,670,421	(266,103,263)	63,505,368	1,035,459,071
1-12	2052	2,723	9,952,438	246,137,113	1,544	3,992,854	(240,179,074)	52,598,453	847,878,450
1-12	2053	2,215	8,080,530	220,307,001	967	3,385,678	(215,613,116)	42,514,212	674,779,546
1-12	2054	1,790	6,510,752	195,667,915	551	2,842,246	(191,999,960)	33,234,865	516,014,451
1-12	2055	1,437	5,207,415	172,341,074	253	2,360,306	(169,494,218)	24,750,384	371,270,617
1-12	2056	1,146	4,132,426	150,641,881	58	1,937,083	(148,446,595)	17,032,545	239,856,566
1-12	2057	908	3,251,303	130,780,049	-	1,567,586	(129,096,332)	10,033,975	120,794,209
1-12	2058	714	2,534,515	112,755,885	-	1,245,429	(111,466,799)	3,696,624	13,024,034
1-12	2059	558	1,955,353	96,441,595	-	975,910	(95,462,152)	(2,038,095)	(84,476,213)
1-12	2060	433	1,492,747	81,817,848	-	772,276	(81,097,377)	(7,227,517)	(172,801,108)
1-12	2061	333	1,143,008	68,963,625	-	618,575	(68,439,192)	(11,938,833)	(253,179,133)
1-12	2062	255	867,589	57,731,458	-	492,257	(57,356,125)	(16,238,220)	(326,773,478)
1-12	2063	194	652,867	48,008,037	-	389,087	(47,744,257)	(20,189,939)	(394,707,673)
1-12	2064	147	487,267	39,658,005	-	305,234	(39,475,973)	(23,854,979)	(458,038,626)
1-12	2065	110	361,024	32,541,651	-	237,839	(32,418,466)	(27,290,366)	(517,747,458)
1-12	2066	82	265,663	26,533,782	-	184,216	(26,452,335)	(30,549,029)	(574,748,822)
1-12	2067	61	193,921	21,522,747	-	141,827	(21,470,653)	(33,680,512)	(629,899,986)
1-12	2068	45	140,460	17,366,154	-	108,632	(17,334,326)	(36,730,367)	(683,964,679)
1-12	2069	33	100,758	13,918,857	-	82,628	(13,900,728)	(39,738,361)	(737,603,768)
1-12	2070	24	71,450	11,074,025	-	62,278	(11,064,853)	(42,739,299)	(791,407,921)
1-12	2071	17	49,914	8,744,779	-	46,592	(8,741,457)	(45,764,689)	(845,914,066)
1-6	2072	14	18,403	3,638,262	-	18,433	(3,638,292)	(24,032,427)	(873,584,785)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(6)
Combination of A(2), A(3), A(4), and A(5)

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	164%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	1,362,982,675
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	43.88%

Assumed Discount Rates	
Projection Years	Annual
1 - 9:	6.25%
10+:	7.60%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,038,936,468	17,310,896,198	65,934,888	1,439,715,342	(12,777,609,960)	107,424,568,286
As a percent of total premiums:	100.00%	286.65%	1.09%	23.84%	-211.59%	1778.87%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,106,425,393	4,882,911,087	43,970,658	296,153,557	(2,116,609,909)	9,205,719,944
As a percent of present value of premiums:	100.00%	157.19%	1.42%	9.53%	-68.14%	296.34%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,652	157,364,710	82,346,744	2,922,450	9,500,147	62,595,369	108,369,992	3,479,592,584
1-12	2013	142,451	307,827,420	187,090,341	5,860,767	17,668,867	97,207,445	231,833,562	3,650,557,945
1-12	2014	137,231	301,155,860	205,763,934	5,752,277	18,253,216	71,386,433	251,581,384	3,979,598,952
1-12	2015	131,994	294,358,218	224,759,165	5,560,806	18,538,723	45,499,524	270,960,729	4,302,566,769
1-12	2016	126,751	287,374,419	244,569,026	5,325,476	18,790,539	18,689,379	289,905,215	4,619,027,022
1-12	2017	121,502	280,202,643	264,314,623	5,038,707	19,309,421	(8,460,108)	308,346,978	4,927,621,616
1-12	2018	116,257	272,897,652	282,931,966	4,656,612	20,341,167	(35,032,093)	326,251,766	5,227,508,486
1-12	2019	111,024	265,470,545	299,457,536	4,190,660	21,201,506	(59,379,157)	343,672,089	5,518,728,159
1-12	2020	105,808	257,757,115	316,413,646	3,751,967	21,559,971	(83,968,468)	360,681,098	5,803,021,092
1-12	2021	100,619	249,705,765	335,068,284	3,368,081	21,897,753	(110,628,352)	417,570,207	6,079,733,721
1-12	2022	95,467	241,383,459	353,642,372	3,015,767	22,183,039	(137,457,719)	480,921,172	6,386,675,576
1-12	2023	90,362	232,867,480	371,213,562	2,628,736	22,416,619	(163,391,437)	506,033,019	6,730,139,029
1-12	2024	85,312	224,167,303	388,233,568	2,232,836	22,596,192	(188,895,293)	531,096,663	7,072,780,610
1-12	2025	80,326	215,197,784	405,898,526	1,904,332	22,727,289	(215,332,364)	556,106,193	7,414,981,980
1-12	2026	75,410	205,896,970	425,614,388	1,650,654	22,808,716	(244,176,789)	580,918,806	7,755,755,810
1-12	2027	70,574	196,335,873	445,704,198	1,439,734	22,805,525	(273,613,585)	605,385,577	8,092,497,828
1-12	2028	65,830	186,632,039	463,754,432	1,226,227	22,702,890	(301,051,510)	629,532,635	8,424,269,820
1-12	2029	61,188	176,816,599	478,769,850	1,017,492	22,512,034	(325,482,777)	653,542,688	8,752,750,945
1-12	2030	56,661	166,833,175	492,475,825	840,682	22,247,558	(348,730,890)	677,581,277	9,080,810,856
1-12	2031	52,258	156,672,786	506,391,459	702,390	21,908,150	(372,329,214)	701,670,074	9,409,661,243
1-12	2032	47,990	146,383,777	519,991,039	596,464	21,490,813	(395,694,539)	725,803,724	9,739,002,104
1-12	2033	43,859	136,103,599	531,031,234	501,559	21,073,218	(416,502,412)	750,050,039	10,069,111,289
1-12	2034	39,883	125,886,925	536,610,555	404,746	20,577,728	(431,706,104)	774,780,707	10,402,658,917
1-12	2035	36,080	115,738,954	539,814,708	313,664	20,108,662	(444,408,080)	800,345,140	10,745,733,519
1-12	2036	32,462	105,689,432	542,136,613	241,582	19,403,990	(456,092,753)	826,929,480	11,101,670,579
1-12	2037	29,043	95,843,491	542,455,614	192,067	18,732,026	(465,536,216)	854,715,995	11,472,507,306
1-12	2038	25,838	86,385,703	537,984,950	152,950	18,014,834	(469,677,030)	884,074,092	11,861,687,085
1-12	2039	22,856	77,393,527	527,905,913	118,114	17,281,865	(467,912,365)	909,780,306	12,275,994,146
1-12	2040	20,102	68,881,474	514,200,396	87,083	16,562,419	(461,968,424)	947,131,547	12,723,655,819
1-12	2041	17,577	60,861,227	498,670,947	62,652	15,878,260	(453,750,633)	987,131,547	13,211,467,701
1-12	2042	15,278	53,379,439	480,953,708	45,716	15,237,178	(442,857,162)	1,028,039,897	13,744,848,615
1-12	2043	13,203	46,519,981	459,709,307	34,979	14,644,254	(427,868,559)	1,073,031,925	14,330,031,351
1-12	2044	11,344	40,294,640	434,871,271	26,749	14,116,509	(408,719,890)	1,122,744,720	14,975,194,718
1-12	2045	9,692	34,678,510	408,047,431	20,509	13,678,784	(387,068,214)	1,177,799,451	15,689,219,548
1-12	2046	8,232	29,634,950	380,919,505	15,305	13,346,135	(364,645,995)	1,238,723,217	16,479,950,786
1-12	2047	6,950	25,130,031	354,180,719	11,093	13,125,573	(342,187,354)	1,305,985,568	17,354,028,008
1-12	2048	5,832	21,161,155	327,316,194	8,022	13,022,744	(319,185,805)	1,380,083,089	18,317,826,222
1-12	2049	4,865	17,705,974	299,933,558	5,604	13,045,056	(295,278,244)	1,461,595,267	19,378,723,506
1-12	2050	4,034	14,721,618	272,590,058	3,680	13,208,379	(271,080,499)	1,551,137,409	20,545,040,529
1-12	2051	3,325	12,154,444	246,226,465	2,325	13,523,305	(247,597,651)	1,649,304,113	21,825,097,440
1-12	2052	2,723	9,952,438	221,523,402	1,544	13,994,614	(225,567,122)	1,756,665,801	23,226,803,902
1-12	2053	2,215	8,080,530	198,276,301	967	14,629,694	(204,826,432)	1,873,810,546	24,757,902,581
1-12	2054	1,790	6,510,752	176,101,124	551	15,434,382	(185,025,304)	2,001,398,721	26,426,886,695
1-12	2055	1,437	5,207,415	155,106,967	253	16,419,225	(166,319,030)	2,140,150,229	28,243,260,112
1-12	2056	1,146	4,132,426	135,577,693	58	17,595,645	(149,040,969)	2,290,817,450	30,217,091,311
1-12	2057	908	3,251,303	117,702,044	-	18,974,700	(133,425,441)	2,454,187,697	32,358,867,792
1-12	2058	714	2,534,515	101,480,296	-	20,567,892	(119,513,674)	2,631,097,143	34,679,630,048
1-12	2059	558	1,955,353	86,797,435	-	22,389,109	(107,231,191)	2,822,447,434	37,191,213,517
1-12	2060	433	1,492,747	73,636,063	-	24,455,245	(96,598,562)	3,029,213,752	39,906,429,760
1-12	2061	333	1,143,008	62,067,262	-	26,785,512	(87,709,766)	3,252,436,506	42,839,044,950
1-12	2062	255	867,589	51,958,312	-	29,401,261	(80,491,984)	3,493,237,104	46,003,771,690
1-12	2063	194	652,867	43,207,233	-	32,326,021	(74,880,388)	3,752,826,516	49,416,516,810
1-12	2064	147	487,267	35,692,205	-	35,586,456	(70,791,395)	4,032,513,760	53,094,462,939
1-12	2065	110	361,024	29,287,486	-	39,213,131	(68,139,593)	4,333,713,743	57,056,185,304
1-12	2066	82	265,663	23,880,403	-	43,240,207	(66,854,966)	4,657,954,966	61,321,759,454
1-12	2067	61	193,921	19,370,473	-	47,705,776	(66,882,328)	5,006,886,771	65,912,859,472
1-12	2068	45	140,460	15,629,539	-	52,652,537	(68,141,616)	5,382,288,710	70,852,863,916
1-12	2069	33	100,758	12,526,972	-	58,127,880	(70,554,904)	5,786,081,989	76,167,011,011
1-12	2070	24	71,450	9,966,623	-	64,184,728	(74,079,901)	6,220,338,497	81,882,538,906
1-12	2071	17	49,914	7,870,301	-	70,882,117	(78,702,504)	6,687,289,534	88,028,797,502
1-6	2072	14	18,403	3,274,436	-	37,198,155	(40,454,188)	3,529,620,566	94,637,384,532

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(7)
Discount Rate at 4.75%

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	77%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(1,054,087,217)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(28.19%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	4.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	817,344,707	(14,827,105,785)	(5,860,164,160)
As a percent of total premiums:	100.00%	322.53%	1.07%	13.05%	-236.65%	-93.53%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,738,686,409	7,811,052,742	49,065,310	412,248,157	(4,533,679,801)	2,000,580,654
As a percent of present value of premiums:	100.00%	208.93%	1.31%	11.03%	-121.26%	53.51%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	82,535,876	3,479,582,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,397,276	73,497,026	173,907,126	3,613,894,356
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,128,841	46,036,963	184,998,124	3,861,298,508
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,483,418	18,385,041	195,318,544	4,092,333,595
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,792,500	(10,432,125)	204,788,360	4,306,037,180
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,436,507	(39,809,296)	213,326,291	4,500,393,416
1-12	2018	118,185	272,288,000	316,610,462	4,727,480	24,765,642	(68,815,584)	220,874,206	4,673,910,411
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	25,878,855	(95,465,861)	227,446,815	4,825,969,033
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,353,610	(122,449,330)	233,083,456	4,957,949,987
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	26,799,660	(151,886,565)	237,641,455	5,068,584,113
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,164,142	(181,635,380)	241,005,058	5,154,339,003
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,445,026	(210,477,775)	243,134,945	5,213,708,681
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	27,647,532	(238,914,668)	244,004,153	5,246,365,851
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	27,777,238	(268,506,586)	243,546,941	5,251,455,336
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	27,831,023	(300,938,963)	241,596,846	5,226,495,691
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	27,761,905	(334,153,356)	237,982,873	5,167,153,574
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	27,548,504	(365,183,540)	232,658,847	5,070,983,091
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	27,203,007	(392,860,280)	225,687,082	4,938,458,398
1-12	2030	59,379	175,415,967	567,070,511	879,995	26,741,994	(419,276,533)	217,110,824	4,771,285,200
1-12	2031	54,905	165,256,866	584,556,509	737,138	26,161,202	(446,197,983)	206,862,800	4,569,119,491
1-12	2032	50,549	154,900,523	601,742,743	627,587	25,454,103	(472,923,910)	194,852,703	4,329,784,308
1-12	2033	46,315	144,491,841	615,982,635	529,086	24,720,262	(496,740,143)	181,041,411	4,051,713,101
1-12	2034	42,225	134,096,194	623,989,724	428,058	23,854,763	(514,176,352)	165,601,922	3,736,014,369
1-12	2035	38,296	123,710,590	629,274,387	332,586	22,873,003	(528,769,386)	148,679,255	3,387,439,939
1-12	2036	34,543	113,371,483	633,572,282	256,821	21,781,934	(542,239,554)	130,288,951	3,007,349,808
1-12	2037	30,984	103,189,488	635,547,698	204,712	20,575,544	(553,138,465)	110,435,213	2,595,399,205
1-12	2038	27,635	93,354,989	631,884,085	163,438	19,265,779	(557,958,312)	89,250,451	2,152,695,953
1-12	2039	24,509	83,954,084	621,575,480	126,537	17,887,493	(555,635,426)	67,001,267	1,683,988,091
1-12	2040	21,611	75,007,662	606,934,623	93,532	16,475,236	(548,495,729)	43,932,060	1,195,353,931
1-12	2041	18,945	66,537,324	590,075,201	67,466	15,053,416	(538,658,759)	20,175,572	690,790,262
1-12	2042	16,509	58,597,079	570,537,629	49,355	13,644,459	(525,634,364)	(4,171,932)	172,307,074
1-12	2043	14,304	51,278,395	546,693,320	37,861	12,334,868	(507,787,653)	(891,235,189)	(357,499,222)
1-12	2044	12,322	44,601,206	518,431,248	29,027	11,130,947	(484,990,016)	(53,933,896)	(28,948,314)
1-12	2045	10,554	38,545,249	487,653,083	22,313	9,980,360	(459,110,507)	(78,940,197)	(1,433,159,101)
1-12	2046	8,987	33,080,261	456,364,330	16,693	8,895,656	(432,196,417)	(103,873,089)	(1,971,209,805)
1-12	2047	7,607	28,177,085	425,394,471	12,130	7,878,505	(405,108,021)	(128,705,785)	(2,507,279,311)
1-12	2048	6,400	23,836,164	394,115,697	8,795	6,928,218	(377,216,545)	(153,415,647)	(3,041,093,117)
1-12	2049	5,353	20,037,201	362,045,413	6,160	6,045,348	(348,059,720)	(177,943,947)	(3,571,725,310)
1-12	2050	4,450	16,737,367	329,854,782	4,055	5,240,808	(318,362,278)	(202,234,413)	(4,097,728,976)
1-12	2051	3,677	13,883,057	298,691,439	2,569	4,517,398	(289,328,349)	(226,278,419)	(4,618,325,667)
1-12	2052	3,020	11,422,782	269,396,721	1,710	3,869,205	(261,844,854)	(250,118,930)	(5,133,932,435)
1-12	2053	2,463	9,320,664	241,732,027	1,074	3,292,939	(235,705,375)	(273,819,988)	(5,645,896,219)
1-12	2054	1,996	7,547,910	215,235,444	614	2,781,624	(210,469,772)	(297,427,124)	(6,155,421,583)
1-12	2055	1,606	6,067,942	190,049,670	282	2,332,944	(186,314,954)	(320,980,338)	(6,663,318,479)
1-12	2056	1,284	4,840,121	166,534,793	65	1,944,013	(163,638,750)	(344,538,001)	(7,170,613,771)
1-12	2057	1,020	3,827,784	144,937,578	-	1,609,642	(142,719,436)	(368,177,831)	(7,678,790,521)
1-12	2058	804	2,999,529	125,273,966	-	1,323,199	(123,597,635)	(391,989,186)	(8,189,687,789)
1-12	2059	630	2,327,037	107,416,558	-	1,079,003	(106,168,523)	(416,063,640)	(8,705,274,610)
1-12	2060	490	1,786,859	91,356,645	-	872,876	(90,442,662)	(440,492,550)	(9,227,506,773)
1-12	2061	378	1,373,815	77,194,811	-	700,979	(76,521,976)	(465,377,902)	(9,758,441,985)
1-12	2062	290	1,047,054	64,781,817	-	559,289	(64,294,052)	(490,824,056)	(10,300,341,863)
1-12	2063	221	791,150	54,004,084	-	443,222	(53,656,156)	(516,935,951)	(10,855,459,971)
1-12	2064	168	592,978	44,721,739	-	348,608	(44,477,369)	(543,817,675)	(11,426,052,077)
1-12	2065	126	441,191	36,787,957	-	272,342	(36,619,109)	(601,299,711)	(12,014,347,122)
1-12	2066	94	325,989	30,070,717	-	211,487	(29,956,215)	(671,571,880)	(12,622,538,110)
1-12	2067	70	238,989	24,452,200	-	163,245	(24,376,456)	(750,299,711)	(13,252,794,036)
1-12	2068	52	173,909	19,778,496	-	125,362	(19,729,949)	(830,101,548)	(13,907,272,040)
1-12	2069	38	125,382	15,891,288	-	95,600	(15,861,506)	(961,076,538)	(14,588,078,527)
1-12	2070	27	89,407	12,674,447	-	72,242	(12,657,282)	(1,039,321,002)	(15,297,261,035)
1-12	2071	20	62,840	10,033,259	-	54,186	(10,024,605)	(1,126,929,328)	(16,036,847,646)
1-6	2072	17	23,325	4,182,185	-	21,481	(4,180,341)	(1,211,995,646)	(16,808,867,897)
								(394,629,123)	(17,207,677,361)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(8)
Morbidity 10% Higher

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	81%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(820,901,626)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(23.97%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	22,228,849,714	67,181,900	818,791,973	(16,849,357,571)	(10,420,197,759)
As a percent of total premiums:	100.00%	354.78%	1.07%	13.07%	-268.92%	-166.31%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,424,616,127	7,311,163,183	46,344,298	367,602,856	(4,300,494,210)	2,476,535,988
As a percent of present value of premiums:	100.00%	213.49%	1.35%	10.73%	-125.58%	72.32%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	100,646,888	2,924,197	11,315,236	42,616,178	99,545,843	3,479,592,584
1-12	2013	142,993	308,696,047	228,719,040	5,875,345	21,398,590	52,703,072	210,385,284	3,621,754,605
1-12	2014	138,103	302,786,978	251,724,041	5,781,136	22,132,914	23,148,886	224,654,367	3,884,842,961
1-12	2015	133,169	296,716,526	275,269,758	5,602,833	22,490,551	(6,646,616)	238,052,427	4,132,646,215
1-12	2016	128,202	290,438,639	299,968,860	5,379,299	22,803,026	(37,712,547)	250,471,559	4,364,052,026
1-12	2017	123,205	283,949,890	324,742,199	5,102,498	23,450,739	(69,345,546)	261,802,200	4,576,811,038
1-12	2018	118,185	277,288,000	348,271,509	4,727,480	24,783,881	(100,494,869)	271,967,390	4,769,267,692
1-12	2019	113,151	270,464,109	369,364,490	4,265,216	25,901,405	(129,067,001)	280,985,559	4,940,740,213
1-12	2020	108,109	263,311,402	391,136,570	3,828,422	26,380,791	(158,034,381)	288,901,115	5,092,658,772
1-12	2021	103,068	255,778,106	415,161,503	3,445,462	26,831,766	(189,660,625)	295,521,467	5,223,525,506
1-12	2022	98,039	247,932,207	439,241,612	3,092,888	27,201,402	(221,603,695)	300,688,057	5,329,386,347
1-12	2023	93,031	239,849,296	462,197,165	2,702,803	27,487,615	(252,538,288)	304,341,424	5,408,470,710
1-12	2024	88,055	231,535,880	484,551,555	2,301,601	27,695,584	(283,012,861)	306,437,377	5,460,273,845
1-12	2025	83,119	222,903,810	507,831,662	1,968,012	27,830,828	(314,726,691)	306,879,881	5,483,698,361
1-12	2026	78,230	213,889,469	533,815,902	1,710,225	27,890,122	(349,526,781)	305,438,339	5,475,851,551
1-12	2027	73,399	204,561,586	560,403,282	1,495,508	27,826,328	(385,163,531)	301,872,895	5,431,763,110
1-12	2028	68,639	195,035,229	584,532,608	1,276,984	27,617,912	(418,392,275)	296,105,818	5,226,186,016
1-12	2029	63,961	185,339,612	604,928,009	1,062,332	27,276,947	(447,927,676)	288,201,780	5,066,460,119
1-12	2030	59,379	175,415,967	623,777,562	879,995	26,819,918	(476,061,509)	278,200,352	4,868,598,963
1-12	2031	54,905	165,256,866	643,012,160	737,138	26,242,412	(504,734,844)	265,993,921	4,629,858,040
1-12	2032	50,549	154,900,523	661,917,017	627,587	25,537,687	(533,181,769)	251,441,885	4,348,118,156
1-12	2033	46,315	144,491,841	677,580,898	529,086	24,805,072	(558,423,216)	234,469,217	4,024,164,157
1-12	2034	42,225	134,096,194	686,388,696	428,058	23,939,468	(576,660,029)	215,280,433	3,662,784,561
1-12	2035	38,296	123,710,590	692,201,826	332,586	22,956,139	(591,779,960)	194,043,656	3,255,048,256
1-12	2036	34,543	113,371,483	696,929,510	256,821	21,861,836	(605,676,684)	170,755,100	2,830,126,672
1-12	2037	30,984	103,189,488	699,102,467	204,712	20,650,276	(616,767,967)	145,394,175	2,358,752,879
1-12	2038	27,635	93,354,989	695,072,494	163,438	19,333,139	(621,214,082)	118,108,545	1,855,647,342
1-12	2039	24,509	83,954,084	683,733,028	126,537	17,945,093	(617,850,575)	89,224,004	1,327,020,771
1-12	2040	21,611	75,007,662	667,628,085	93,532	16,520,538	(609,234,494)	59,038,788	776,825,065
1-12	2041	18,945	66,537,324	649,082,721	67,466	15,083,683	(597,696,547)	27,704,225	206,832,742
1-12	2042	16,509	58,597,079	627,591,392	49,355	13,655,476	(582,699,145)	(4,676,800)	(380,543,202)
1-12	2043	14,304	51,278,395	601,362,652	37,861	12,334,868	(562,456,985)	(37,914,183)	(890,914,371)
1-12	2044	12,322	44,601,206	570,274,373	29,027	11,130,947	(536,833,141)	(71,741,314)	(1,589,488,826)
1-12	2045	10,554	38,545,249	536,418,392	22,313	9,980,360	(507,875,815)	(105,931,235)	(2,203,295,876)
1-12	2046	8,987	33,080,261	502,000,763	16,693	8,895,656	(477,832,500)	(140,381,178)	(2,821,509,904)
1-12	2047	7,607	28,177,085	467,933,918	12,130	7,878,505	(447,647,468)	(175,077,947)	(3,444,235,319)
1-12	2048	6,400	23,836,164	433,527,267	8,795	6,928,218	(416,628,115)	(210,014,772)	(4,070,878,207)
1-12	2049	5,353	20,037,201	398,249,954	6,160	6,045,348	(384,264,261)	(245,137,858)	(4,700,280,325)
1-12	2050	4,450	16,737,367	362,840,261	4,055	5,240,808	(351,347,756)	(280,397,007)	(5,332,025,088)
1-12	2051	3,677	13,883,057	328,560,583	2,569	4,517,398	(319,197,493)	(315,805,772)	(5,967,028,353)
1-12	2052	3,020	11,422,782	296,336,393	1,710	3,869,205	(288,784,526)	(351,447,473)	(6,607,260,352)
1-12	2053	2,463	9,320,664	265,905,229	1,074	3,292,939	(259,878,578)	(387,435,372)	(7,254,574,302)
1-12	2054	1,996	7,547,910	236,758,989	614	2,781,624	(231,993,316)	(423,860,428)	(7,910,428,047)
1-12	2055	1,606	6,067,942	209,054,637	282	2,332,944	(205,319,921)	(460,808,395)	(8,576,556,362)
1-12	2056	1,284	4,840,121	183,188,272	65	1,944,013	(180,292,229)	(498,391,659)	(9,255,240,250)
1-12	2057	1,020	3,827,784	159,431,336	-	1,609,642	(157,213,194)	(536,750,953)	(9,949,204,397)
1-12	2058	804	2,999,529	137,801,362	-	1,323,199	(136,125,032)	(576,045,529)	(10,661,374,958)
1-12	2059	630	2,327,037	118,158,213	-	1,079,003	(116,910,179)	(616,440,978)	(11,394,726,115)
1-12	2060	490	1,786,859	100,492,310	-	872,876	(99,578,327)	(658,106,176)	(12,152,410,618)
1-12	2061	378	1,373,815	84,914,292	-	700,979	(84,241,457)	(701,228,089)	(12,937,880,164)
1-12	2062	290	1,047,054	71,259,999	-	559,289	(70,772,234)	(746,000,974)	(13,754,653,371)
1-12	2063	221	791,150	59,404,493	-	443,222	(59,056,564)	(792,624,321)	(14,606,334,256)
1-12	2064	168	592,978	49,193,913	-	348,608	(48,949,543)	(841,301,264)	(15,496,585,063)
1-12	2065	126	441,191	40,466,753	-	272,342	(40,297,904)	(892,238,069)	(16,429,121,037)
1-12	2066	94	325,989	33,077,789	-	211,487	(32,963,287)	(945,644,324)	(17,407,728,648)
1-12	2067	70	238,989	26,897,420	-	163,245	(26,821,676)	(1,001,734,214)	(18,436,284,538)
1-12	2068	52	173,909	21,756,346	-	125,362	(21,707,799)	(1,060,726,221)	(19,518,718,558)
1-12	2069	38	125,382	17,480,417	-	95,600	(17,450,635)	(1,122,841,340)	(20,659,010,533)
1-12	2070	27	89,407	13,941,892	-	72,242	(13,924,727)	(1,188,304,586)	(21,861,239,847)
1-12	2071	20	62,840	11,036,585	-	54,186	(11,027,931)	(1,257,347,587)	(23,129,615,365)
1-6	2072	17	23,325	4,600,403	-	21,481	(4,598,560)	(655,748,822)	(23,789,962,746)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(9)
Expenses 20% Higher

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	94%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(223,409,710)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(6.52%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	976,295,361	(14,986,056,439)	4,862,684,197
As a percent of total premiums:	100.00%	322.53%	1.07%	15.58%	-239.19%	77.61%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,424,616,127	6,646,511,984	46,344,298	434,762,139	(3,703,002,294)	3,918,163,463
As a percent of present value of premiums:	100.00%	194.08%	1.35%	12.70%	-108.13%	114.41%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	13,124,452	49,956,679	99,645,721	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	25,094,514	69,799,787	211,291,917	3,629,194,984
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	25,953,629	42,212,176	226,651,535	3,910,286,688
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	26,361,137	14,507,322	241,319,526	4,179,150,399
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	26,714,923	(14,354,547)	255,205,066	4,434,972,247
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	27,471,668	(43,844,457)	268,213,207	4,675,827,766
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	29,072,606	(73,122,547)	280,269,104	4,900,196,516
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	30,417,016	(100,004,023)	291,385,787	5,107,343,072
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	30,997,995	(127,093,715)	301,622,897	5,298,724,837
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	31,547,488	(156,634,393)	310,812,787	5,473,254,019
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	32,002,352	(186,473,574)	318,817,574	5,627,432,413
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	32,360,405	(215,393,154)	318,817,574	5,759,776,397
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	32,628,131	(243,895,267)	325,990,939	5,869,974,183
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	32,812,464	(273,541,813)	331,101,089	5,957,180,005
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	32,909,998	(306,017,938)	335,269,080	6,018,907,272
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	32,864,765	(339,256,216)	337,893,084	6,050,782,418
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	32,651,453	(370,286,489)	338,763,949	6,017,825,511
1-12	2029	63,961	185,339,619	549,934,554	1,062,332	32,284,905	(397,942,178)	337,821,849	5,955,020,867
1-12	2030	59,379	175,415,967	567,070,511	879,995	31,785,194	(424,319,733)	335,137,534	5,861,460,297
1-12	2031	54,905	165,256,866	584,556,509	737,138	31,147,452	(451,184,233)	330,759,163	5,734,877,216
1-12	2032	50,549	154,900,523	601,742,743	627,587	30,364,191	(477,833,998)	324,601,151	5,573,592,387
1-12	2033	46,315	144,491,841	615,982,635	529,086	29,555,236	(501,575,116)	316,549,170	5,378,565,857
1-12	2034	42,225	134,096,194	623,989,724	428,058	28,594,902	(518,916,491)	306,548,586	5,154,450,073
1-12	2035	38,296	123,710,590	629,274,387	332,586	27,501,653	(533,398,036)	294,800,707	4,902,527,506
1-12	2036	34,543	113,371,483	633,572,282	256,821	26,283,945	(546,741,566)	281,475,489	4,622,373,251
1-12	2037	30,984	103,189,488	635,547,698	204,712	24,934,790	(557,497,712)	266,587,290	4,315,012,086
1-12	2038	27,635	93,354,989	631,884,085	163,438	23,468,646	(562,161,180)	257,527,593	3,985,129,499
1-12	2039	24,509	83,954,084	621,575,480	126,537	21,927,267	(559,675,201)	232,278,593	3,638,786,616
1-12	2040	21,611	75,007,662	606,934,623	93,532	20,351,964	(552,372,458)	213,332,318	3,280,006,659
1-12	2041	18,945	66,537,324	590,075,201	67,466	18,772,018	(542,377,361)	193,221,279	2,910,850,577
1-12	2042	16,509	58,597,079	570,537,629	49,355	17,194,086	(529,183,991)	173,221,279	2,534,004,859
1-12	2043	14,304	51,278,395	546,693,320	37,861	15,619,831	(511,072,617)	152,338,274	2,154,078,795
1-12	2044	12,322	44,601,206	518,431,248	29,027	14,069,489	(487,928,558)	131,146,553	1,776,076,436
1-12	2045	10,554	38,545,249	487,653,083	22,313	12,575,463	(461,705,610)	109,926,199	1,403,287,826
1-12	2046	8,987	33,080,261	456,364,330	16,693	11,153,864	(434,454,626)	88,916,999	1,037,079,220
1-12	2047	7,607	28,177,085	425,394,471	12,130	9,807,177	(407,036,693)	68,246,020	678,003,076
1-12	2048	6,400	23,836,164	394,115,697	8,795	8,534,809	(378,823,137)	47,960,550	327,283,872
1-12	2049	5,353	20,037,201	362,045,413	6,160	7,337,880	(349,352,252)	28,103,932	(13,303,968)
1-12	2050	4,450	16,737,367	329,854,782	4,055	6,271,567	(319,393,037)	8,764,412	(342,668,688)
1-12	2051	3,677	13,883,057	298,691,439	2,569	5,376,227	(290,187,178)	(9,971,682)	(660,933,476)
1-12	2052	3,020	11,422,782	269,396,721	1,710	4,605,154	(262,580,802)	(28,077,611)	(969,101,978)
1-12	2053	2,463	9,320,664	241,732,027	1,074	3,919,575	(236,332,011)	(45,587,700)	(1,267,992,237)
1-12	2054	1,996	7,547,910	215,235,444	614	3,311,184	(210,999,332)	(62,558,248)	(1,558,013,688)
1-12	2055	1,606	6,067,942	190,049,670	282	2,777,262	(186,759,272)	(79,022,120)	(1,839,777,645)
1-12	2056	1,284	4,840,121	166,534,793	65	2,314,408	(164,009,145)	(95,004,685)	(2,114,339,469)
1-12	2057	1,020	3,827,784	144,937,578	-	1,916,457	(143,026,251)	(110,552,679)	(2,383,101,272)
1-12	2058	804	2,999,529	125,273,966	-	1,575,513	(123,849,949)	(125,735,553)	(2,647,587,535)
1-12	2059	630	2,327,037	107,416,558	-	1,284,821	(106,374,341)	(140,636,314)	(2,909,302,101)
1-12	2060	490	1,786,859	91,356,645	-	1,039,424	(90,609,210)	(155,340,224)	(3,169,843,176)
1-12	2061	378	1,373,815	77,194,811	-	834,764	(76,655,760)	(169,931,865)	(3,431,007,183)
1-12	2062	290	1,047,054	64,781,817	-	666,060	(64,400,823)	(184,508,247)	(3,694,576,939)
1-12	2063	221	791,150	54,004,084	-	527,857	(53,740,791)	(199,168,933)	(3,962,331,601)
1-12	2064	168	592,978	44,721,739	-	415,191	(44,543,952)	(214,013,871)	(4,236,017,190)
1-12	2065	126	441,191	36,787,957	-	324,369	(36,671,135)	(229,141,637)	(4,517,337,040)
1-12	2066	94	325,989	30,070,717	-	251,897	(29,996,625)	(244,648,715)	(4,807,963,044)
1-12	2067	70	238,989	24,452,200	-	194,445	(24,407,655)	(260,629,379)	(5,109,547,246)
1-12	2068	52	173,909	19,778,496	-	149,328	(19,753,916)	(277,176,547)	(5,423,682,351)
1-12	2069	38	125,382	15,891,288	-	113,882	(15,879,788)	(294,381,189)	(5,751,892,503)
1-12	2070	27	89,407	12,674,447	-	86,061	(12,671,101)	(312,330,365)	(6,095,671,834)
1-12	2071	20	62,840	10,033,259	-	64,554	(10,034,973)	(12,671,101)	(6,456,504,836)
1-6	2072	17	23,325	4,182,185	-	25,604	(4,184,465)	(350,798,029)	(6,643,779,658)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(10)
Lapses .25% Lower

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	92%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(311,436,456)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(8.88%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,480,681,007	21,247,491,045	68,464,410	865,187,936	(15,700,462,384)	3,050,992,855
As a percent of total premiums:	100.00%	327.86%	1.06%	13.35%	-242.27%	47.08%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,505,631,040	6,868,542,419	47,035,874	381,081,788	(3,791,029,040)	3,828,592,181
As a percent of present value of premiums:	100.00%	195.93%	1.34%	10.87%	-108.14%	109.21%

(A) (B) (C) (D) (E) = (A) - (B) (F) = Calculated Monthly (G) = PriorYr (G) +
- (C) - (D) Using (G) and (E)* (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	148,025	157,640,083	91,497,959	2,925,941	11,322,565	51,893,618	99,672,976	3,479,592,584
1-12	2013	143,536	309,565,049	207,974,608	5,889,926	21,450,672	74,249,844	211,528,784	3,631,159,177
1-12	2014	138,977	304,422,791	229,053,661	5,810,071	22,238,730	47,320,330	227,179,552	3,916,937,806
1-12	2015	134,351	299,087,559	250,759,394	5,645,074	22,651,495	20,031,596	242,185,494	4,453,654,778
1-12	2016	129,667	293,511,777	273,658,809	5,433,532	23,020,916	(8,601,480)	256,447,003	4,701,500,300
1-12	2017	124,928	287,690,404	296,767,204	5,166,936	23,732,302	(37,976,038)	269,861,395	4,933,385,567
1-12	2018	120,140	281,659,987	318,870,681	4,799,246	25,151,745	(67,161,684)	282,352,616	5,148,576,589
1-12	2019	115,314	275,430,289	338,872,700	4,340,908	26,359,019	(94,142,338)	293,932,409	5,348,366,660
1-12	2020	110,454	268,830,542	359,636,439	3,906,239	26,922,501	(121,634,637)	304,643,381	5,531,375,404
1-12	2021	105,570	261,805,836	382,615,802	3,524,420	27,460,789	(151,795,175)	314,305,133	5,693,885,362
1-12	2022	100,672	254,422,840	405,792,457	3,171,780	27,919,578	(182,460,974)	322,767,159	5,834,191,547
1-12	2023	95,772	246,756,822	428,046,207	2,778,764	28,296,283	(212,364,431)	329,971,709	5,951,798,825
1-12	2024	90,879	238,812,471	449,826,925	2,372,304	28,595,758	(241,982,516)	335,877,451	6,045,693,760
1-12	2025	86,002	230,496,609	472,584,113	2,033,653	28,823,310	(272,944,467)	340,394,297	6,113,143,591
1-12	2026	81,148	221,741,046	497,991,753	1,771,788	28,975,260	(306,997,755)	343,304,238	6,149,450,074
1-12	2027	76,329	212,613,909	524,092,795	1,553,293	29,002,353	(342,034,531)	344,380,010	6,151,795,553
1-12	2028	71,560	203,232,259	548,000,492	1,329,707	28,881,520	(374,979,461)	343,547,248	6,120,363,341
1-12	2029	66,853	193,624,605	568,499,348	1,109,027	28,624,487	(404,608,257)	340,866,629	6,056,621,712
1-12	2030	62,221	183,727,890	587,653,881	921,040	28,247,710	(433,094,741)	336,375,295	5,959,902,266
1-12	2031	57,678	173,532,362	607,290,432	773,512	27,745,914	(462,277,495)	329,970,702	5,827,595,473
1-12	2032	53,237	163,077,422	626,691,280	660,250	27,111,457	(491,385,565)	321,519,865	5,657,729,773
1-12	2033	48,902	152,513,121	643,048,810	558,050	26,448,466	(517,542,204)	310,956,515	5,451,144,084
1-12	2034	44,697	141,906,518	653,010,547	452,649	25,645,949	(537,202,626)	298,477,155	5,212,418,613
1-12	2035	40,641	131,255,338	660,172,519	352,596	24,719,301	(553,989,076)	284,245,994	4,942,675,529
1-12	2036	36,752	120,598,375	666,351,221	272,979	23,675,107	(569,700,932)	268,265,475	4,641,240,071
1-12	2037	33,049	110,053,669	670,114,807	218,154	22,506,231	(582,785,523)	250,523,605	4,308,978,153
1-12	2038	29,552	99,825,389	667,912,096	174,617	21,224,660	(589,485,984)	231,173,357	3,950,665,526
1-12	2039	26,276	90,008,111	658,632,713	135,537	19,867,043	(588,627,183)	210,543,370	3,572,581,713
1-12	2040	23,229	80,627,683	644,705,017	100,442	18,470,084	(582,647,860)	188,938,867	3,178,872,720
1-12	2041	20,415	71,711,057	628,359,124	72,636	17,059,970	(573,780,673)	166,525,475	2,771,617,521
1-12	2042	17,836	63,320,336	609,074,238	53,274	15,642,705	(561,449,882)	143,424,901	2,353,592,540
1-12	2043	15,493	55,558,581	585,068,578	40,972	14,219,885	(543,770,854)	119,850,000	1,929,671,686
1-12	2044	13,381	48,452,328	556,188,147	31,493	12,810,031	(520,577,343)	96,098,405	1,505,192,748
1-12	2045	11,491	41,984,842	524,455,945	24,270	11,442,886	(493,938,259)	72,426,505	1,083,680,994
1-12	2046	9,810	36,128,340	492,023,207	18,203	10,133,589	(466,046,659)	48,970,667	666,605,002
1-12	2047	8,325	30,855,871	459,781,953	13,261	8,884,891	(437,824,235)	25,781,826	254,562,593
1-12	2048	7,022	26,172,515	427,042,187	9,639	7,696,693	(408,576,004)	2,907,271	(151,106,140)
1-12	2049	5,888	22,060,580	393,268,700	6,768	6,649,232	(377,864,119)	(19,557,261)	(548,527,521)
1-12	2050	4,908	18,477,417	359,187,683	4,467	5,769,651	(346,484,385)	(41,522,610)	(936,534,517)
1-12	2051	4,066	15,368,034	326,057,624	2,837	4,986,157	(315,678,584)	(62,956,160)	(1,315,169,261)
1-12	2052	3,347	12,679,195	294,812,792	1,893	4,281,804	(286,417,294)	(83,890,761)	(1,685,477,316)
1-12	2053	2,738	10,374,351	265,201,921	1,192	3,653,567	(258,482,329)	(104,386,889)	(2,048,346,534)
1-12	2054	2,224	8,424,433	236,723,937	683	3,094,290	(231,394,477)	(124,480,206)	(2,404,221,218)
1-12	2055	1,795	6,791,411	209,544,967	315	2,601,938	(205,355,809)	(144,198,469)	(2,753,775,495)
1-12	2056	1,439	5,432,327	184,074,529	73	2,173,817	(180,816,091)	(163,593,519)	(3,098,185,105)
1-12	2057	1,145	4,308,212	160,600,837	-	1,804,615	(158,097,240)	(182,743,066)	(3,439,025,412)
1-12	2058	906	3,385,571	139,157,830	-	1,487,345	(137,259,604)	(201,740,812)	(3,778,025,828)
1-12	2059	711	2,634,018	119,619,255	-	1,216,018	(118,201,256)	(220,683,988)	(4,116,911,071)
1-12	2060	554	2,028,398	101,988,909	-	986,281	(100,946,792)	(239,670,084)	(4,457,527,947)
1-12	2061	429	1,564,019	86,392,235	-	794,114	(85,622,330)	(258,811,316)	(4,801,961,593)
1-12	2062	330	1,195,490	72,679,217	-	635,247	(72,118,974)	(278,223,934)	(5,152,304,501)
1-12	2063	253	905,962	60,737,053	-	504,726	(60,335,816)	(298,025,815)	(5,510,666,132)
1-12	2064	192	681,037	50,421,846	-	398,014	(50,138,822)	(318,334,477)	(5,879,139,432)
1-12	2065	145	508,212	41,579,722	-	311,746	(41,383,256)	(339,266,209)	(6,259,788,897)
1-12	2066	109	376,630	34,071,849	-	242,713	(33,937,932)	(360,935,889)	(6,654,662,717)
1-12	2067	81	276,952	27,774,296	-	187,833	(27,685,177)	(383,457,939)	(7,065,805,833)
1-12	2068	60	202,153	22,520,892	-	144,617	(22,463,356)	(406,945,639)	(7,495,214,829)
1-12	2069	44	146,200	18,139,076	-	110,568	(18,103,444)	(431,508,882)	(7,944,827,155)
1-12	2070	32	104,583	14,502,762	-	83,769	(14,481,948)	(457,255,303)	(8,416,564,406)
1-12	2071	23	73,746	11,508,821	-	62,994	(11,498,069)	(484,292,499)	(8,912,354,974)
1-6	2072	19	27,449	4,806,247	-	25,024	(4,803,822)	(252,718,149)	(9,169,876,945)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(11)
Combination of A(7), A(8), A(9), and A(10)

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	62%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(2,136,853,641)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(55.75%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	4.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,480,681,007	23,372,240,150	68,464,410	996,569,277	(17,956,592,829)	(20,294,426,904)
As a percent of total premiums:	100.00%	360.64%	1.06%	15.38%	-277.08%	-313.15%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,832,637,560	8,902,470,873	49,827,107	496,785,804	(5,616,446,225)	(25,715,814)
As a percent of present value of premiums:	100.00%	232.28%	1.30%	12.96%	-146.54%	-67%

(A) (B) (C) (D) (E) = (A) - (B) (F) = Calculated Monthly (G) = PriorYr (G) +
- (C) - (D) Using (G) and (E)* (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	148,025	157,640,083	100,647,755	2,925,941	13,133,247	40,933,140	82,412,413	3,479,592,584
1-12	2013	143,536	309,565,049	228,772,068	5,889,926	25,150,344	49,752,712	172,835,711	3,602,938,136
1-12	2014	138,977	304,422,791	251,959,027	5,810,071	26,059,136	20,594,558	182,708,524	3,825,526,559
1-12	2015	134,351	299,087,559	275,835,334	5,645,074	26,515,007	(8,907,856)	191,670,159	4,028,829,642
1-12	2016	129,667	293,511,777	301,024,690	5,433,532	26,916,123	(39,862,568)	199,621,964	4,211,591,945
1-12	2017	124,928	287,690,404	326,443,924	5,166,936	27,724,709	(71,645,165)	206,462,540	4,371,351,341
1-12	2018	120,140	281,659,987	350,757,749	4,799,246	29,399,435	(103,296,443)	212,111,770	4,506,168,716
1-12	2019	115,314	275,430,289	372,759,970	4,340,908	30,817,579	(132,488,169)	216,569,481	4,614,984,043
1-12	2020	110,454	268,830,542	395,600,083	3,906,239	31,461,003	(162,136,783)	219,870,693	4,699,065,356
1-12	2021	105,750	261,805,836	420,877,382	3,524,420	32,071,873	(194,667,839)	221,844,930	4,756,799,265
1-12	2022	100,672	254,422,840	446,371,702	3,171,780	32,584,886	(227,705,528)	222,349,838	4,783,976,356
1-12	2023	95,772	246,756,822	470,850,827	2,778,764	32,996,769	(259,869,538)	221,327,880	4,778,620,667
1-12	2024	90,879	238,812,471	494,809,617	2,372,304	33,313,139	(291,682,590)	218,736,260	4,740,079,009
1-12	2025	86,002	230,496,609	519,842,524	2,033,653	33,540,154	(324,919,721)	214,488,515	4,667,132,679
1-12	2026	81,148	221,741,046	547,790,929	1,771,788	33,673,231	(361,494,901)	208,383,185	4,556,701,472
1-12	2027	76,329	212,613,909	576,502,074	1,553,293	33,653,136	(399,094,593)	200,212,473	4,403,589,756
1-12	2028	71,560	203,232,259	602,800,541	1,329,707	33,452,002	(434,349,992)	189,909,084	4,204,707,636
1-12	2029	66,853	193,624,605	625,349,282	1,109,027	33,083,634	(465,917,338)	177,528,520	3,960,266,728
1-12	2030	62,221	183,727,890	646,419,269	921,040	32,567,472	(496,179,892)	163,104,432	3,671,877,909
1-12	2031	57,678	173,532,362	668,019,476	773,512	31,896,891	(527,157,515)	146,543,443	4,778,620,667
1-12	2032	53,237	163,077,422	689,360,408	660,250	31,062,465	(558,005,701)	127,725,635	4,740,079,009
1-12	2033	48,902	152,513,121	707,353,691	558,050	30,188,882	(585,587,501)	106,592,219	4,667,132,679
1-12	2034	44,697	141,906,518	718,311,601	452,649	29,142,615	(606,000,347)	83,323,223	4,556,701,472
1-12	2035	40,641	131,255,338	726,189,771	352,596	27,941,594	(623,228,622)	58,067,476	4,403,589,756
1-12	2036	36,752	120,598,375	732,986,343	272,979	26,593,210	(639,254,157)	30,825,325	4,204,707,636
1-12	2037	33,049	110,053,669	737,126,288	218,154	25,088,422	(652,379,195)	1,583,760	3,960,266,728
1-12	2038	29,552	99,825,389	734,703,306	174,617	23,547,252	(658,599,785)	(29,522,238)	3,671,877,909
1-12	2039	26,276	90,008,111	724,495,985	135,537	22,030,038	(656,653,449)	(62,207,241)	3,479,592,584
1-12	2040	23,229	80,627,683	709,175,519	100,442	20,485,385	(649,133,662)	(96,206,106)	3,249,079,009
1-12	2041	20,415	71,711,057	691,195,036	72,636	18,938,565	(638,495,181)	(131,382,644)	3,030,526,559
1-12	2042	17,836	63,320,336	669,981,661	53,274	17,396,467	(624,111,067)	(167,642,810)	2,825,526,559
1-12	2043	15,493	55,558,581	643,575,436	40,972	15,860,400	(603,918,227)	(202,811,965)	2,626,728,524
1-12	2044	13,381	48,452,328	611,806,962	31,493	14,351,104	(577,737,230)	(242,641,686)	2,437,728,524
1-12	2045	11,491	41,984,842	576,901,540	24,270	12,902,416	(547,843,383)	(280,924,922)	2,252,938,136
1-12	2046	9,810	36,128,340	541,225,528	18,203	11,531,187	(516,646,578)	(319,567,177)	2,082,829,642
1-12	2047	8,325	30,855,871	505,760,149	13,261	10,240,228	(485,157,767)	(358,554,016)	1,928,829,642
1-12	2048	7,022	26,172,515	469,746,405	9,639	9,029,281	(452,612,811)	(397,876,176)	1,792,829,642
1-12	2049	5,888	22,060,580	432,595,570	6,768	7,899,738	(418,441,496)	(437,481,366)	1,683,829,642
1-12	2050	4,908	18,477,417	395,106,452	4,467	6,866,705	(383,500,207)	(477,320,370)	1,592,829,642
1-12	2051	4,066	15,368,034	358,663,387	2,837	5,934,700	(349,232,890)	(517,401,655)	1,513,829,642
1-12	2052	3,347	12,679,195	324,294,071	1,893	5,096,738	(316,713,508)	(557,796,712)	1,443,829,642
1-12	2053	2,738	10,374,351	291,722,113	1,192	4,349,258	(285,698,212)	(598,603,682)	1,383,829,642
1-12	2054	2,224	8,424,433	260,396,331	683	3,683,735	(255,656,316)	(639,899,482)	1,333,829,642
1-12	2055	1,795	6,791,411	230,499,463	315	3,097,789	(226,806,156)	(681,755,487)	1,293,829,642
1-12	2056	1,439	5,432,327	202,481,981	73	2,588,246	(199,637,973)	(724,266,708)	1,263,829,642
1-12	2057	1,145	4,308,212	176,660,921	-	2,148,799	(174,501,508)	(767,553,250)	1,233,829,642
1-12	2058	906	3,385,571	153,073,613	-	1,771,127	(151,459,169)	(811,751,180)	1,203,829,642
1-12	2059	711	2,634,018	131,581,181	-	1,448,109	(130,395,272)	(857,001,162)	1,173,829,642
1-12	2060	554	2,028,398	112,187,800	-	1,174,577	(111,333,979)	(903,445,519)	1,143,829,642
1-12	2061	429	1,564,019	95,031,459	-	945,762	(94,413,201)	(951,241,607)	1,113,829,642
1-12	2062	330	1,195,490	79,947,139	-	756,589	(79,508,238)	(1,000,551,847)	1,083,829,642
1-12	2063	253	905,962	66,810,758	-	601,161	(66,505,957)	(1,051,541,637)	1,053,829,642
1-12	2064	192	681,037	55,464,030	-	474,076	(55,257,069)	(1,104,377,651)	1,023,829,642
1-12	2065	145	508,212	45,737,695	-	371,333	(45,600,816)	(1,159,227,137)	993,829,642
1-12	2066	109	376,630	37,479,034	-	289,116	(37,391,519)	(1,216,257,867)	963,829,642
1-12	2067	81	276,952	30,551,725	-	223,752	(30,498,525)	(1,275,639,101)	933,829,642
1-12	2068	60	202,153	24,772,981	-	172,279	(24,743,108)	(1,337,541,072)	903,829,642
1-12	2069	44	146,200	19,952,984	-	131,724	(19,938,508)	(1,402,133,058)	873,829,642
1-12	2070	32	104,583	15,953,038	-	99,801	(15,948,256)	(1,469,584,554)	843,829,642
1-12	2071	23	73,746	12,659,703	-	75,054	(12,661,011)	(1,540,067,421)	813,829,642
1-6	2072	19	27,449	5,286,872	-	29,829	(5,289,252)	(797,459,849)	783,829,642

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(12)
19 Years of Morbidity and Mortality Improvement

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	95%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(173,906,130)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(5.08%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,260,384,925	20,276,970,231	67,210,640	834,898,205	(14,918,694,152)	6,215,922,649
As a percent of total premiums:	100.00%	323.89%	1.07%	13.34%	-238.30%	99.29%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,423,652,436	6,659,385,044	46,352,245	371,413,860	(3,653,498,714)	4,064,639,685
As a percent of present value of premiums:	100.00%	194.51%	1.35%	10.85%	-106.71%	118.72%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	99,671,168	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,400,264	73,494,038	211,500,979	3,631,029,647
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,138,355	46,027,449	227,089,464	3,916,024,664
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,500,605	18,367,853	242,003,351	4,189,141,577
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,818,605	(10,458,230)	256,151,262	4,499,512,781
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,472,874	(39,845,663)	269,439,563	4,695,205,814
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,813,721	(68,863,662)	281,801,926	4,924,799,714
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	25,940,203	(95,527,210)	293,259,659	5,137,737,978
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,429,904	(122,525,624)	303,864,478	5,335,470,427
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	26,892,701	(151,979,605)	313,448,451	5,516,809,281
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,275,858	(181,747,095)	321,874,563	5,678,278,127
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,577,476	(210,610,224)	329,097,143	5,818,405,595
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	27,802,911	(239,070,047)	335,085,198	5,936,892,514
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	27,957,882	(268,687,231)	339,760,593	6,032,907,666
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	28,039,416	(301,147,356)	342,922,548	6,103,981,028
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	28,000,673	(334,392,124)	344,362,643	6,145,726,219
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	27,820,418	(365,455,454)	344,021,360	6,155,756,219
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	27,510,982	(393,168,255)	341,969,812	6,134,292,645
1-12	2030	59,379	175,415,967	567,070,511	879,995	27,089,099	(419,623,639)	338,256,680	6,083,094,202
1-12	2031	54,905	165,256,663	584,563,421	737,138	26,578,684	(446,622,580)	332,796,826	6,001,727,244
1-12	2032	50,532	154,856,811	602,191,603	633,646	26,051,308	(474,019,745)	325,461,625	5,887,901,490
1-12	2033	46,284	144,366,711	617,478,658	534,177	25,373,657	(499,019,782)	316,156,929	5,739,343,370
1-12	2034	42,182	133,906,261	626,405,359	432,160	24,547,817	(517,479,075)	305,075,690	5,556,480,513
1-12	2035	38,245	123,470,473	632,428,069	335,752	23,609,071	(532,902,419)	292,396,278	5,344,077,133
1-12	2036	34,486	113,093,840	637,293,844	259,254	22,564,765	(547,024,023)	278,141,606	5,079,949,730
1-12	2037	30,923	102,886,152	639,666,387	206,651	21,409,200	(558,396,086)	262,320,717	4,834,688,575
1-12	2038	27,572	93,037,180	636,223,505	164,982	20,154,710	(563,506,018)	245,098,198	4,579,613,207
1-12	2039	24,445	83,631,191	625,972,615	127,727	18,836,666	(561,305,817)	226,802,910	4,220,205,386
1-12	2040	21,549	74,686,963	611,270,245	94,405	17,490,088	(554,167,775)	207,738,765	3,885,702,479
1-12	2041	18,884	66,224,808	594,272,525	68,085	16,139,863	(544,255,664)	188,075,071	3,539,273,469
1-12	2042	16,452	58,297,756	574,536,751	49,803	14,791,767	(531,080,566)	167,937,420	3,183,092,876
1-12	2043	14,250	50,996,520	550,444,117	38,202	13,477,369	(512,933,169)	147,534,469	2,819,949,730
1-12	2044	12,273	44,339,454	521,900,045	29,288	12,123,815	(489,713,694)	127,151,492	2,454,551,030
1-12	2045	10,509	38,304,988	490,826,743	22,512	10,848,522	(463,392,789)	107,032,877	2,091,988,829
1-12	2046	8,947	32,862,134	459,247,048	16,841	9,635,208	(436,036,963)	87,309,590	1,735,628,917
1-12	2047	7,571	27,981,165	427,999,275	12,238	8,486,061	(408,516,410)	68,032,292	1,386,901,544
1-12	2048	6,368	23,662,053	396,454,386	8,873	7,400,583	(380,201,789)	49,247,661	1,046,417,426
1-12	2049	5,325	19,883,929	364,127,623	6,214	6,379,742	(350,629,650)	31,047,571	715,463,298
1-12	2050	4,426	16,603,565	331,693,352	4,091	5,435,233	(320,529,111)	13,522,793	395,881,219
1-12	2051	3,657	13,767,264	300,304,229	2,591	4,584,655	(291,124,211)	(3,292,091)	88,874,901
1-12	2052	3,002	11,323,430	270,802,899	1,725	3,878,563	(263,359,756)	(19,425,533)	(205,541,401)
1-12	2053	2,448	9,236,188	242,948,248	1,083	3,300,290	(237,013,433)	(34,933,701)	(488,326,689)
1-12	2054	1,983	7,476,722	216,278,666	619	2,787,317	(211,589,880)	(49,845,695)	(760,273,823)
1-12	2055	1,596	6,008,473	190,936,595	284	2,337,291	(187,265,697)	(64,182,119)	(1,021,709,398)
1-12	2056	1,276	4,790,917	167,282,576	65	1,947,293	(164,439,018)	(77,984,696)	(1,273,157,215)
1-12	2057	1,013	3,787,467	145,563,291	-	1,612,093	(143,387,917)	(91,317,627)	(1,515,580,929)
1-12	2058	799	2,966,816	125,793,635	-	1,325,018	(124,151,837)	(104,258,395)	(1,750,286,473)
1-12	2059	625	2,300,786	107,844,731	-	1,080,342	(106,624,286)	(119,886,407)	(1,978,696,705)
1-12	2060	486	1,766,009	91,706,843	-	873,846	(90,814,680)	(129,280,006)	(2,202,207,398)
1-12	2061	376	1,357,259	77,479,820	-	701,670	(76,824,231)	(141,529,628)	(2,422,302,083)
1-12	2062	288	1,034,047	65,012,592	-	559,778	(64,538,323)	(153,727,814)	(2,640,655,942)
1-12	2063	220	781,028	54,190,098	-	443,567	(53,852,638)	(165,967,033)	(2,858,922,079)
1-12	2064	166	585,166	44,870,973	-	348,847	(44,634,654)	(178,337,912)	(3,078,741,750)
1-12	2065	125	435,202	36,907,073	-	272,503	(36,744,374)	(190,928,474)	(3,301,714,316)
1-12	2066	94	321,421	30,165,298	-	211,593	(30,055,469)	(203,824,008)	(3,529,387,164)
1-12	2067	70	235,527	24,526,990	-	163,311	(24,454,774)	(217,107,903)	(3,763,266,641)
1-12	2068	51	171,300	19,837,377	-	125,399	(19,791,476)	(230,861,025)	(4,004,829,319)
1-12	2069	38	123,425	15,937,275	-	95,616	(15,909,466)	(245,159,718)	(4,255,481,820)
1-12	2070	27	87,947	12,709,968	-	72,244	(12,694,265)	(260,076,785)	(4,516,551,004)
1-12	2071	20	61,761	10,060,349	-	54,179	(10,052,767)	(275,683,449)	(4,789,322,055)
1-6	2072	17	22,902	4,193,122	-	21,476	(4,191,696)	(143,928,953)	(5,075,058,271)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment A(13)
No Morbidity or Mortality Improvement

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	81%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(793,153,796)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(23.64%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,033,648,363	22,207,421,667	72,084,211	870,572,569	(17,116,430,084)	(9,356,847,740)
As a percent of total premiums:	100.00%	368.06%	1.19%	14.43%	-283.68%	-155.08%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,355,604,499	7,192,903,171	49,032,225	386,415,483	(4,272,746,380)	2,697,106,212
As a percent of present value of premiums:	100.00%	214.35%	1.46%	11.52%	-127.33%	80.38%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,348	91,499,845	2,924,197	11,323,926	51,754,380	99,671,067	3,479,592,584
1-12	2013	142,970	308,652,965	208,107,080	5,935,209	21,421,541	73,189,135	211,493,495	3,631,018,030
1-12	2014	138,033	302,615,502	229,653,533	5,898,619	22,131,638	44,931,713	227,044,278	3,915,700,660
1-12	2015	133,031	296,334,541	252,201,146	5,772,884	22,485,050	15,875,461	241,855,361	4,187,676,652
1-12	2016	127,978	289,770,436	276,328,595	5,596,194	22,790,105	(14,944,458)	255,797,137	4,445,407,474
1-12	2017	122,876	282,927,732	301,025,060	5,358,989	23,626,247	(47,082,565)	268,733,791	4,686,260,153
1-12	2018	117,736	275,852,138	325,020,367	5,011,897	25,451,122	(79,631,248)	280,541,728	4,907,911,380
1-12	2019	112,568	268,560,730	347,171,110	4,563,930	26,953,850	(110,128,160)	291,197,022	5,108,821,859
1-12	2020	107,380	260,884,289	370,399,910	4,134,178	27,606,893	(141,256,692)	300,728,163	5,289,890,722
1-12	2021	102,186	252,778,129	396,196,726	3,754,726	28,235,789	(175,409,112)	308,922,913	5,452,740,365
1-12	2022	96,998	244,324,177	422,478,276	3,401,083	28,783,001	(210,338,182)	315,595,718	5,608,267,412
1-12	2023	91,829	235,609,544	447,999,937	2,998,415	29,244,056	(244,632,864)	320,658,706	5,820,880,439
1-12	2024	86,691	226,645,551	473,140,955	2,575,713	29,622,226	(278,693,343)	324,045,725	5,991,511,754
1-12	2025	81,593	217,340,342	499,468,039	2,221,702	29,921,465	(314,270,863)	325,639,548	6,101,197,784
1-12	2026	76,549	207,638,188	528,755,481	1,947,806	30,137,421	(353,202,520)	325,185,618	6,254,419,510
1-12	2027	71,572	197,630,011	558,926,056	1,718,541	30,216,695	(393,231,281)	317,239,465	6,381,211,304
1-12	2028	66,678	187,449,673	586,860,929	1,480,395	30,131,935	(431,023,586)	317,239,465	6,471,797,841
1-12	2029	61,878	177,132,142	611,214,369	1,242,635	29,893,189	(465,218,052)	309,691,005	6,542,740,365
1-12	2030	57,188	166,617,734	634,178,451	1,038,617	29,516,429	(498,115,764)	299,794,909	6,608,267,412
1-12	2031	52,625	155,911,472	657,681,935	878,508	28,995,893	(531,644,864)	287,423,138	6,669,106,212
1-12	2032	48,203	145,074,877	680,846,297	755,122	28,291,630	(564,818,172)	272,418,229	6,720,512,137
1-12	2033	43,941	134,322,448	700,050,172	636,371	27,399,073	(593,763,168)	254,720,294	6,761,511,304
1-12	2034	39,856	123,754,262	711,131,351	514,635	26,343,590	(614,235,315)	234,592,391	6,791,511,304
1-12	2035	35,964	113,343,547	717,953,415	399,550	25,166,540	(630,175,958)	212,275,814	6,811,211,904
1-12	2036	32,278	103,113,317	722,644,970	308,392	23,877,710	(643,717,756)	187,832,856	6,821,327,000
1-12	2037	28,811	93,170,269	723,881,155	245,858	22,472,768	(653,429,511)	161,301,555	6,821,327,000
1-12	2038	25,575	83,699,920	718,154,620	196,212	20,966,248	(655,617,159)	132,883,606	6,811,211,904
1-12	2039	22,577	74,761,419	704,559,107	151,788	19,397,087	(649,346,562)	102,951,347	6,791,511,304
1-12	2040	19,817	66,344,887	685,871,653	112,053	17,802,524	(637,441,343)	71,837,518	6,761,511,304
1-12	2041	17,295	58,456,052	664,603,997	80,598	16,209,926	(622,438,468)	39,716,010	6,731,511,304
1-12	2042	15,009	51,136,003	640,385,235	58,871	14,625,134	(603,933,237)	6,703,720	6,701,511,304
1-12	2043	12,951	44,465,782	611,534,211	45,117	13,140,336	(580,253,882)	(27,000,804)	6,671,511,304
1-12	2044	11,113	38,440,206	578,012,956	34,563	11,800,101	(551,407,414)	(61,129,595)	6,641,511,304
1-12	2045	9,481	33,019,336	541,952,509	26,545	10,546,782	(519,506,499)	(95,461,331)	6,611,511,304
1-12	2046	8,043	28,164,115	505,584,599	19,853	9,371,362	(486,811,698)	(129,900,178)	6,581,511,304
1-12	2047	6,783	23,839,383	469,844,718	14,421	8,275,277	(454,295,034)	(164,441,784)	6,551,511,304
1-12	2048	5,686	20,041,335	434,041,975	10,459	7,256,274	(421,267,372)	(199,089,788)	6,521,511,304
1-12	2049	4,738	16,742,936	397,616,632	7,318	6,312,929	(387,193,944)	(233,800,693)	6,491,511,304
1-12	2050	3,925	13,897,522	361,277,139	4,807	5,456,300	(352,840,725)	(268,533,622)	6,461,511,304
1-12	2051	3,231	11,452,978	326,257,508	3,036	4,689,011	(319,496,578)	(303,310,433)	6,431,511,304
1-12	2052	2,644	9,358,378	293,455,211	2,021	4,003,886	(288,102,740)	(338,221,457)	6,401,511,304
1-12	2053	2,149	7,580,488	262,596,490	1,264	3,397,061	(258,414,327)	(373,386,003)	6,371,511,304
1-12	2054	1,735	6,093,079	233,169,236	719	2,860,598	(229,937,475)	(408,900,913)	6,341,511,304
1-12	2055	1,391	4,861,448	205,315,119	327	2,391,651	(202,845,649)	(444,857,477)	6,311,511,304
1-12	2056	1,109	3,848,423	179,409,848	74	1,986,835	(177,548,334)	(481,372,673)	6,281,511,304
1-12	2057	878	3,020,039	155,705,734	-	1,640,376	(154,326,072)	(518,590,724)	6,251,511,304
1-12	2058	690	2,347,687	134,206,613	-	1,344,999	(133,203,925)	(556,673,418)	6,221,511,304
1-12	2059	539	1,806,535	114,764,268	-	1,094,232	(114,051,965)	(595,788,210)	6,191,511,304
1-12	2060	418	1,375,329	97,354,766	-	883,174	(96,862,612)	(636,105,079)	6,161,511,304
1-12	2061	322	1,048,340	82,066,591	-	707,642	(81,725,893)	(677,811,168)	6,131,511,304
1-12	2062	246	792,196	68,718,357	-	563,483	(68,489,644)	(721,099,358)	6,101,511,304
1-12	2063	188	593,373	57,170,491	-	445,764	(57,022,881)	(766,166,589)	6,071,511,304
1-12	2064	142	440,738	47,256,585	-	349,992	(47,165,839)	(813,212,358)	6,041,511,304
1-12	2065	106	324,742	38,806,467	-	272,947	(38,754,672)	(862,438,353)	6,011,511,304
1-12	2066	79	237,378	31,669,103	-	211,587	(31,643,313)	(914,048,803)	5,981,511,304
1-12	2067	59	171,956	25,712,181	-	163,011	(25,703,236)	(968,251,869)	5,951,511,304
1-12	2068	43	123,510	20,767,023	-	124,925	(20,768,439)	(1,025,259,513)	5,921,511,304
1-12	2069	32	87,669	16,659,970	-	95,029	(16,667,300)	(1,085,285,819)	5,891,511,304
1-12	2070	23	61,358	13,264,669	-	71,596	(13,274,907)	(1,148,548,472)	5,861,511,304
1-12	2071	16	42,187	10,479,791	-	53,533	(10,491,137)	(1,215,271,430)	5,831,511,304
1-6	2072	14	15,276	4,361,135	-	21,176	(4,367,035)	(633,801,228)	5,801,511,304

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment B

Attachment B Summary

Attachment B(1) – Deficit (4.66%) and Funded Ratio 96%
“Base Case” Scenario, (i.e. Scenario A(1))

Attachment B(2) – Margin 59.51% and Funded Ratio 193%
Investment Scenario #2

Attachment B(3) – Margin 20.18% and Funded Ratio 121%
Investment Scenario #3

Attachment B(4) – Margin 54.51% and Funded Ratio 174%
Investment Scenario #4

Attachment B(5) – Deficit (124.92%) and Funded Ratio 38%
Investment Scenario #5

Attachment B(6) – Deficit (29.44%) and Funded Ratio 75%
Investment Scenario #6

Attachment B(7) – Deficit (82.80%) and Funded Ratio 48%
Investment Scenario #7

Attachment B(1)
Base Case - Premium Rate Increases

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	96%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(159,725,659)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(4.66%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	833,664,643	(14,843,425,722)	6,547,590,167
As a percent of total premiums:	100.00%	322.53%	1.07%	13.31%	-236.91%	104.50%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,424,616,127	6,646,511,984	46,344,298	371,078,088	(3,639,318,243)	4,089,405,717
As a percent of present value of premiums:	100.00%	194.08%	1.35%	10.84%	-106.27%	119.41%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	99,671,168	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,400,264	73,494,038	211,500,979	3,631,029,647
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,138,355	46,027,449	227,089,464	3,916,024,664
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,500,605	18,367,853	242,003,351	4,489,141,577
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,818,605	(10,458,230)	256,151,262	4,695,205,814
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,472,874	(39,845,663)	269,439,563	4,924,799,714
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,813,721	(68,863,662)	281,801,926	5,137,737,978
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	25,940,203	(95,527,210)	293,259,659	5,335,470,427
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,429,904	(122,525,624)	303,864,478	5,516,809,281
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	26,892,701	(151,979,605)	313,448,451	5,678,278,127
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,275,858	(181,747,095)	321,874,563	5,818,405,595
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,577,476	(210,610,224)	329,097,143	5,936,892,514
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	27,802,911	(239,070,047)	335,085,198	6,032,907,666
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	27,957,882	(268,687,231)	339,760,593	6,103,981,028
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	28,039,416	(301,147,356)	342,922,548	6,145,756,219
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	28,000,673	(334,392,124)	344,362,643	6,155,752,929
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	27,820,418	(365,455,454)	344,021,360	6,134,292,645
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	27,510,982	(393,168,255)	341,969,812	6,083,094,202
1-12	2030	59,379	175,415,967	567,070,511	879,995	27,089,099	(419,623,639)	338,256,680	6,001,727,244
1-12	2031	54,905	165,256,866	584,556,509	737,138	26,550,666	(446,587,447)	332,797,144	5,887,936,941
1-12	2032	50,549	154,900,523	601,742,743	627,587	25,889,316	(473,359,123)	325,477,364	5,740,055,182
1-12	2033	46,315	144,491,841	615,982,635	529,086	25,204,777	(497,224,658)	316,244,037	5,559,074,561
1-12	2034	42,225	134,096,194	623,989,724	428,058	24,392,299	(514,713,887)	305,299,728	5,349,660,402
1-12	2035	38,296	123,710,590	629,274,387	332,586	23,467,454	(529,363,836)	292,815,181	5,113,111,746
1-12	2036	34,543	113,371,483	633,572,282	256,821	22,437,385	(542,895,005)	278,805,776	4,849,022,517
1-12	2037	30,984	103,189,488	635,547,698	204,712	21,296,283	(553,859,204)	263,273,003	4,558,436,316
1-12	2038	27,635	93,354,989	631,884,085	163,438	20,056,298	(558,748,832)	246,373,289	4,246,060,773
1-12	2039	24,509	83,954,084	621,575,480	126,537	18,752,510	(556,500,444)	228,426,984	3,917,987,313
1-12	2040	21,611	75,007,662	606,934,623	93,532	17,419,719	(549,440,213)	209,730,795	3,578,277,895
1-12	2041	18,945	66,537,324	590,075,201	67,466	16,082,613	(539,687,956)	190,449,245	3,229,039,184
1-12	2042	16,509	58,597,079	570,537,629	49,355	14,746,933	(526,736,838)	170,704,634	2,873,006,979
1-12	2043	14,304	51,278,395	546,693,320	37,861	13,414,297	(508,867,083)	150,702,852	2,514,842,749
1-12	2044	12,322	44,601,206	518,431,248	29,027	12,101,914	(485,960,983)	130,727,035	2,159,608,802
1-12	2045	10,554	38,545,249	487,653,083	22,313	10,837,157	(459,967,304)	111,020,470	1,810,661,968
1-12	2046	8,987	33,080,261	456,364,330	16,693	9,633,745	(432,934,507)	91,714,158	1,469,441,619
1-12	2047	7,607	28,177,085	425,394,471	12,130	8,493,916	(405,723,432)	72,859,597	1,136,577,784
1-12	2048	6,400	23,836,164	394,115,697	8,795	7,417,295	(377,705,623)	54,504,596	813,376,757
1-12	2049	5,353	20,037,201	362,045,413	6,160	6,404,985	(348,419,356)	36,742,085	501,699,485
1-12	2050	4,450	16,737,367	329,854,782	4,055	5,468,712	(318,590,182)	19,664,001	202,773,304
1-12	2051	3,677	13,883,057	298,691,439	2,569	4,611,941	(289,422,891)	3,306,630	(83,342,957)
1-12	2052	3,020	11,422,782	269,396,721	1,710	3,882,962	(261,858,610)	(12,355,407)	(357,556,974)
1-12	2053	2,463	9,320,660	241,732,027	1,074	3,292,939	(235,705,375)	(27,376,142)	(620,638,491)
1-12	2054	1,996	7,547,910	215,235,444	614	2,781,624	(210,469,772)	(41,783,820)	(872,892,083)
1-12	2055	1,606	6,067,942	190,049,670	282	2,332,944	(186,314,954)	(55,597,208)	(1,114,804,244)
1-12	2056	1,284	4,840,121	166,534,793	65	1,944,013	(163,638,750)	(68,855,873)	(1,347,298,866)
1-12	2057	1,020	3,827,784	144,937,578	-	1,609,642	(142,719,436)	(81,621,733)	(1,571,640,035)
1-12	2058	804	2,999,529	125,273,966	-	1,323,199	(123,597,635)	(93,969,893)	(1,789,207,563)
1-12	2059	630	2,327,037	107,416,558	-	1,079,003	(106,168,523)	(105,977,331)	(2,001,353,417)
1-12	2060	490	1,786,859	91,356,645	-	872,876	(90,442,662)	(117,719,917)	(2,209,515,997)
1-12	2061	378	1,373,815	77,194,811	-	700,979	(76,521,976)	(129,285,495)	(2,415,323,468)
1-12	2062	290	1,047,054	64,781,817	-	559,289	(64,294,052)	(140,763,972)	(2,620,381,492)
1-12	2063	221	791,150	54,004,084	-	443,222	(53,656,156)	(152,245,134)	(2,826,282,783)
1-12	2064	168	592,978	44,721,739	-	348,608	(44,477,369)	(163,816,862)	(3,034,577,014)
1-12	2065	126	441,191	36,787,957	-	272,342	(36,619,109)	(175,564,366)	(3,246,760,489)
1-12	2066	94	325,989	30,070,717	-	211,487	(29,956,215)	(187,570,030)	(3,464,286,734)
1-12	2067	70	238,989	24,452,200	-	163,245	(24,376,456)	(199,914,234)	(3,688,577,424)
1-12	2068	52	173,909	19,778,496	-	125,362	(19,729,949)	(212,674,714)	(3,920,982,087)
1-12	2069	38	125,382	15,891,288	-	95,600	(15,861,506)	(225,924,556)	(4,162,768,149)
1-12	2070	27	89,407	12,674,447	-	72,242	(12,657,282)	(239,733,169)	(4,415,158,600)
1-12	2071	20	62,840	10,033,259	-	54,186	(10,024,605)	(254,168,209)	(4,679,351,414)
1-6	2072	17	23,325	4,182,185	-	21,481	(4,180,341)	(132,711,215)	(4,816,242,971)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment B(2)
Discount Rate Increasing 1/2% for 10 Years

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	193%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	1,681,120,945
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	59.51%

Assumed Discount Rates	
Projection Years	Annual
1 - 10:	Increase 1/2% per year for 10 years
11+:	10.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	4,458,984,046	(18,468,745,124)	610,120,175,448
As a percent of total premiums:	100.00%	322.53%	1.07%	71.17%	-294.77%	9737.83%
Present Value of Cash Flows 7/2012 thru 6/2072:	2,825,135,701	4,268,714,072	41,976,833	312,916,435	(1,798,471,639)	13,063,241,183
As a percent of present value of premiums:	100.00%	151.10%	1.49%	11.08%	-63.66%	462.39%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	99,671,168	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,400,264	73,494,038	220,729,485	3,631,029,647
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,140,011	46,025,794	257,324,020	4,228,602,984
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,507,714	18,360,744	297,372,108	4,544,335,837
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,836,024	(10,475,648)	341,202,765	4,875,062,953
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,506,692	(39,879,481)	389,227,018	5,224,410,490
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,871,474	(68,921,416)	5,597,486,300	5,597,486,300
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	26,031,128	(95,618,134)	5,500,336,737	6,002,204,911
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,565,253	(122,660,974)	5,653,313,778	6,444,857,715
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	27,086,134	(152,173,039)	6,378,863,953	6,930,548,629
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,543,895	(182,015,132)	7,191,187,615	7,467,721,112
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,940,048	(210,972,797)	7,926,638,053	8,049,386,369
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	28,279,692	(239,546,828)	8,533,630,651	8,663,470,192
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	28,567,566	(269,296,915)	9,188,069,400	9,312,242,677
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	28,803,110	(301,911,500)	9,866,089,074	9,996,420,700
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	28,942,172	(335,333,622)	1,057,844,370	10,718,931,448
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	28,966,508	(366,601,544)	1,133,806,764	11,486,136,668
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	28,891,814	(394,549,088)	1,214,749,421	12,306,337,001
1-12	2030	59,379	175,415,967	567,070,511	879,995	28,738,630	(421,273,170)	1,301,480,024	13,186,543,855
1-12	2031	54,905	165,256,866	584,556,509	737,138	28,507,159	(448,543,941)	1,394,637,696	14,132,637,611
1-12	2032	50,549	154,900,523	601,742,743	627,587	28,195,883	(475,665,690)	1,494,883,528	15,151,855,449
1-12	2033	46,315	144,491,841	615,982,635	529,086	27,909,984	(499,929,865)	1,603,073,979	16,254,999,567
1-12	2034	42,225	134,096,194	623,989,724	428,058	27,550,871	(517,872,459)	1,720,640,322	17,457,767,425
1-12	2035	38,296	123,710,590	629,274,387	332,586	27,141,120	(533,037,503)	1,849,088,924	18,773,818,847
1-12	2036	34,543	113,371,483	633,572,282	256,821	26,695,842	(547,153,462)	1,989,777,638	20,216,443,023
1-12	2037	30,984	103,189,488	635,547,698	204,712	26,218,258	(558,781,179)	2,144,180,423	21,801,842,267
1-12	2038	27,635	93,354,989	631,884,085	163,438	25,730,758	(564,423,292)	2,314,217,295	23,551,636,270
1-12	2039	24,509	83,954,084	621,575,480	126,537	25,280,070	(563,028,004)	2,502,304,185	25,490,912,451
1-12	2040	21,611	75,007,662	606,934,623	93,532	24,914,290	(556,934,783)	2,711,038,177	27,645,015,844
1-12	2041	18,945	66,537,324	590,075,201	67,466	24,673,277	(548,278,621)	2,943,014,892	30,039,752,115
1-12	2042	16,509	58,597,079	570,537,629	49,355	24,580,056	(536,569,961)	3,201,009,518	32,704,191,672
1-12	2043	14,304	51,278,395	546,693,320	37,861	24,555,916	(520,108,702)	3,488,236,224	35,672,312,925
1-12	2044	12,322	44,601,206	518,431,248	29,027	24,940,482	(498,799,551)	3,808,375,400	38,981,895,043
1-12	2045	10,554	38,545,249	487,653,083	22,313	25,486,695	(474,616,842)	4,165,396,437	42,672,674,639
1-12	2046	9,987	33,080,261	456,364,330	16,693	26,337,414	(449,638,176)	4,563,456,456	46,786,492,919
1-12	2047	7,607	28,177,085	425,394,471	12,130	27,528,061	(424,757,577)	5,006,992,920	51,368,728,262
1-12	2048	6,400	23,836,164	394,115,697	8,795	29,096,017	(399,384,345)	5,500,903,459	56,470,247,376
1-12	2049	5,353	20,037,201	362,045,413	6,160	31,085,337	(373,099,709)	6,050,687,167	62,147,834,834
1-12	2050	4,450	16,737,367	329,854,782	4,055	33,556,628	(346,678,098)	6,662,418,020	68,463,574,755
1-12	2051	3,677	13,883,057	298,691,439	2,569	36,568,972	(321,379,923)	7,342,703,620	75,484,898,452
1-12	2052	3,020	11,422,782	269,396,721	1,710	40,179,938	(298,155,587)	8,098,737,622	83,285,480,487
1-12	2053	2,463	9,320,664	241,732,027	1,074	44,458,021	(276,870,457)	8,938,436,114	91,947,046,143
1-12	2054	1,996	7,547,910	215,235,444	614	49,477,862	(257,166,009)	9,870,606,624	101,560,486,758
1-12	2055	1,606	6,067,942	190,049,670	282	55,330,108	(239,312,118)	10,905,011,853	112,226,186,493
1-12	2056	1,284	4,840,121	166,534,793	65	62,117,500	(223,812,237)	12,052,416,180	124,054,790,437
1-12	2057	1,020	3,827,784	144,937,578	-	69,954,707	(211,064,501)	13,324,691,501	137,168,417,436
1-12	2058	804	2,999,529	125,273,966	-	78,971,171	(201,245,608)	14,734,954,121	151,702,125,590
1-12	2059	630	2,327,037	107,416,558	-	89,315,822	(194,405,343)	16,297,719,296	167,805,439,903
1-12	2060	490	1,786,859	91,356,645	-	101,160,247	(190,730,033)	18,029,055,350	185,643,765,221
1-12	2061	378	1,373,815	77,194,811	-	114,700,339	(190,521,336)	19,946,723,660	205,399,967,545
1-12	2062	290	1,047,054	64,781,817	-	130,159,042	(193,893,805)	22,070,377,566	227,276,451,306
1-12	2063	221	791,150	54,004,084	-	147,789,764	(201,002,698)	24,421,767,064	251,497,215,673
1-12	2064	168	592,978	44,721,739	-	167,881,606	(212,010,367)	27,024,963,933	278,310,169,239
1-12	2065	126	441,191	36,787,957	-	190,764,854	(227,111,620)	29,906,608,535	307,989,666,153
1-12	2066	94	325,989	30,070,717	-	216,815,559	(246,560,287)	33,096,181,340	340,839,287,206
1-12	2067	70	238,989	24,452,200	-	246,461,735	(270,674,946)	36,626,301,195	377,194,913,455
1-12	2068	52	173,909	19,778,496	-	280,190,828	(299,795,415)	40,533,057,713	417,428,175,752
1-12	2069	38	125,382	15,891,288	-	318,557,242	(334,323,148)	44,856,381,124	461,950,233,729
1-12	2070	27	89,407	12,674,447	-	362,191,980	(374,777,020)	49,640,445,181	511,215,901,889
1-12	2071	20	62,840	10,033,259	-	411,813,087	(421,783,506)	54,934,110,620	565,728,229,004
1-6	2072	17	23,325	4,182,185	-	219,106,175	(223,265,035)	29,626,058,939	595,131,022,908

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment B(3)
Discount Rate Increasing 1% for 5 Years and then Decreasing 1% for 5 Years

California Public Employees Retirement System
Summary of Projected Values
All Plans

Assumed Discount Rates	
Projection Years	Annual
1 - 10:	Increase 1% per year for 5 years and then decrease 1% for 5 years
11+:	5.75%

Funded Status	
LTC Program Funded Ratio:	121%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	604,144,503
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	20.18%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	1,054,354,657	(15,064,115,736)	33,160,431,409
As a percent of total premiums:	100.00%	322.53%	1.07%	16.83%	-240.43%	529.26%
Present Value of Cash Flows 7/2012 thru 6/2072:	2,993,947,008	5,496,845,875	41,884,207	330,665,007	(2,875,448,081)	6,552,541,383
As a percent of present value of premiums:	100.00%	183.60%	1.40%	11.04%	-96.04%	218.86%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	99,671,168	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,400,264	73,494,038	229,936,268	3,631,029,647
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,141,666	46,024,139	287,671,835	3,934,459,953
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,514,858	18,353,601	353,709,600	4,268,155,926
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,853,683	(10,493,307)	429,644,679	4,640,219,128
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,541,440	(39,914,229)	517,537,371	5,059,370,500
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,931,898	(68,981,840)	565,130,647	5,536,994,001
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	26,116,988	(95,703,994)	554,652,303	6,033,142,808
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,663,970	(122,759,691)	531,483,990	6,492,091,117
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	27,180,040	(152,266,944)	495,665,057	6,900,815,417
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,609,543	(182,080,780)	447,865,564	7,244,213,529
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,947,542	(210,980,291)	426,353,404	7,509,998,313
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	28,204,933	(239,472,068)	437,911,524	7,725,371,427
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	28,394,616	(269,123,965)	448,475,348	7,923,810,882
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	28,513,856	(301,621,796)	457,862,237	8,103,162,265
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	28,516,072	(334,907,523)	465,882,942	8,259,402,705
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	28,380,308	(366,015,344)	472,498,200	8,390,378,125
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	28,119,200	(393,776,473)	477,800,529	8,496,860,980
1-12	2030	59,379	175,415,967	567,070,511	879,995	27,749,812	(420,284,351)	481,861,226	8,580,885,037
1-12	2031	54,905	165,256,866	584,556,509	737,138	27,268,400	(447,305,181)	484,619,371	8,642,461,912
1-12	2032	50,549	154,900,523	601,742,743	627,587	26,668,985	(474,138,793)	485,986,372	8,679,776,102
1-12	2033	46,315	144,491,841	615,982,635	529,086	26,051,721	(498,071,602)	485,935,604	8,691,623,681
1-12	2034	42,225	134,096,194	623,989,724	428,058	25,312,316	(515,633,904)	484,697,824	8,679,487,683
1-12	2035	38,296	123,710,590	629,274,387	332,586	24,466,840	(530,363,223)	482,473,552	8,648,551,603
1-12	2036	34,543	113,371,483	633,572,282	256,821	23,522,980	(543,980,600)	479,309,635	8,600,661,933
1-12	2037	30,984	103,189,488	635,547,698	204,712	22,475,512	(555,038,434)	475,240,800	8,535,990,967
1-12	2038	27,635	93,354,989	631,884,085	163,438	21,337,228	(560,029,762)	470,458,593	8,456,193,334
1-12	2039	24,509	83,954,084	621,575,480	126,537	20,143,901	(557,891,834)	465,320,458	8,366,622,164
1-12	2040	21,611	75,007,662	606,934,623	93,532	18,931,081	(550,951,575)	460,162,293	8,274,050,788
1-12	2041	18,945	66,537,324	590,075,201	67,466	17,724,276	(541,329,620)	455,190,017	8,183,261,506
1-12	2042	16,509	58,597,079	570,537,629	49,355	16,530,115	(528,520,021)	450,596,657	8,097,121,903
1-12	2043	14,304	51,278,395	546,693,320	37,861	15,351,180	(510,803,966)	446,553,295	8,019,171,539
1-12	2044	12,322	44,601,206	518,431,248	29,027	14,205,724	(488,064,793)	443,472,851	7,954,920,868
1-12	2045	10,554	38,545,249	487,653,083	22,313	13,122,259	(462,252,405)	441,623,145	7,910,328,926
1-12	2046	8,987	33,080,261	456,364,330	16,693	12,115,734	(435,416,495)	441,189,602	7,889,699,666
1-12	2047	7,607	28,177,085	425,394,471	12,130	11,189,728	(408,419,244)	441,892,201	7,895,472,773
1-12	2048	6,400	23,836,164	394,115,697	8,795	10,345,319	(380,633,647)	442,281,201	7,929,334,730
1-12	2049	5,353	20,037,201	362,045,413	6,160	9,585,187	(351,599,559)	445,006,456	7,993,707,539
1-12	2050	4,450	16,737,367	329,854,782	4,055	8,922,772	(322,044,242)	449,522,407	8,091,630,387
1-12	2051	3,677	13,883,057	298,691,439	2,569	8,363,397	(293,174,347)	455,988,692	8,225,574,837
1-12	2052	3,020	11,422,782	269,396,721	1,710	7,903,382	(265,879,030)	464,513,087	8,396,913,577
1-12	2053	2,463	9,320,664	241,732,027	1,074	7,541,473	(239,953,909)	475,146,467	8,606,181,014
1-12	2054	1,996	7,547,910	215,235,444	614	7,272,901	(214,961,049)	487,919,416	8,854,146,520
1-12	2055	1,606	6,067,942	190,049,670	282	7,097,905	(191,079,915)	502,890,240	9,142,075,711
1-12	2056	1,284	4,840,121	166,534,793	65	7,016,299	(168,711,035)	520,129,799	9,471,125,595
1-12	2057	1,020	3,827,784	144,937,578	-	7,025,594	(148,135,387)	539,692,949	9,842,107,508
1-12	2058	804	2,999,529	125,273,966	-	7,121,895	(129,396,332)	561,617,471	10,255,589,592
1-12	2059	630	2,327,037	107,416,558	-	7,302,404	(112,391,924)	585,933,537	10,712,126,797
1-12	2060	490	1,786,859	91,356,645	-	7,566,058	(97,135,845)	612,675,336	11,212,410,209
1-12	2061	378	1,373,815	77,194,811	-	7,912,318	(83,733,315)	641,884,387	11,757,158,751
1-12	2062	290	1,047,054	64,781,817	-	8,340,644	(72,075,407)	673,596,799	12,347,022,235
1-12	2063	221	791,150	54,004,084	-	8,850,216	(62,063,150)	707,853,551	12,982,800,379
1-12	2064	168	592,978	44,721,739	-	9,440,941	(53,569,702)	744,703,062	13,665,440,292
1-12	2065	126	441,191	36,787,957	-	10,114,159	(46,460,925)	784,203,376	14,396,073,966
1-12	2066	94	325,989	30,070,717	-	10,871,781	(40,616,509)	826,423,357	15,176,036,398
1-12	2067	70	238,989	24,452,200	-	11,716,298	(35,929,509)	871,443,283	16,006,863,172
1-12	2068	52	173,909	19,778,496	-	12,651,224	(32,255,812)	919,354,502	16,890,288,165
1-12	2069	38	125,382	15,891,288	-	13,680,634	(29,446,540)	970,260,561	17,828,292,914
1-12	2070	27	89,407	12,674,447	-	14,809,725	(27,394,765)	1,024,279,735	18,823,126,110
1-12	2071	20	62,840	10,033,259	-	16,044,949	(26,015,367)	1,081,544,600	19,877,275,945
1-6	2072	17	23,325	4,182,185	-	8,343,279	(12,502,139)	1,142,200,680	20,993,461,258
								594,949,138	21,575,908,257

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment B(4)
Discount Rate Increased 3%

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	174%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	1,482,440,204
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	54.51%

Assumed Discount Rates	
Projection Years	Annual
1 - 10:	8.75%
11+:	8.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	2,455,990,088	(16,465,751,167)	239,281,800,259
As a percent of total premiums:	100.00%	322.53%	1.07%	39.20%	-262.80%	3819.06%
Present Value of Cash Flows 7/2012 thru 6/2072:	2,719,506,920	4,371,562,153	39,650,198	305,446,949	(1,997,152,380)	11,004,855,308
As a percent of present value of premiums:	100.00%	160.75%	1.46%	11.23%	-73.44%	404.66%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values										
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance	
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	150,595,353	3,479,592,584	
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,409,227	73,485,075	326,289,708	3,681,953,832	
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,167,264	45,998,541	4,487,786,451	4,081,728,616	
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,553,750	18,314,709	394,391,287	4,900,492,446	
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,900,806	(10,540,430)	429,254,664	5,319,206,679	
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,589,534	(39,962,323)	464,619,874	5,743,864,230	
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,970,885	(69,020,827)	500,504,443	6,175,347,845	
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	26,144,622	(95,731,629)	537,066,279	6,616,682,496	
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,689,113	(122,784,834)	574,522,430	7,068,420,092	
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	27,215,112	(152,302,017)	612,769,987	7,528,888,062	
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,670,840	(182,142,078)	651,757,773	7,998,503,758	
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	28,055,449	(211,088,197)	691,581,234	8,478,996,795	
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	28,375,452	(239,642,587)	732,370,831	8,971,725,038	
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	28,637,849	(269,367,198)	774,199,468	9,476,557,308	
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	28,841,076	(301,949,016)	816,966,549	9,991,574,842	
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	28,939,832	(335,331,283)	860,567,705	10,516,811,264	
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	28,914,564	(366,549,599)	905,133,951	11,055,395,615	
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	28,779,455	(394,436,728)	951,011,968	11,611,970,855	
1-12	2030	59,379	175,415,967	567,070,511	879,995	28,553,297	(421,087,837)	998,538,918	12,189,421,936	
1-12	2031	54,905	165,256,866	584,556,509	737,138	28,234,273	(448,271,054)	1,047,873,795	12,789,024,677	
1-12	2032	50,549	154,900,523	601,742,743	627,587	27,818,536	(475,288,343)	1,099,152,011	13,412,888,345	
1-12	2033	46,315	144,491,841	615,982,635	529,086	27,408,595	(499,428,430)	1,152,622,398	14,066,082,266	
1-12	2034	42,225	134,096,194	623,989,724	428,058	26,902,778	(517,224,366)	1,208,948,979	14,757,806,879	
1-12	2035	38,296	123,710,590	629,274,387	332,586	26,320,092	(532,216,475)	1,268,789,025	15,494,379,430	
1-12	2036	34,543	113,371,483	633,572,282	256,821	25,671,521	(546,129,141)	1,332,605,230	16,280,855,518	
1-12	2037	30,984	103,189,488	635,547,698	204,712	24,955,523	(557,518,444)	1,400,877,278	17,124,214,351	
1-12	2038	27,635	93,354,989	631,884,085	163,438	24,188,996	(562,881,530)	1,474,361,652	18,035,694,473	
1-12	2039	24,509	83,954,084	621,575,480	126,537	23,412,323	(561,160,257)	1,554,116,857	19,028,651,073	
1-12	2040	21,611	75,007,662	606,934,623	93,532	22,666,255	(554,686,748)	1,641,230,221	20,115,194,545	
1-12	2041	18,945	66,537,324	590,075,201	67,466	21,982,155	(545,587,499)	1,736,656,493	21,306,263,540	
1-12	2042	16,509	58,597,079	570,537,629	49,355	21,373,237	(533,363,143)	1,841,354,161	22,614,254,558	
1-12	2043	14,304	51,278,395	546,693,320	37,861	20,849,472	(516,302,258)	1,956,481,142	24,054,433,442	
1-12	2044	12,322	44,601,206	518,431,248	29,027	20,437,422	(494,296,491)	2,083,395,759	25,643,532,710	
1-12	2045	10,554	38,545,249	487,653,083	22,313	20,174,952	(469,305,098)	2,223,489,339	27,397,716,950	
1-12	2046	8,987	33,080,261	456,364,330	16,693	20,087,530	(443,388,291)	2,378,081,834	29,332,410,492	
1-12	2047	7,607	28,177,085	425,394,471	12,130	20,190,545	(417,420,061)	2,548,474,918	31,463,465,349	
1-12	2048	6,400	23,836,164	394,115,697	8,795	20,498,317	(390,786,645)	2,736,072,519	33,808,751,223	
1-12	2049	5,353	20,037,201	362,045,413	6,160	21,028,364	(363,042,736)	2,942,464,568	36,388,173,055	
1-12	2050	4,450	16,737,367	329,854,782	4,055	21,810,767	(334,932,238)	3,169,369,196	39,222,610,013	
1-12	2051	3,677	13,883,057	298,691,439	2,569	22,869,503	(307,680,454)	3,418,560,544	42,333,490,104	
1-12	2052	3,020	11,422,782	269,396,721	1,710	24,221,788	(282,197,437)	3,691,870,176	45,743,162,843	
1-12	2053	2,463	9,320,664	241,732,027	1,074	25,889,763	(258,302,199)	3,991,252,429	49,476,113,073	
1-12	2054	1,996	7,547,910	215,235,444	614	27,894,838	(235,582,986)	4,318,869,946	53,559,400,033	
1-12	2055	1,606	6,067,942	190,049,670	282	30,266,549	(214,248,559)	4,677,086,309	58,022,237,782	
1-12	2056	1,284	4,840,121	166,534,793	65	33,037,497	(194,732,234)	5,068,438,696	62,895,944,244	
1-12	2057	1,020	3,827,784	144,937,578	-	36,241,873	(177,351,667)	5,495,652,445	68,214,245,022	
1-12	2058	804	2,999,529	125,273,966	-	39,916,811	(162,191,247)	5,961,673,034	74,013,726,809	
1-12	2059	630	2,327,037	107,416,558	-	44,105,392	(149,194,913)	6,469,703,327	80,334,235,224	
1-12	2060	490	1,786,859	91,356,645	-	48,857,861	(138,427,648)	7,023,230,373	87,219,037,950	
1-12	2061	378	1,373,815	77,194,811	-	54,231,040	(130,052,037)	7,626,029,760	94,715,015,673	
1-12	2062	290	1,047,054	64,781,817	-	60,288,520	(124,023,284)	8,282,206,335	102,873,198,724	
1-12	2063	221	791,150	54,004,084	-	67,101,166	(120,314,100)	8,996,225,931	111,749,110,555	
1-12	2064	168	592,978	44,721,739	-	74,749,012	(118,877,773)	9,772,948,923	121,403,181,705	
1-12	2065	126	441,191	36,787,957	-	83,322,952	(119,669,718)	10,617,664,943	131,901,176,930	
1-12	2066	94	325,989	30,070,717	-	92,924,984	(122,669,712)	11,536,129,538	143,314,636,757	
1-12	2067	70	238,989	24,452,200	-	103,669,446	(127,882,656)	12,534,602,437	155,721,356,538	
1-12	2068	52	173,909	19,778,496	-	115,684,834	(135,289,422)	13,619,891,320	169,205,958,436	
1-12	2069	38	125,382	15,891,288	-	129,114,877	(144,880,783)	14,799,401,339	183,860,478,993	
1-12	2070	27	89,407	12,674,447	-	144,120,805	(156,705,845)	16,081,184,113	199,784,957,261	
1-12	2071	20	62,840	10,033,259	-	160,883,396	(170,853,815)	17,473,989,467	217,088,092,913	
1-6	2072	17	23,325	4,182,185	-	84,862,159	(89,021,019)	9,296,569,783	226,295,641,676	

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment B(5)
Discount Rate Decreasing 1/2% for 10 Years

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	38%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(5,732,290,796)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(124.92%)

Assumed Discount Rates	
Projection Years	Annual
1 - 10:	Decrease 1/2% per year for 10 years
11+:	0.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	806,461,047	(14,816,222,125)	(406,286,764)
As a percent of total premiums:	100.00%	322.53%	1.07%	12.87%	-236.47%	-6.48%
Present Value of Cash Flows 7/2012 thru 6/2072:	4,588,765,504	13,186,191,025	52,843,388	561,614,471	(9,211,883,380)	249,090,684
As a percent of present value of premiums:	100.00%	287.36%	1.15%	12.24%	-200.75%	5.43%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	99,671,168	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,400,264	73,494,038	202,250,595	3,631,029,647
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,136,700	46,029,105	196,968,311	3,906,774,280
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,493,530	18,374,929	187,599,705	4,149,771,696
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,801,425	(10,441,049)	174,434,752	4,355,746,330
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,439,969	(39,812,758)	157,874,437	4,519,740,033
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,758,553	(68,808,495)	138,441,952	4,637,801,712
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	25,855,349	(95,442,355)	116,786,252	4,707,435,169
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,307,114	(122,402,834)	93,613,492	4,728,779,066
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	26,722,982	(151,809,886)	69,590,368	4,699,989,724
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,049,599	(181,520,837)	45,466,236	4,617,770,206
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,284,611	(210,317,360)	32,895,288	4,481,715,606
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	27,435,545	(238,702,681)	31,456,442	4,304,293,534
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	27,510,445	(268,239,794)	29,791,220	4,097,047,295
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	27,506,304	(300,614,244)	27,881,571	3,858,598,721
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	27,376,307	(333,767,757)	25,709,935	3,585,866,048
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	27,099,304	(364,734,339)	23,279,628	3,277,808,226
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	26,687,759	(392,345,033)	20,611,423	2,936,353,515
1-12	2030	59,379	175,415,967	567,070,511	879,995	26,158,563	(418,693,102)	17,722,688	2,564,619,905
1-12	2031	54,905	165,256,866	584,556,509	737,138	25,510,796	(445,544,577)	14,613,151	2,163,649,491
1-12	2032	50,549	154,900,523	601,742,743	627,587	24,729,330	(472,199,138)	11,279,470	1,732,718,066
1-12	2033	46,315	144,491,841	615,982,635	529,086	23,923,207	(495,943,088)	7,727,064	1,271,798,398
1-12	2034	42,225	134,096,194	623,989,724	428,058	22,985,039	(513,306,627)	3,995,219	783,582,374
1-12	2035	38,296	123,710,590	629,274,387	332,586	21,930,780	(527,827,163)	117,610	274,270,966
1-12	2036	34,543	113,371,483	633,572,282	256,821	20,850,616	(541,308,236)	(3,893,481)	(252,325,525)
1-12	2037	30,984	103,189,488	635,547,698	204,712	19,748,362	(552,311,283)	(8,028,303)	(798,640,304)
1-12	2038	27,635	93,354,989	631,884,085	163,438	18,561,059	(557,253,593)	(12,256,100)	(1,358,979,891)
1-12	2039	24,509	83,954,084	621,575,480	126,537	17,321,323	(555,069,257)	(12,256,100)	(1,928,489,584)
1-12	2040	21,611	75,007,662	606,934,623	93,532	16,062,776	(548,083,270)	(20,790,694)	(2,500,844,433)
1-12	2041	18,945	66,537,324	590,075,201	67,466	14,809,298	(538,414,641)	(25,024,427)	(3,068,958,396)
1-12	2042	16,509	58,597,079	570,537,629	49,355	13,566,305	(525,556,211)	(29,206,265)	(3,632,397,464)
1-12	2043	14,304	51,278,395	546,693,320	37,861	12,334,868	(507,787,653)	(33,305,506)	(4,187,159,940)
1-12	2044	12,322	44,601,206	518,431,248	29,027	11,130,947	(484,990,016)	(37,282,727)	(4,728,253,099)
1-12	2045	10,554	38,545,249	487,653,083	22,313	9,980,360	(459,110,507)	(41,105,581)	(5,250,525,842)
1-12	2046	8,987	33,080,261	456,364,330	16,693	8,895,656	(432,196,417)	(44,757,944)	(5,750,741,930)
1-12	2047	7,607	28,177,085	425,394,471	12,130	7,878,505	(405,108,021)	(48,234,879)	(6,227,696,291)
1-12	2048	6,400	23,836,164	394,115,697	8,795	6,928,218	(377,216,545)	(51,532,231)	(6,681,039,192)
1-12	2049	5,353	20,037,201	362,045,413	6,160	6,045,348	(348,059,720)	(54,640,291)	(7,109,787,969)
1-12	2050	4,450	16,737,367	329,854,782	4,055	5,240,808	(318,362,278)	(57,550,133)	(7,512,487,979)
1-12	2051	3,677	13,883,057	298,691,439	2,569	4,517,398	(289,328,349)	(60,260,721)	(7,888,400,390)
1-12	2052	3,020	11,422,782	269,396,721	1,710	3,869,205	(261,844,854)	(62,779,216)	(8,237,989,460)
1-12	2053	2,463	9,320,664	241,732,027	1,074	3,292,939	(235,705,375)	(65,115,809)	(8,562,434,715)
1-12	2054	1,996	7,547,910	215,235,444	614	2,781,624	(210,469,772)	(67,277,361)	(8,863,434,715)
1-12	2055	1,606	6,067,942	190,049,670	282	2,332,944	(186,314,954)	(69,269,582)	(9,141,181,847)
1-12	2056	1,284	4,840,121	166,534,793	65	1,944,013	(163,638,750)	(69,269,582)	(9,396,766,383)
1-12	2057	1,020	3,827,784	144,937,578	-	1,609,642	(142,719,436)	(71,100,835)	(9,631,505,968)
1-12	2058	804	2,999,529	125,273,966	-	1,323,199	(123,597,635)	(72,782,155)	(9,847,007,559)
1-12	2059	630	2,327,037	107,416,558	-	1,079,003	(106,168,523)	(74,325,914)	(10,044,931,108)
1-12	2060	490	1,786,859	91,356,645	-	872,876	(90,442,662)	(75,744,248)	(10,226,843,878)
1-12	2061	378	1,373,815	77,194,811	-	700,979	(76,521,976)	(77,048,668)	(10,394,335,209)
1-12	2062	290	1,047,054	64,781,817	-	559,289	(64,294,052)	(78,251,769)	(10,549,108,954)
1-12	2063	221	791,150	54,004,084	-	443,222	(53,656,156)	(79,365,841)	(10,692,768,848)
1-12	2064	168	592,978	44,721,739	-	348,608	(44,477,369)	(80,402,578)	(10,826,827,582)
1-12	2065	126	441,191	36,787,957	-	272,342	(36,619,109)	(81,372,839)	(10,952,677,790)
1-12	2066	94	325,989	30,070,717	-	211,487	(29,956,215)	(82,286,556)	(11,071,583,455)
1-12	2067	70	238,989	24,452,200	-	163,245	(24,376,456)	(83,152,728)	(11,184,692,399)
1-12	2068	52	173,909	19,778,496	-	125,362	(19,729,499)	(83,979,545)	(11,293,048,400)
1-12	2069	38	125,382	15,891,288	-	95,600	(15,861,506)	(84,774,305)	(11,397,552,654)
1-12	2070	27	89,407	12,674,447	-	72,242	(12,657,282)	(85,543,176)	(11,498,957,336)
1-12	2071	20	62,840	10,033,259	-	54,186	(10,024,605)	(86,291,343)	(11,597,905,961)
1-6	2072	17	23,325	4,182,185	-	21,481	(4,180,341)	(87,023,281)	(11,694,953,848)
								(43,782,116)	(11,742,916,305)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment B(6)
Discount Rate Decreasing 1% for 5 Years and then Increasing 1% for 5 Years

California Public Employees Retirement System
Summary of Projected Values
All Plans

Assumed Discount Rates	
Projection Years	Annual
1 - 10:	Decrease 1% per year for 5 years and then increase 1% for 5 years
11+:	5.75%

Funded Status	
LTC Program Funded Ratio:	75%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(1,169,657,921)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(29.44%)

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	812,707,339	(14,822,468,417)	(15,226,241,547)
As a percent of total premiums:	100.00%	322.53%	1.07%	12.97%	-236.57%	-243.02%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,972,566,796	8,134,324,737	51,908,554	435,584,010	(4,649,250,505)	1,096,621,657
As a percent of present value of premiums:	100.00%	204.76%	1.31%	10.96%	-117.03%	27.60%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	99,671,168	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,400,264	73,494,038	192,978,177	3,631,029,647
1-12	2014	138,103	302,786,978	228,840,337	5,781,136	22,135,044	46,030,760	166,960,703	3,897,501,862
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,486,488	18,381,970	134,157,539	4,110,493,325
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,784,481	(10,424,106)	95,998,058	4,263,032,834
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,407,964	(39,780,753)	54,235,994	4,348,404,049
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,705,887	(68,755,829)	54,097,850	4,349,867,074
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	25,784,833	(95,371,839)	96,818,661	4,349,867,074
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,230,780	(122,326,501)	139,509,401	4,367,033,771
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	26,654,201	(151,741,105)	182,573,408	4,397,866,074
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,003,109	(181,474,347)	226,394,226	4,442,785,953
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,276,534	(210,309,282)	250,007,407	4,482,484,078
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	27,475,983	(238,743,118)	251,465,831	4,495,206,790
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	27,602,726	(268,332,075)	251,352,698	4,478,227,413
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	27,653,597	(300,761,537)	249,452,475	4,426,918,351
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	27,581,546	(333,972,997)	245,541,155	4,338,486,510
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	27,365,110	(365,000,146)	239,542,745	4,213,029,109
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	27,016,373	(392,673,647)	231,510,953	4,051,866,416
1-12	2030	59,379	175,415,967	567,070,511	879,995	26,551,801	(419,086,341)	221,476,067	3,854,256,143
1-12	2031	54,905	165,256,866	584,556,509	737,138	25,966,999	(446,003,780)	209,333,834	3,617,586,197
1-12	2032	50,549	154,900,523	601,742,743	627,587	25,255,281	(472,725,089)	194,949,880	3,339,810,988
1-12	2033	46,315	144,491,841	615,982,635	529,086	24,516,034	(496,535,915)	178,249,204	3,021,524,278
1-12	2034	42,225	134,096,194	623,989,724	428,058	23,644,132	(513,965,720)	159,411,453	2,666,970,010
1-12	2035	38,296	123,710,590	629,274,387	332,586	22,654,743	(528,551,126)	138,583,150	2,277,002,034
1-12	2036	34,543	113,371,483	633,572,282	256,821	21,554,569	(542,012,189)	115,754,089	1,850,743,934
1-12	2037	30,984	103,189,488	635,547,698	204,712	20,337,321	(552,900,243)	90,898,729	1,388,742,420
1-12	2038	27,635	93,354,989	631,884,085	163,438	19,014,633	(557,707,167)	64,144,942	895,180,196
1-12	2039	24,509	83,954,084	621,575,480	126,537	17,621,018	(555,368,952)	35,782,908	375,594,151
1-12	2040	21,611	75,007,662	606,934,627	93,532	16,190,665	(548,211,158)	6,077,467	(166,539,540)
1-12	2041	18,945	66,537,324	590,075,201	67,466	14,828,083	(538,433,427)	(24,841,660)	(729,814,627)
1-12	2042	16,509	58,597,079	570,537,629	49,355	13,566,305	(525,556,211)	(56,895,133)	(1,312,265,971)
1-12	2043	14,304	51,278,395	546,693,320	37,861	12,334,868	(507,787,653)	(89,918,839)	(1,909,972,464)
1-12	2044	12,322	44,601,206	518,431,248	29,027	11,130,947	(484,990,016)	(123,671,380)	(2,518,633,859)
1-12	2045	10,554	38,545,249	487,653,083	22,313	9,980,360	(459,110,507)	(157,953,239)	(3,135,697,606)
1-12	2046	8,987	33,080,261	456,364,330	16,693	8,895,656	(432,196,417)	(192,679,626)	(3,760,573,648)
1-12	2047	7,607	28,177,085	425,394,471	12,130	7,878,505	(405,108,021)	(227,847,856)	(4,393,529,526)
1-12	2048	6,400	23,836,164	394,115,697	8,795	6,928,218	(377,216,545)	(263,461,723)	(5,034,207,794)
1-12	2049	5,353	20,037,201	362,045,413	6,160	6,045,348	(348,059,720)	(299,482,843)	(5,681,750,357)
1-12	2050	4,450	16,737,367	329,854,782	4,055	5,240,808	(318,362,278)	(335,876,920)	(6,335,989,555)
1-12	2051	3,677	13,883,057	298,691,439	2,569	4,517,398	(289,328,349)	(372,668,578)	(6,997,986,482)
1-12	2052	3,020	11,422,782	269,396,721	1,710	3,869,205	(261,844,854)	(409,946,820)	(7,669,778,156)
1-12	2053	2,463	9,320,664	241,732,027	1,074	3,292,939	(235,705,375)	(447,828,860)	(8,353,312,391)
1-12	2054	1,996	7,547,910	215,235,444	614	2,781,624	(210,469,772)	(486,412,569)	(9,050,194,731)
1-12	2055	1,606	6,067,942	190,049,670	282	2,332,944	(186,314,954)	(525,792,110)	(9,762,301,795)
1-12	2056	1,284	4,840,121	166,534,793	65	1,944,013	(163,638,750)	(566,086,982)	(10,492,027,526)
1-12	2057	1,020	3,827,784	144,937,578	-	1,609,642	(142,719,436)	(607,443,631)	(11,242,190,593)
1-12	2058	804	2,999,529	125,273,966	-	1,323,199	(123,597,635)	(650,026,550)	(12,015,814,779)
1-12	2059	630	2,327,037	107,416,558	-	1,079,003	(106,168,523)	(694,007,246)	(12,815,990,547)
1-12	2060	490	1,786,859	91,356,645	-	872,876	(90,442,662)	(739,561,552)	(13,645,994,762)
1-12	2061	378	1,373,815	77,194,811	-	700,979	(76,521,976)	(786,883,024)	(14,509,399,762)
1-12	2062	290	1,047,054	64,781,817	-	559,289	(64,294,052)	(836,173,359)	(15,409,867,173)
1-12	2063	221	791,150	54,004,084	-	443,222	(53,656,156)	(887,640,561)	(16,351,163,890)
1-12	2064	168	592,978	44,721,739	-	348,608	(44,477,369)	(941,497,526)	(17,337,138,785)
1-12	2065	126	441,191	36,787,957	-	272,342	(36,619,109)	(997,961,668)	(18,371,719,562)
1-12	2066	94	325,989	30,070,717	-	211,487	(29,956,215)	(1,057,255,177)	(19,458,930,954)
1-12	2067	70	238,989	24,452,200	-	163,245	(24,376,456)	(1,119,606,277)	(20,602,913,687)
1-12	2068	52	173,909	19,778,496	-	125,362	(19,729,949)	(1,185,249,049)	(21,807,892,685)
1-12	2069	38	125,382	15,891,288	-	95,600	(15,861,506)	(1,254,421,916)	(23,078,176,106)
1-12	2070	27	89,407	12,674,447	-	72,242	(12,657,282)	(1,327,369,126)	(24,418,202,515)
1-12	2071	20	62,840	10,033,259	-	54,186	(10,024,605)	(1,404,343,234)	(25,832,570,354)
1-6	2072	17	23,325	4,182,185	-	21,481	(4,180,341)	(732,366,686)	(26,569,117,381)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment B(7)
Discount Rate Decreased 3%

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	48%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(3,763,270,685)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(82.80%)

Assumed Discount Rates	
Projection Years	Annual
1 - 10:	2.75%
11+:	2.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	806,190,844	(14,815,951,922)	(7,868,898,612)
As a percent of total premiums:	100.00%	322.53%	1.07%	12.87%	-236.47%	-125.59%
Present Value of Cash Flows 7/2012 thru 6/2072:	4,545,268,831	11,205,035,156	55,482,470	527,614,474	(7,242,863,269)	(1,198,572,360)
As a percent of present value of premiums:	100.00%	246.52%	1.22%	11.61%	-159.35%	-26.37%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	48,017,503	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,391,300	73,503,002	99,737,166	3,579,375,982
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,109,996	46,055,808	104,117,725	3,752,616,150
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,449,822	18,418,637	107,867,992	3,902,789,684
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,742,173	(10,381,797)	110,945,506	4,029,076,313
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,367,369	(39,740,158)	113,308,186	4,129,640,022
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,675,524	(68,725,466)	114,928,440	4,203,208,051
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	25,765,496	(95,352,503)	115,821,746	4,249,411,025
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,214,661	(122,310,381)	116,017,651	4,269,880,268
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	26,632,680	(151,719,585)	115,440,082	4,263,587,538
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	26,966,610	(181,437,848)	114,030,587	4,227,308,034
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,214,352	(210,247,101)	111,776,498	4,159,900,773
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	27,381,067	(238,648,203)	108,672,946	4,061,430,171
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	27,472,281	(268,201,629)	104,693,184	3,931,454,915
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	27,484,836	(300,592,776)	99,753,217	3,767,946,469
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	27,371,735	(333,763,186)	93,768,869	3,567,106,911
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	27,111,615	(364,746,650)	86,730,648	3,049,096,592
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	26,716,695	(392,373,968)	78,692,803	2,735,415,427
1-12	2030	59,379	175,415,967	567,070,511	879,995	26,203,604	(418,738,143)	69,698,175	2,386,375,458
1-12	2031	54,905	165,256,866	584,556,509	737,138	25,568,141	(445,604,922)	59,725,620	2,000,496,156
1-12	2032	50,549	154,900,523	601,742,743	627,587	24,803,866	(472,273,673)	48,742,045	1,576,964,528
1-12	2033	46,315	144,491,841	615,982,635	529,086	24,010,468	(496,030,349)	36,745,623	1,117,679,802
1-12	2034	42,225	134,096,194	623,989,724	428,058	23,083,179	(513,404,768)	23,858,428	628,133,462
1-12	2035	38,296	123,710,590	629,274,387	332,586	22,037,559	(527,933,942)	10,184,591	110,384,112
1-12	2036	34,543	113,371,483	633,572,282	256,821	20,905,860	(541,363,480)	(4,247,929)	(435,227,298)
1-12	2037	30,984	103,189,488	635,547,698	204,712	19,748,362	(552,311,283)	(19,418,576)	(1,006,957,157)
1-12	2038	27,635	93,354,989	631,884,085	163,438	18,561,059	(557,253,593)	(33,253,504)	(1,599,444,254)
1-12	2039	24,509	83,954,084	621,575,480	126,537	17,321,323	(555,069,257)	(51,520,282)	(2,206,033,793)
1-12	2040	21,611	75,007,662	606,934,623	93,532	16,062,776	(548,083,270)	(68,121,654)	(2,822,238,716)
1-12	2041	18,945	66,537,324	590,075,201	67,466	14,809,298	(538,414,641)	(84,947,371)	(3,445,600,729)
1-12	2042	16,509	58,597,079	570,537,629	49,355	13,566,305	(525,556,211)	(101,929,233)	(4,073,086,172)
1-12	2043	14,304	51,278,395	546,693,320	37,861	12,334,868	(507,787,653)	(118,960,457)	(4,699,834,282)
1-12	2044	12,322	44,601,206	518,431,248	29,027	11,130,947	(484,990,016)	(135,900,129)	(5,320,724,427)
1-12	2045	10,554	38,545,249	487,653,083	22,313	9,980,360	(459,110,507)	(152,630,398)	(5,932,465,331)
1-12	2046	8,987	33,080,261	456,364,330	16,693	8,895,656	(432,196,417)	(169,090,531)	(6,533,752,279)
1-12	2047	7,607	28,177,085	425,394,471	12,130	7,878,505	(405,108,021)	(185,259,648)	(7,124,119,948)
1-12	2048	6,400	23,836,164	394,115,697	8,795	6,928,218	(377,216,545)	(201,119,367)	(7,702,455,860)
1-12	2049	5,353	20,037,201	362,045,413	6,160	6,045,348	(348,059,720)	(216,630,535)	(8,267,146,115)
1-12	2050	4,450	16,737,367	329,854,782	4,055	5,240,808	(318,362,278)	(231,756,015)	(8,817,264,408)
1-12	2051	3,677	13,883,057	298,691,439	2,569	4,517,398	(289,328,349)	(246,486,799)	(9,353,079,557)
1-12	2052	3,020	11,422,782	269,396,721	1,710	3,869,205	(261,844,854)	(260,843,726)	(9,875,768,137)
1-12	2053	2,463	9,320,664	241,732,027	1,074	3,292,939	(235,705,375)	(274,859,178)	(10,386,332,690)
1-12	2054	1,996	7,547,910	215,235,444	614	2,781,624	(210,469,772)	(288,553,938)	(10,885,356,399)
1-12	2055	1,606	6,067,942	190,049,670	282	2,332,944	(186,314,954)	(301,944,937)	(11,373,616,290)
1-12	2056	1,284	4,840,121	166,534,793	65	1,944,013	(163,638,750)	(315,059,115)	(11,852,314,155)
1-12	2057	1,020	3,827,784	144,937,578	-	1,609,642	(142,719,436)	(327,933,746)	(12,322,967,337)
1-12	2058	804	2,999,529	125,273,966	-	1,323,199	(123,597,635)	(340,611,716)	(12,787,176,688)
1-12	2059	630	2,327,037	107,416,558	-	1,079,003	(106,168,523)	(353,135,913)	(13,246,481,124)
1-12	2060	490	1,786,859	91,356,645	-	872,876	(90,442,662)	(365,547,764)	(13,702,471,550)
1-12	2061	378	1,373,815	77,194,811	-	700,979	(76,521,976)	(377,893,481)	(14,156,887,007)
1-12	2062	290	1,047,054	64,781,817	-	559,289	(64,294,052)	(390,219,106)	(14,611,400,166)
1-12	2063	221	791,150	54,004,084	-	443,222	(53,656,156)	(402,569,417)	(15,067,625,738)
1-12	2064	168	592,978	44,721,739	-	348,608	(44,477,369)	(414,987,038)	(15,527,090,146)
1-12	2065	126	441,191	36,787,957	-	272,342	(36,619,109)	(427,512,075)	(15,991,221,329)
1-12	2066	94	325,989	30,070,717	-	211,487	(29,956,215)	(440,182,040)	(16,461,359,584)
1-12	2067	70	238,989	24,452,200	-	163,245	(24,376,456)	(453,032,254)	(16,938,768,295)
1-12	2068	52	173,909	19,778,496	-	125,362	(19,729,949)	(466,095,534)	(17,424,593,778)
1-12	2069	38	125,382	15,891,288	-	95,600	(15,861,506)	(479,401,234)	(17,919,856,518)
1-12	2070	27	89,407	12,674,447	-	72,242	(12,657,282)	(492,975,752)	(18,425,489,553)
1-12	2071	20	62,840	10,033,259	-	54,186	(10,024,605)	(506,843,466)	(18,942,357,624)
1-6	2072	17	23,325	4,182,185	-	21,481	(4,180,341)	(258,719,985)	(19,205,257,950)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment C

Attachment C

Long-Term Care Model(s) and Assumptions

A. Model(s)

Projection results are based on a projection of 150,330 inforce members as of 6/30/12 from business issued through 6/30/12. CalPERS LTC business consists of facility-only and comprehensive coverages and includes a variety of elimination period/benefit period/inflation coverage combinations. A summary of the model cells we used for projection purposes has been included as Attachment E.

Please note that we combined member information for each potential model cell for which there were few inforce members into a projection model cell with the most similar benefit design.

Projection results for each cell reflect output from three different models. The first model generates base plan projections, the second generates premium waiver projections, and the third generates return-of-premium benefit projections. Given that the first two models are built from the same model chassis and the relative insignificance of waiver-of-premium and return-of-premium benefits as compared to base plan benefits, the remainder of this attachment will focus on the base plan benefit model. Please note that the assumptions used for the latter two models are consistent with those used in the corresponding base plan projections.

B. Inforce Members as of 6/30/12 – Demographics and Selected Benefit Options

The following distributions for all inforce members as of 6/30/12 are included in Attachment F:

- By benefit period and elimination period
- By issue-age and attained-age
- By coverage
- By inflation option
- By gender
- By marital status
- By premium mode
- By underwriting type
- By product series

Please let us know if you would like to see additional distributions relating to the 6/30/12 inforce business.

C. Assumptions

Please note that detailed assumption printouts can be readily generated from each model for every model cell. The following subsections discuss additional information regarding

the various assumptions used and include summaries of assumptions used throughout all of the model cells.

1. Morbidity

The CalPERS underlying morbidity experience continues to develop, and we continuously review and revise our approaches to take into account the best data/information available to us.

From a modeling standpoint, the following morbidity assumptions were used:

Ultimate Claim Costs - These vary by benefit design, gender and attained age, and were developed as described below.

Selection Factors – Experience selection factors were developed as described below and vary by issue-age band, duration, issue era, and underwriting type. The manual selection factors vary by issue-age band, duration, and underwriting type, and are identical to those assumed in the 2011 Annual Valuation.

Morbidity Selection Factors and Ultimate Claim Cost Development and Modeling - Summary: For the benefit designs modeled, we performed detailed select-and-ultimate claim cost analyses and adjusted assumed select-and-ultimate claim costs based on the results of those analyses.

a. Experience Studies

We updated the experience report comparing actual select-and-ultimate Program claim costs to expected select-and-ultimate claim costs where the expected claim costs were developed by Univita based on industry morbidity assumptions in 2005, i.e. manual claim costs. Because of the level of detail included in the study, claims with an incurred date from 7/1/11 through 6/30/12 were excluded (i.e., those within twelve months of the valuation date). These claims were excluded because over a third of the total number of claims incurred within a given year are not reported or do not receive payments as of the end of that year, and an allocation of these estimated unreported claims could have distorted the results of our study. For all incurred claims included in this study, we used updated payment data through 6/30/12 and claim reserves estimated as of 6/30/12.

b. Claim Cost Development

We used the following approach with respect to our select-and-ultimate claim cost analyses:

- Using source coverage and claims data files from Univita and given relevant direction from Univita actuarial personnel regarding the interpretation and processing of that data, we developed complete inception-to-date exposure and claims databases for the Program.

- We added provision for claim reserves and incurred but not reported (IBNR) claim liabilities. The claim reserves were added on a seriatim basis, and the 2012 annual valuation included refinements to the amount of benefit paid versus the amount available (i.e., salvage). The claim reserves were also adjusted to reflect a longer continuance to the 25th claim duration, and then beyond the 25th claim duration, life expectancies for those on claim were used to create future expected payments. The overall impact of these changes to the claim reserves was a reduction from the 2011 average claim reserve of 5%. IBNR was allocated across inforce policies not on claim as of the valuation date based on annualized premiums.
- The experience report in item a. above continued to confirm that incurred claim experience varies by underwriting type and when a given policy was issued. Using the results of the study and consistent with the 2011 Annual Valuation, select-and-ultimate factors were created to modify the manual selection factors. The result of this step is a set of experience select-and-ultimate factors that vary by calendar year of issue and underwriting type. While these select-and-ultimate factors were developed from actual experience, industry selection wear-off patterns were also considered when determining the lengths of the selection periods as well as the ultimate selection factors for each issue-age band.
- We used the experience select-and-ultimate factors created in the previous step as “gross-up factors” that were used to adjust incurred claims for earlier durations to estimated ultimate levels.
- All incurred claims were grossed up as indicated above.
- We developed a summary of estimated ultimate incurred claim costs by attained-age band and gender for the benefit designs we explicitly modeled.

c. Modeling

The estimated actual ultimate male and female claim costs for pivotal ages 47, 57, 62, 67, 72, 77, 82, 87, 92, and 97 were adjusted such that they were on the same basis as the manual ultimate claim costs. The experience ultimate claim costs between the pivotal ages were developed using standard interpolation methods. Corresponding claim costs for attained-ages 37 and younger and 98 and older were set at the manual ultimate claim costs. Claim costs between 37 and 47 and between 97 and 102 were developed using standard interpolation methods.

In order to validate the experience claim costs, an actual-to-expected claim cost experience study was created using the recently created experience select-and-ultimate claim costs as the expected table. In our opinion, the assumptions we used reasonably reproduce historical experience.

The resulting adjusted claim costs combined with the select-and-ultimate factors were credibility-weighted with the corresponding manual select-and-ultimate claim costs to develop the assumed claim costs.

d. Additional Information Applicable to the Development of Morbidity

Assumptions

As a reminder, we chose to utilize the associated manual morbidity assumptions utilized when we started our initial valuation in 2005 as a basis for assumed valuation morbidity as opposed to our own LTC claims database for the following reasons:

- The manual better reflected experience for the LTC insurance industry as a whole;
- It required relatively few adjustments before it could be utilized for this purpose; and,
- Relevant values had already been developed for prior valuation work and were readily available.

The credibility standards we applied were taken from the results of an analysis dated 5/28/03 performed by the Credibility Subgroup of the American Academy of Actuaries Long-Term Care Reserving Work Group. For credibility-weighting purposes, we considered “full credibility” to mean that there would be a 90% probability that estimates would fall within 10% of expected claim costs, and we used appropriate Program data to develop the minimum claim count needed for each cell in order to ascribe full credibility to the actual experience associated with that cell. We ascribed partial credibility for a given cell based on the relationship between actual claim counts and “full credibility” claim counts; however, any actual claim volume that resulted in less than a 20% credibility-weighting to actual experience was ignored entirely.

Claim Payment Distributions – These vary by age at claim incurral, gender, plan, benefit period, and claim duration. They were updated for this valuation to reflect emerging experience and were developed to be consistent with current liability/reserve levels.

Morbidity Improvement – Consistent with population experience and relevant actuarial documentation and practice, we assumed that future morbidity would improve by 1% per year for 20 years from the valuation date. We also made a corresponding mortality improvement assumption.

Inflation Adjustment – Appropriate morbidity adjustments are made for policies with inflation protection.

Adjustments to Reflect Individuals Already on Claim – These vary by benefit period, inflation coverage, gender, issue age and duration. They are used to adjust the assumed claim costs to be on an exposure basis consistent with that used in the projection model.

2. Policy Terminations

The following description is a summary of the process we utilized to determine the appropriate mortality assumption. This assumption was last updated for the 2009 valuation.

Generally, deaths are not consistently reported in LTC insurance, and therefore it is customary to compare the historical inforce file to a Social Security Database to properly identifying those that have died rather than those that have lapsed coverage. Accurate mortality assumptions are important when projecting future terminations within a LTC block because, as the block ages, mortality becomes a greater proportion of total terminations.

Using the March 2012 Social Security Database, Univita identified deaths within the CalPERS LTC Program by matching social security numbers, names, and birthdates. In total, over 26,000 deaths were confirmed or identified through this process, which represents 9,000 more deaths than the previous study. Any inconsistencies such as those reported as deaths in the Social Security Database but still active in the CalPERS Program were reported to the Univita's administrative staff.

Using the identified deaths, we compared the actual mortality experience to what was expected using last year's valuation assumptions. Overall, the previous assumptions were reasonable, but we identified several refinements. In addition, members that were on claim had mortality rates that were nearly two times higher than those that were not claim. Because of the significant difference between these two cohorts, we developed two separate mortality assumptions; one for members not on claim, and one for those on claim. The development of these assumptions is discussed next.

a. Mortality assumptions for members not on claim

We found in 2009 that the CalPERS LTC Program mortality experience for members not on claim indicates that initially after a member enters the Program, the mortality is lower and this lower mortality extends out further than previously assumed. We utilized these same selection factors for the 2012 update to this assumption, and these selection factors are shown below.

For the 2012 study, we revised the attained-age adjustment factors to a level that, when they were combined with the selection factors, the expected deaths for members not on claim equaled the actual deaths.

b. Mortality assumptions for members on claim

Applying the above mortality assumptions developed for members not on claim to those on claim resulted in actual deaths being 1.8 times higher than expected in

the aggregate. Further refining this comparison, the younger members on claim had much higher mortality than members of the same age group that were not on claim. Older members on claim also had higher actual deaths than expected but not nearly as high as the younger members. As a result, additional attained age factors were developed to increase expected mortality for members on claim. These additional factors were developed and refined to a level that produced an expected number of deaths equal to that of the actual level for members on claim.

c. Assumed mortality

The following were used for all projection cells as the assumed mortality:

- 1994 GAM table along with 100% of projection scale AA used for the next twenty years.
- Selection factors by policy year as follows:

Policy Year 1:	0.33
Policy Year 2:	0.42
Policy Year 3:	0.50
Policy Year 4:	0.56
Policy Year 5:	0.57
Policy Year 6:	0.60
Policy Year 7:	0.65
Policy Year 8:	0.70
Policy Year 9:	0.71
Policy Year 10+:	0.71
- We updated the attained-age adjustment factors that were developed in the 2009 Annual Valuations.

Resetting the Assumed Lapse Assumptions - Using actual total termination experience and the newly updated mortality assumptions, the lapse assumptions were developed. Regarding the analysis performed, we started with the actual total termination experience including both voluntary lapses and deaths, and we then backed out the revised assumed mortality to review actual voluntary lapse rates. The revised lapse assumptions were then developed to correspond to the observed actual lapses.

In resetting the lapse assumptions, we closely reviewed termination experience since 2010 because of the potential for increased lapses due to the premium rate increases implemented in 2010 and 2011.

a. Impact to the projected results from the above lapse changes

The impact from the updated lapse assumptions is summarized in the “Reconciliation of Base Case Valuation Results - 2011 to 2012” section.

b. Voluntary Lapse Rates

The following assumed voluntary lapse rates were used for all projection cells:

Age Group	Policy Year										
	1	2	3	4	5	6	7	8	9	10	11+
< 40	4.7%	3.6%	3.5%	2.7%	2.7%	2.7%	2.7%	2.7%	2.3%	2.3%	2.1%
40 - 49	3.3%	2.3%	1.9%	1.7%	1.7%	1.7%	1.6%	1.6%	1.6%	1.2%	1.2%
50 - 59	2.7%	1.9%	1.5%	1.3%	1.2%	1.2%	1.2%	1.2%	0.9%	0.8%	0.7%
60 - 69	2.1%	1.3%	1.1%	0.9%	0.9%	0.9%	0.9%	0.7%	0.7%	0.7%	0.7%
70 - 79	2.2%	1.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%
80 +	2.5%	2.3%	1.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%

In addition, lapse rates were increased to reflect claimants that exhaust limited benefit periods.

3. Expenses

We used the following expense assumptions:

- We received a copy of Univita’s proposed five year expense costs for per member fees - which, once agreed upon, will be effective starting in 2013. For expenses after the five year contract, we increased all expense items using an annual inflation of 2.75%. Previous valuations used an inflation factor of 3%, and switching to the lower inflation assumption was based on CalPERS actuarial adjustments to the assumed inflation rate.
- Before and after the five year period, we developed claim adjudication costs consistent with past valuations costs associated with claims. More specifically, We converted Univita claim adjudication fees to 4.09% of incurred claims for calendar year 2012, 4.82% for calendar year 2018, and increased the fees for calendar year 2019+ by 2.75% each year for inflation.
- We assumed CalPERS operational expenses would be \$141,235 per month through January of 2013 and increase 2.75% for inflation each February thereafter. In addition, we were informed that the LTC Program will be allocated investment management expenses, which is equal to an annual fee 0.0164% of the fund balance for 2012 increasing each year by inflation. Initially the investment expense will increase the monthly expenses by \$45,000 per month.
- Starting in January 2018, we reduced the inflated fixed dollar fees by the ratio of current premium to the prior year premium. The intent of this is to adjust for the fact that if the Program volume declines, expenses would need to decline as well.

4. Discount Rate

As discussed in the report regarding discount rates, we assumed 5.75% for all projection years.

5. Assumptions Relating to the Implementation of Ongoing Premium Rate Increases

Consistent with the assumptions relating to the development of the recommended rate increases in December 2009, we continue to assume conversions, shock lapses, and anti-selection associated with the ongoing rate increases. The assumptions used to develop these premium increases included an assumption that some members would convert their current policies to lower-benefit policies to avoid the ongoing premium increases. For example, we assumed that some members would convert from lifetime benefit policies to six-year benefit policies at the rate of 10% in 2010, grading down by 1% per year until a level 5% would be assumed to convert annually. For the first year, these assumptions were met with slightly over 10% converting. However, members did not convert during the first and second fiscal quarters of the second year at an expected rate of 9% - less than 2% actually converted, or 18.9% of assumed conversion rate. Given these results, we revised the best estimate assumption for future conversion rates to be 18% of what we originally expected.

Attachment D

Attachment D

CalPERS LTC Program
Comparison of Actual and Projected Results
For 7/2011 thru 6/2012

	<u>6/30/2011 Valuation Projection Results</u>	<u>Actual Results</u>	<u>Actual Less Expected Dollar Differences</u>	<u>Actual/Expected Percentage Differences</u>
Actual Fund Balance as of 6/30/11:	3,246,983,188	3,246,983,188		
<u>Cash Flows from 7/2011 thru 6/2012</u>				
Premiums	323,172,190	313,465,970	(9,706,220)	-3.00%
Investment Income	209,267,010	115,757,121	(93,509,889)	-44.68%
Paid Claims	185,736,238	174,895,837	(10,840,401)	-5.84%
Expenses	17,884,669	21,717,858	3,833,190	21.43%
Estimated Fund Balance as of 6/30/12: (Calculated from Values Above)	3,575,801,482	3,479,592,584	(96,208,898)	-2.69%
Actual Fund Balance as of 6/30/12:	3,479,592,584	3,479,592,584		
Estimated vs. Actual - Dollar Differences:	96,208,898	0	(96,208,898)	
Estimated vs. Actual - Percentage Differences:	2.76%	0.00%		

Attachment E

Attachment E

CalPERS LTC Program
Summary of Model Cells Included in 6/30/2012 Projection

Cell Name	Cell Description	Count	Annualized Premium
LTC1_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, LF U/W	4,707	8,621,011
LTC1_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, MGI U/W	1,198	1,208,148
LTC1_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, SF U/W	939	943,006
LTC1_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	6,286	13,009,746
LTC1_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	1,684	2,414,610
LTC1_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	1,554	2,358,599
LTC1_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, LF U/W	757	1,331,068
LTC1_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, MGI U/W	268	253,081
LTC1_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, SF U/W	185	195,303
LTC1_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	2,421	5,950,924
LTC1_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	770	1,395,133
LTC1_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	772	1,474,188
LTC1_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, LF U/W	7,387	18,313,684
LTC1_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, MGI U/W	4,465	6,434,705
LTC1_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 50% ALF, SF U/W	3,127	4,474,231
LTC1_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	27,955	83,652,489
LTC1_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	16,063	34,852,207
LTC1_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	12,604	29,011,290
LTC1_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 50% ALF, LF U/W	3,037	4,138,988
LTC1_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 50% ALF, MGI U/W	423	323,986
LTC1_N3_SF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 50% ALF, SF U/W	336	273,496
LTC1_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 50% ALF, LF U/W	3,111	5,325,966
LTC1_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 50% ALF, MGI U/W	678	751,630
LTC1_N3_SF	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 50% ALF, SF U/W	736	902,045
LTC1_N6_LF	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 50% ALF, LF U/W	585	872,765
LTC1_N6_MGI	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 50% ALF, MGI U/W	53	48,386
LTC1_N6_SF	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 50% ALF, SF U/W	66	69,254
LTC1_N6_LF	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 50% ALF, LF U/W	825	1,830,376
LTC1_N6_MGI	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 50% ALF, MGI U/W	153	235,198
LTC1_N6_SF	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 50% ALF, SF U/W	169	280,043
LTC1_NL_LF	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 50% ALF, LF U/W	3,247	6,639,394
LTC1_NL_MGI	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 50% ALF, MGI U/W	598	685,796
LTC1_NL_SF	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 50% ALF, SF U/W	589	691,371
LTC1_NL_LF	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 50% ALF, LF U/W	7,806	20,053,336
LTC1_NL_MGI	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 50% ALF, MGI U/W	2,030	3,533,361
LTC1_NL_SF	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 50% ALF, SF U/W	2,257	4,065,683
LTC1_P1_LF	Partnership, 1 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	1,367	1,752,788
LTC1_P1_MGI	Partnership, 1 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	325	344,831
LTC1_P1_SF	Partnership, 1 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	278	201,989
LTC1_P2_LF	Partnership, 2 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	2,108	4,041,568
LTC1_P2_MGI	Partnership, 2 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	565	671,642
LTC1_P2_SF	Partnership, 2 Yr BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	608	682,324
LTC1_P6M_LF	Partnership, 6 Mo BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, LF U/W	133	131,624
LTC1_P6M_MGI	Partnership, 6 Mo BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, MGI U/W	21	11,317
LTC1_P6M_SF	Partnership, 6 Mo BP, 30 Day EP, Inflation, 50% HHC, 50% ALF, SF U/W	11	6,987
LTC2_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, LF U/W	652	995,347
LTC2_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, MGI U/W - Conversions	8	11,112
LTC2_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, SF U/W - Conversions	7	8,381
LTC2_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, LF U/W	968	2,147,819
LTC2_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, MGI U/W - Conversions	4	8,596
LTC2_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, SF U/W - Conversions	5	12,755
LTC2_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, LF U/W	91	167,535
LTC2_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, MGI U/W	2	2,415
LTC2_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, SF U/W	137	386,493
LTC2_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, LF U/W	1	3,680
LTC2_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, MGI U/W	1	3,071
LTC2_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, SF U/W	1	3,071
LTC2_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, LF U/W	1,808	3,208,189
LTC2_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, MGI U/W - Conversions	23	51,995
LTC2_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 50% HHC, 70% ALF, SF U/W - Conversions	19	34,828
LTC2_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, LF U/W	3,644	11,376,985
LTC2_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, MGI U/W - Conversions	22	78,795
LTC2_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 50% HHC, 70% ALF, SF U/W - Conversions	28	97,109
LTC2_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	169	204,732
LTC2_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 70% ALF, MGI U/W	164	298,790
LTC2_N6_LF	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	34	51,601
LTC2_N6_MGI	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 70% ALF, MGI U/W	37	92,719
LTC2_NL_LF	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	249	395,425
LTC2_NL_MGI	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 70% ALF, MGI U/W	535	1,247,483
LTC2_NL_SF	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 70% ALF, SF U/W - Conversions	2	8,173
LTC2_P1_LF	Partnership, 1 Yr BP, 30 Day EP, Inflation, 50% HHC, 70% ALF, LF U/W	90	117,051
LTC2_P1_MGI	Partnership, 2 Yr BP, 30 Day EP, Inflation, 50% HHC, 70% ALF, MGI U/W	171	350,080
LTC2_P1_SF	Partnership, 6 Mo BP, 30 Day EP, Inflation, 50% HHC, 70% ALF, SF U/W	11	12,358
LTC3_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, LF U/W	813	1,103,372
LTC3_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	61	58,476
LTC3_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	47	31,197
LTC3_C3_LF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, LF U/W	2,243	4,570,216
LTC3_C3_MGI	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	360	496,940
LTC3_C3_SF	Comprehensive, 3 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	374	553,256
LTC3_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, LF U/W	2,731	4,583,007
LTC3_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	611	624,162
LTC3_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	473	520,421
LTC3_C6_LF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, LF U/W	2,513	6,735,845
LTC3_C6_MGI	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	475	947,362
LTC3_C6_SF	Comprehensive, 6 Yr BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	431	921,758
LTC3_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, LF U/W	1,095	2,150,753
LTC3_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	17	38,780
LTC3_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, No Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	11	18,548
LTC3_CL_LF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, LF U/W	1,209	4,461,483
LTC3_CL_MGI	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, MGI U/W - Conversions	8	45,812
LTC3_CL_SF	Comprehensive, Lifetime BP, 90 Day EP, Inflation, 70% HHC, 70% ALF, SF U/W - Conversions	6	21,633
LTC3_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	312	407,331
LTC3_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, MGI U/W - Conversions	17	13,060
LTC3_N3_SF	Facilities Only, 3 Yr BP, 90 Day EP, No Inflation, 70% ALF, SF U/W - Conversions	21	12,808
LTC3_N3_LF	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 70% ALF, LF U/W	536	974,672
LTC3_N3_MGI	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 70% ALF, MGI U/W - Conversions	72	87,721
LTC3_N3_SF	Facilities Only, 3 Yr BP, 90 Day EP, Inflation, 70% ALF, SF U/W - Conversions	119	156,692
LTC3_N6_LF	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	782	1,185,560
LTC3_N6_MGI	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 70% ALF, MGI U/W - Conversions	69	61,518
LTC3_N6_SF	Facilities Only, 6 Yr BP, 90 Day EP, No Inflation, 70% ALF, SF U/W - Conversions	94	80,445
LTC3_N6_LF	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 70% ALF, LF U/W	201	481,536
LTC3_N6_MGI	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 70% ALF, MGI U/W - Conversions	17	34,077
LTC3_N6_SF	Facilities Only, 6 Yr BP, 90 Day EP, Inflation, 70% ALF, SF U/W - Conversions	24	47,223
LTC3_NL_LF	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 70% ALF, LF U/W	154	238,809
LTC3_NL_MGI	Facilities Only, Lifetime BP, 90 Day EP, No Inflation, 70% ALF, MGI U/W - Conversions	1	4,259
LTC3_NL_SF	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 70% ALF, SF U/W	187	481,657
LTC3_NL_LF	Facilities Only, Lifetime BP, 90 Day EP, Inflation, 70% ALF, LF U/W	1	1,521
LTC3_P1_LF	Partnership, 1 Yr BP, 30 Day EP, Inflation, 70% ALF, LF U/W	68	55,440
LTC3_P2_LF	Partnership, 2 Yr BP, 30 Day EP, Inflation, 70% ALF, LF U/W	67	157,856
Total		160,330	328,100,129

Abbreviation	Description
BP	Benefit Period
EP	Elimination Period
ALF	Assisted Living Facility
HHC	Home Health Care
LF U/W	Long From Underwriting
MGI U/W	Modified Guaranteed Issue Underwriting
SF U/W	Short Form Underwriting

Attachment F

Attachment F

CalPERS LTC Program
Distributions of Business Inforce as of 6/30/2012

By Benefit Period and Elimination Period

Benefit Period	Elimination Period	Count	Percent
6 Month	30 Day	176	0%
1 Year	30 Day	2,098	1%
2 Year	30 Day	3,519	2%
3 Year	90 Day	31,641	21%
6 Year	90 Day	15,748	10%
Lifetime	90 Day	97,148	65%
Total		150,330	100%

By Issue-Age Band and Gender Average Issue Age 56.2

Issue-Age Band	Females	Males	Total	Percent
< 30	457	256	713	0%
30-39	4,446	2,668	7,114	5%
40-44	6,074	3,355	9,429	6%
45-49	11,367	6,276	17,643	12%
50-54	17,113	10,249	27,362	18%
55-59	18,865	12,544	31,409	21%
60-64	15,337	11,786	27,123	18%
65-69	9,947	7,582	17,529	12%
70-74	5,388	3,254	8,642	6%
75-79	1,888	950	2,838	2%
80-84	360	129	489	0%
85-89	34	5	39	0%
90-94	-	-	-	0%
95+	-	-	-	0%
Total	91,276	59,054	150,330	100%

By Attained Age and Gender Average Attained Age 68.6

Attained Age	Females	Males	Total	Percent
30	8	1	9	0%
31	7	4	11	0%
32	8	5	13	0%
33	12	6	18	0%
34	16	11	27	0%
35	25	12	37	0%
36	62	38	100	0%
37	51	34	85	0%
38	57	32	89	0%
39	86	38	124	0%
40	84	57	141	0%
41	88	58	146	0%
42	124	80	204	0%
43	158	82	240	0%
44	218	157	375	0%
45	448	275	723	0%
46	532	329	861	1%
47	479	289	768	1%
48	447	267	714	0%
49	439	302	741	0%
50	963	564	1,527	1%
51	1,555	855	2,410	2%
52	1,113	654	1,767	1%
53	754	444	1,198	1%
54	755	406	1,161	1%
55	1,095	595	1,690	1%
56	2,088	1,133	3,221	2%
57	2,444	1,316	3,760	3%
58	2,025	1,104	3,129	2%
59	1,436	775	2,211	1%
60	1,850	1,050	2,900	2%
61	3,325	1,987	5,312	4%
62	4,369	2,572	6,941	5%
63	3,247	2,064	5,311	4%
64	2,123	1,330	3,453	2%
65	2,445	1,565	4,010	3%
66	4,641	2,893	7,534	5%
67	4,663	3,016	7,679	5%
68	3,535	2,306	5,841	4%
69	1,976	1,417	3,393	2%
70	2,292	1,627	3,919	3%
71	3,860	2,898	6,558	4%
72	4,733	3,007	7,740	5%
73	3,021	2,065	5,086	3%
74	1,260	1,057	2,317	2%
75	1,645	1,309	2,954	2%
76	2,989	2,274	5,263	4%
77	3,781	2,826	6,607	4%
78	2,838	2,094	4,932	3%
79	684	556	1,240	1%
80	1,145	921	2,066	1%
81	2,153	1,575	3,728	2%
82	2,478	1,788	4,266	3%
83	2,262	1,566	3,828	3%
84	393	241	634	0%
85	722	377	1,099	1%
86	1,217	690	1,907	1%
87	1,391	779	2,170	1%
88	1,066	692	1,758	1%
89	219	98	317	0%
90	244	119	363	0%
91	369	206	575	0%
92	352	180	532	0%
93	232	125	357	0%
94	43	13	56	0%
95	47	19	66	0%
96	43	11	54	0%
97	32	14	46	0%
98	4	-	4	0%
99	1	-	1	0%
100	2	3	5	0%
101	1	1	2	0%
102	6	-	6	0%
Total	91,276	59,054	150,330	100%

Attachment F

CalPERS LTC Program
Distributions of Business Inforce as of 6/30/2012

By Plan Type

<u>Plan Type</u>	<u>Count</u>	<u>Percent</u>
Partnership (Comprehensive)	5,793	4%
Comprehensive	114,040	76%
Facilities Only	30,497	20%
Total	150,330	100%

By Inflation

<u>Inflation</u>	<u>Count</u>	<u>Percent</u>
No Inflation	42,338	28%
Inflation	107,992	72%
Total	150,330	100%

By Marital Status at time of Issue

<u>Marital Status</u>	<u>Gender</u>	<u>Count</u>	<u>Marital Status</u>	<u>Count</u>	<u>Percent</u>
Married	F	55,289	Married	101,999	68%
Married	M	46,710	Other	48,331	32%
Divorced	F	12,575	Total	150,330	100%
Divorced	M	3,495			
Single	F	10,566			
Single	M	5,112			
Widowed	F	12,225			
Widowed	M	2,887			
Unknown	F	614			
Unknown	M	843			
Separated	F	7			
Separated	M	7			
Total		150,330			

By Premium Mode

<u>Premium Mode</u>	<u>Count</u>	<u>Percent</u>
Monthly	114,734	76%
Quarterly	27,506	18%
Semi-Annually	4,740	3%
Annually	3,350	2%
Total	150,330	100%

By Underwriting Type

<u>Underwriting Type</u>	<u>Count</u>	<u>Percent</u>
LF	93,373	62%
MGI	31,065	21%
SF	25,892	17%
Total	150,330	100%

By Product Series

<u>Product Series</u>	<u>Count</u>	<u>Percent</u>
LTC 1	125,257	83%
LTC 2	8,883	6%
LTC 3	16,190	11%
Total	150,330	100%

Attachment F

CalPERS LTC Program
Distributions of Annualized Premium as of 6/30/2012

By Benefit Period and Elimination Period

Benefit Period	Elimination Period	Annualized Premium	Percent
6 Month	30 Day	162,287	0%
1 Year	30 Day	2,372,107	1%
2 Year	30 Day	5,903,469	2%
3 Year	90 Day	52,424,053	16%
6 Year	90 Day	30,866,146	9%
Lifetime	90 Day	236,372,067	72%
Total		328,100,129	100%

By Issue-Age Band and Gender Average Issue Age 59.2

Issue-Age Band	Females	Males	Total	Percent
< 30	354,396	194,307	548,703	0%
30-39	4,574,304	2,759,226	7,333,530	2%
40-44	7,955,462	4,460,662	12,416,124	4%
45-49	17,866,526	9,879,572	27,746,097	8%
50-54	31,637,423	19,181,331	50,818,754	15%
55-59	40,282,193	27,494,849	67,777,042	21%
60-64	37,191,112	29,284,005	66,475,117	20%
65-69	28,323,133	21,932,944	50,256,076	15%
70-74	18,404,346	11,117,929	29,522,275	9%
75-79	8,143,748	4,042,439	12,186,187	4%
80-84	2,036,092	708,857	2,744,949	1%
85-89	238,111	37,163	275,275	0%
90-94	-	-	-	0%
95+	-	-	-	0%
Total	197,006,846	131,093,284	328,100,129	100%

By Attained Age and Gender Average Attained Age 71.5

Attained Age	Females	Males	Total	Percent
28	-	-	-	0%
29	-	-	-	0%
30	10,780	1,089	11,869	0%
31	9,074	2,768	11,842	0%
32	6,857	6,575	13,232	0%
33	11,672	5,939	17,610	0%
34	12,733	8,218	20,951	0%
35	23,555	11,592	35,148	0%
36	45,133	27,360	72,492	0%
37	37,629	25,951	63,579	0%
38	44,618	21,566	66,184	0%
39	94,309	38,115	132,424	0%
40	85,838	57,865	143,703	0%
41	92,802	61,529	154,330	0%
42	116,904	78,017	194,921	0%
43	187,101	98,420	285,521	0%
44	280,169	186,710	466,879	0%
45	483,534	302,147	785,681	0%
46	591,918	370,317	962,235	0%
47	521,372	327,015	848,387	0%
48	499,314	296,331	795,645	0%
49	527,373	353,991	881,364	0%
50	1,148,455	691,217	1,839,673	1%
51	1,759,183	1,010,670	2,769,853	1%
52	1,335,534	811,738	2,147,272	1%
53	1,066,543	620,826	1,687,369	1%
54	1,096,706	617,936	1,714,642	1%
55	1,793,412	988,213	2,781,625	1%
56	3,149,997	1,659,431	4,809,427	1%
57	3,483,480	1,870,164	5,353,644	2%
58	3,114,280	1,780,275	4,874,556	1%
59	2,500,398	1,363,674	3,864,072	1%
60	3,397,363	1,973,112	5,370,475	2%
61	5,768,561	3,561,463	9,330,024	3%
62	7,445,279	4,364,776	11,810,054	4%
63	5,903,332	3,817,165	9,720,497	3%
64	4,286,182	2,713,858	7,000,040	2%
65	4,977,118	3,335,675	8,312,792	3%
66	8,987,920	5,862,918	14,850,838	5%
67	9,060,235	6,010,126	15,070,360	5%
68	7,347,441	4,969,567	12,317,008	4%
69	4,484,648	3,261,948	7,746,596	2%
70	5,308,420	3,865,966	9,174,376	3%
71	8,359,391	6,086,888	14,446,279	4%
72	10,201,226	6,780,341	16,981,566	5%
73	6,832,536	4,898,768	11,731,303	4%
74	3,159,361	2,735,683	5,895,044	2%
75	4,129,528	3,349,851	7,479,379	2%
76	7,119,222	5,530,909	12,650,132	4%
77	9,190,539	6,954,362	16,144,901	5%
78	7,421,935	5,470,165	12,892,100	4%
79	1,996,283	1,646,555	3,642,838	1%
80	3,336,157	2,661,116	5,997,273	2%
81	6,013,396	4,495,708	10,509,105	3%
82	7,263,668	5,235,549	12,499,217	4%
83	6,771,965	4,759,362	11,530,226	4%
84	1,440,841	841,430	2,282,271	1%
85	2,517,544	1,293,760	3,811,304	1%
86	4,102,775	2,260,333	6,363,108	2%
87	4,829,393	2,733,966	7,563,359	2%
88	3,925,403	2,484,541	6,409,944	2%
89	977,918	458,988	1,436,906	0%
90	1,074,776	519,653	1,594,429	0%
91	1,604,602	822,306	2,426,909	1%
92	1,534,838	798,851	2,333,689	1%
93	1,094,713	526,269	1,620,982	0%
94	233,439	71,887	305,326	0%
95	247,977	81,496	329,473	0%
96	261,784	66,134	327,918	0%
97	158,139	87,819	245,959	0%
98	36,352	-	36,352	0%
99	10,336	-	10,336	0%
100	20,519	24,233	44,752	0%
101	5,711	5,139	10,850	0%
102	37,707	-	37,707	0%
Total	197,006,846	131,093,284	328,100,129	100%

Attachment F

CalPERS LTC Program
Distributions of Annualized Premium as of 6/30/2012

By Plan Type

Plan Type	Annualized Premium	Percent
Partnership (Comprehensive)	8,437,864	3%
Comprehensive	262,371,099	80%
Facilities Only	57,291,166	17%
Total	328,100,129	100%

By Inflation

Inflation	Annualized Premium	Percent
No Inflation	71,781,739	22%
Inflation	256,318,390	78%
Total	328,100,129	100%

By Marital Status at time of Issue

Marital Status	Gender	Annualized Premium	Marital Status	Annualized Premium	Percent
Married	F	113,739,866	Married	217,066,429	66%
Married	M	103,326,563	Other	111,033,700	34%
Divorced	F	26,766,731	Total	328,100,129	100%
Divorced	M	7,811,754			
Single	F	20,682,225			
Single	M	9,880,072			
Widowed	F	34,459,136			
Widowed	M	8,221,433			
Unknown	F	1,349,914			
Unknown	M	1,840,166			
Separated	F	8,975			
Separated	M	13,296			
Total		328,100,129			

By Premium Mode

Premium Mode	Annualized Premium	Percent
Monthly	254,365,126	78%
Quarterly	53,894,066	17%
Semi-Annually	10,173,195	3%
Annually	7,647,742	2%
Total	328,100,129	100%

By Underwriting Type

Underwriting Type	Annualized Premium	Percent
LF	224,305,872	68%
MGI	55,642,042	17%
SF	48,152,215	15%
Total	328,100,129	100%

By Product Series

Product Series	Annualized Premium	Percent
LTC 1	274,359,576	84%
LTC 2	21,375,800	7%
LTC 3	32,364,753	10%
Total	328,100,129	100%

Attachment G

Attachment G

Base Case

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	96%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(159,725,659)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(4.66%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,466,017	20,208,045,195	67,181,900	833,664,643	(14,843,425,722)	6,547,590,167
As a percent of total premiums:	100.00%	322.53%	1.07%	13.31%	-236.91%	104.50%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,424,616,127	6,646,511,984	46,344,298	371,078,088	(3,639,318,243)	4,089,405,717
As a percent of present value of premiums:	100.00%	194.08%	1.35%	10.84%	-106.27%	119.41%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,502,499	91,497,171	2,924,197	11,315,236	51,765,895	99,671,168	3,479,592,584
1-12	2013	142,993	308,696,047	207,926,400	5,875,345	21,400,264	73,494,038	211,500,979	3,631,029,647
1-12	2014	138,103	302,786,978	228,840,037	5,781,136	22,138,355	46,027,449	227,089,464	3,916,024,664
1-12	2015	133,169	296,716,526	250,245,234	5,602,833	22,500,605	18,367,853	242,003,351	4,489,141,577
1-12	2016	128,202	290,438,639	272,698,963	5,379,299	22,818,605	(10,458,230)	256,151,262	4,695,205,814
1-12	2017	123,205	283,949,890	295,220,181	5,102,498	23,472,874	(39,845,663)	269,439,563	4,924,799,714
1-12	2018	118,185	277,288,000	316,610,462	4,727,480	24,813,721	(68,863,662)	281,801,926	5,137,737,978
1-12	2019	113,151	270,464,109	335,785,900	4,265,216	25,940,203	(95,527,210)	293,259,659	5,335,470,427
1-12	2020	108,109	263,311,402	355,578,700	3,828,422	26,429,904	(122,525,624)	303,864,478	5,516,809,281
1-12	2021	103,068	255,778,106	377,419,548	3,445,462	26,892,701	(151,979,605)	313,448,451	5,678,278,127
1-12	2022	98,039	247,932,207	399,310,557	3,092,888	27,275,858	(181,747,095)	321,874,563	5,818,405,595
1-12	2023	93,031	239,849,296	420,179,241	2,702,803	27,577,476	(210,610,224)	329,097,143	5,936,892,514
1-12	2024	88,055	231,535,880	440,501,414	2,301,601	27,802,911	(239,070,047)	335,085,198	6,032,907,666
1-12	2025	83,119	222,903,810	461,665,147	1,968,012	27,957,882	(268,687,231)	339,760,593	6,103,981,028
1-12	2026	78,230	213,889,469	485,287,184	1,710,225	28,039,416	(301,147,356)	342,922,548	6,145,756,219
1-12	2027	73,399	204,561,586	509,457,529	1,495,508	28,000,673	(334,392,124)	344,362,643	6,155,752,929
1-12	2028	68,639	195,035,229	531,393,280	1,276,984	27,820,418	(365,455,454)	344,021,360	6,134,292,645
1-12	2029	63,961	185,339,612	549,934,554	1,062,332	27,510,982	(393,168,255)	341,969,812	6,083,094,202
1-12	2030	59,379	175,415,967	567,070,511	879,995	27,089,099	(419,623,639)	338,256,680	6,001,727,244
1-12	2031	54,905	165,256,866	584,556,509	737,138	26,550,666	(446,587,447)	332,797,144	5,887,936,941
1-12	2032	50,549	154,900,523	601,742,743	627,587	25,889,316	(473,359,123)	325,477,364	5,740,055,182
1-12	2033	46,315	144,491,841	615,982,635	529,086	25,204,777	(497,224,658)	316,244,037	5,559,074,561
1-12	2034	42,225	134,096,194	623,989,724	428,058	24,392,299	(514,713,887)	305,299,728	5,349,660,402
1-12	2035	38,296	123,710,590	629,274,387	332,586	23,467,454	(529,363,836)	292,815,181	5,113,111,746
1-12	2036	34,543	113,371,483	633,572,282	256,821	22,437,385	(542,895,005)	278,805,776	4,849,022,517
1-12	2037	30,984	103,189,488	635,547,698	204,712	21,296,283	(553,859,204)	263,273,003	4,558,436,316
1-12	2038	27,635	93,354,989	631,884,085	163,438	20,056,298	(558,748,832)	246,373,289	4,246,060,773
1-12	2039	24,509	83,954,084	621,575,480	126,537	18,752,510	(556,500,444)	228,426,984	3,917,987,313
1-12	2040	21,611	75,007,662	606,934,623	93,532	17,419,719	(549,440,213)	209,730,795	3,578,277,895
1-12	2041	18,945	66,537,324	590,075,201	67,466	16,082,613	(539,687,956)	190,449,245	3,229,039,184
1-12	2042	16,509	58,597,079	570,537,629	49,355	14,746,933	(526,736,838)	170,704,634	2,873,006,979
1-12	2043	14,304	51,278,395	546,693,320	37,861	13,414,297	(508,867,083)	150,702,852	2,514,842,749
1-12	2044	12,322	44,601,206	518,431,248	29,027	12,101,914	(485,960,983)	130,727,035	2,159,608,802
1-12	2045	10,554	38,545,249	487,653,083	22,313	10,837,157	(459,967,304)	111,020,470	1,810,661,968
1-12	2046	8,987	33,080,261	456,364,330	16,693	9,633,745	(432,934,507)	91,714,158	1,469,441,619
1-12	2047	7,607	28,177,085	425,394,471	12,130	8,493,916	(405,723,432)	72,859,597	1,136,577,784
1-12	2048	6,400	23,836,164	394,115,697	8,795	7,417,295	(377,705,623)	54,504,596	813,376,757
1-12	2049	5,353	20,037,201	362,045,413	6,160	6,404,985	(348,419,356)	36,742,085	501,699,485
1-12	2050	4,450	16,737,367	329,854,782	4,055	5,468,712	(318,590,182)	19,664,001	202,773,304
1-12	2051	3,677	13,883,057	298,691,439	2,569	4,611,941	(289,422,891)	3,306,630	(83,342,957)
1-12	2052	3,020	11,422,782	269,396,721	1,710	3,882,962	(261,858,610)	(12,355,407)	(357,556,974)
1-12	2053	2,463	9,320,664	241,732,027	1,074	3,292,939	(235,705,375)	(27,376,142)	(620,638,491)
1-12	2054	1,996	7,547,910	215,235,444	614	2,781,624	(210,469,772)	(41,783,820)	(872,892,083)
1-12	2055	1,606	6,067,942	190,049,670	282	2,332,944	(186,314,954)	(55,597,208)	(1,114,804,244)
1-12	2056	1,284	4,840,121	166,534,793	65	1,944,013	(163,638,750)	(68,855,873)	(1,347,298,866)
1-12	2057	1,020	3,827,784	144,937,578	-	1,609,642	(142,719,436)	(81,621,733)	(1,571,640,035)
1-12	2058	804	2,999,529	125,273,966	-	1,323,199	(123,597,635)	(93,969,893)	(1,789,207,563)
1-12	2059	630	2,327,037	107,416,558	-	1,079,003	(106,168,523)	(105,977,331)	(2,001,353,417)
1-12	2060	490	1,786,859	91,356,645	-	872,876	(90,442,662)	(117,719,917)	(2,209,515,997)
1-12	2061	378	1,373,815	77,194,811	-	700,979	(76,521,976)	(129,285,495)	(2,415,323,468)
1-12	2062	290	1,047,054	64,781,817	-	559,289	(64,294,052)	(140,763,972)	(2,620,381,492)
1-12	2063	221	791,150	54,004,084	-	443,222	(53,656,156)	(152,245,134)	(2,826,282,783)
1-12	2064	168	592,978	44,721,739	-	348,608	(44,477,369)	(163,816,862)	(3,034,577,014)
1-12	2065	126	441,191	36,787,957	-	272,342	(36,619,109)	(175,564,366)	(3,246,760,489)
1-12	2066	94	325,989	30,070,717	-	211,487	(29,956,215)	(187,570,030)	(3,464,286,734)
1-12	2067	70	238,989	24,452,200	-	163,245	(24,376,456)	(199,914,234)	(3,688,577,424)
1-12	2068	52	173,909	19,778,496	-	125,362	(19,729,949)	(212,674,714)	(3,920,982,087)
1-12	2069	38	125,382	15,891,288	-	95,600	(15,861,506)	(225,924,556)	(4,162,768,149)
1-12	2070	27	89,407	12,674,447	-	72,242	(12,657,282)	(239,733,169)	(4,415,158,600)
1-12	2071	20	62,840	10,033,259	-	54,186	(10,024,605)	(254,168,209)	(4,679,351,414)
1-6	2072	17	23,325	4,182,185	-	21,481	(4,180,341)	(132,711,215)	(4,816,242,971)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment H

Attachment H
No Credibility

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	99%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(37,123,334)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(1.08%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,268,001,760	20,083,579,607	67,181,900	839,967,064	(14,722,726,811)	9,945,201,497
As a percent of total premiums:	100.00%	320.41%	1.07%	13.40%	-234.89%	158.67%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,427,595,558	6,528,105,223	46,344,298	369,861,955	(3,516,715,918)	4,459,250,438
As a percent of present value of premiums:	100.00%	190.46%	1.35%	10.79%	-102.60%	130.10%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,506,946	91,416,971	2,924,197	11,123,658	52,042,120	99,674,194	3,479,592,584
1-12	2013	142,993	308,787,606	206,167,142	5,875,345	21,203,895	75,541,224	211,566,744	3,631,308,898
1-12	2014	138,103	302,985,380	224,577,971	5,781,136	22,138,830	50,487,443	227,341,221	3,918,416,865
1-12	2015	133,169	297,013,440	243,208,818	5,602,833	22,501,936	25,699,853	242,606,856	4,196,245,529
1-12	2016	128,202	290,819,958	262,877,768	5,379,299	22,821,415	(258,524)	257,293,512	4,464,552,238
1-12	2017	123,205	284,390,960	282,967,078	5,102,498	23,261,696	(26,940,311)	271,310,384	4,721,587,226
1-12	2018	118,185	277,759,181	302,496,928	4,727,480	24,203,525	(53,668,752)	284,591,005	4,965,957,299
1-12	2019	113,151	270,937,929	320,430,279	4,265,216	25,180,797	(78,938,363)	297,128,594	5,196,879,552
1-12	2020	108,109	263,777,192	339,322,086	3,828,422	25,737,547	(105,110,863)	308,934,246	5,415,069,783
1-12	2021	103,068	256,233,495	360,472,309	3,445,462	26,279,117	(133,963,394)	319,829,611	5,618,893,166
1-12	2022	98,039	248,368,296	382,057,827	3,092,888	26,772,163	(163,554,582)	329,666,130	5,804,759,384
1-12	2023	93,031	240,248,537	403,229,858	2,702,803	27,188,370	(192,872,494)	338,372,979	5,970,870,932
1-12	2024	88,055	231,862,601	424,451,734	2,301,601	27,510,422	(222,381,156)	345,886,816	6,116,371,417
1-12	2025	83,119	223,198,515	446,707,446	1,968,012	27,739,127	(253,216,070)	352,108,033	6,239,877,077
1-12	2026	78,230	214,140,150	471,386,802	1,710,225	27,883,557	(286,840,434)	356,836,233	6,338,769,040
1-12	2027	73,399	204,772,804	496,644,894	1,495,508	27,922,257	(321,289,855)	359,865,231	6,408,764,838
1-12	2028	68,639	195,200,506	519,936,378	1,276,984	27,821,693	(353,834,549)	361,128,191	6,447,340,214
1-12	2029	63,961	185,449,597	540,153,618	1,062,332	27,577,082	(383,343,435)	362,678,368	6,454,633,856
1-12	2030	59,379	175,477,512	558,849,769	879,995	27,193,512	(411,445,765)	358,557,243	6,431,968,790
1-12	2031	54,905	165,281,680	577,643,795	737,138	26,679,951	(439,779,204)	354,695,162	6,379,080,268
1-12	2032	50,549	154,898,054	595,943,225	627,587	26,059,850	(467,732,608)	348,991,828	6,293,996,225
1-12	2033	46,315	144,458,769	611,483,012	529,086	25,432,199	(492,985,529)	341,396,304	6,175,255,446
1-12	2034	42,225	134,023,465	621,113,392	428,058	24,671,556	(512,189,540)	332,094,265	6,023,666,221
1-12	2035	38,296	123,605,246	627,904,202	332,586	23,775,727	(528,407,262)	321,249,147	5,843,570,946
1-12	2036	34,543	113,244,953	633,441,313	256,821	22,765,995	(543,219,177)	308,892,116	5,636,412,823
1-12	2037	30,984	103,050,014	636,467,707	204,712	21,665,706	(555,288,112)	295,038,753	5,402,085,763
1-12	2038	27,635	93,202,769	633,939,353	163,438	20,479,010	(561,379,031)	279,850,071	5,141,836,405
1-12	2039	24,509	83,784,259	624,962,454	126,537	19,210,412	(560,515,144)	263,638,528	4,860,307,444
1-12	2040	21,611	74,825,103	611,485,233	93,532	17,887,235	(554,640,897)	246,700,582	4,563,430,829
1-12	2041	18,945	66,348,747	595,498,444	67,466	16,545,171	(545,762,333)	229,219,483	4,255,490,514
1-12	2042	16,509	58,410,222	576,493,758	49,355	15,211,541	(533,344,432)	211,338,143	3,938,947,667
1-12	2043	14,304	51,097,510	552,993,777	37,861	13,894,668	(515,828,797)	193,282,367	3,616,941,378
1-12	2044	12,322	44,425,219	525,054,558	29,027	12,599,269	(493,257,636)	175,345,007	3,294,394,949
1-12	2045	10,554	38,376,767	494,496,823	22,313	11,343,090	(467,485,458)	157,777,228	2,976,482,320
1-12	2046	8,987	32,923,676	463,224,032	16,693	10,138,264	(440,455,313)	140,725,884	2,666,774,090
1-12	2047	7,607	28,036,685	432,005,163	12,130	8,997,629	(412,978,237)	124,263,411	2,367,044,661
1-12	2048	6,400	23,714,162	400,281,056	8,795	7,935,186	(384,510,875)	108,459,282	2,078,329,834
1-12	2049	5,353	19,930,729	367,780,974	6,160	6,951,210	(354,807,614)	93,420,290	1,802,278,241
1-12	2050	4,450	16,642,676	335,276,724	4,055	6,046,091	(324,684,194)	79,242,804	1,540,890,917
1-12	2051	3,677	13,798,254	303,857,528	2,569	5,216,793	(295,278,636)	65,967,678	1,295,449,527
1-12	2052	3,020	11,347,390	274,303,104	1,710	4,459,998	(267,417,422)	53,579,523	1,066,138,569
1-12	2053	2,463	9,255,325	246,310,269	1,074	3,778,012	(240,834,030)	42,042,088	852,300,670
1-12	2054	1,996	7,492,120	219,406,072	614	3,167,281	(215,081,847)	31,345,496	653,508,728
1-12	2055	1,606	6,020,334	193,770,899	282	2,625,084	(190,375,931)	21,487,489	469,772,377
1-12	2056	1,284	4,799,521	169,815,294	65	2,147,256	(167,163,093)	12,443,136	300,883,936
1-12	2057	1,020	3,793,177	147,821,751	-	1,726,618	(145,755,192)	4,163,502	146,163,978
1-12	2058	804	2,970,358	127,806,709	-	1,373,623	(126,209,973)	(3,414,037)	4,572,287
1-12	2059	630	2,303,178	109,630,478	-	1,102,470	(108,429,770)	(10,354,343)	(125,051,723)
1-12	2060	490	1,767,971	93,267,914	-	890,841	(92,390,784)	(16,719,504)	(243,835,836)
1-12	2061	378	1,359,085	78,827,638	-	714,653	(78,183,206)	(22,581,356)	(352,946,125)
1-12	2062	290	1,035,781	66,147,628	-	569,602	(65,681,450)	(28,011,994)	(453,710,686)
1-12	2063	221	782,529	55,125,632	-	451,129	(54,794,233)	(33,082,450)	(547,404,130)
1-12	2064	168	586,220	45,634,959	-	354,981	(45,403,719)	(37,861,541)	(635,280,813)
1-12	2065	126	435,763	37,529,487	-	277,717	(37,371,441)	(42,414,757)	(718,546,073)
1-12	2066	94	321,576	30,672,407	-	215,986	(30,566,817)	(46,803,401)	(798,332,271)
1-12	2067	70	235,410	24,941,390	-	166,886	(24,872,865)	(51,085,261)	(875,702,488)
1-12	2068	52	171,073	20,177,044	-	128,230	(20,134,202)	(55,313,902)	(951,660,615)
1-12	2069	38	123,193	16,216,844	-	97,881	(16,191,533)	(59,536,550)	(1,027,108,718)
1-12	2070	27	87,749	12,942,027	-	74,063	(12,928,340)	(63,795,084)	(1,102,836,800)
1-12	2071	20	61,605	10,253,331	-	55,571	(10,247,296)	(68,127,854)	(1,179,560,225)
1-6	2072	17	22,837	4,276,530	-	22,031	(4,275,724)	(35,721,632)	(1,257,935,375)
									(1,297,932,731)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment I

Attachment I
Full Credibility

California Public Employees Retirement System
Summary of Projected Values
All Plans

Funded Status	
LTC Program Funded Ratio:	95%
Surplus/(Deficit) \$ = PV (Fund Balance + Earnings):	(197,807,542)
Surplus/(Deficit) \$ as a Percentage of PV(Premiums):	(5.78%)

Assumed Discount Rates	
Projection Years	Annual
Level for all years	5.75%

Total and Present Value of Cash Flows and as Percent of Total Premiums						
	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings
Total (Sum) of Cash Flows 7/2012 thru 6/2072:	6,265,004,392	20,218,327,162	67,181,900	832,308,269	(14,852,812,939)	5,464,144,311
As a percent of total premiums:	100.00%	322.72%	1.07%	13.29%	-237.08%	87.22%
Present Value of Cash Flows 7/2012 thru 6/2072:	3,423,550,509	6,682,974,945	46,344,298	371,631,391	(3,677,400,126)	3,964,703,644
As a percent of present value of premiums:	100.00%	195.21%	1.35%	10.86%	-107.41%	115.81%

(A) (B) (C) (D) (E) = (A) - (B) - (C) - (D) (F) = Calculated Monthly Using (G) and (E)* (G) = PriorYr (G) + (E) + (F)

Annual Projected Values									
Months	Year	Lives	Total Premium (Collected - Waiver of Premium)	LTC Paid Claims	Return of Premium Claims	Total Expenses (Fixed + Policy)	Earnings	Investment Earnings	Fund Balance
7-12	2012	147,839	157,500,442	91,525,290	2,924,197	11,376,635	51,674,320	99,670,196	3,479,592,584
1-12	2013	142,993	308,653,322	208,581,734	5,875,345	21,463,168	72,733,076	211,477,439	3,630,937,100
1-12	2014	138,103	302,696,316	230,478,102	5,781,136	22,138,179	44,298,898	226,994,959	3,915,147,615
1-12	2015	133,169	296,585,822	253,033,229	5,602,833	22,500,097	15,449,663	241,770,773	4,186,441,472
1-12	2016	128,202	290,271,158	276,673,702	5,379,299	22,817,510	(14,599,353)	255,702,508	4,443,661,907
1-12	2017	123,205	283,751,744	300,251,854	5,102,498	23,554,183	(45,156,971)	268,693,803	4,684,765,062
1-12	2018	118,185	277,072,799	322,415,253	4,727,480	25,038,637	(75,108,570)	280,679,386	4,908,302,074
1-12	2019	113,151	270,252,826	342,015,963	4,265,216	26,207,452	(102,235,805)	291,697,471	5,113,872,889
1-12	2020	108,109	263,118,857	362,052,334	3,828,422	26,678,498	(129,440,397)	301,820,569	5,303,334,556
1-12	2021	103,068	255,599,873	384,078,597	3,445,462	27,142,420	(159,066,066)	310,884,386	5,475,714,727
1-12	2022	98,039	247,758,185	406,111,341	3,092,888	27,506,925	(188,952,969)	318,751,545	5,627,532,508
1-12	2023	93,031	239,681,885	426,879,537	2,702,803	27,748,227	(217,648,682)	325,383,028	5,757,331,084
1-12	2024	88,055	231,394,667	446,661,186	2,301,601	27,898,836	(245,466,957)	330,768,839	5,865,065,430
1-12	2025	83,119	222,805,996	466,987,961	1,968,012	28,015,999	(274,165,976)	334,853,950	5,950,367,312
1-12	2026	78,230	213,827,721	489,806,328	1,710,225	28,112,325	(305,801,156)	337,443,335	6,011,055,286
1-12	2027	73,399	204,512,119	513,471,127	1,495,508	28,084,227	(338,538,741)	338,316,552	6,042,697,465
1-12	2028	68,639	194,988,779	534,984,219	1,276,984	27,855,353	(369,127,778)	337,401,774	6,042,697,465
1-12	2029	63,961	185,315,164	552,744,785	1,062,332	27,461,687	(395,953,641)	334,781,365	6,010,749,272
1-12	2030	59,379	175,432,023	568,775,678	879,995	26,984,466	(421,208,117)	330,528,164	5,949,576,996
1-12	2031	54,905	165,315,355	585,016,384	737,138	26,469,829	(446,907,996)	324,569,989	5,858,897,043
1-12	2032	50,549	154,969,413	601,587,071	627,587	25,859,262	(473,104,507)	316,778,914	5,736,559,036
1-12	2033	46,315	144,551,132	615,578,379	529,086	25,146,495	(496,702,829)	307,067,388	5,580,233,442
1-12	2034	42,225	134,163,068	623,064,422	428,058	24,260,323	(513,589,735)	295,640,416	5,408,375,293
1-12	2035	38,296	123,802,371	627,508,607	332,586	23,278,592	(527,317,413)	282,690,375	5,172,648,682
1-12	2036	34,543	113,492,581	630,741,177	256,821	22,260,127	(539,765,545)	268,247,564	4,928,021,664
1-12	2037	30,984	103,315,932	632,161,903	204,712	21,176,264	(550,226,974)	250,305,754	4,656,503,664
1-12	2038	27,635	93,457,268	628,547,068	163,438	19,937,539	(555,190,777)	234,983,600	4,358,582,470
1-12	2039	24,509	84,048,264	618,163,236	126,537	18,589,872	(552,831,381)	216,588,283	4,038,375,293
1-12	2040	21,611	75,107,984	603,261,353	93,532	17,222,562	(545,469,464)	197,340,452	3,702,132,195
1-12	2041	18,945	66,650,022	585,890,239	67,466	15,897,202	(535,204,886)	177,684,204	3,354,093,184
1-12	2042	16,509	58,702,187	566,325,815	49,355	14,610,038	(522,283,020)	157,466,182	2,996,572,501
1-12	2043	14,304	51,357,496	542,892,678	37,861	13,282,485	(504,855,528)	136,947,332	2,631,755,663
1-12	2044	12,322	44,667,812	514,929,240	29,027	11,943,920	(482,234,375)	116,401,658	2,263,847,467
1-12	2045	10,554	38,608,916	484,196,331	22,313	10,651,014	(456,260,742)	95,083,961	1,898,014,750
1-12	2046	8,987	33,146,299	452,697,123	16,693	9,451,049	(429,018,566)	76,137,457	1,537,837,968
1-12	2047	7,607	28,237,404	421,820,197	12,130	8,345,436	(401,940,360)	56,611,166	1,184,956,859
1-12	2048	6,400	23,878,135	391,059,917	8,795	7,282,236	(374,472,813)	37,525,089	839,627,665
1-12	2049	5,353	20,066,627	359,585,652	6,160	6,255,199	(345,780,384)	18,954,667	502,679,941
1-12	2050	4,450	16,762,584	327,791,773	4,055	5,283,616	(316,316,860)	993,631	175,854,224
1-12	2051	3,677	13,910,826	296,611,459	2,569	4,462,392	(287,165,593)	(16,308,026)	(442,942,623)
1-12	2052	3,020	11,454,974	267,025,548	1,710	3,820,723	(259,393,007)	(32,963,150)	(735,298,780)
1-12	2053	2,463	9,348,043	239,342,442	1,074	3,272,590	(233,268,063)	(49,025,918)	(1,017,592,761)
1-12	2054	1,996	7,567,854	213,171,581	614	2,775,040	(208,379,381)	(64,547,127)	(1,290,519,269)
1-12	2055	1,606	6,082,983	188,380,498	282	2,328,946	(184,626,744)	(79,560,831)	(1,554,706,845)
1-12	2056	1,284	4,852,243	165,229,801	65	1,938,361	(162,315,983)	(94,110,998)	(1,811,133,827)
1-12	2057	1,020	3,838,842	143,882,002	-	1,601,726	(141,644,886)	(108,260,672)	(2,061,039,384)
1-12	2058	804	3,008,673	124,397,353	-	1,316,334	(122,705,014)	(122,084,128)	(2,305,828,527)
1-12	2059	630	2,332,599	106,676,210	-	1,074,096	(105,417,707)	(135,661,008)	(2,546,907,242)
1-12	2060	490	1,790,020	90,753,766	-	870,546	(89,834,293)	(149,071,262)	(2,785,812,796)
1-12	2061	378	1,375,836	76,721,847	-	699,320	(76,045,330)	(162,408,401)	(3,024,266,528)
1-12	2062	290	1,048,442	64,416,622	-	557,468	(63,925,648)	(175,767,251)	(3,263,959,427)
1-12	2063	221	792,474	53,714,105	-	441,271	(53,362,901)	(189,242,217)	(3,506,564,545)
1-12	2064	168	594,456	44,482,851	-	347,673	(44,236,069)	(202,925,958)	(3,753,726,572)
1-12	2065	126	442,561	36,607,088	-	272,169	(36,436,696)	(216,909,980)	(4,007,073,248)
1-12	2066	94	327,174	29,937,974	-	210,793	(29,821,593)	(231,284,000)	(4,268,178,842)
1-12	2067	70	240,005	24,343,004	-	162,356	(24,265,355)	(246,134,789)	(4,538,578,986)
1-12	2068	52	174,523	19,683,932	-	124,995	(19,634,403)	(261,547,003)	(4,819,760,392)
1-12	2069	38	125,665	15,818,261	-	95,670	(15,788,266)	(277,602,107)	(5,113,150,765)
1-12	2070	27	89,499	12,621,841	-	72,304	(12,604,646)	(294,378,585)	(5,420,133,996)
1-12	2071	20	62,841	9,995,203	-	54,168	(9,986,530)	(311,953,152)	(5,742,073,678)
1-6	2072	17	23,314	4,166,989	-	21,443	(4,165,118)	(162,837,248)	(5,909,076,044)

* Monthly Investment Earnings = Monthly Investment Rate * (Monthly Earnings * 0.5 + Previous month's Fund Balance)

Attachment J

Attachment J

CalPERS LTC Program
Analysis of Historical Claims Experience
Inception Through 12/31/2011

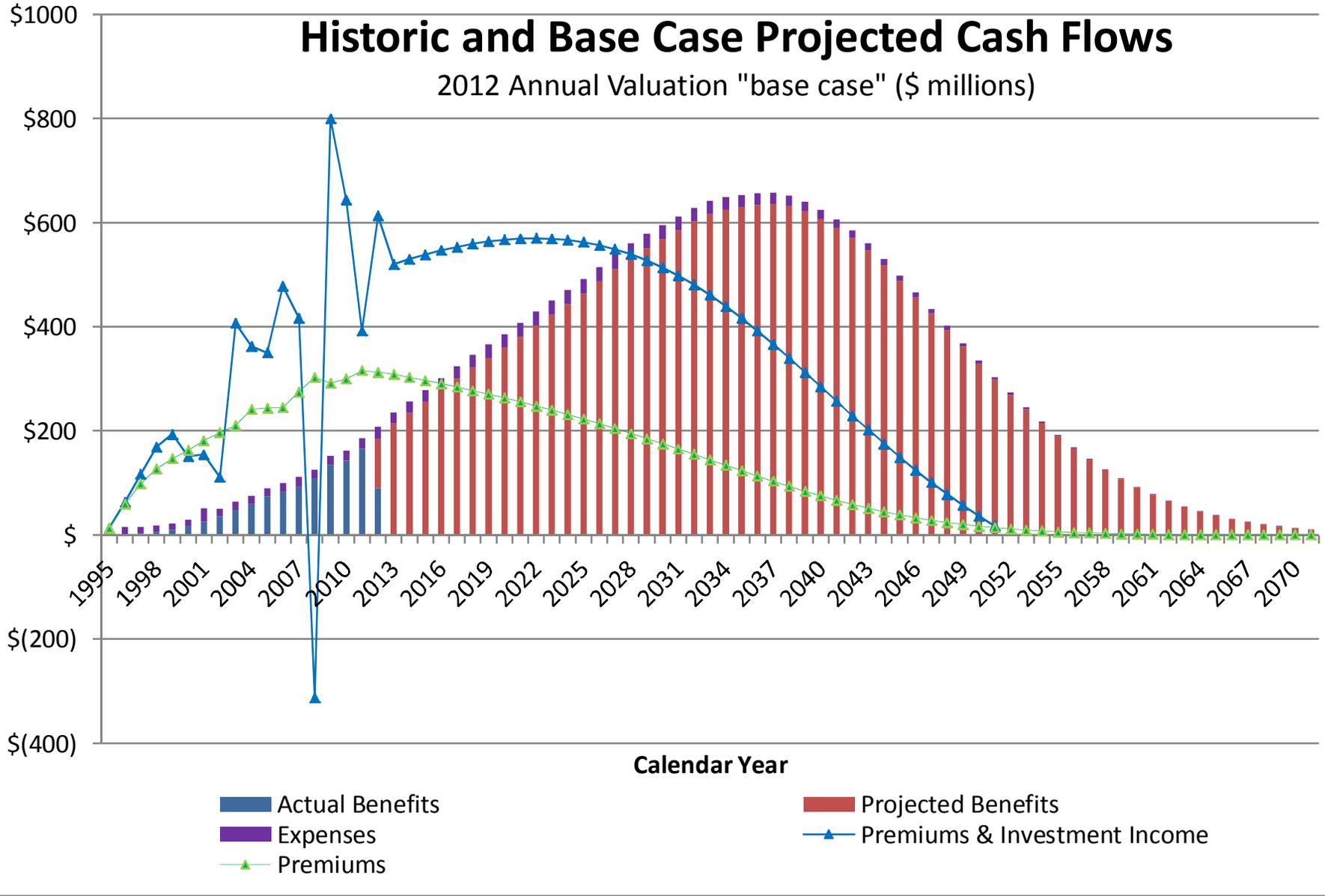
Calendar Year	YE Enrollment	Exposed Life-Years	Net Premiums	As of 6/30/12 Number of Incurred Claims	Estimated Incidence	Incidence Trend	Number of Open Claims at Each Year-End	Number of Open Claims Trend	% of Exposed Life-Years On Claim	Number of Closed Claims at Each Year-End	As of 6/30/12 Unadj'd Avg Incurred Claim	Severity Trend	Total Incurred Claims	Incurred Claim Trend	Undiscounted Incurred Loss Ratio	Paid Claims	Paid Claim Trend	Paid Loss Ratio	Expenses	Expense Ratio	Undiscounted Incurred Claim + Expense Ratio	Paid Claim + Expense Ratio
1995	26,186	9,845	12,740,825	13	0.13%	N/A	13	N/A	0.13%	-	176,850	N/A	2,299,054	N/A	18.04%	38,616	N/A	0.30%	6,341,561	49.77%	67.82%	50.08%
1996	66,354	45,449	58,979,126	91	0.20%	51.63%	88	576.92%	0.19%	16	115,946	-34.44%	10,551,072	358.93%	17.89%	432,348	1019.62%	0.73%	14,961,888	25.37%	43.26%	26.10%
1997	98,549	79,222	98,481,888	183	0.23%	15.37%	210	138.64%	0.27%	77	89,242	-23.03%	16,331,350	54.78%	16.58%	2,202,499	409.43%	2.24%	12,537,201	12.73%	29.31%	14.97%
1998	114,040	103,188	126,034,654	261	0.25%	9.50%	367	74.76%	0.36%	181	99,755	11.78%	26,036,014	59.42%	20.66%	5,188,028	135.55%	4.12%	12,744,996	10.11%	30.77%	14.23%
1999	128,544	119,213	145,838,733	360	0.30%	19.39%	566	54.22%	0.47%	342	101,425	1.67%	36,513,017	40.24%	25.04%	9,253,427	78.36%	6.34%	11,684,674	8.01%	33.05%	14.36%
2000	143,939	133,772	161,617,064	590	0.44%	46.05%	928	63.96%	0.69%	570	100,172	-1.24%	59,101,280	61.86%	36.57%	14,974,944	61.83%	9.27%	13,005,669	8.05%	44.62%	17.31%
2001	158,655	148,452	179,364,746	702	0.47%	7.22%	1,251	34.81%	0.84%	949	103,616	3.44%	72,738,387	23.07%	40.55%	23,661,955	58.01%	13.19%	15,266,985	8.51%	49.07%	21.70%
2002	171,879	162,315	195,102,721	827	0.51%	7.74%	1,607	28.46%	0.99%	1,420	99,259	-4.20%	82,087,242	12.85%	42.07%	33,941,329	43.44%	17.40%	15,213,077	7.80%	49.87%	25.19%
2003	175,157	172,449	208,817,380	933	0.54%	6.19%	2,010	25.08%	1.17%	1,950	107,828	8.63%	100,603,664	22.56%	48.18%	45,969,570	35.44%	22.01%	16,258,535	7.79%	55.96%	29.80%
2004	175,105	173,085	238,527,919	1,044	0.60%	11.49%	2,360	17.41%	1.36%	2,644	111,557	3.46%	116,465,554	15.77%	48.83%	57,155,228	24.33%	23.96%	15,130,073	6.34%	55.17%	30.30%
2005	176,314	173,637	243,935,273	1,158	0.67%	10.57%	2,709	14.79%	1.56%	3,453	105,219	-5.68%	121,843,638	4.62%	49.95%	72,082,430	26.12%	29.55%	16,597,546	6.80%	56.75%	36.35%
2006	173,269	173,530	243,693,901	1,254	0.72%	8.36%	3,063	13.07%	1.77%	4,353	109,474	4.04%	137,280,444	12.67%	56.33%	81,334,872	12.84%	33.38%	17,259,584	7.08%	63.42%	40.46%
2007	170,218	171,054	272,909,192	1,380	0.81%	11.64%	3,445	12.47%	2.01%	5,351	114,892	4.95%	158,551,404	15.49%	58.10%	91,698,670	12.74%	33.60%	18,395,176	6.74%	64.84%	40.34%
2008	167,098	167,799	300,422,655	1,401	0.83%	3.49%	3,810	10.60%	2.27%	6,387	121,694	5.92%	170,493,264	7.53%	56.75%	106,396,161	16.03%	35.42%	17,011,710	5.66%	62.41%	41.08%
2009	162,962	164,394	290,775,312	1,585	0.96%	15.48%	4,206	10.39%	2.56%	7,576	125,315	2.98%	198,624,374	16.50%	68.31%	133,861,249	25.81%	46.04%	17,185,158	5.91%	74.22%	51.95%
2010	156,952	158,982	299,769,180	1,848	1.16%	20.56%	4,712	12.03%	2.96%	8,918	138,645	10.64%	256,215,301	28.99%	85.47%	140,864,090	5.23%	46.99%	21,418,086	7.14%	92.62%	54.14%
2011*	152,386	153,787	315,817,935	1,845	1.20%	3.21%	4,740	0.59%	3.08%	10,120	150,946	8.87%	278,495,398	8.70%	88.18%	165,633,879	17.58%	52.45%	20,588,043	6.52%	94.70%	58.96%
Totals			3,392,828,506	15,475							119,175		1,844,230,456		54.36%	984,689,295		29.02%	261,599,963	7.71%	62.07%	36.73%

* - Excludes IBNR claims and amounts

Attachment K

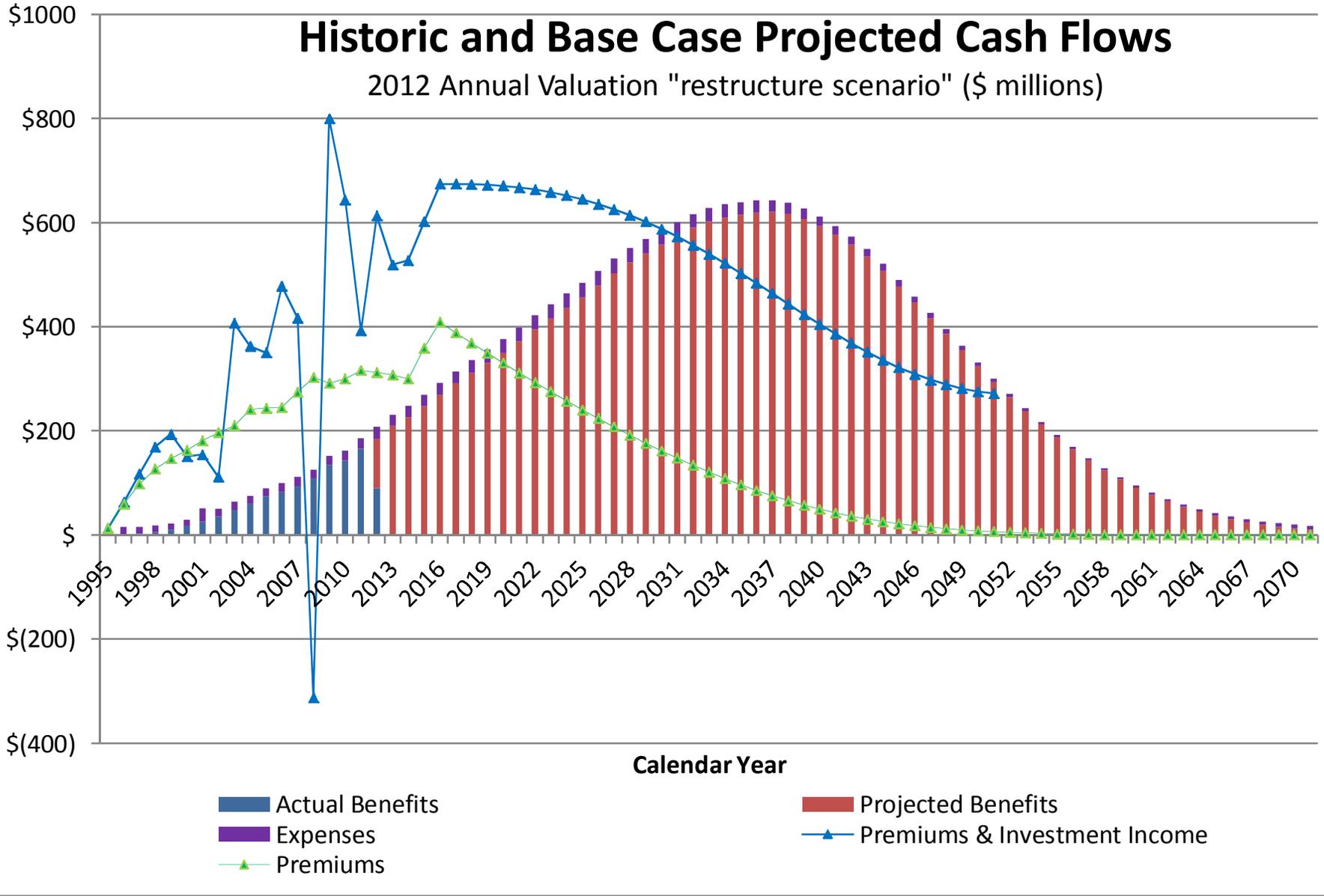
Historic and Base Case Projected Cash Flows

2012 Annual Valuation "base case" (\$ millions)



Historic and Base Case Projected Cash Flows

2012 Annual Valuation "restructure scenario" (\$ millions)



Attachment L

Attachment L
Glossary of Terms

Anti-selection – Individuals who let their policies lapse because of special events (see “Shock Lapses”) are usually in better health. Policyholders do not normally drop their coverage if they anticipate that they will soon have a claim. As a result of this policyholder decision process, individuals who retain their policies are often, on average, in worse health than those who lapse them. This phenomenon is called Anti-selection.

Base Case – The results of a projection using the “best estimate” assumptions in the LTC valuation. All sensitivity projections are done relative to this Base Case.

Benefit Period - This is the period of time that an insured would receive benefits if the full maximum daily benefit amount is paid each day an insured is on claim. If less than the maximum daily benefit amount is paid, the length of time that a claimant would receive benefits would be greater than this time period.

Claim Costs – Product of the expected claims frequency (incidence) and the expected average claim (severity) based on assumed continuance.

Claim Payment Distributions – Allocates incurred claims to payment durations (monthly for CalPERS valuation).

Comprehensive Plan – A plan that covers home health care (HHC) in addition to care in a nursing home and/or an assisted living facility.

Continuance – Refers to the period of time that a policyholder continues to be on claim after a claim has begun.

Conversion – The voluntary election to switch/reduce coverage, sometimes as a result of a specific event such as a premium rate increase.

Credible – A statistical measure of the degree to which data is considered reliable for predictive purposes. Credibility increases as a block of business grows and over time as more data accumulates.

Credibility-Weighted Claim Costs– When actual claim costs from a block of business are not fully credible, data from outside inputs (such as national data sources) are used to supplement the block’s experience. A percentage of each source of claim costs is used such that the two percentages add to 100 percent. The percentage of actual block experience used is based on the credibility of that block, and the remaining percentage would be attributed to the outside input. For CalPERS, the percentages are split between experience claim costs and manual claim costs (i.e., LTC insurance industry data).

Deficit – A calculation that determines the degree to which the current fund value is insufficient to pay future benefits expressed as a percentage of the present value of future premiums. This number is an estimate of what one-time rate increase would be needed to bring the Program back to the target margin level. If the current fund value is more than enough to pay future benefits, a positive number represents a surplus. In formula terms:

Attachment L
Glossary of Terms

{Current Fund Balance + Present Value of Premiums – Present Value of Benefits and Expenses} / Present Value of Premiums

Disabled Life Reserve – The value of future claim payments for those members currently on claim.

Discount Rate – An interest rate used to determine present values. For CalPERS, the discount rate is set equal to the expected investment earnings rate.

Duration – The amount of time, typically measured in years, since the issue date of the policy. Duration is sometimes referred to as policy year.

Elimination Period - This is the period of time that the member pays for care before the benefits are paid from insurance proceeds.

Facility-Only Plan – This type of plan pays for care in a nursing home or assisted living facility, but not for care at home or in the community.

Fully-Credible Claim Costs – Experience claim costs from a block of business large enough and/or that has been active long enough such that the claims data is fully credible on its own. In other words, the claims data from the block is used without outside data input (such as from LTC insurance industry data sources).

Funded Ratio - Method of expressing the current financial status of the Program, which is consistent with the CalPERS pension and health plan financial status measurements. In general, the funded ratio is the assets divided by the accrued liability, or reserves. For long-term care insurance, the accrued liability is equal to the present value of future benefits and expenses less the present value of member premiums. This definition is consistent with a statutory gross premium valuation reserve for LTC insurance. In this context, a breakeven position is a ratio of 100%. In formula terms:

Fund Balance
{Present Value of Benefits and Expenses – Present Value of Premiums}

Gross-Up Factors – When reviewing claims experience, the incidence of claims from early durations tend to be lower than later durations for similar attained ages, which is a result of the underwriting process. These lower claims in early durations are estimated utilizing assumed Selection Factors. For claim cost development, early claims are adjusted by the inverse of these factors, i.e. Gross-Up Factors, to put them at estimated ultimate levels. The purpose of doing so is to express all claims on a consistent basis for evaluation purposes, which allows for the combination of results at various durations.

Incidence - The number of policyholders that start a claim as a percentage of policyholders that could start a claim over a specified time period (i.e., frequency of claim).

Attachment L
Glossary of Terms

Incurred Claims – Incurred claims are made up of paid claims plus a reserve representing the assumed continuance of claims on known claimants which have yet to be paid as well as claims that have begun on unknown claimants but have not yet been reported. The amount of the latter unpaid claims is referred to as the IBNR (Incurred But Not Reported) Reserve.

Inflation Coverage – An optional feature that increases the amount of available benefits over time in order to protect a policyholder against rising health care costs. The CalPERS inflation coverage feature increases the amount of benefits by 5% per year. This compounding of available benefits in combination with the higher than expected (i.e., priced for) persistency is one of the primary causes of Program deficits.

Interpolation – A process used to estimate an intermediate value when the surrounding values are known.

LTC1, LTC2, LTC3 - Three different long-term care insurance plans sold to CalPERS members. Main differences between the plans are the percents of daily benefit for the Home Health Care (HHC) and Assisted Living Facility (ALF) care that are available at the time of claim in comparison to the Nursing Home (NH) coverage for comprehensive policies. A summary of those benefits and the initial issue year is shown below.

LTC1 (1995) – NH (100%) / ALF (50%) / 50% HHC
LTC2 (2003) – NH (100%) / ALF (70%) / 50% HHC
LTC3 (2005) – NH (100%) / ALF (70%) / 70% HHC

Model – An actuarial tool used to project future cash flows including premiums, claims, investment returns, and expenses.

Morbidity – The overall term for the various assumptions underlying the expected/projected claims of a block of business.

Mortality - The rate of incidence of death.

Partnership Plan - A Partnership Program is a collaboration or “partnership” between state government, insurance companies, and state residents who buy long-term care Partnership policies. The purpose of the Partnership program is to encourage individuals to purchase LTC coverage and save the state money by increasing private funding of LTC services and thereby reducing Medicaid payments for LTC. The advantage of the partnership plan for a member is that once his/her insurance coverage is exhausted, his/her assets in an amount equal to the amount of insurance coverage used is protected when qualifying for Medicaid payments for LTC.

Persistency – The number of policyholders that remain active relative to the total number that started from one time period to another. Historically, LTC persistency has been higher than what was originally expected for CalPERS and the LTC industry as a whole.

Attachment L
Glossary of Terms

Because of the stronger than expected persistency, more members are ultimately expected to submit claims than were originally priced for, which puts additional financial strain on a LTC program.

Present value – A calculation that expresses future cash flows in a current cash equivalent amount based on assumed future interest rates (the Discount Rate).

Return of Premium or ROP – Returns some or all of a member’s premiums less any benefits paid to the spouse or estate if the member dies before age 75. This is a built-in option for some of CalPERS plans.

Selection Factors – Factors used to adjust attained age or ultimate claim costs to levels reflecting recent underwriting/issue, therefore reducing (in general) claim costs associated with those policies. Different selection factors are also used for the mortality assumption.

Seriatim Basis – Using policy-by-policy data in its full detail without any initial grouping or summing.

Shock Lapses – An insurance phenomenon where individuals allow their policies to lapse/terminate at a higher rate than usual due to a specific event such as a premium rate increase.

Terminations – The policies that are no longer active due to death, voluntary lapse, or any other reason.

Ultimate Claim Costs (Factors) – Also referred to as attained-age claim costs; it represents the claim costs after underwriting selection wears off.

Underwriting Selection Wear-off – Refers to the time period after which underwriting is assumed to no longer have an impact on claim levels. Selection Factors no longer increase and stay level for all future durations starting at this point.

Underwriting Type – Underwriting is the process of evaluating and selecting risks to be insured. Three types of underwriting were utilized at various times by CalPERS:

MGI - Modified Guaranteed Issue; limited underwriting for younger applicants actively at work.

SF – Short Form; simplified application process with limited medical evaluation for younger applicants.

LF – Long Form; considered “full underwriting” due to the comprehensive nature of medical questions asked and the associated underwriting process.

Attachment L
Glossary of Terms

Currently, CalPERS only uses the long form of application for underwriting and has done so since 2002.

Voluntary Lapsation – When a policyholder chooses to terminate his/her policy of his/her own volition - not due to death or other limitation on renewing contained within the policy.

Waiver of Premium or WOP – A benefit provision in a policy that allows the insured to stop making premium payments during the time when they meet specified disabling conditions such as being eligible to be on LTC claim.