LEMONADE INSURANCE COMPANY

State of Georgia

Actuarial Memorandum

Lemonade Insurance Company (the Company) is proposing revisions to its rating factors for its current pet insurance program in Georgia. The basis for the proposed rating variables is described below. The proposed rate level change for the Accident & Illness coverage is 10.0% and the proposed change for Preventative coverage is -8.8%. The overall proposed rate level change is 6.3%. Revised rate manual pages are included to replace those currently on file. Please see the attached rate indication for support of the proposed rate adjustment.

Program Information

The Company's pet insurance program was launched in the second quarter of 2020. The plan covers eligible veterinary expenses incurred from diagnostics and treatments related to unexpected accidents and illnesses. A preventative care add-on may also be selected by policyholders to provide coverage for services such as annual wellness exams, blood tests, vaccines, and more. Coverage is available for either cats or dogs.

We have 10,594 in-force policies in the state of Georgia as of July 20th, 2024.

Summary of Proposed Changes

Rule 1. Annual Base Rate

We are proposing an offset to the Base Rate to achieve the proposed Accident & Illness rate level change of 10.0%.

Rule 2. Zip Code Modifier Factors

The Company is proposing a 15.0% decrease to Territory 2 and a 20.0% increase to Territory 3.

Rule 3. Breed Factors

The company is proposing factor changes to several breed factors. Please refer to the Derivation of Breed Factors Exhibit for more details.

Rule 5. Gender