



January 12, 2026

AFLAC PET INSURANCE POWERED BY TRUPANION ACTUARIAL MEMORANDUM & CERTIFICATION

PURPOSE

The purpose of this filing is to present a rate level change and to demonstrate that the resulting rates are reasonable, not excessive, inadequate, or unfairly discriminatory. The rates in this filing are determined in accordance with sound and commonly accepted actuarial principles. We believe that the information contained in this memorandum and the accompanying supporting rate exhibits are sufficient to demonstrate the above to an actuary qualified in the same practice area in which the filing is made. This filing is not intended to be used for other purposes.

SUMMARY OF PROPOSED CHANGES

Effective Date:	May 1, 2026
Overall Rate Impact:	+19.0%
Statistical Reporting Agent:	NISS
Base Rates:	Revising based on experience and in consideration of other proposed changes
Breed Factors:	Revising based on experience
Age Factors:	Revising based on experience
Gender Factors:	Revising based on experience

METHODOLOGY AND SUPPORT

The *Aflac Pet Insurance Powered by Trupanion* program plans are administered as a voluntary benefit to employees and were first introduced in North Carolina on January 1, 2022. Since then, the veterinary industry in the United States has continued to see significant increases in costs due to corporate consolidation of hospitals, increasing labor costs and technology improvements. Therefore, we propose to revise rates for these plans in order to keep up with the inflation in veterinary services.

The program does not have credible experience. We have calculated the indicated rate need for North Carolina by incorporating the credible annual net trend that we have observed in another of APIC's programs, *Trupanion Pet Health Insurance*, as filed in SERFF APII-134678174. We believe that this data accurately reflects the overarching increases to veterinary medical costs for the insured population.

BASE RATE ADJUSTMENT

We are adjusting the base rates to achieve an overall change of 19.0%. Please see the base rate development in Exhibit 1.

RATING FACTORS

For the purposes of this filing, the breed, gender and age factors from the most recent APIC filing for *Trupanion Pet Health Insurance* program (SERFF filing APII-134678174) will be used for the Accident & Illness plans. This program is offered only through employers and currently has a very limited number of policyholders, so exposures may be concentrated in a small geographic area. Therefore, the geographic factors will remain unchanged at this time to avoid any bias towards that region's experience in the development of rates.

Due to the difference in expected risk, the breed, gender and age factors will also remain unchanged for the Accident Only plan at this time. We will continue to monitor emerging experience and will update these factors as needed once we have sufficient data to support an update.