

**Long Term Care Insurance Rate Request Summary
Part 2 –To Be Completed By Bureau of Insurance**

Company Name and NAIC Number: RiverSource Life Insurance Company - 65005

SERFF Tracking Number: AERS-129009929

Disposition: approved

Approval Date: 12/3/2014

Revised Rates

Average Annual Premium Per Member:	\$1476
Average Requested Percentage Rate Change Per Member:	20%
Minimum Requested Percentage Rate Change Per Member:	20%
Maximum Requested Percentage Rate Change Per Member:	20%
Number of Policy Holders Affected:	439

Summary of the Bureau of Insurance's review of the rate request:

The Company submitted a rate increase request of 20%. Since all of the policies were issued prior to the effective date of the rate stabilization requirements (10/1/2003), we have reviewed this filing pursuant to the requirements of 14VAC5-200-150 and 14VAC5-130-70. This increase would apply to the 439 policies in force in Virginia as of the date the filing was received on 8/01/2013. The company provided its assumptions, historical experience and future projections of claims and premium both on a nationwide and Virginia-only basis. The assumptions and projections were reviewed and checked for reasonableness. The projected lifetime loss ratio is 91.9% and the anticipated future loss ratio taking into account the policy reserves is 62.9%. These ratios both exceed the required minimum, which is the greater of the original pricing loss ratio of 55% and the statutory minimum of 60%. We have reviewed the data for consistency and reasonableness and where data was found inconsistent or unreasonable, clarification was requested. We have utilized generally accepted actuarial methodologies in arriving at our opinion and confirm this increase is in compliance with applicable Virginia laws and regulations.

The reason for the rate increase is that claims are anticipated to be higher than previously expected. This is due in part to individuals living longer and keeping their policies longer, which results in higher claims than originally anticipated. As a result, premiums need to be adjusted to ensure there is adequate funding to pay current and anticipated future claims.

The company indicated that if the Bureau approved the currently requested 20% rate increase, the company agreed not to seek any increase effective within three years of the approval date. The company did indicate it is likely the company will request additional rate increases after three years. The company has included in its policyholder notice options that will allow the policyholder to reduce or eliminate the rate increase.

This document is intended to explain the decision made by the Bureau of Insurance and it is only a summary of the Bureau's review. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.