

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Filing at a Glance

Company: John Hancock Life Insurance Company (U.S.A.)
Product Name: 2022 Inforce Rate Increases - JH LE
State: Virginia
TOI: LTC03I Individual Long Term Care
Sub-TOI: LTC03I.001 Qualified
Filing Type: Rate
Date Submitted: 05/18/2023
SERFF Tr Num: MULF-133673718
SERFF Status: Closed-Approved
State Tr Num: MULF-133673718
State Status: Approved
Co Tr Num: 2022 INFORCE RATE INCREASES - JH LE
Effective: On Approval
Date Requested:
Author(s): Michelle Fluet, Carol Folsom, Joanne Witham, Alex Yi, Amanda Weaver, Carolyn Gill
Reviewer(s): Bobby Toone (primary), Ian Patterson
Disposition Date: 05/17/2024
Disposition Status: Approved
Effective Date:

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

General Information

Project Name: 2022 Inforce Rate Increases - JH LE

Project Number:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact: 31.9%

Deemer Date: 04/27/2024

Submitted By: Michelle Fluet

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Individual Market Type:

Filing Status Changed: 05/17/2024

State Status Changed: 05/17/2024

Created By: Michelle Fluet

Corresponding Filing Tracking Number:

State TOI: LTC03I Individual Long Term Care

Filing Description:

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC031 Individual Long Term Care/LTC031.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Re: John Hancock Life Insurance Company (U.S.A.)
 Company NAIC # 65838; FEIN #: 01-0233346
 Individual Long-Term Care Insurance Rate Revision Submission
 Revised Actuarial Memos (See Policy Forms List Below)

Dear Commissioner:

We have recently completed our 2022 experience study. This comprehensive study is generally conducted every three years and examines the usage trend for our insured population. Relative to previous expectations, the new data demonstrates lower mortality for non-claimants, higher utilization of benefits, and longer than expected claims, partly offset by lower claim incidence.

Based on that data, we have determined that there is a need to increase premiums on certain policy series.

As a result of the study, we are requesting a premium rate increase on the policy series listed below and are enclosing the actuarial memos and rates for your review and acceptance.

Policy Series	Approval Date	Years Sold	Average Increase
LTC-06 VA5/26/2006	2006	2011	131.9%

The increases requested reflect the timing of the acceptance of our prior rate increase filings in your state as well as any unapproved amounts from our prior filing on an actuarially equivalent basis.

The proposed premium rates will be effective on the next policy anniversary date, following a 90-day policyholder notification period, which will be made as soon as practicable following state acceptance. As we will describe later in this letter, we will also offer affected insureds various benefit reduction options to help mitigate the impact of the rate increase.

Policyholder Options

We are aware that a premium increase may be difficult for our policyholders. Therefore, we will provide all policyholders with options which will help them mitigate the impact of any increase.

•Shared Cost Option

If the policyholder selects this option, they will be able to offset the premium rate increase. The Shared Cost Option consists of two components.

- All policy benefit amounts (all Daily/Weekly/Monthly Benefit amounts and the Policy Limit) will be decreased by an assigned Shared Cost percentage (based upon policy series and the insured's original issue age and benefit selected); and
- We will also apply that same Shared Cost percentage to future claims for covered charges and will pay our portion (1 minus the Shared Cost percentage) of covered charges, but we will pay no more than the new revised [daily/monthly/weekly] benefit amount and the new Policy Limit. The insured will be responsible for the remaining expenses.

Example: If the revised Daily Benefit for Nursing Facility Care is \$200 and Your Shared Cost Percentage is 20%, we will pay 80% of the Nursing Home charges, but no more than \$200.

- If Your Nursing Home charges are \$100, we will pay \$80 and You will be responsible for \$20.
- If Your Nursing Home charges are \$200, we will pay \$160 and You will be responsible for \$40.
- If Your Nursing Home charges are \$300, we will pay \$200 and You will be responsible for \$100

Shared Cost percentages will be determined to be actuarially equivalent to the rate increases by combination of the issue age band, benefit period and inflation type.

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If Shared Cost is elected, all other policy provisions other than those mentioned above remain unchanged, including the inflation increase option (if selected).

•Paid-up Option

If the policyholder selects this option, the policy will be converted to a paid-up status on the rate increase effective date (the next policy anniversary date). The new policy limit will be equal to the lesser of the current policy limit and 150% of premiums paid, less any claims paid. Under this option, all optional riders will terminate, and no additional inflation adjustments/increases will be provided.

Please note the referenced mitigation options above may not be available on all policy forms if the rate increase is not approved as requested.

•Nonforfeiture

The nonforfeiture rider benefit, if purchased, may be exercised and the policy will be converted to paid-up status in accordance with the policy provision on the rate increase effective date.

•Contingent Nonforfeiture

If the NAIC contingent nonforfeiture benefit upon lapse is triggered, customers will be offered paid-up coverage in accordance with the provision. We are allowing contingent nonforfeiture if the rate increase trigger is met for all affected policyholders, even if it was not otherwise required in your State.

•Additional Mitigation Options

Policyholders may also be able to reduce their benefit period, adjust their daily/monthly benefit amount, drop optional benefit riders or extend their elimination period.

The corresponding forms for the Shared Cost and Paid-up options will be submitted under separate cover shortly.

Policyholder Communication Package

We are also submitting our sample template policyholder communication package regarding the rate increase and options to help mitigate the rate increase for your information. We developed this communication package keeping in mind the amount of meaningful and detailed information to the policyholder and the presentation of the material in a clear manner. We have incorporated suggestions from state regulators, policyholders, and our dedicated policyholder service representatives. This package will be personalized for each customer with reduction options to keep their premium near or at the current level; options will vary by their respective situation. This package is included in Supporting Documentation. We will be submitting the policyholder communication package for review and approval in a separate form filing.

Ensuring No Cross-Subsidization Between States

We have ensured no state's rate increase approvals will subsidize other states' experience. Rate increases will vary by state, but only to reflect the timing and amount of prior rate increases approved by that state. This is accomplished by first backing-out all prior rate increases from our nationwide premium data. We then re-introduce prior rate increases with the amount and timing based on your state's prior approvals. The current proposed rate increases are then determined based on the amounts needed in order to achieve our target loss ratios where our targets reflect the lifetime loss ratios certified to in our prior filing.

Although some states may have capped our previous inforce rate increase filings, in each case this was done with the

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Project Name/Number: 2022 Inforce Rate Increases - JH LE/

understanding that the full amount of the proposed rate increases were justified, and that John Hancock would be refileing for the remainder at a later date. In instances where the remainder remains unapproved, it has been included in the current filings.

Past Losses Testing

Preventing companies from recouping past losses was the subject of discussion by the Health Actuarial Task Force in late 2013. The accepted methodology by the Health Actuarial Task Force is to define past losses as actual past claims less expected past claims when determining loss ratio compliance where expected past claims are defined as the following:

“Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase regardless of whether or not the rate increase is approved. Expected claims are calculated for each calendar year based on the in-force at the beginning of the calendar year. Expected claims shall include margins for moderately adverse experience; the margins included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing.”

The rate increases we calculated follow the methodology described above to ensure that we are not recouping past losses.

This submission is being filed in all states.

The following items are included in this submission:

- *the submission letter.
- *all actuarial material.
- *sample Policyholder Communication Package
- *all required certifications.

Please do not hesitate to contact us regarding this submission. We will be happy to meet with the Department at a time of your convenience.

Thank you for your time and consideration in this matter.

Company and Contact

Filing Contact Information

Michelle Fluet, Senior Contract Consultant mfluet@jhancock.com
 200 Berkeley Street 617-572-0101 [Phone]
 B6-06 617-572-0399 [FAX]
 Boston, MA 02117

Filing Company Information

John Hancock Life Insurance Company (U.S.A.)	CoCode: 65838	State of Domicile: Michigan
200 Berkeley Street	Group Code: 904	Company Type:
Boston, MA 02176	Group Name:	State ID Number:
(617) 572-6000 ext. [Phone]	FEIN Number: 01-0233346	

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Filing Fees

State Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

SERFF Tracking #:

MULF-133673718

State Tracking #:

MULF-133673718

Company Tracking #:2022 INFORCE RATE INCREASES - JH
LE**State:**

Virginia

Filing Company:

John Hancock Life Insurance Company (U.S.A.)

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

2022 Inforce Rate Increases - JH LE

Project Name/Number:

2022 Inforce Rate Increases - JH LE/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Bobby Toone	05/17/2024	05/17/2024

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Bobby Toone	02/27/2024	02/27/2024
Info has been requested from company	Bobby Toone	12/14/2023	12/14/2023
Info has been requested from company	Ian Patterson	08/10/2023	08/10/2023
Info has been requested from company	Ian Patterson	06/23/2023	06/23/2023
Info has been requested from company	Bobby Toone	06/14/2023	06/14/2023

Response Letters

Responded By	Created On	Date Submitted
Michelle Fluet	03/28/2024	03/28/2024
Michelle Fluet	12/21/2023	12/21/2023
Michelle Fluet	09/08/2023	09/08/2023
Michelle Fluet	07/21/2023	07/21/2023
Michelle Fluet	06/16/2023	06/16/2023

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Sample Policyholder Communication Package	Michelle Fluet	05/16/2024	05/16/2024
Supporting Document	Sample Policyholder Communication Package	Michelle Fluet	05/16/2024	05/16/2024
Supporting Document	Sample Policyholder Communication Package	Michelle Fluet	05/15/2024	05/15/2024
Supporting Document	Sample Policyholder Communication Package	Michelle Fluet	04/03/2024	04/03/2024
Supporting Document	Sample Policyholder Communication Package	Carol Folsom	08/24/2023	08/25/2023

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Sample Policyholder Communication Package	Michelle Fluet	06/13/2023	06/13/2023

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Actuary Opinion & Final Report	Reviewer Note	Bobby Toone	09/28/2023	
RRS	Reviewer Note	Bobby Toone	06/14/2023	

SERFF Tracking #:

MULF-133673718

State Tracking #:

MULF-133673718

Company Tracking #:

2022 INFORCE RATE INCREASES - JH
LE

State: Virginia
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Filing Company: John Hancock Life Insurance Company (U.S.A.)

Disposition

Disposition Date: 05/17/2024

Effective Date:

Status: Approved

Comment: In approving this filing, the Company is reminded that pursuant to 14VAC5-200-153 D, it is required to provide updated experience reports for the next 3 years comparing the actual results to the results that the company projected in justifying the rate increase. We would expect the first of the three experience report filings to be made no later than 15-18 months after implementation, capturing a full 12 months of experience following the rate implementation, and including updated data through the most recent year end.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
John Hancock Life Insurance Company (U.S.A.)	31.900%	30.700%	\$1,462,115	1,871	\$4,755,483	31.700%	22.700%

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate (revised)	Rate Table	Approved	Yes
Rate	Rate Table	Withdrawn	No
Supporting Document	Certification of Compliance/Readability	Received & Acknowledged	Yes
Supporting Document	Product Checklist	Received & Acknowledged	Yes
Supporting Document (revised)	L&H Actuarial Memorandum	Received & Acknowledged	Yes
Supporting Document	L&H Actuarial Memorandum	Withdrawn	No
Supporting Document (revised)	Long Term Care Insurance Rate Request Summary	Received & Acknowledged	Yes
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Cover letter	Received & Acknowledged	Yes
Supporting Document (revised)	Sample Policyholder Communication Package	Received & Acknowledged	Yes
Supporting Document	Sample Policyholder Communication Package	Withdrawn	No
Supporting Document	Sample Policyholder Communication Package	Withdrawn	No
Supporting Document	Sample Policyholder Communication Package	Withdrawn	No
Supporting Document	Sample Policyholder Communication Package	Withdrawn	No
Supporting Document	Response to 6/23/23 objection	Received & Acknowledged	Yes

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Response to 8/10/23 objection	Received & Acknowledged	Yes
Supporting Document	State summary – PROPRIETARY & CONFIDENTIAL	Received & Acknowledged	Yes
Supporting Document	Response to 12/14/23 objection	Received & Acknowledged	Yes
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Sample Policyholder Communication Package	Withdrawn	No
Supporting Document	Sample Policyholder Communication Package	Withdrawn	No
Supporting Document	Response to 2/27/24 objection	Received & Acknowledged	Yes

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	02/27/2024
Submitted Date	02/27/2024
Respond By Date	03/28/2024

Dear Michelle Fluet,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- Rate Table, [LTC-06 VA] (Rate)
- L&H Actuarial Memorandum (Supporting Document)

Comments: After review of the Company's requested rate increase of 31.90%, this rate increase does not fully meet Virginia regulations 14VAC5-200-153. After review by the Commissioner, the following rate increase would bring the request into compliance.

GPO: 22.70%

Compound: 13.20%

CPI: 31.70%

The Bureau would like the company to consider implementing the increase over 2-3 years without using the time value of money.

If this rate increase is acceptable to the company, please revise the actuarial memorandum and the necessary supporting documentation as well as the Rate/Rule Schedule - Company Rate Information and premium schedules. Once the updates are received, we will review for approval.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request made before the Respond by Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

SERFF Tracking #: MULF-133673718 State Tracking #: MULF-133673718

Company Tracking #: 2022 INFORCE RATE
INCREASES - JH LE

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Sincerely,
Bobby Toone

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	12/14/2023
Submitted Date	12/14/2023
Respond By Date	01/13/2024

Dear Michelle Fluet,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm that the intent of this filing is to be moving towards no additional increases, barring significant deviations from your projections.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request made before the Respond by Date.

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Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bobby Toone

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	08/10/2023
Submitted Date	08/10/2023
Respond By Date	09/09/2023

Dear Michelle Fluet,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Please respond by the Respond By Date above. If an extension is required, you must submit your request prior to that date.

Objection 1

- Response to 6/23/23 objection (Supporting Document)

Comments: Please provide the Active Life Reserve balance for each of the six segments of business displayed in VA LE Exhibits (split by BP and inflation).xlsx.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

- Response to 6/23/23 objection (Supporting Document)

Comments: It is unclear from the data provided whether this increase will trigger the provisions of 14VAC5-200-153 G. Please provide the appropriate demonstration (C.2. or G.2.) for each of the six segments in Excel format with any source exhibits included.

Objection 3

Comments: Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request made before the Respond By Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Sincerely,
Ian Patterson

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	06/23/2023
Submitted Date	06/23/2023
Respond By Date	07/23/2023

Dear Michelle Fluet,

Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Please respond by the Respond By Date above. If an extension is required, you must submit your request prior to that date.

Objection 1

Comments: Please advise if you had an NAIC Multistate Advisory Committee (MSA) review on a rate increase related to these forms within the past 12 months. If yes, please provide the SERFF Tracking Number and date of submission or provide us the MSA report via email @ ian.patterson@scc.virginia.gov.

Objection 2

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide Exhibits in Excel with working formulas so that the calculations may be followed.

Objection 3

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the average issue age and current attained age for the Virginia policyholders.

Objection 4

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please state the intentions of the company regarding a future rate increase if the proposed rate increase is approved. Explain clearly what would trigger a future rate increase if the proposed rate were approved.

Objection 5

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the discount rate the company used in Exhibit 2.

Objection 6

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain if any adjustments to mortality or morbidity factors were made for COVID-19. Please fully describe these adjustments.

Objection 7

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all projections required to compute the "Prospective PV" and the "If Knew/Makeup Blend" allowable increases as currently under consideration by the NAIC.

Objection 8

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

- L&H Actuarial Memorandum (Supporting Document)
 Comments: Please provide an Exhibit similar to the one in section 9 for the Nationwide block of business.

Objection 9

- L&H Actuarial Memorandum (Supporting Document)
 Comments: Please provide the total cumulative rate increases in Virginia for all forms without the proposed rate increase.

Objection 10

- L&H Actuarial Memorandum (Supporting Document)
 Comments: For all projections requested in this question, the baseline should comply with the following:

- a. Any policies issued as limited-pay which are now in paid-up status should be removed, both from historical experience and future projections.
- b. Premiums should be at the Virginia rate level for both historical and projected future.

Objection 11

- L&H Actuarial Memorandum (Supporting Document)
 Comments: To assist the Virginia Bureau of Insurance in its review, for each of the subsets of the business corresponding to the combinations of Benefit Period, Elimination Period and Inflation Option, please provide in Excel format the following projections on a nationwide basis:

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with premiums restated as if the proposed rate increase had been in effect from inception.
- d. actual historical experience to the projection date and future projections based on the prior assumptions (to be used in the Prospective PV test).
- e. original assumptions and original premiums from inception

Projections a. - e. can be separate tabs or combined into separate columns on the same exhibit.

Objection 12

- L&H Actuarial Memorandum (Supporting Document)
 Comments: Please identify the portion of the proposed rate increase that is attributed to each of the following components:

- a. Changes in the voluntary lapse assumptions
- b. Changes in the mortality assumptions
- c. Changes in the expected claim cost assumptions
- d. Changes in any other assumptions (e.g., interest rates)

Objection 13

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

- L&H Actuarial Memorandum (Supporting Document)
Comments: Please confirm if margin was included in claim reserve estimates.

Objection 14

- L&H Actuarial Memorandum (Supporting Document)
Comments: Please provide the full credibility standard used to determine the credibility of the experience of each policy series associated with this filing. Additionally, please provide the number of claims associated with each policy series.

Objection 15

- L&H Actuarial Memorandum (Supporting Document)
Comments: Please advise if there are any partnership policies issued to any of the remaining Virginia policyholders.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request made before the Respond By Date.

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Sincerely,
Ian Patterson

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	06/14/2023
Submitted Date	06/14/2023
Respond By Date	06/21/2023

Dear Michelle Fluet,

Introduction:

The Bureau has completed a preliminary review of this filing and have the following concerns and/or requests. A more detailed and thorough review will be performed once these concerns are addressed.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please attach the SERFF Tracking number to the form.

Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

A response to this request for information is expected within 30 days. After 30 days, the filing will be DISAPPROVED and CLOSED unless an extension is requested. An initial extension of up to 30-days will be granted upon request made before the Respond by Date.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Please let me know if you need additional clarification.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bobby Toone

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/28/2024
Submitted Date 03/28/2024

Dear Bobby Toone,

Introduction:

Thank you for your letter.

Response 1

Comments:

Please find our response to your February 27, 2024 objection on the Supporting Documentation tab labeled as "Response to 2/27/24 objection".

Related Objection 1

Applies To:

- Rate Table, [LTC-06 VA] (Rate)
- L&H Actuarial Memorandum (Supporting Document)

Comments: After review of the Company's requested rate increase of 31.90%, this rate increase does not fully meet Virginia regulations 14VAC5-200-153. After review by the Commissioner, the following rate increase would bring the request into compliance.

GPO: 22.70%

Compound: 13.20%

CPI: 31.70%

The Bureau would like the company to consider implementing the increase over 2-3 years without using the time value of money.

If this rate increase is acceptable to the company, please revise the actuarial memorandum and the necessary supporting documentation as well as the Rate/Rule Schedule - Company Rate Information and premium schedules. Once the updates are received, we will review for approval.

Changed Items:

No Form Schedule items changed.

SERFF Tracking #:

MULF-133673718

State Tracking #:

MULF-133673718

Company Tracking #:

2022 INFORCE RATE INCREASES - JH
LE

State:

Virginia

Filing Company:

John Hancock Life Insurance Company (U.S.A.)

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

2022 Inforce Rate Increases - JH LE

Project Name/Number:

2022 Inforce Rate Increases - JH LE/

Rate/Rule Schedule Item Changes

Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Rate Table	LTC-06 VA	Revised	Previous State Filing Number: MULF-132318711 Percent Rate Change Request: 30.7	LTC-06 VA (Year 1 of 2).pdf, LTC-06 VA (Year 2 of 2).pdf,	03/28/2024 By: Michelle Fluet
<i>Previous Version</i>						
1	Rate Table	LTC-06 VA	Revised	Previous State Filing Number: MULF-132318711 Percent Rate Change Request: 31.9	LTC-06 VA.pdf,	05/18/2023 By: Michelle Fluet

Supporting Document Schedule Item Changes

Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA LE Appendix_E.pdf Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf VA LE filing package.pdf
<i>Previous Version</i>	
Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA LE Filing Package.pdf VA LE Appendix_E.pdf Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Supporting Document Schedule Item Changes

Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA LE Appendix_E.pdf Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf VA LE filing package.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA LE Filing Package.pdf VA LE Appendix_E.pdf Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf</i>

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	VA 2022 LE Rate Summary.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>VA 2022 LE Rate Summary.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>VA 2022 LE Rate Summary.pdf</i>

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Supporting Document Schedule Item Changes

Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA LE Appendix_E.pdf Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf VA LE filing package.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>L&H Actuarial Memorandum</i>
Comments:	
Attachment(s):	<i>VA LE Filing Package.pdf VA LE Appendix_E.pdf Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf</i>

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	VA 2022 LE Rate Summary.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>VA 2022 LE Rate Summary.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Long Term Care Insurance Rate Request Summary</i>
Comments:	
Attachment(s):	<i>VA 2022 LE Rate Summary.pdf</i>

Satisfied - Item:	Response to 2/27/24 objection
Comments:	
Attachment(s):	2024-2-28 VA JH Retail LE Response Letter.pdf

Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,
Michelle Fluet

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Response Letter

Response Letter Status: Submitted to State
 Response Letter Date: 12/21/2023
 Submitted Date: 12/21/2023

Dear Bobby Toone,

Introduction:

Thank you for your letter.

Response 1

Comments:

Please find our response to your December 14, 2023 objection on the Supporting Documentation tab labeled as "Response to 12/14/23 objection".

Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm that the intent of this filing is to be moving towards no additional increases, barring significant deviations from your projections.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to 12/14/23 objection
Comments:	
Attachment(s):	2023-12-14 VA JH Retail LE Response Letter.pdf

Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Response Letter

Response Letter Status: Submitted to State
 Response Letter Date: 09/08/2023
 Submitted Date: 09/08/2023

Dear Bobby Toone,

Introduction:

Thank you for your letter.

Response 1

Comments:

Please find our response to your August 10, 2023 objection on the Supporting Documentation tab labeled as "Response to 8/10/23 objection".

Related Objection 1

Applies To:

- Response to 6/23/23 objection (Supporting Document)

Comments: Please provide the Active Life Reserve balance for each of the six segments of business displayed in VA LE Exhibits (split by BP and inflation).xlsx.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to 8/10/23 objection
Comments:	
Attachment(s):	2023-08-10 VA JH Retail LE Response Letter.pdf VA LE Exhibits (split by BP and inflation) Demonstration.xlsx VA LLR Summary (split by BP and inflation).xlsx

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to 8/10/23 objection
Comments:	
Attachment(s):	2023-08-10 VA JH Retail LE Response Letter.pdf VA LE Exhibits (split by BP and inflation) Demonstration.xlsx VA LLR Summary (split by BP and inflation).xlsx
Satisfied - Item:	State summary PROPRIETARY & CONFIDENTIAL
Comments:	The status of our current rate increase actions has not yet been communicated to our field agents and investor analysts. As the rate increase program reflects a significant portion of our current inforce block, we would prefer to control the dissemination of this information.
Attachment(s):	JH LE Rate Filing Summary.xlsx

Response 2

Comments:

Please find our response to your August 10, 2023 objection on the Supporting Documentation tab labeled as "Response to 8/10/23 objection".

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)
- Response to 6/23/23 objection (Supporting Document)

Comments: It is unclear from the data provided whether this increase will trigger the provisions of 14VAC5-200-153 G. Please provide the appropriate demonstration (C.2. or G.2.) for each of the six segments in Excel format with any source exhibits included.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 3

Comments:

Please find our response to your August 10, 2023 objection on the Supporting Documentation tab labeled as "Response to 8/10/23 objection".

Related Objection 3

SERFF Tracking #:	MULF-133673718	State Tracking #:	MULF-133673718	Company Tracking #:	2022 INFORCE RATE INCREASES - JH LE
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State:	Virginia	Filing Company:	John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	2022 Inforce Rate Increases - JH LE		
Project Name/Number:	2022 Inforce Rate Increases - JH LE/		

Comments: Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

State: Virginia	Filing Company: John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified	
Product Name: 2022 Inforce Rate Increases - JH LE	
Project Name/Number: 2022 Inforce Rate Increases - JH LE/	

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/21/2023
Submitted Date	07/21/2023

Dear Bobby Toone,

Introduction:

Thank you for your letter.

Response 1

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 1

Comments: Please advise if you had an NAIC Multistate Advisory Committee (MSA) review on a rate increase related to these forms within the past 12 months. If yes, please provide the SERFF Tracking Number and date of submission or provide us the MSA report via email @ ian.patterson@scc.virginia.gov .

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to 6/23/23 objection
Comments:	
Attachment(s):	2023-06-23 VA JH Retail LE Response Letter.pdf VA LE Exhibits (split by BP and inflation).xlsx VA LE Exhibits 1 & 2.xlsx Blended If-Knew Projections.xlsx Claim Counts.xlsx Nationwide Counts & Average Annual Premium.xlsx PPV Method Projections.xlsx

Response 2

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Related Objection 2

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide Exhibits in Excel with working formulas so that the calculations may be followed.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 3

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the average issue age and current attained age for the Virginia policyholders.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 4

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 4

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Comments: Please state the intentions of the company regarding a future rate increase if the proposed rate increase is approved. Explain clearly what would trigger a future rate increase if the proposed rate were approved.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 5

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 5

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the discount rate the company used in Exhibit 2.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 6

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 6

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain if any adjustments to mortality or morbidity factors were made for COVID-19. Please fully describe these adjustments.

Changed Items:

SERFF Tracking #:

MULF-133673718

State Tracking #:

MULF-133673718

Company Tracking #:

2022 INFORCE RATE INCREASES - JH
LE

State:

Virginia

Filing Company:

John Hancock Life Insurance Company (U.S.A.)

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

2022 Inforce Rate Increases - JH LE

Project Name/Number:

2022 Inforce Rate Increases - JH LE/

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 7

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 7

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all projections required to compute the "Prospective PV" and the "If Knew/Makeup Blend" allowable increases as currently under consideration by the NAIC.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 8

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 8

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide an Exhibit similar to the one in section 9 for the Nationwide block of business.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking #:

MULF-133673718

State Tracking #:

MULF-133673718

Company Tracking #:

2022 INFORCE RATE INCREASES - JH
LE

State:

Virginia

Filing Company:

John Hancock Life Insurance Company (U.S.A.)

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

2022 Inforce Rate Increases - JH LE

Project Name/Number:

2022 Inforce Rate Increases - JH LE/

No Supporting Documents changed.

Response 9

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 9

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the total cumulative rate increases in Virginia for all forms without the proposed rate increase.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 10

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 10

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: For all projections requested in this question, the baseline should comply with the following:

- a. Any policies issued as limited-pay which are now in paid-up status should be removed, both from historical experience and future projections.
- b. Premiums should be at the Virginia rate level for both historical and projected future.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Response 11

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 11

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: To assist the Virginia Bureau of Insurance in its review, for each of the subsets of the business corresponding to the combinations of Benefit Period, Elimination Period and Inflation Option, please provide in Excel format the following projections on a nationwide basis:

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with premiums restated as if the proposed rate increase had been in effect from inception.
- d. actual historical experience to the projection date and future projections based on the prior assumptions (to be used in the Prospective PV test).
- e. original assumptions and original premiums from inception

Projections a. - e. can be separate tabs or combined into separate columns on the same exhibit.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 12

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 12

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

SERFF Tracking #:

MULF-133673718

State Tracking #:

MULF-133673718

Company Tracking #:

2022 INFORCE RATE INCREASES - JH
LE

State:

Virginia

Filing Company:

John Hancock Life Insurance Company (U.S.A.)

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

2022 Inforce Rate Increases - JH LE

Project Name/Number:

2022 Inforce Rate Increases - JH LE/

Comments: Please identify the portion of the proposed rate increase that is attributed to each of the following components:

- a. Changes in the voluntary lapse assumptions*
- b. Changes in the mortality assumptions*
- c. Changes in the expected claim cost assumptions*
- d. Changes in any other assumptions (e.g., interest rates)*

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 13

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 13

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm if margin was included in claim reserve estimates.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 14

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Related Objection 14

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the full credibility standard used to determine the credibility of the experience of each policy series associated with this filing. Additionally, please provide the number of claims associated with each policy series.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Response 15

Comments:

Please find our response to your June 23, 2023 objection on the Supporting Documentation tab labeled as "Response to 6/23/23 objection".

Related Objection 15

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if there are any partnership policies issued to any of the remaining Virginia policyholders.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 06/16/2023
 Submitted Date 06/16/2023

Dear Bobby Toone,

Introduction:

Thank you for your letter.

Response 1

Comments:

As requested, we have updated the Long Term Care Insurance Rate Request Summary with the SERFF Tracking Number.

Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: Please attach the SERFF Tracking number to the form.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	VA 2022 LE Rate Summary.pdf
<i>Previous Version</i>	
Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	VA 2022 LE Rate Summary.pdf

Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

SERFF Tracking #:	MULF-133673718	State Tracking #:	MULF-133673718	Company Tracking #:	2022 INFORCE RATE INCREASES - JH LE
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State:	Virginia	Filing Company:	John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	2022 Inforce Rate Increases - JH LE		
Project Name/Number:	2022 Inforce Rate Increases - JH LE/		

Sincerely,
Michelle Fluet

SERFF Tracking #:	MULF-133673718	State Tracking #:	MULF-133673718	Company Tracking #:	2022 INFORCE RATE INCREASES - JH LE
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State:	Virginia	Filing Company:	John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	2022 Inforce Rate Increases - JH LE		
Project Name/Number:	2022 Inforce Rate Increases - JH LE/		

Amendment Letter

Submitted Date: 05/16/2024

Comments:

After we submitted, we noted one additional change we needed to make to the John Doe package. Apologies for any inconvenience.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Supporting Document Schedule Item Changes	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-JD-5-2.pdf
<i>Previous Version</i>	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-JD-5.pdf
<i>Previous Version</i>	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-JD-4.pdf
<i>Previous Version</i>	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-3.pdf
<i>Previous Version</i>	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-2.pdf
<i>Previous Version</i>	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA_full.pdf
<i>Previous Version</i>	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA.pdf

SERFF Tracking #:	MULF-133673718	State Tracking #:	MULF-133673718	Company Tracking #:	2022 INFORCE RATE INCREASES - JH LE
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State:	Virginia	Filing Company:	John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	2022 Inforce Rate Increases - JH LE		
Project Name/Number:	2022 Inforce Rate Increases - JH LE/		

Amendment Letter

Submitted Date: 05/16/2024

Comments:

As per our call today, we have added the revised John Doe Policyholder Communication package to this submission.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

State: Virginia	Filing Company: John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified	
Product Name: 2022 Inforce Rate Increases - JH LE	
Project Name/Number: 2022 Inforce Rate Increases - JH LE/	

Supporting Document Schedule Item Changes

Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-JD-5.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA-JD-4.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA-3.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA-2.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA_full.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA.pdf</i>

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Amendment Letter

Submitted Date: 05/15/2024

Comments:

Thank you for reaching out today. As per our call today, we have added the revised John Doe Policyholder Communication package to this submission.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-JD-4.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA-3.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA-2.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA_full.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA.pdf</i>

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Amendment Letter

Submitted Date: 04/03/2024

Comments:
 Changes to the policyholder communication package were submitted today in response to the Department’s objection on the corresponding forms filing. As such, we are amending this submission to include the updated communication package for consistency.

Changed Items:
No Form Schedule Items Changed.
No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-3.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA-2.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA_full.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA.pdf</i>

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Amendment Letter

Submitted Date: 08/25/2023

Comments:
 We are amending this submission in order to provide an updated communication package which has been submitted for review and approval under MULF-133675713.

Changed Items:
No Form Schedule Items Changed.
No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-2.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA_full.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA.pdf</i>

State:	Virginia	Filing Company:	John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	2022 Inforce Rate Increases - JH LE		
Project Name/Number:	2022 Inforce Rate Increases - JH LE/		

Amendment Letter

Submitted Date: 06/13/2023

Comments:
We are amending this submission in order to provide an updated communication package which has been submitted for review and approval under MULF-133675713.

Changed Items:
No Form Schedule Items Changed.
No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA_full.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Sample Policyholder Communication Package</i>
Comments:	<i>We will be submitting the policyholder communication package in a separate form filing for review and approval.</i>
Attachment(s):	<i>JH Retail 2022 PH Comm Pkg-BO-2-VA.pdf</i>

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Reviewer Note

Created By:

Bobby Toone on 09/28/2023 08:50 AM

Last Edited By:

Bobby Toone

Submitted On:

05/17/2024 11:22 AM

Subject:

Actuary Opinion & Final Report

Comments:

Rec'd final report - 9/27/2023.
Recommends approval.



JOHN T. CONDO, FSA, MAAA, PHD
 DAVID E. NEVE, FSA, MAAA, CERA
 CANDE OLSEN, FSA, MAAA, CLU
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NAZNEE RIAS, FSA, MAAA, CERA
 NICOLE L. RUSSO, ASA, MAAA
 LORNE W. SCHINBEIN, FSA, MAAA

September 27, 2023

Life and Health Division
 Bureau of Insurance
 State Corporation Commission
 P. O. Box 1157
 Richmond, VA 23218

Subject: **SERFF Tracking #MULF-133673718**

At the request of the Virginia SCC Bureau of Insurance (the “Bureau”), I have reviewed the filing for the above captioned submission from **John Hancock Life Insurance Company (U.S.A.)** (the “Company”). This is a rate increase filing for a block of Long Term Care Insurance.

Recommendation

My review of this filing was performed according to the provisions of 14VAC5-200. Applicable Actuarial Standards of Practice were considered, including Actuarial Standard of Practice No. 18, “Long-Term Care Insurance” and Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”. After review of the Company’s submission, I believe that the Company has demonstrated compliance with the laws and regulations for the block as a whole. However, if the block is segmented by inflation type, policies with compound inflation do not comply with the dual loss ratio test. My recommendation is ambivalent between two options: (1) approve the request as-is based on the block as a whole passing the test, or (2) approve the increases in the row below labeled “Compliant Increase under 14VAC5-200” by segment.

Other Extra-Regulatory Considerations

In addition to the regulatory analysis referenced above, I have reviewed a series of extra-regulatory tests that the Bureau considers for LTC rate filings. The maximum rate increase allowed under each of those tests is shown in the chart below:

Inflation	GPO	Compound	CPI	Total
Requested	33.7%	33.7%	31.7%	31.9%
Compliant Increase under 14VAC5-200	22.7%	13.2%	full	full
Future LR w/ALR	29.1%	15.9%	full	full
Additional Test	Max Allowed			
PV Future Loss	16.8%	6.6%	full	full
Prospective PV				34.7%
If-Knew/Makeup				36.9%
State Equity				7.1%



History and Details of Request

The forms subject to this filing are referred to as the Leading Edge (LE) block, which were issued from 2006-2011. Since all policies are issued 10/1/2003 and later, they are subject to 14VAC5-200-153.

Relevant statistics on these policies are shown in the chart below:

Series	Previous Increases	# of Policyholders	Requested Increase	Cumulative Increase
LE	32.6% (2/2021)	1,871	30.9% to 33.7%; avg 31.9%	74.9%

Methodology

My approach was to a) review the submitted filing materials, b) check the filing contents and assumptions for compliance with all relevant regulations, c) verify the calculations in the supplied exhibits, d) review the projections for reasonableness, and e) analyze the current increase and cumulative increase in Virginia relative to other states.

Assumptions

Assumptions are consistent with best estimate assumptions used for AG51 and GPV projections except that a shock lapse is included in the projections supporting this rate increase.

Assumptions

Morbidity – the morbidity assumptions are derived from a study of Company experience completed in 2022 based on data from 2016-2019. Experience from calendar years 2020 and 2021 was excluded to due to the short-term nature of impacts from Covid-19. The assumptions include future claims improvement of 0.5% per year to age 100 and a 7.5% margin for moderately adverse experience. The A/E results shown in the actuarial memo show a very good match for incidence (101%), terminations (97%) and utilization (102%).

One often-quoted industry basis for measuring credibility is the June 12, 2003 letter from the American Academy of Actuaries Long-Term Care Reserving Work Group to the Accident and Health Working Group of the NAIC Life and Health Actuarial Task Force which recommended a “Rule of Thumb” standard for full credibility of incidence rates of 1,082 claims (within 5% of the true claims with 90% confidence). The letter also reports that the standard for aggregate loss is a multiple of the standard for incidence, in the range of 3 to 5 times (3,246 to 5,410 claims). This particular form has 410 claims during the study period of 2016 through 2019, which would give the data 36% credibility by this measure. The total company has over 11,000 claims and would be fully credible.

Original morbidity was based on the 1985 and 1995 NNHS, 1984 NHIS, and 1982 through 1994 NLTCS with adjustments to recognize insured versus population data.



Voluntary Lapse – the lapse assumptions vary by issue age and duration with minimums ranging from 0.3% to 0.9% for policies with inflation and from 0.5% to 1.2% with no inflation. The original ultimate assumptions used 0.85% to 0.95%. The A/E results are 96%-104% overall. In addition, a 3.1% shock lapse is assumed due to the rate increase.

Mortality – based on the Company’s own experience from 2016 to 2019, varying by plan, underwriting class, marital status, issue age, duration and gender. The A/E result was 100%. Original mortality was based on the 1994 GAM Table with selection and improvement.

Interest – The valuation rates of 3.5%-4.0% are used for discounting.

Justification for Rate Increase

The loss ratio results are as follows:

Benefit Period	Inflation	Original LR	No increase		w/ increase		14VAC5 Test	Allowed
			Fut/ALR	Lifetime	Fut/ALR	Lifetime		
Limited	GPO	73%	90%	79%	70%	71%	FAIL	24.0%
Limited	Compound	106%	119%	112%	90%	95%	FAIL	13.2%
Limited	CPI	64%	98%	86%	75%	77%	PASS	
Lifetime	GPO	84%	106%	90%	82%	79%	FAIL	17.2%
Lifetime	Compound	n/a						
Lifetime	CPI	68%	113%	92%	87%	82%	PASS	
		66%	100%	87%	77%	77%	PASS	

Because the Company set the rate increase to exactly meet the 14VAC5-200-153 G test in the aggregate and is not varying the rate increase by benefit period, some segments have shortfalls and some have excesses. My inclination is to allow this aggregate approach. If the Bureau wants to enforce the test to pass on each segment, then the increase on shorter benefit periods would need to be restricted.

PV of Future Loss Test

Period	Inflation	Original	Current	Proposed	Allowed
Limited	GPO	(26M)	(33M)	(18M)	15.9%
Limited	Compound	(3M)	(3M)	(2M)	6.6%
Limited	CPI	(305M)	(570M)	(392M)	
Lifetime	GPO	(8M)	(10M)	(6M)	20.1%
Lifetime	Compound				
Lifetime	CPI	(53M)	(106M)	(76M)	
		(395M)	(723M)	(494M)	

For this analysis, I compared the present value of expected future loss under three scenarios: 1) original assumptions; 2) current assumptions and current premiums; and 3) current assumptions and proposed premiums. The highlighted cells above show that certain segments do not pass the



requirements. Given that this is a very small segment of the block and the violation is minor, I don't recommend limiting the increase based on this measure.

Prospective PV Approach

I have reviewed the data provided by the Company supporting this method and believe it follows the guidance of the NAIC LTC Pricing Subgroup. The allowable rate increase under this method is 34.7% in aggregate.

If-Knew/Makeup Blend Approach

I have reviewed the data provided by the Company supporting this method and believe it follows the guidance of the NAIC LTC Pricing Subgroup. The allowable rate increase under this method would be 36.9%.

State Rate Equity

The statistics related to rate actions in all states are presented in the table below.

NW Range	NW Avg	NW Prop	VA Curr	VA Prop	Allowed
0%-73%	26%	42%	33%	75%	7%

Alternatives to Rate Increase

Inflation Landing Spots

The Company is proposing inflation landing spot options in lieu of a rate increase for policyholders who currently have inflation coverage on their policies. The actual landing spot varies depending on whether the insured has elected a landing spot in prior increases. They state that the inflation reductions are actuarially equivalent to the rate increase in the aggregate, but any broad-brush approach like this will not be equitable on an individual policyholder level since the aggregate calculation means that some policyholders would be better and some worse than the average. Most policyholders are not sophisticated enough to determine whether acceptance of the reduced inflation landing spot would be of equivalent value to an increase in premium. At a minimum, the Bureau should require the Company to provide a prominent disclosure that all options available to the policyholder may not be of equal value.

Shared Cost Option

In return for no premium increase, a kind of coinsurance is introduced in the benefits which the Company calls the Shared Cost percentage (SC%). The SC% varies by issue age, inflation and benefit period. So if, for example, the SC% is 15%, then the policy will pay 85% of the covered charges up to 85% of the previous benefit maximum for any future claims.

In a previous rate filing (see Reviewer Note "Shared Cost % Option" in MULF-131210202), I had asked about the seemingly erratic levels of the SC% by pricing cell and the Company responded with their rationale for the assumptions that were made. While not perfect, they have attempted to provide a better fit for policyholder equity by cell in the method they used.



Voluntary Enhanced Paid-Up Policy Option

For those who choose to stop paying premiums, this option will be a paid-up policy with a policy limit equal to the lesser of the current policy limit and 150% of premiums paid less any benefits received.

LTC Buy-Out Offer and Policy Termination Option (New)

If the policyholder elects this option, they will receive a payment in exchange for terminating their policy. If elected, this option will terminate the policy effective immediately. Once the policy is terminated in exchange for the payment, the policy will no longer be active and cannot be restored. This offer will only be available for insureds who purchased their policy below age 70. The payment is 65% of the gross premium valuation reserve.

Reliance and Qualifications

I am providing this letter to the Bureau as the sole intended user. The scope of the review relates only to compliance with applicable laws and regulations relating to the actuarial aspects of the filing under consideration, and the intended purpose is to communicate my findings regarding this filing. Distribution of this letter to parties other than the Bureau by me or any other party does not constitute advice by me to those parties. The reliance of parties other than the Bureau on any aspect of this work is not authorized by me and is done at their own risk.

In arriving at my opinion, I used and relied on information provided by the Company and the Bureau without independent investigation or verification. If this information is inaccurate, incomplete, or out of date, my findings and conclusions may need to be revised. While I have relied on the data provided without independent investigation or verification, I have reviewed the data for consistency and reasonableness. In the event that I found the data inconsistent or unreasonable, I have requested clarification.

I am a member of the American Academy of Actuaries and meet that body's Qualification Standards to render this opinion. I am responsible for this work and have utilized generally accepted actuarial methodologies in arriving at my opinion.

If you have any questions regarding this filing, please contact me to discuss.

Sincerely,

Shawn D. Parks, FSA, MAAA

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Reviewer Note

Created By:

Bobby Toone on 06/14/2023 04:51 PM

Last Edited By:

Bobby Toone

Submitted On:

12/14/2023 02:35 PM

Subject:

RRS

Comments:

RRS1

**Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company**

Company Name and NAIC Number: John Hancock Life Insurance Company (U.S.A), 69477

SERFF Tracking Number:

Revised Rates

Average Annual Premium Per Member: \$3,350

Average Requested Percentage Rate Change Per Member: 31.9%

Range of Requested Rate Changes: 30.9% - 33.7%

Number of Virginia Policyholders Affected: 1,871

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
LTC-06 VA	Leading Edge	October 2006 – March 2011	32.6% - 02/18/2021	<small>If the requested premium rate schedule increase is implemented and the underlying assumptions are realized, no further premium rate schedule increases are anticipated.</small>

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company’s request. 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 at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.

Summary of the John Hancock's 2022 Rate Increase Request John Hancock Life Insurance Leading Edge Policy Series

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including, for example, the expected lifespan of policyholders, the length of time policyholders keep their policies, and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary.

John Hancock continuously monitors the experience of our in-force LTC insurance policies. We have completed our most recent triennial comprehensive long-term care experience study. Relative to previous expectations, the new data demonstrates lower mortality for non-claimants, higher utilization of benefits, and lower than expected claim terminations, partly offset by lower claim incidence. Based on that data, we have determined that there is a need to increase premiums on this policy series so we can meet our future claims obligations.

The filing will vary by state based on the amount and timing of prior increases that we were permitted to implement in that state. In this way, policyholders are not subsidizing policyholders in other states.

In Virginia, we are requesting an average rate increase of 31.9% which ranges from 30.9% to 33.7% on this policy series.

No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. John Hancock's decision to increase premiums on certain policies is based upon the future claims anticipated on these policies.

After the rate increase is accepted by the Virginia Insurance Department, affected policyholders will be provided with an extensive and personalized notification communication at least 90 days prior to the effective date, which will describe the increase and options available to mitigate the impact of the rate increase. In addition, customer support will be available through a dedicated customer service team to help our policyholders navigate through their choices and respond to any questions.

SERFF Tracking #:

MULF-133673718

State Tracking #:

MULF-133673718

Company Tracking #:2022 INFORCE RATE INCREASES - JH
LE**State:**

Virginia

Filing Company:

John Hancock Life Insurance Company (U.S.A.)

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

2022 Inforce Rate Increases - JH LE

Project Name/Number:

2022 Inforce Rate Increases - JH LE/

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Table	LTC-06 VA	Revised	Previous State Filing Number: MULF-132318711 Percent Rate Change Request: 30.7	LTC-06 VA (Year 1 of 2).pdf, LTC-06 VA (Year 2 of 2).pdf,

Appendix B1
John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA (Year 1 of 2)

*Premiums to be used only with those that have
not previously elected a landing spot option*
Standard rates per \$10 of Daily Coverage
100 Day Elimination Period

Age	5% Compound Guaranteed Purchase			Automatic Inflation		
	Benefit Period			Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider	3 Years	5 Years	5 Years + \$1M Rider
18-29	23.88	31.84	45.77	79.51	100.61	141.18
30	25.87	35.82	51.74	84.38	105.48	149.29
31	27.86	37.81	53.73	86.01	108.72	152.54
32	29.85	39.80	57.70	87.63	110.35	155.78
33	31.84	41.79	59.69	90.87	113.59	160.65
34	33.83	43.78	63.67	92.50	115.21	163.90
35	35.82	45.77	65.66	94.12	118.46	167.14
36	37.81	49.75	71.63	95.74	121.71	172.01
37	39.80	51.74	75.61	98.99	123.33	175.26
38	41.79	53.73	77.60	100.61	126.57	180.12
39	43.78	57.70	81.58	103.86	129.82	183.37
40	45.77	59.69	85.56	105.48	133.06	188.24
41	47.76	63.67	89.54	108.72	137.93	194.73
42	51.74	67.65	95.51	113.59	142.80	201.22
43	53.73	71.63	101.48	116.84	147.67	209.33
44	57.70	75.61	107.45	121.71	152.54	215.82
45	59.69	79.59	113.42	124.95	159.03	223.94
46	63.67	83.57	119.39	129.82	163.90	232.05
47	67.65	89.54	125.36	134.69	170.39	240.17
48	71.63	93.52	133.32	139.56	175.26	248.28
49	75.61	99.49	141.28	144.42	181.75	256.39
50	79.59	105.46	149.24	149.29	188.24	266.13
51	83.57	109.44	157.20	154.16	191.48	274.24
52	87.55	113.42	165.16	157.41	196.35	280.73
53	93.52	117.40	173.11	162.27	201.22	288.85
54	97.50	121.38	181.07	167.14	204.47	296.96
55	103.47	125.36	191.02	172.01	209.33	305.08
56	109.44	135.31	202.96	180.12	219.07	319.68
57	115.41	143.27	216.89	189.86	230.43	335.91
58	123.37	155.21	230.82	199.60	240.17	352.13
59	129.34	165.16	246.74	209.33	253.15	368.36
60	137.30	177.09	262.66	219.07	264.51	386.21
61	149.24	193.01	282.56	232.05	280.73	408.93
62	163.17	208.93	304.44	243.41	298.58	433.27
63	177.09	226.84	328.32	258.02	316.43	459.24
64	193.01	246.74	352.20	272.62	335.91	485.20
65	210.92	268.63	380.06	287.22	357.00	514.41
66	232.81	296.48	417.86	308.32	387.83	558.22
67	254.70	326.33	459.65	329.42	420.29	605.28
68	280.57	360.16	505.42	353.76	455.99	655.59
69	308.42	397.96	557.15	378.10	494.94	710.76
70	338.27	437.76	612.87	405.69	537.13	770.80
71	380.06	489.50	676.54	446.25	592.30	832.47
72	429.80	545.21	746.18	491.69	652.34	897.38
73	483.53	608.89	823.79	540.37	718.87	968.78
74	533.74	659.54	909.35	595.55	793.52	1045.04
75	570.98	699.68	954.46	655.59	874.66	1127.80
76	601.12	739.02	1002.99	717.25	957.42	1246.26
77	632.43	778.03	1048.96	783.45	1029.01	1377.71
78	661.85	815.25	1092.00	815.98	1075.81	1460.83
79	689.59	852.12	1132.73	845.18	1120.73	1519.25
80	706.06	874.49	1153.41	877.15	1170.91	1566.25
81	776.12	962.07	1269.29	965.01	1287.59	1722.73
82	854.28	1057.74	1395.95	1061.09	1416.62	1895.69
83	939.16	1164.19	1536.08	1166.79	1558.01	2085.12
84	1033.49	1280.07	1689.69	1283.47	1714.50	2293.77
85	1137.24	1408.07	1858.12	1412.50	1886.08	2523.01
86	1250.42	1549.55	2044.06	1553.89	2074.14	2775.59
87	1375.73	1704.51	2248.87	1709.01	2281.42	3052.88
88	1513.17	1875.63	2473.90	1880.59	2509.29	3357.61
89	1664.09	2062.93	2721.83	2068.65	2760.49	3693.92
90	1831.17	2269.09	2994.01	2275.93	3036.40	4063.18
91	2014.42	2495.46	3293.14			
92	2216.54	2744.73	3621.91			
93	2438.86	3019.61	3984.37			
94	2682.75	3321.43	4383.22			
95	2950.89	3654.25	4821.13			
96	3245.98	4019.41	5303.52			
97	3570.71	4420.94	5834.41			
98	3927.78	4862.90	6417.85			
99	4321.23	5349.33	7059.23			
100+	4753.76	5884.26	7765.286			

Rates shown below the line are for Shared Care 3 yr purchase & exhaustion of benefits at attained age rates, or for attained GPO purchases and GIO purchases only

Appendix B2
John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA (Year 1 of 2)
Premiums to be used only with those that have
previously elected a landing spot option during the 2019 Rate Filing
Standard rates per \$10 of Daily Coverage
100 Day Elimination Period

Age	5% Compound Guaranteed Purchase with 2019 Shared Cost		
	Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider
18-29	14.72	19.63	28.22
30	15.95	22.09	31.90
31	17.18	23.31	33.13
32	18.41	24.54	35.58
33	19.63	25.77	36.81
34	20.86	26.99	39.26
35	22.09	28.22	40.49
36	23.31	30.68	44.17
37	24.54	31.90	46.63
38	25.77	33.13	47.85
39	26.99	35.58	50.31
40	28.22	36.81	52.76
41	29.45	39.26	55.22
42	31.90	41.72	58.90
43	33.13	44.17	62.58
44	35.58	46.63	66.26
45	36.81	49.08	69.94
46	39.26	51.53	73.62
47	41.72	55.22	77.30
48	44.17	57.67	82.21
49	46.63	61.35	87.12
50	49.08	65.03	92.03
51	51.53	67.49	96.93
52	53.99	69.94	101.84
53	57.67	72.39	106.75
54	60.12	74.85	111.66
55	63.80	77.30	117.79
56	67.49	83.44	125.15
57	71.17	88.34	133.74
58	76.07	95.71	142.33
59	79.76	101.84	152.15
60	84.66	109.20	161.96
61	92.03	119.02	174.23
62	100.61	128.84	187.73
63	109.20	139.88	202.46
64	119.02	152.15	217.18
65	130.06	165.65	234.36
66	143.56	182.82	257.67
67	157.06	201.23	283.44
68	173.01	222.09	311.66
69	190.19	245.40	343.56
70	208.59	269.94	377.92
71	234.36	301.84	417.18
72	265.03	336.20	460.13
73	298.16	375.46	507.98
74	334.97	419.63	560.74
75	377.92	468.71	619.64
76	420.86	522.70	690.80
77	469.94	582.83	769.33
78	523.93	649.08	856.45
79	584.05	723.93	954.61
80	642.95	796.32	1050.31
81	706.75	876.08	1155.83
82	777.92	963.20	1271.17
83	855.22	1060.13	1398.78
84	941.11	1165.65	1538.66
85	1035.59	1282.22	1692.03
86	1138.66	1411.05	1861.36
87	1252.77	1552.16	2047.86
88	1377.92	1707.98	2252.77
89	1515.35	1878.54	2478.54
90	1667.49	2066.27	2726.39
91	1834.37	2272.40	2998.79
92	2018.42	2499.40	3298.18
93	2220.87	2749.71	3628.24
94	2442.96	3024.56	3991.43
95	2687.13	3327.62	4390.21
96	2955.84	3660.14	4829.47
97	3251.55	4025.79	5312.91
98	3576.71	4428.24	5844.20
99	3934.99	4871.19	6428.25
100+	4328.86	5358.31	7071.20

Rates shown below the line are for Shared Care 3 yr purchase on exhaustion of benefits at attained age rates, or for attained age GPO purchases and GIO purchases only

Appendix C1
John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA (Year 1 of 2)
Premiums to be used only with those that have
not previously elected a landing spot option
Standard rates per \$10 of Daily Coverage
100 Day Elimination Period

Age	5% Compound Guaranteed Purchase with 2022 Shared Cost		
	Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider
18-29	19.46	25.95	37.30
30	21.08	29.19	42.16
31	22.70	30.81	43.79
32	24.33	32.43	47.03
33	25.95	34.06	48.65
34	27.57	35.68	51.89
35	29.19	37.30	53.52
36	30.81	40.54	58.38
37	32.43	42.16	61.62
38	34.06	43.79	63.25
39	35.68	47.03	66.49
40	37.30	48.65	69.73
41	38.92	51.89	72.98
42	42.16	55.14	77.84
43	43.79	58.38	82.71
44	47.03	61.62	87.57
45	48.65	64.87	92.44
46	51.89	68.11	97.30
47	55.14	72.98	102.17
48	58.38	76.22	108.65
49	61.62	81.08	115.14
50	64.87	85.95	121.63
51	68.11	89.19	128.11
52	71.35	92.44	134.60
53	76.22	95.68	141.09
54	79.46	98.92	147.57
55	84.33	102.17	155.68
56	89.19	110.28	165.41
57	94.06	116.76	176.77
58	100.55	126.49	188.12
59	105.41	134.60	201.09
60	111.90	144.33	214.06
61	121.63	157.30	230.28
62	132.98	170.28	248.12
63	144.33	184.87	267.58
64	157.30	201.09	287.04
65	171.90	218.93	309.74
66	189.74	241.63	340.56
67	207.58	265.96	374.61
68	228.66	293.53	411.91
69	251.36	324.34	454.08
70	275.69	356.77	499.48
71	309.74	398.94	551.38
72	350.29	444.35	608.14
73	394.07	496.24	671.38
74	435.00	537.52	741.12
75	465.34	570.24	777.88
76	489.91	602.30	817.43
77	515.43	634.09	854.90
78	539.40	664.43	889.98
79	562.01	694.48	923.17
80	575.43	712.70	940.02
81	632.54	784.08	1034.46
82	696.23	862.05	1137.69
83	765.42	948.81	1251.90
84	842.29	1043.25	1377.09
85	926.84	1147.57	1514.36
86	1019.09	1262.88	1665.90
87	1121.22	1389.17	1832.82
88	1233.23	1528.63	2016.22
89	1356.22	1681.28	2218.28
90	1492.39	1849.30	2440.10
91	1641.74	2033.79	2683.89
92	1806.47	2236.94	2951.84
93	1987.66	2460.97	3247.25
94	2186.43	2706.96	3572.30
95	2404.96	2978.20	3929.20
96	2645.46	3275.80	4322.34
97	2910.11	3603.05	4755.02
98	3201.13	3963.25	5230.52
99	3521.79	4359.68	5753.24
100+	3874.30	4795.65	6328.68

See Appendix D for details on premium calculations for policyholders who elected the Shared Cost options
Rates shown below the line are for Shared Care 3 yr purchase on exhaustion of benefits at attained age rates, or for attained age GPO purchases and GIO purchases only

Appendix C2
John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA (Year 1 of 2)
Premiums to be used only with those that have
previously elected a landing spot option during the 2019 Rate Filing
Standard rates per \$10 of Daily Coverage
100 Day Elimination Period

Age	5% Compound Guaranteed Purchase with 2019 and 2022 Shared Cost		
	Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider
18-29	12.00	16.00	23.00
30	13.00	18.00	26.00
31	14.00	19.00	27.00
32	15.00	20.00	29.00
33	16.00	21.00	30.00
34	17.00	22.00	32.00
35	18.00	23.00	33.00
36	19.00	25.00	36.00
37	20.00	26.00	38.00
38	21.00	27.00	39.00
39	22.00	29.00	41.00
40	23.00	30.00	43.00
41	24.00	32.00	45.00
42	26.00	34.00	48.00
43	27.00	36.00	51.00
44	29.00	38.00	54.00
45	30.00	40.00	57.00
46	32.00	42.00	60.00
47	34.00	45.00	63.00
48	36.00	47.00	67.00
49	38.00	50.00	71.00
50	40.00	53.00	75.00
51	42.00	55.00	79.00
52	44.00	57.00	83.00
53	47.00	59.00	87.00
54	49.00	61.00	91.00
55	52.00	63.00	96.00
56	55.00	68.00	102.00
57	58.00	72.00	109.00
58	62.00	78.00	116.00
59	65.00	83.00	124.00
60	69.00	89.00	132.00
61	75.00	97.00	142.00
62	82.00	105.00	153.00
63	89.00	114.00	165.00
64	97.00	124.00	177.00
65	106.00	135.00	191.00
66	117.00	149.00	210.00
67	128.00	164.00	231.00
68	141.00	181.00	254.00
69	155.00	200.00	280.00
70	170.00	220.00	308.00
71	191.00	246.00	340.00
72	216.00	274.00	375.00
73	243.00	306.00	414.00
74	273.00	342.00	457.00
75	308.00	382.00	505.00
76	343.00	426.00	563.00
77	383.00	475.00	627.00
78	427.00	529.00	698.00
79	476.00	590.00	778.00
80	524.00	649.00	856.00
81	576.00	714.00	942.00
82	634.00	785.00	1036.00
83	697.00	864.00	1140.00
84	767.00	950.00	1254.00
85	844.00	1045.00	1379.00
86	928.00	1150.00	1517.00
87	1021.00	1265.00	1669.00
88	1123.00	1392.00	1836.00
89	1235.00	1531.00	2020.00
90	1359.00	1684.00	2222.00
91	1495.00	1852.00	2444.00
92	1645.00	2037.00	2688.00
93	1810.00	2241.00	2957.00
94	1991.00	2465.00	3253.00
95	2190.00	2712.00	3578.00
96	2409.00	2983.00	3936.00
97	2650.00	3281.00	4330.00
98	2915.00	3609.00	4763.00
99	3207.00	3970.00	5239.00
100+	3528.00	4367.00	5763.00

See Appendix D for details on premium calculations for policyholders who elected the Shared Cost options
Rates shown below the line are for Shared Care 3 yr purchase on exhaustion of benefits at attained age rates, or for attained age
GPO purchases and GIO purchases only

Appendix B1
John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA (Year 2 of 2)
Premiums to be used only with those that have
not previously elected a landing spot option
Standard rates per \$10 of Daily Coverage
100 Day Elimination Period

Age	5% Compound Guaranteed Purchase			Automatic Inflation		
	Benefit Period			Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider	3 Years	5 Years	5 Years + \$1M Rider
18-29	23.88	31.84	45.77	83.78	106.00	148.75
30	25.87	35.82	51.74	88.91	111.13	157.29
31	27.86	37.81	53.73	90.62	114.55	160.71
32	29.85	39.80	57.70	92.32	116.26	164.13
33	31.84	41.79	59.69	95.74	119.68	169.26
34	33.83	43.78	63.67	97.45	121.39	172.68
35	35.82	45.77	65.66	99.16	124.81	176.10
36	37.81	49.75	71.63	100.87	128.23	181.23
37	39.80	51.74	75.61	104.29	129.94	184.65
38	41.79	53.73	77.60	106.00	133.36	189.78
39	43.78	57.70	81.58	109.42	136.78	193.20
40	45.77	59.69	85.56	111.13	140.20	198.33
41	47.76	63.67	89.54	114.55	145.33	205.17
42	51.74	67.65	95.51	119.68	150.46	212.01
43	53.73	71.63	101.48	123.10	155.58	220.55
44	57.70	75.61	107.45	128.23	160.71	227.39
45	59.69	79.59	113.42	131.65	167.55	235.94
46	63.67	83.57	119.39	136.78	172.68	244.49
47	67.65	89.54	125.36	141.91	179.52	253.04
48	71.63	93.52	133.32	147.04	184.65	261.59
49	75.61	99.49	141.28	152.16	191.49	270.14
50	79.59	105.46	149.24	157.29	198.33	280.39
51	83.57	109.44	157.20	162.42	201.75	288.94
52	87.55	113.42	165.16	165.84	206.88	295.78
53	93.52	117.40	173.11	170.97	212.01	304.33
54	97.50	121.38	181.07	176.10	215.42	312.88
55	103.47	125.36	191.02	181.23	220.55	321.43
56	109.44	135.31	202.96	189.78	230.81	336.81
57	115.41	143.27	216.89	200.04	242.78	353.91
58	123.37	155.21	230.82	210.30	253.04	371.01
59	129.34	165.16	246.74	220.55	266.72	388.11
60	137.30	177.09	262.66	230.81	278.68	406.91
61	149.24	193.01	282.56	244.49	295.78	430.85
62	163.17	208.93	304.44	256.46	314.59	456.49
63	177.09	226.84	328.32	271.85	333.40	483.85
64	193.01	246.74	352.20	287.23	353.91	511.21
65	210.92	268.63	380.06	302.62	376.14	541.98
66	232.81	296.48	417.86	324.85	408.62	588.14
67	254.70	326.33	459.65	347.07	442.82	637.73
68	280.57	360.16	505.42	372.72	480.43	690.73
69	308.42	397.96	557.15	398.36	521.46	748.86
70	338.27	437.76	612.87	427.43	565.92	812.12
71	380.06	489.50	676.54	470.17	624.05	877.09
72	429.80	545.21	746.18	518.04	687.31	945.47
73	483.53	608.89	823.79	569.34	757.41	1020.70
74	533.74	659.54	909.35	627.47	836.05	1101.06
75	570.98	699.68	954.46	690.73	921.54	1188.25
76	601.12	739.02	1002.99	755.70	1008.73	1313.06
77	632.43	778.03	1048.96	825.44	1084.17	1451.55
78	661.85	815.25	1092.00	859.72	1133.47	1539.13
79	689.59	852.12	1132.73	890.48	1180.80	1600.68
80	706.06	874.49	1153.41	924.17	1233.67	1650.20
81	776.12	962.07	1269.29	1016.73	1356.60	1815.07
82	854.28	1057.74	1395.95	1117.97	1492.55	1997.30
83	939.16	1164.19	1536.08	1229.33	1641.52	2196.89
84	1033.49	1280.07	1689.69	1352.26	1806.39	2416.72
85	1137.24	1408.07	1858.12	1488.21	1987.18	2658.25
86	1250.42	1549.55	2044.06	1637.18	2185.32	2924.36
87	1375.73	1704.51	2248.87	1800.61	2403.70	3216.51
88	1513.17	1875.63	2473.90	1981.39	2643.79	3537.58
89	1664.09	2062.93	2721.83	2179.53	2908.45	3891.92
90	1831.17	2269.09	2994.01	2397.92	3199.15	4280.97
91	2014.42	2495.46	3293.14			
92	2216.54	2744.73	3621.91			
93	2438.86	3019.61	3984.37			
94	2682.75	3321.43	4383.22			
95	2950.89	3654.25	4821.13			
96	3245.98	4019.41	5303.52			
97	3570.71	4420.94	5834.41			
98	3927.78	4862.90	6417.85			
99	4321.23	5349.33	7059.23			
100+	4753.76	5884.26	7765.28588			

Rates shown below the line are for Shared Care 3 yr purchase on exhaustion of benefits at attained age rates, or for attained age GPO purchases and GIO purchases only

Appendix B2

**John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA (Year 2 of 2)**

*Premiums to be used only with those that have
previously elected a landing spot option during the 2019 Rate Filing*
**Standard rates per \$10 of Daily Coverage
100 Day Elimination Period**

Age	5% Compound Guaranteed Purchase with 2019 Shared Cost		
	Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider
18-29	14.72	19.63	28.22
30	15.95	22.09	31.90
31	17.18	23.31	33.13
32	18.41	24.54	35.58
33	19.63	25.77	36.81
34	20.86	26.99	39.26
35	22.09	28.22	40.49
36	23.31	30.68	44.17
37	24.54	31.90	46.63
38	25.77	33.13	47.85
39	26.99	35.58	50.31
40	28.22	36.81	52.76
41	29.45	39.26	55.22
42	31.90	41.72	58.90
43	33.13	44.17	62.58
44	35.58	46.63	66.26
45	36.81	49.08	69.94
46	39.26	51.53	73.62
47	41.72	55.22	77.30
48	44.17	57.67	82.21
49	46.63	61.35	87.12
50	49.08	65.03	92.03
51	51.53	67.49	96.93
52	53.99	69.94	101.84
53	57.67	72.39	106.75
54	60.12	74.85	111.66
55	63.80	77.30	117.79
56	67.49	83.44	125.15
57	71.17	88.34	133.74
58	76.07	95.71	142.33
59	79.76	101.84	152.15
60	84.66	109.20	161.96
61	92.03	119.02	174.23
62	100.61	128.84	187.73
63	109.20	139.88	202.46
64	119.02	152.15	217.18
65	130.06	165.65	234.36
66	143.56	182.82	257.67
67	157.06	201.23	283.44
68	173.01	222.09	311.66
69	190.19	245.40	343.56
70	208.59	269.94	377.92
71	234.36	301.84	417.18
72	265.03	336.20	460.13
73	298.16	375.46	507.98
74	334.97	419.63	560.74
75	377.92	468.71	619.64
76	420.86	522.70	690.80
77	469.94	582.83	769.33
78	523.93	649.08	856.45
79	584.05	723.93	954.61
80	642.95	796.32	1050.31
81	706.75	876.08	1155.83
82	777.92	963.20	1271.17
83	855.22	1060.13	1398.78
84	941.11	1165.65	1538.66
85	1035.59	1282.22	1692.03
86	1138.66	1411.05	1861.36
87	1252.77	1552.16	2047.86
88	1377.92	1707.98	2252.77
89	1515.35	1878.54	2478.54
90	1667.49	2066.27	2726.39
91	1834.37	2272.40	2998.79
92	2018.42	2499.40	3298.18
93	2220.87	2749.71	3628.24
94	2442.96	3024.56	3991.43
95	2687.13	3327.62	4390.21
96	2955.84	3660.14	4829.47
97	3251.55	4025.79	5312.91
98	3576.71	4428.24	5844.20
99	3934.99	4871.19	6428.25
100+	4328.86	5358.31	7071.20

Rates shown below the line are for Shared Care
3 yr purchase on
exhaustion of benefits at attained age rates,
or for attained age
GPO purchases and GIO purchases only

Appendix C1
John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA (Year 2 of 2)
Premiums to be used only with those that have
not previously elected a landing spot option
Standard rates per \$10 of Daily Coverage
100 Day Elimination Period

Age	5% Compound Guaranteed Purchase with 2022 Shared Cost		
	Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider
18-29	19.46	25.95	37.30
30	21.08	29.19	42.16
31	22.70	30.81	43.79
32	24.33	32.43	47.03
33	25.95	34.06	48.65
34	27.57	35.68	51.89
35	29.19	37.30	53.52
36	30.81	40.54	58.38
37	32.43	42.16	61.62
38	34.06	43.79	63.25
39	35.68	47.03	66.49
40	37.30	48.65	69.73
41	38.92	51.89	72.98
42	42.16	55.14	77.84
43	43.79	58.38	82.71
44	47.03	61.62	87.57
45	48.65	64.87	92.44
46	51.89	68.11	97.30
47	55.14	72.98	102.17
48	58.38	76.22	108.65
49	61.62	81.08	115.14
50	64.87	85.95	121.63
51	68.11	89.19	128.11
52	71.35	92.44	134.60
53	76.22	95.68	141.09
54	79.46	98.92	147.57
55	84.33	102.17	155.68
56	89.19	110.28	165.41
57	94.06	116.76	176.77
58	100.55	126.49	188.12
59	105.41	134.60	201.09
60	111.90	144.33	214.06
61	121.63	157.30	230.28
62	132.98	170.28	248.12
63	144.33	184.87	267.58
64	157.30	201.09	287.04
65	171.90	218.93	309.74
66	189.74	241.63	340.56
67	207.58	265.96	374.61
68	228.66	293.53	411.91
69	251.36	324.34	454.08
70	275.69	356.77	499.48
71	309.74	398.94	551.38
72	350.29	444.35	608.14
73	394.07	496.24	671.38
74	435.00	537.52	741.12
75	465.34	570.24	777.88
76	489.91	602.30	817.43
77	515.43	634.09	854.90
78	539.40	664.43	889.98
79	562.01	694.48	923.17
80	575.43	712.70	940.02
81	632.54	784.08	1034.46
82	696.23	862.05	1137.69
83	765.42	948.81	1251.90
84	842.29	1043.25	1377.09
85	926.84	1147.57	1514.36
86	1019.09	1262.88	1665.90
87	1121.22	1389.17	1832.82
88	1233.23	1528.63	2016.22
89	1356.22	1681.28	2218.28
90	1492.39	1849.30	2440.10
91	1641.74	2033.79	2683.89
92	1806.47	2236.94	2951.84
93	1987.66	2460.97	3247.25
94	2186.43	2706.96	3572.30
95	2404.96	2978.20	3929.20
96	2645.46	3275.80	4322.34
97	2910.11	3603.05	4755.02
98	3201.13	3963.25	5230.52
99	3521.79	4359.68	5753.24
100+	3874.30	4795.65	6328.68

See Appendix D for details on premium calculations for policyholders who elected the Shared Cost options.
Rates shown below the line are for Shared Care 3 yr purchase on exhaustion of benefits at attained age rates, or for attained age GPO purchases and GIO purchases only

Appendix C2
John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA (Year 2 of 2)
Premiums to be used only with those that have
previously elected a landing spot option during the 2019 Rate Filing
Standard rates per \$10 of Daily Coverage
100 Day Elimination Period

Age	5% Compound Guaranteed Purchase with 2019 and 2022 Shared Cost		
	Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider
18-29	12.00	16.00	23.00
30	13.00	18.00	26.00
31	14.00	19.00	27.00
32	15.00	20.00	29.00
33	16.00	21.00	30.00
34	17.00	22.00	32.00
35	18.00	23.00	33.00
36	19.00	25.00	36.00
37	20.00	26.00	38.00
38	21.00	27.00	39.00
39	22.00	29.00	41.00
40	23.00	30.00	43.00
41	24.00	32.00	45.00
42	26.00	34.00	48.00
43	27.00	36.00	51.00
44	29.00	38.00	54.00
45	30.00	40.00	57.00
46	32.00	42.00	60.00
47	34.00	45.00	63.00
48	36.00	47.00	67.00
49	38.00	50.00	71.00
50	40.00	53.00	75.00
51	42.00	55.00	79.00
52	44.00	57.00	83.00
53	47.00	59.00	87.00
54	49.00	61.00	91.00
55	52.00	63.00	96.00
56	55.00	68.00	102.00
57	58.00	72.00	109.00
58	62.00	78.00	116.00
59	65.00	83.00	124.00
60	69.00	89.00	132.00
61	75.00	97.00	142.00
62	82.00	105.00	153.00
63	89.00	114.00	165.00
64	97.00	124.00	177.00
65	106.00	135.00	191.00
66	117.00	149.00	210.00
67	128.00	164.00	231.00
68	141.00	181.00	254.00
69	155.00	200.00	280.00
70	170.00	220.00	308.00
71	191.00	246.00	340.00
72	216.00	274.00	375.00
73	243.00	306.00	414.00
74	273.00	342.00	457.00
75	308.00	382.00	505.00
76	343.00	426.00	563.00
77	383.00	475.00	627.00
78	427.00	529.00	698.00
79	476.00	590.00	778.00
80	524.00	649.00	856.00
81	576.00	714.00	942.00
82	634.00	785.00	1036.00
83	697.00	864.00	1140.00
84	767.00	950.00	1254.00
85	844.00	1045.00	1379.00
86	928.00	1150.00	1517.00
87	1021.00	1265.00	1669.00
88	1123.00	1392.00	1836.00
89	1235.00	1531.00	2020.00
90	1359.00	1684.00	2222.00
91	1495.00	1852.00	2444.00
92	1645.00	2037.00	2688.00
93	1810.00	2241.00	2957.00
94	1991.00	2465.00	3253.00
95	2190.00	2712.00	3578.00
96	2409.00	2983.00	3936.00
97	2650.00	3281.00	4330.00
98	2915.00	3609.00	4763.00
99	3207.00	3970.00	5239.00
100+	3528.00	4367.00	5763.00

See Appendix D for details on premium calculations for policyholders who elected the Shared Cost options
Rates shown below the line are for Shared Care 3 yr purchase on exhaustion of benefits at attained age rates, or for attained age GPO purchases and GIO purchases only

SERFF Tracking #:

MULF-133673718

State Tracking #:

MULF-133673718

Company Tracking #:2022 INFORCE RATE INCREASES - JH
LE**State:**

Virginia

Filing Company:

John Hancock Life Insurance Company (U.S.A.)

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

2022 Inforce Rate Increases - JH LE

Project Name/Number:

2022 Inforce Rate Increases - JH LE/

Supporting Document Schedules

Bypassed - Item:	Certification of Compliance/Readability
Bypass Reason:	Readability not applicable to rate only filing
Attachment(s):	
Item Status:	Received & Acknowledged
Status Date:	06/21/2023

Satisfied - Item:	Product Checklist
Comments:	
Attachment(s):	Long-Term-Care-Rate-Revision-Checklist_PostRS.pdf
Item Status:	Received & Acknowledged
Status Date:	06/21/2023

Satisfied - Item:	L&H Actuarial Memorandum
Comments:	
Attachment(s):	VA LE Appendix_E.pdf Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf VA LE filing package.pdf
Item Status:	Received & Acknowledged
Status Date:	05/17/2024

Satisfied - Item:	Long Term Care Insurance Rate Request Summary
Comments:	
Attachment(s):	VA 2022 LE Rate Summary.pdf
Item Status:	Received & Acknowledged
Status Date:	05/17/2024

Satisfied - Item:	Cover letter
Comments:	
Attachment(s):	VA LE 2022 JH Inforce Rate Increase Rates Cover Letter.pdf
Item Status:	Received & Acknowledged
Status Date:	06/21/2023

Satisfied - Item:	Sample Policyholder Communication Package
Comments:	We will be submitting the policyholder communication package in a separate form filing for review and approval.
Attachment(s):	JH Retail 2022 PH Comm Pkg-BO-2-VA-JD-5-2.pdf

State: Virginia Filing Company: John Hancock Life Insurance Company (U.S.A.)
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: 2022 Inforce Rate Increases - JH LE
 Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Item Status:	Received & Acknowledged
Status Date:	05/17/2024

Satisfied - Item:	Response to 6/23/23 objection
Comments:	

Attachment(s):	2023-06-23 VA JH Retail LE Response Letter.pdf VA LE Exhibits (split by BP and inflation).xlsx VA LE Exhibits 1 & 2.xlsx Blended If-Knew Projections.xlsx Claim Counts.xlsx Nationwide Counts & Average Annual Premium.xlsx PPV Method Projections.xlsx
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Item Status:	Received & Acknowledged
Status Date:	02/28/2024

Satisfied - Item:	Response to 8/10/23 objection
Comments:	

Attachment(s):	2023-08-10 VA JH Retail LE Response Letter.pdf VA LE Exhibits (split by BP and inflation) Demonstration.xlsx VA LLR Summary (split by BP and inflation).xlsx
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Item Status:	Received & Acknowledged
Status Date:	02/28/2024

Satisfied - Item:	State summary PROPRIETARY & CONFIDENTIAL
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Comments:	The status of our current rate increase actions has not yet been communicated to our field agents and investor analysts. As the rate increase program reflects a significant portion of our current inforce block, we would prefer to control the dissemination of this information.
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Attachment(s):	JH LE Rate Filing Summary.xlsx
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Item Status:	Received & Acknowledged
Status Date:	02/28/2024

Satisfied - Item:	Response to 12/14/23 objection
Comments:	

Attachment(s):	2023-12-14 VA JH Retail LE Response Letter.pdf
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Item Status:	Received & Acknowledged
Status Date:	02/28/2024

Satisfied - Item:	Response to 2/27/24 objection
Comments:	

SERFF Tracking #: MULF-133673718 **State Tracking #:** MULF-133673718 **Company Tracking #:** 2022 INFORCE RATE INCREASES - JH LE

State: Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: 2022 Inforce Rate Increases - JH LE
Project Name/Number: 2022 Inforce Rate Increases - JH LE/

Attachment(s):	2024-2-28 VA JH Retail LE Response Letter.pdf
Item Status:	Received & Acknowledged
Status Date:	05/17/2024

SERFF Tracking #:

MULF-133673718

State Tracking #:

MULF-133673718

Company Tracking #:

2022 INFORCE RATE INCREASES - JH
LE

State:

Virginia

Filing Company:

John Hancock Life Insurance Company (U.S.A.)

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

2022 Inforce Rate Increases - JH LE

Project Name/Number:

2022 Inforce Rate Increases - JH LE/

Attachment VA LE Exhibits (split by BP and inflation).xlsx is not a PDF document and cannot be reproduced here.

Attachment VA LE Exhibits 1 & 2.xlsx is not a PDF document and cannot be reproduced here.

Attachment Blended If-Knew Projections.xlsx is not a PDF document and cannot be reproduced here.

Attachment Claim Counts.xlsx is not a PDF document and cannot be reproduced here.

Attachment Nationwide Counts & Average Annual Premium.xlsx is not a PDF document and cannot be reproduced here.

Attachment PPV Method Projections.xlsx is not a PDF document and cannot be reproduced here.

Attachment VA LE Exhibits (split by BP and inflation) Demonstration.xlsx is not a PDF document and cannot be reproduced here.

Attachment VA LLR Summary (split by BP and inflation).xlsx is not a PDF document and cannot be reproduced here.

Attachment JH LE Rate Filing Summary.xlsx is not a PDF document and cannot be reproduced here.

Review Requirements Checklist
 FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

NOTE: This document is intended to assist carriers in preparing LTCI rate increase filings for review and approval by the Bureau of Insurance. It provides guidance based on current Virginia laws and regulations. It should be noted, however, that this checklist should not be used exclusive of other important resources, including, but not limited to, any and all other applicable state insurance laws and associated rules and regulations. Note that some regulatory references in the Comments column are approximate. It is the responsibility of the carriers to verify that their products comply with all relevant statutory and regulatory requirements.

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
Source of Filing	14 VAC 5-101-40	Filings shall be submitted in SERFF. Third-party filing authorization must be included.	Acknowledged
	14VAC5-101-50 C 1	Filing description must include the type of insurance form, including a description of the form and the market for which the form is intended; and intentions to concentrate on a specialized market should be noted.	Acknowledged
	14VAC5-101-50 C 2	Filing description must include the form number of each form that is being filed.	Acknowledged
General Information Filing Description	14VAC5-101-50 C 3	Filing description must state whether submitted form is new, or if replacing, revising, or modifying a previously approved form, the exact changes that are intended.	NA
	14VAC5-101-50 C 4	Filing description must identify any change in benefits and indicate whether the change affects premium rates for the form.	NA
	14VAC5-101-50 C 5	Filing description must state if approval of a form submitted has been withdrawn by another regulatory body and the reasons for such a withdrawal.	NA

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
	14VAC5-101-50 F	Any form filed that is to be used with a previously approved form, including an application, shall identify the form number, approval date, and SERFF or state tracking number in the new filing.	NA
	14VAC5-101-50 G	Any amendment, endorsement, or rider that intends to revise a previously approved form shall be accompanied by the previously approved form filed as supporting documentation.	NA
Form Number	14VAC5-101-60 1	Form Number must appear in the lower left-hand corner of the first page of the form. It shall consist of numbers, letters, or a combination of both. The form number shall distinguish the form from all other forms used by the company.	NA
Company Name and Address	14VAC5-101-60 2	Full and proper name (including "Inc.") must appear prominently on first page or cover sheet of all forms. Home office address must be included on first page of any policy, application, or enrollment form.	NA
Marketing Name or Logo	14VAC5-101-60 3	A marketing name or logo also may be used on the form, provided that the marketing name or logo does not mislead as to the identity of the company.	NA
	14VAC5-101-60 4	The cover page of a policy also shall include the address of an office that will administer the policy if different from the home office, a company telephone number, and company website address.	NA
Final Form	14VAC5-101-60 5	Form must be submitted in "final form" and in "John Doe fashion" to indicate its intended use.	NA
Electronic Version	14VAC5-101-60 6	Each form that is to be used in an electronic version shall be filed in a format that matches the electronic version exactly.	NA
Readability	14VAC5-101-70 A	Each form submitted for review or approval shall be written in simplified language, logically and clearly arranged, and printed in a legible format.	NA

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
	14VAC5-101-70 C	Defined words and terms shall be placed in a separate definition section that is clearly identified, unless only used in one section.	NA
Type Size	14VAC5-101-70 E	Any form submitted for review or approval shall be printed in at least 10-point type size.	NA
	14VAC5-101-70 F	Any policy shall achieve a minimum Flesch reading ease score of 50 or an equivalent score using another comparable test, unless otherwise specified by statute, or an exception requested pursuant to 14 VAC 5-101-70 G.	NA
Variability	14VAC5-101-80	<p>A. Use of variable bracketed information shall be limited. All variable information shall be clear, easily understood and fully explain each use of the variable language.</p> <p>B. Administrative information, such as officer names, titles and signatures, contact information, or company logo may be presented as variable bracketed text.</p> <p>C. Different types of benefits may be variable only for inclusion or exclusion within the form. The use of brackets within brackets is not permitted, except when variability is necessary to identify a period of time or other numeric value.</p> <p>D. Each instance of variable text shall appear in brackets on a form and shall be separately and completely explained in detail in a Statement of Variability document. Each explanation of variability shall appear in the same order that it appears on the form.</p> <p>E. Requests for revisions to a Statement of Variability contained in a previously approved filing shall be accomplished by notification in the original filing.</p>	NA

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
Filing a Rate Revision	14 VAC 5-130-70 A	(i) New rate sheet;	Acknowledged
		(ii) All information required by SERFF.	Acknowledged
	14 VAC 5-130-70 B	Actuarial Memorandum	Acknowledged
	14VAC5-130-70 B 1	A description of the type of policy, including benefits, renewability, issue age limits, and if applicable, whether the policy includes grandfathered, non-grandfathered plans, or both.	In Memo
	14VAC5-130-70 B 2	The scope and reason for the premium or rate revision.	In Memo
	14VAC5-130-70 B 3	A comparison of the revised premiums with the current premium scale, including all percentage rate changes and any rating factor changes.	Appendix E
	14VAC5-130-70 B 4	A statement of whether the revision applies only to new business, only to in-force business, or to both.	In Memo
	14VAC5-130-70 B 5	The estimated average annual premium per policy and per member, before and after the proposed rate revision. If different changes by rating classification are requested, the filing also must include: (i) Range of changes; and (ii) Average overall change, including a detailed explanation of how the change was determined.	In Memo
	14VAC5-130-70 B 6	<i>The following is applicable to all coverage with the exception of coverage issued in the small group market:</i> (i) Projections for future experience, and Virginia and national historical experience of earned premiums, paid claims, incurred claims and loss from inception through most recent quarter. Virginia and national experience should be shown separately. Missing experience should be estimated with all estimation assumptions and methodologies provided in detail; (ii) A statement of the basis for determining the rate revision (Virginia, national, or blended); and	Exhibit 1 & 2

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		(iii) If blended, provide the credibility factor assigned to the national experience.	
	14VAC5-130-70 B 7	Details and dates of all past rate revisions, including annual rate revisions members will experience resulting from this filing. If a company only revises rates annually, the rate revision must be identical to the current submission. If a company has had more frequent rate revisions, the annual revision must reflect the compounding impact of all revisions for the past 12 months.	In Memo
	14VAC5-130-70 B 8	A description of how revised rates were determined, including the general description and source of each assumption of Form 130-A. For claims, provide historical and projected claims by major service category for both cost and utilization on Form 130-B.	In Memo
	14VAC5-130-70 B 9	If the rate revision applies to new business, provide the anticipated loss ratio and a description of how it was calculated.	NA - No NB
	14VAC5-130-70 B 10	If the rate revision applies to in-force business provide: (a) The anticipated loss ratio and a description of how it was calculated; and (b) The estimated cumulative loss ratio, historical and anticipated, and a description of how it was calculated.	Exhibit 1/2
	14VAC5-130-70 B 11	The loss ratio that was originally anticipated for the policy.	In Memo
	14VAC5-130-70 B 12	If 9, 10a, or 10b is less than 11, supporting documentation for the use of such premiums or rates.	N/A
	14VAC5-130-70 B 13	The current number of Virginia and national members to which the revision applies for the most recent month for which such data is available, and either premiums in force, premiums earned, or premiums collected for such	In Memo

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		members in the year immediately prior to the filing of the rate revision.	
	14VAC5-130-70 B 14	Certification by a qualified actuary that, to the best of the actuary's knowledge and judgment, the rate filing is in compliance with applicable laws and regulations of this Commonwealth and the premiums are reasonable in relation to the benefits provided.	In Memo
Policyholder Letter Review	14VAC5-200-75 A	Other than policies for which no applicable premium rate or rate schedule increases can be made, insurers shall provide all of the information listed in this subsection to the applicant at the time of application or enrollment, unless the method of application does not allow for delivery at that time. In such a case, an insurer shall provide all the information listed in this section to the applicant no later than at the time of delivery of the policy or certificate.	Acknowledged
	14VAC5-200-75 A 1	A statement that the policy may be subject to rate increases in the future;	Acknowledged
	14VAC5-200-75 A 2	An explanation of potential future premium rate revisions, and the policyholder's or certificateholder's option in the event of a premium rate revision;	Acknowledged
	14VAC5-200-75 A 3	The premium rate or rate schedules applicable to the applicant that will be in effect until a request is made for an increase;	Acknowledged
	14VAC5-200-75 A 4	A general explanation for applying premium rate or rate schedule adjustments that shall include: a. A description of when premium rate or rate schedule adjustments will be effective (e.g., next anniversary date, next billing date, etc.); and b. The right to a revised premium rate or rate schedule as provided in subdivision 2 of this subsection if the premium rate or rate schedule is changed;	Acknowledged

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
	14VAC5-200-75 D	An insurer shall provide notice of an upcoming premium rate schedule increase to all policyholders or certificate holders, if applicable, at least 75 days prior to the implementation of the premium rate schedule increase by the insurer. Such notice shall be filed with the commission at the time the premium rate increase is filed. The notice shall include at least the following information:	Acknowledged
	14VAC5-200-75 D 1	All applicable information identified in subsection A of this section when the rate increase is implemented;	Acknowledged
Policyholder Options	14VAC5-200-75 D 2	A clear explanation of options available to the policyholder as alternatives to paying the increased premium amount, including: a. An offer to reduce policy benefits provided by the current coverage consistent with the requirements of 14VAC5-200-183; b. A disclosure stating that all options available to the policyholder may not be of equal value; c. In the case of a partnership policy, a disclosure that some benefit reduction options may result in a loss in partnership status that may reduce policyholder protections; and d. Contact information that will allow the policyholder to contact the insurer for additional options available;	Acknowledged
	14VAC5-200-75 D 3	A clear identification of the driving factors of the premium rate increase; and	Acknowledged
	14VAC5-200-75 D 4	A statement substantially similar to the following: The rate increase request was reviewed by the commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available	Acknowledged

Review Requirements Checklist
FOR REVISION TO LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at www.scc.virginia.gov/BOI .	
Pre-Rate Stability	14VAC5-200-150 A	This section applies to any premium rate increase filed with the commission on or after September 1, 2015, for any long-term care insurance policy issued in this Commonwealth before October 1, 2003.	N/A
Reasonableness of Benefits	14VAC5-200-150 B	Benefits under individual long-term care insurance policies shall be deemed reasonable in relation to premiums provided the expected loss ratio is the greater of 60% or the lifetime loss ratio used in the original pricing applied to the current rate schedule plus: (i) 80% applied to any premium rate increase for individual policy forms or, (ii) 75% applied to any premium rate increase on group policy forms.	N/A
		In evaluating the expected loss ratio, due consideration shall be given to all relevant factors, including:	N/A
	14VAC5-200-150 B 1	Statistical credibility of incurred claims experience and earned premiums.	N/A
	14VAC5-200-150 B 2	The period for which rates are computed to provide coverage.	N/A
	14VAC5-200-150 B 3	Experienced and projected trends;	N/A
	14VAC5-200-150 B 4	Concentration of experience within early policy duration;	N/A
	14VAC5-200-150 B 5	Expected claim fluctuation;	N/A
	14VAC5-200-150 B 6	Experience refunds, adjustments or dividends.	N/A
	14VAC5-200-150 B 7	Renewability features;	N/A
	14VAC5-200-150 B 8	All appropriate expense factors;	N/A
	14VAC5-200-150 B 9	Interest;	N/A
	14VAC5-200-150 B 10	Experimental nature of the coverage;	N/A
	14VAC5-200-150 B 11	Policy reserves;	N/A

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Review Requirements Checklist
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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
	14VAC5-200-150 B 12	Mix of business by risk classification; and	N/A
	14VAC5-200-150 B 13	Product features such a long elimination periods, high deductibles and high maximum limits.	N/A
		Demonstrations of loss ratios shall be made in compliance with the Rules Governing the Filing of Rates for Individual and Certain Group Accident and Sickness Insurance Policy Forms, Chapter 130 (14 VAC 5-130) of this title. All present and accumulated values used to determine rate increases, including the lifetime loss ratio used in the original pricing, shall use the maximum valuation interest rate for contract reserves as specified in § 38.2-1371 of the Code of Virginia.	N/A
	14VAC5-200-150 C	Any insurer may request a series of scheduled rate increases that are actuarially equivalent to a single amount requested over the lifetime of the policy. The entire series mat be approved at one time as part of the current rate increase filing.	N/A
	14VAC5-200-150 D	As a condition of approval of a rate increase for a block of business for which the contingent benefit upon lapse is not otherwise required, a contingent benefit upon lapse provision will be required in accordance with 14VAC5-200-185 D. If the rate increase is approved in a series of scheduled rate increases and the sum of all scheduled rate increases will trigger the offering of a contingent benefit upon lapse, the insurer shall be required to include contingent benefit upon lapse at the time of each scheduled increase.	N/A
	14VAC5-200-150 E	All submissions shall include information required by 14VAC5-200-75.	N/A
Long-Term Care Insurance Funded by Life Insurance	14VAC5-200-150 F	A life insurance policy that funds long-term care benefits entirely by accelerating the death benefit is considered to provide reasonable benefits in relation to	NA

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		premiums paid, if the policy complies with all the following provisions:	
	14VAC5-200-150 F 1	The interest credited internally to determine cash value accumulations, including long term care, if any, are guaranteed not to be less than the minimum guaranteed interest rate for cash value accumulations without long-term care set forth in the policy;	NA
	14VAC5-200-150 F 2	The portion of the policy that provides life insurance benefits meets the nonforfeiture requirements of Chapter 32 (§ 38.2-3200 et seq.) of Title 38.2 of the Code of Virginia;	NA
	14VAC5-200-150 F 3	If an application for a long-term care insurance contract or certificate is approved, the issuer shall deliver the contract or certificate of insurance to the applicant no later than 30 days after the date of approval;	NA
	14VAC5-200-150 F 4	At the time of policy delivery, a policy summary shall be delivered for an individual life insurance policy that provides long-term care benefits within the policy or by rider. In the case of direct response solicitations, the insurer shall deliver the policy summary upon the applicant's request, but regardless of request shall make delivery no later than at the time of policy delivery. In addition to complying with all applicable requirements, the summary shall also include:	NA
		a. An explanation of how the long-term care benefit interacts with other components of the policy, including deductions from death benefits;	NA
		b. An illustration of the amount of benefits, the length of benefit, and the guaranteed lifetime benefits, if any, for each covered person;	NA
		c. Any exclusions, reductions and limitations on benefits of long-term care;	NA

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		d. A statement that any long-term care inflation protection option required by 14VAC5- 200-100 is not available under this policy;	NA
		e. If applicable to the policy type, the summary shall also include: (1) A disclosure of the effects of exercising other rights under the policy; (2) A disclosure of guarantees related to long-term care costs of insurance charges; and (3) Current and projected maximum lifetime benefits; and	NA
		f. The provisions of the policy summary listed above may be incorporated into a basic illustration or into the life insurance policy summary;	NA
	14VAC5-200-150 F 5	Any time a long-term care benefit, funded through a life insurance vehicle by the acceleration of the death benefit, is in benefit payment status, a monthly report shall be provided to the policyholder. The report shall include:	NA
		a. Any long-term care benefits paid out during the month;	NA
		b. An explanation of any changes in the policy (e.g., death benefits or cash values) due to long-term care benefits being paid out; and	NA
		c. The amount of long-term care benefits existing or remaining;	NA
	14VAC5-200-150 F 6	Any policy illustration that meets the applicable requirements of 14VAC5-41; and	NA
	14VAC5-200-150 F 7	An actuarial memorandum is filed with the Bureau of Insurance that includes:	NA
		a. A description of the basis on which the long-term care rates were determined;	NA
		b. A description of the basis for the reserves;	NA

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		c. A summary of the type of policy, benefits, renewability, general marketing method, and limits on ages of issuance;	NA
		d. A description and a table of each actuarial assumption used. For expenses, an insurer must include percentage of premium dollars per policy and dollars per unit of benefits, if any;	NA
		e. A description and a table of the anticipated policy reserves and additional reserves to be held in each future year for active lives;	NA
		f. The estimated average annual premium per policy and the average issue age;	NA
		g. A statement as to whether underwriting is performed at the time of application. The statement shall indicate whether underwriting is used and, if used, the statement shall include a description of the type or types of underwriting used, such as medical underwriting or functional assessment underwriting. Concerning a group policy, the statement shall indicate whether the enrollee or any dependent will be underwritten and when underwriting occurs; and	NA
		h. A description of the effect of the long-term care policy provision on the required premiums, nonforfeiture values and reserves on the underlying life insurance policy, both for active lives and those in long-term care claim status.	NA
Post-Stability Policies	14VAC5-200-153 A	This section applies to any premium rate increase filed with the commission on or after September 1, 2015, for any long-term care insurance policy issued in this Commonwealth on or after October 1, 2003, but prior to September 1, 2015.	OK
	14VAC5-200-153 B	An insurer shall request the commission's approval of a pending premium rate schedule increase, including an	OK

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		exceptional increase, prior to the notice to the policyholders and shall include:	
	14VAC5-200-153 B 1	Information required by 14VAC5-200-75;	OK - This is Policyholder Letter Review
	14VAC5-200-153 B 2	Certification by a qualified actuary that:	OK
		a. If the requested premium rate schedule increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized, no further premium rate schedule increases are anticipated; and	In memo
		b. The premium rate filing is in compliance with the provisions of this section;	OK
	14VAC5-200-153 B 3	An actuarial memorandum justifying the rate schedule change request that includes:	In memo
		a. Lifetime projections of earned premiums and incurred claims based on the filed premium rate schedule increase and the method and assumptions used in determining the projected values, including reflection of any assumptions that deviate from those used for pricing other forms currently available for sale;	In memo
		(1) Annual values for the five years preceding and the three years following the valuation date shall be provided separately;	OK
		(2) The projections shall include the development of the lifetime loss ratio, unless the rate increase is an exceptional increase;	OK
		(3) The projections shall demonstrate compliance with subsection C of this section; and	OK
		(4) For exceptional increases,	N/A
		(a) The projected experience should be limited to the increases in claims expenses attributable to the approved reasons for the exceptional increase; and	OK

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		(b) In the event the commission determines as provided in the definition of exceptional increase in 14VAC5-200-40 that offsets may exist, the insurer shall use appropriate net projected experience;	
		b. Disclosure of how reserves have been incorporated in this rate increase whenever the rate increase will trigger contingent benefit upon lapse;	OK
		c. Disclosure of the analysis performed to determine why a rate adjustment is necessary, which pricing assumptions were not realized and why, and what other actions taken by the company have been relied on by the actuary;	OK
		d. A statement that policy design, underwriting, and claims adjudication practices have been taken into consideration;	In Memo
		e. If it is necessary to maintain consistent premium rates for new policies and policies receiving a rate increase, the insurer will need to file composite rates reflecting projections of new policies; and	N/A
		f. A demonstration that actual and projected costs exceed costs anticipated at the time of initial pricing under moderately adverse experience and that the composite margin is projected to be exhausted;	OK
	14VAC5-200-153 B 4	A statement that renewal premium rate schedules are not greater than new business premium rate schedules except for differences attributable to benefits, unless sufficient justification is provided to the commission; and	N/A Not selling NB
	14VAC5-200-153 B 5	Sufficient information for review and approval of the premium rate schedule increase by the commission.	OK
Series Rate Increases		An insurer may request a series of scheduled rate increases that are actuarially equivalent to a single amount requested over the lifetime of the policy. The	N/A

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		entire series may be approved at one time as part of the current rate increase filing. The insurer shall be required to include contingent benefit upon lapse at the time of each scheduled increase.	
		The insurer may request a premium rate schedule increase less than what is required under this section and the commission may approve such premium rate schedule increase, without submission of the certification in subdivision 2 a of this subsection, if the actuarial memorandum discloses the premium rate schedule increase necessary to make such certification required, the premium rate schedule increase filing satisfies all other requirements of this section, and is, in the opinion of the commission, in the best interest of policyholders.	N/A
	14VAC5-200-153 C	All premium rate schedule increases shall be determined in accordance with the following requirements:	
Exceptional Increases	14VAC5-200-153 C 1	Exceptional increases shall provide that 70% of the present value of projected additional premiums from the exceptional increase will be returned to policyholders in benefits;	N/A
	14VAC5-200-153 C 2	Premium rate schedule increases shall be calculated such that the sum of the accumulated value of incurred claims, without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:	OK
		a. The accumulated value of the initial earned premium times 58%;	OK
		b. 85% of the accumulated value of prior premium rate schedule increases on an earned basis;	OK
		c. The present value of future projected initial earned premiums times 58%; and	OK

Review Requirements Checklist
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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		d. 85% of the present value of future projected premiums not in subdivision 2 c of this subsection on an earned basis;	OK
	14VAC5-200-153 C 3	In the event that a policy form has both exceptional and other increases, the values in subdivisions 2 b and d of this subsection will also include 70% for exceptional rate increase amounts; and	N/A
	14VAC5-200-153 C 4	All present and accumulated values used to determine rate increases shall use the maximum valuation interest rate for contract reserves as specified in § 38.2-1371 of the Code of Virginia. The actuary shall disclose as part of the actuarial memorandum the use of any appropriate averages.	Using Maximum statutory valuation rates at time of issue.
	14VAC5-200-153 D	For each rate increase that is implemented, the insurer shall file for approval by the commission updated projections, as defined in subdivision B 3 a of this section, annually for the next three years and include a comparison of actual results to projected values. The commission may extend the period to greater than three years if actual results are not consistent with projected values from prior projections. For group insurance policies that meet the conditions in subsection K of this section, the projections required by subdivision B 3 a of this section shall be provided to the policyholder in lieu of filing with the commission.	OK
	14VAC5-200-153 E	If any increased premium rate in the revised premium rate schedule is greater than 200% of the comparable rate in the initial premium schedule, the premiums exceeding 200% shall be clearly identified and lifetime projections, as defined in subdivision B 3 a of this section, shall be filed for approval by the commission every five years following the end of the required period in subsection D of	OK

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		this section. For group insurance policies that meet the conditions in subsection K of this section, the projections required by this subsection shall be provided to the policyholder in lieu of filing with the commission.	
Premium Rate Increases for Policies Issued After September 1, 2015.	14VAC5-200-154 A	An insurer shall request the commission's approval of a pending premium rate schedule increase, including an exceptional increase, prior to the notice to the policyholders and shall include:	N/A
	14VAC5-200-154 A 1	Information required by 14VAC5-200-75;	N/A
	14VAC5-200-154 A 2	Certification by a qualified actuary that:	N/A
		a. If the requested premium rate schedule increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized, no further premium rate schedule increases are anticipated; and	N/A
		b. The premium rate filing is in compliance with the provisions of this section;	N/A
	14VAC5-200-154 A 3	An actuarial memorandum justifying the rate schedule change request that includes:	
		a. Lifetime projections of earned premiums and incurred claims based on the filed premium rate schedule increase and the method and assumptions used in determining the projected values, including reflection of any assumptions that deviate from those used for pricing other forms currently available for sale;	N/A
		(1) Annual values for the five years preceding and the three years following the valuation date shall be provided separately;	N/A
		(2) The projections shall include the development of the lifetime loss ratio, unless the rate increase is an exceptional increase;	N/A

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		(3) The projections shall demonstrate compliance with subsection B of this section; and	N/A
		(4) For exceptional increases:	N/A
		(a) The projected experience should be limited to the increases in claims expenses attributable to the approved reasons for the exceptional increase; and	N/A
		(b) In the event the commission determines as provided in the definition of exceptional increase in 14VAC5-200-40 that offsets may exist, the insurer shall use appropriate net projected experience;	N/A
		b. Disclosure of how reserves have been incorporated in this rate increase whenever the rate increase will trigger contingent benefit upon lapse;	N/A
		c. Disclosure of the analysis performed to determine why a rate adjustment is necessary, which pricing assumptions were not realized and why, and what other actions taken by the company have been relied on by the actuary;	N/A
		d. A statement that policy design, underwriting, and claims adjudication practices have been taken into consideration;	N/A
		e. In the event that it is necessary to maintain consistent premium rates for new policies and policies receiving a rate increase, the insurer will need to file composite rates reflecting projections of new policies; and	N/A
		f. A demonstration that actual and projected costs exceed costs anticipated at the time of initial pricing under moderately adverse experience and that the composite margin is projected to be exhausted;	N/A
	14VAC5-200-154 A 4	A statement that renewal premium rate schedules are not greater than new business premium rate schedules	N/A

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		except for differences attributable to benefits, unless sufficient justification is provided to the commission; and	N/A
	14VAC5-200-154 A 5	Sufficient information for review and approval of the premium rate schedule increase by the commission.	N/A
	14VAC5-200-154 B	All premium rate schedule increases shall be determined in accordance with the following requirements:	N/A
Exceptional Increases	14VAC5-200-154 B 1	Exceptional increases shall provide that 70% of the present value of projected additional premiums from the exceptional increase will be returned to policyholders in benefits;	N/A
	14VAC5-200-154 B 2	Premium rate schedule increases shall be calculated such that the sum of the lesser of (i) the accumulated value of actual incurred claims, without the inclusion of active life reserves, or (ii) the accumulated value of historic expected claims without the inclusion of active life reserves, plus the present value of the future expected incurred claims, projected without the inclusion of actual life reserves, will not be less than the sum of the following:	N/A
		a. The accumulated value of the initial earned premium times the greater of (i) 58% and (ii) the lifetime loss ratio consistent with the original filing including margins for moderately adverse experience;	N/A
		b. 85% of the accumulated value of prior premium rate schedule increases on an earned basis;	N/A
		c. The present value of future projected initial earned premiums times the greater of (i) 58% and (ii) the lifetime loss ratio consistent with the original filing including margins for moderately adverse experience; and	N/A

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		d. 85% of the present value of future projected premiums not in subdivision 2 c of this subsection on an earned basis;	N/A
	14VAC5-200-154 B 3	Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase. Expected claims are calculated for each calendar year based on the in-force policies at the beginning of the calendar year. Expected claims shall include margins for moderately adverse experience; either amounts included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing;	N/A
	14VAC5-200-154 B 4	In the event that a policy form has both exceptional and other increases, the values in subdivisions 2 b and d of this subsection will also include 70% for exceptional rate increase amounts; and	N/A
	14VAC5-200-154 B 5	All present and accumulated values used to determine rate increases, including the lifetime loss ratio consistent with the original filing reflecting margins for moderately adverse experience, shall use the maximum valuation interest rate for contract reserves as specified in § 38.2-1371 of the Code of Virginia. The actuary shall disclose as part of the actuarial memorandum the use of any appropriate averages.	N/A
	14VAC5-200-154 C	For each rate increase that is implemented, the insurer shall file for approval by the commission updated projections, as defined in subdivision A 3 a of this section, annually for the next three years and include a comparison of actual results to projected values. The	N/A

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REVIEW REQUIREMENTS	REFERENCE	COMMENTS	FILER'S NOTES
		commission may extend the period to greater than three years if actual results are not consistent with projected values from prior projections. For group insurance policies that meet the conditions in subsection J of this section, the projections required by subdivision A 3 a of this section shall be provided to the policyholder in lieu of filing with the commission.	N/A
	14VAC5-200-154 D	If any increased premium rate in the revised premium rate schedule is greater than 200% of the comparable rate in the initial premium schedule, the premiums exceeding 200% shall be clearly identified and lifetime projections, as defined in subdivision A 3 a of this section, shall be filed for approval by the commission every five years following the end of the required period in subsection C of this section. For group insurance policies that meet the conditions in subsection J of this section, the projections required by this subsection shall be provided to the policyholder in lieu of filing with the commission.	N/A

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Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:
<http://www.scc.virginia.gov/boi/laws.aspx>

The Rates Section of the Life and Health Division reviews long-term care insurance rate revisions . Please contact the assigned rates examiner or this section directly at (804) 371-9348 if you have questions or need additional information about this line of insurance.

The Flesch reading ease score of the filed policy form is NA.

I represent that a review of the enclosed form has been conducted, and I certify that, to the best of my knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the applicable rules and regulations. I understand that a failure to comply with these requirements will result in a disapproval of the filing.

I hereby certify that I have reviewed the attached revision to the long-term care insurance rate filing and determined that it is in compliance with the Revision to Long-Term Care Insurance (LTCI) Rates checklist.

Signed: *Peter Connolly*

Name (please print): Peter Connolly Title: Actuary

Company Name: John Hancock Life Insurance Company (U.S.A.)

Date: 5/18/2023 Phone No: (617-572-6722)

E-Mail Address: peter_connolly@jhancock.com

Appendix E
John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA
Standard rates per \$10 of Daily Coverage
100 Day Elimination Period
5% Compound Guaranteed Purchase

Age	Current Premium Rates			Proposed Premium Rates			Proposed Rate Increase		
	Benefit Period			Benefit Period			Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider	3 Years	5 Years	5 Years + \$1M Rider	3 Years	5 Years	5 Years + \$1M Rider
18-29	19.46	25.95	37.30	26.01	34.69	49.86	33.68	33.68	33.68
30	21.08	29.19	42.16	28.18	39.02	56.36	33.68	33.68	33.68
31	22.70	30.81	43.79	30.35	41.19	58.53	33.68	33.68	33.68
32	24.33	32.43	47.03	32.52	43.36	62.87	33.68	33.68	33.68
33	25.95	34.06	48.65	34.69	45.52	65.03	33.68	33.68	33.68
34	27.57	35.68	51.89	36.85	47.69	69.37	33.68	33.68	33.68
35	29.19	37.30	53.52	39.02	49.86	71.54	33.68	33.68	33.68
36	30.81	40.54	58.38	41.19	54.20	78.04	33.68	33.68	33.68
37	32.43	42.16	61.62	43.36	56.36	82.38	33.68	33.68	33.68
38	34.06	43.79	63.25	45.52	58.53	84.55	33.68	33.68	33.68
39	35.68	47.03	66.49	47.69	62.87	88.88	33.68	33.68	33.68
40	37.30	48.65	69.73	49.86	65.03	93.22	33.68	33.68	33.68
41	38.92	51.89	72.98	52.03	69.37	97.55	33.68	33.68	33.68
42	42.16	55.14	77.84	56.36	73.71	104.06	33.68	33.68	33.68
43	43.79	58.38	82.71	58.53	78.04	110.56	33.68	33.68	33.68
44	47.03	61.62	87.57	62.87	82.38	117.06	33.68	33.68	33.68
45	48.65	64.87	92.44	65.03	86.71	123.57	33.68	33.68	33.68
46	51.89	68.11	97.30	69.37	91.05	130.07	33.68	33.68	33.68
47	55.14	72.98	102.17	73.71	97.55	136.57	33.68	33.68	33.68
48	58.38	76.22	108.65	78.04	101.89	145.24	33.68	33.68	33.68
49	61.62	81.08	115.14	82.38	108.39	153.92	33.68	33.68	33.68
50	64.87	85.95	121.63	86.71	114.89	162.59	33.68	33.68	33.68
51	68.11	89.19	128.11	91.05	119.23	171.26	33.68	33.68	33.68
52	71.35	92.44	134.60	95.38	123.57	179.93	33.68	33.68	33.68
53	76.22	95.68	141.09	101.89	127.90	188.60	33.68	33.68	33.68
54	79.46	98.92	147.57	106.22	132.24	197.27	33.68	33.68	33.68
55	84.33	102.17	155.68	112.73	136.57	208.11	33.68	33.68	33.68
56	89.19	110.28	165.41	119.23	147.41	221.12	33.68	33.68	33.68
57	94.06	116.76	176.77	125.73	156.08	236.29	33.68	33.68	33.68
58	100.55	126.49	188.12	134.41	169.09	251.47	33.68	33.68	33.68
59	105.41	134.60	201.09	140.91	179.93	268.81	33.68	33.68	33.68
60	111.90	144.33	214.06	149.58	192.94	286.15	33.68	33.68	33.68
61	121.63	157.30	230.28	162.59	210.28	307.83	33.68	33.68	33.68
62	132.98	170.28	248.12	177.76	227.62	331.68	33.68	33.68	33.68
63	144.33	184.87	267.58	192.94	247.13	357.69	33.68	33.68	33.68
64	157.30	201.09	287.04	210.28	268.81	383.71	33.68	33.68	33.68
65	171.90	218.93	309.74	229.79	292.66	414.06	33.68	33.68	33.68
66	189.74	241.63	340.56	253.64	323.01	455.24	33.68	33.68	33.68
67	207.58	265.96	374.61	277.48	355.52	500.77	33.68	33.68	33.68
68	228.66	293.53	411.91	305.66	392.38	550.63	33.68	33.68	33.68
69	251.36	324.34	454.08	336.01	433.57	606.99	33.68	33.68	33.68
70	275.69	356.77	499.48	368.53	476.92	667.69	33.68	33.68	33.68
71	309.74	398.94	551.38	414.06	533.29	737.06	33.68	33.68	33.68
72	350.29	444.35	608.14	468.25	593.99	812.94	33.68	33.68	33.68
73	394.07	496.24	671.38	526.78	663.36	897.48	33.68	33.68	33.68
74	435.00	537.52	741.12	580.75	716.92	990.70	33.51	33.38	33.68
75	465.34	570.24	777.88	618.95	757.86	1036.04	33.01	32.90	33.19
76	489.91	602.30	817.43	649.20	797.61	1084.37	32.51	32.43	32.66
77	515.43	634.09	854.90	680.46	836.70	1129.53	32.02	31.95	32.12
78	539.40	664.43	889.98	709.43	873.57	1171.14	31.52	31.48	31.59
79	562.01	694.48	923.17	736.38	909.79	1209.91	31.03	31.00	31.06
80	575.43	712.70	940.02	751.11	930.28	1227.00	30.53	30.53	30.53
81	632.54	784.08	1034.46	825.64	1023.46	1350.27	30.53	30.53	30.53
82	696.23	862.05	1137.69	908.78	1125.23	1485.01	30.53	30.53	30.53
83	765.42	948.81	1251.90	999.09	1238.47	1634.09	30.53	30.53	30.53
84	842.29	1043.25	1377.09	1099.43	1361.74	1797.50	30.53	30.53	30.53
85	926.84	1147.57	1514.36	1209.80	1497.91	1976.67	30.53	30.53	30.53
86	1019.09	1262.88	1665.90	1330.20	1648.42	2174.48	30.53	30.53	30.53
87	1121.22	1389.17	1832.82	1463.51	1813.26	2392.36	30.53	30.53	30.53
88	1233.23	1528.63	2016.22	1609.72	1995.31	2631.74	30.53	30.53	30.53
89	1356.22	1681.28	2218.28	1770.26	2194.55	2895.49	30.53	30.53	30.53
90	1492.39	1849.30	2440.10	1948.00	2413.86	3185.04	30.53	30.53	30.53
91	1641.74	2033.79	2683.89	2142.95	2654.68	3503.26	30.53	30.53	30.53
92	1806.47	2236.94	2951.84	2357.96	2919.86	3853.01	30.53	30.53	30.53
93	1987.66	2460.97	3247.25	2594.47	3212.27	4238.59	30.53	30.53	30.53
94	2186.43	2706.96	3572.30	2853.92	3533.36	4662.88	30.53	30.53	30.53
95	2404.96	2978.20	3929.20	3139.17	3887.41	5128.74	30.53	30.53	30.53
96	2645.46	3275.80	4322.34	3453.09	4275.86	5641.90	30.53	30.53	30.53
97	2910.11	3603.05	4755.02	3798.54	4703.02	6206.67	30.53	30.53	30.53
98	3201.13	3963.25	5230.52	4178.39	5173.18	6827.33	30.53	30.53	30.53
99	3521.79	4359.68	5753.24	4596.95	5690.64	7509.64	30.53	30.53	30.53
100+	3874.30	4795.65	6328.68	5057.07	6259.70	8260.74	30.53	30.53	30.53

Rates shown below the line are for Shared Care 3 yr purchase on exhaustion of benefits at attained age rates, or for attained age GPO purchases and GIO purchases only

Appendix E
John Hancock Life Insurance Company (U.S.A.)
LTC-06 VA
Standard rates per \$10 of Daily Coverage
100 Day Elimination Period
CPI Inflation

Age	Current Premium Rates			Proposed Premium Rates			Proposed Rate Increase		
	Benefit Period			Benefit Period			Benefit Period		
	3 Years	5 Years	5 Years + \$1M Rider	3 Years	5 Years	5 Years + \$1M Rider	3 Years	5 Years	5 Years + \$1M Rider
18-29	63.61	80.49	112.94	83.80	106.03	148.78	31.73	31.73	31.73
30	67.51	84.38	119.43	88.93	111.16	157.33	31.73	31.73	31.73
31	68.80	86.98	122.03	90.64	114.58	160.75	31.73	31.73	31.73
32	70.10	88.28	124.63	92.35	116.29	164.17	31.73	31.73	31.73
33	72.70	90.87	128.52	95.77	119.71	169.30	31.73	31.73	31.73
34	74.00	92.17	131.12	97.48	121.42	172.72	31.73	31.73	31.73
35	75.30	94.77	133.71	99.19	124.84	176.14	31.73	31.73	31.73
36	76.59	97.36	137.61	100.90	128.26	181.27	31.73	31.73	31.73
37	79.19	98.66	140.20	104.32	129.97	184.69	31.73	31.73	31.73
38	80.49	101.26	144.10	106.03	133.39	189.82	31.73	31.73	31.73
39	83.08	103.86	146.70	109.45	136.81	193.24	31.73	31.73	31.73
40	84.38	106.45	150.59	111.16	140.23	198.37	31.73	31.73	31.73
41	86.98	110.35	155.78	114.58	145.36	205.22	31.73	31.73	31.73
42	90.87	114.24	160.98	119.71	150.49	212.06	31.73	31.73	31.73
43	93.47	118.14	167.47	123.13	155.62	220.61	31.73	31.73	31.73
44	97.36	122.03	172.66	128.26	160.75	227.45	31.73	31.73	31.73
45	99.96	127.22	179.15	131.68	167.59	236.00	31.73	31.73	31.73
46	103.86	131.12	185.64	136.81	172.72	244.55	31.73	31.73	31.73
47	107.75	136.31	192.13	141.94	179.56	253.10	31.73	31.73	31.73
48	111.64	140.20	198.62	147.07	184.69	261.65	31.73	31.73	31.73
49	115.54	145.40	205.11	152.20	191.53	270.20	31.73	31.73	31.73
50	119.43	150.59	212.90	157.33	198.37	280.46	31.73	31.73	31.73
51	123.33	153.19	219.39	162.46	201.79	289.01	31.73	31.73	31.73
52	125.92	157.08	224.59	165.88	206.93	295.85	31.73	31.73	31.73
53	129.82	160.98	231.08	171.01	212.06	304.40	31.73	31.73	31.73
54	133.71	163.57	237.57	176.14	215.48	312.95	31.73	31.73	31.73
55	137.61	167.47	244.06	181.27	220.61	321.50	31.73	31.73	31.73
56	144.10	175.26	255.74	189.82	230.87	336.90	31.73	31.73	31.73
57	151.89	184.34	268.73	200.08	242.84	354.00	31.73	31.73	31.73
58	159.68	192.13	281.71	210.35	253.10	371.10	31.73	31.73	31.73
59	167.47	202.52	294.69	220.61	266.78	388.20	31.73	31.73	31.73
60	175.26	211.61	308.97	230.87	278.75	407.01	31.73	31.73	31.73
61	185.64	224.59	327.14	244.55	295.85	430.95	31.73	31.73	31.73
62	194.73	238.87	346.62	256.52	314.66	456.60	31.73	31.73	31.73
63	206.41	253.15	367.39	271.91	333.47	483.97	31.73	31.73	31.73
64	218.10	268.73	388.16	287.30	354.00	511.33	31.73	31.73	31.73
65	229.78	285.80	411.53	302.69	376.23	542.11	31.73	31.73	31.73
66	246.66	310.27	446.58	324.92	408.72	588.28	31.73	31.73	31.73
67	263.53	336.23	484.23	347.16	442.92	637.88	31.73	31.73	31.73
68	283.01	364.79	524.47	372.81	480.55	690.89	31.73	31.73	31.73
69	302.48	395.95	568.61	398.46	521.59	749.04	31.73	31.73	31.73
70	324.55	429.70	616.64	427.53	566.05	812.31	31.73	31.73	31.73
71	357.00	473.84	665.97	470.28	624.20	877.30	31.73	31.73	31.73
72	393.35	521.87	717.90	518.17	687.47	945.70	31.73	31.73	31.73
73	432.30	575.10	775.02	569.47	757.59	1020.95	31.73	31.73	31.73
74	476.44	634.82	836.04	627.62	836.25	1101.32	31.73	31.73	31.73
75	524.47	699.73	902.24	690.89	921.76	1188.54	31.73	31.73	31.73
76	573.80	765.93	997.01	755.88	1008.97	1313.38	31.73	31.73	31.73
77	626.76	823.21	1102.17	825.51	1083.25	1451.90	31.71	31.59	31.73
78	652.79	860.64	1168.67	857.22	1129.47	1535.83	31.32	31.23	31.42
79	676.14	896.58	1215.40	885.23	1173.46	1591.85	30.92	30.88	30.97
80	701.72	936.73	1253.00	915.95	1222.70	1635.52	30.53	30.53	30.53
81	722.00	1030.07	1378.19	1007.69	1344.54	1798.93	30.53	30.53	30.53
82	848.88	1133.30	1516.55	1108.03	1479.28	1979.54	30.53	30.53	30.53
83	933.43	1246.41	1668.10	1218.40	1626.92	2177.35	30.53	30.53	30.53
84	1026.78	1371.60	1835.02	1340.24	1790.33	2395.23	30.53	30.53	30.53
85	1130.00	1508.87	2018.41	1474.98	1969.51	2634.61	30.53	30.53	30.53
86	1243.11	1659.31	2220.47	1622.62	2165.88	2898.36	30.53	30.53	30.53
87	1367.20	1825.14	2442.30	1784.60	2382.33	3187.91	30.53	30.53	30.53
88	1504.47	2007.43	2686.09	1963.77	2620.27	3506.12	30.53	30.53	30.53
89	1654.92	2208.39	2955.14	2160.15	2882.59	3857.31	30.53	30.53	30.53
90	1820.74	2429.12	3250.54	2376.59	3170.70	4242.90	30.53	30.53	30.53
91+									

Rates shown below the line are for Shared Care 3 yr purchase on exhaustion of benefits at attained age rates, or for attained age GPO purchases and GIO purchases only

Issue Brief

JUNE 2016

KEY POINTS:

Private LTCI is complex—a policyholder is essentially paying today for a varied range of care he or she may or may not need years, if not decades, into the future.

Insurers are gradually learning through their claims experience what the actual levels of benefits are and will be.

A means for taking corrective action to accommodate the changing future is important.

Understanding Premium Rate Increases on Private Long-Term Care Insurance Policyholders

America faces a great public need in addressing long-term care (LTC) financing, and that need is growing even more critical because the population is aging. There can be substantial costs for LTC services and supports, and for elderly Americans and their families, finding ways to pay for those services and supports can be challenging. According to the U.S. Department of Health and Human Services, about half of Americans turning 65 today will need LTC; one in seven adults will need care for more than five years; and one in six will spend at least \$100,000 for future LTC.¹

Private LTC insurance (LTCI) is an option for financing future LTC needs; however, it is often considered cost-prohibitive by many potential consumers. In particular, in recent years, LTC^{2,3} has gotten a lot of attention because of the relative size and frequency of premium rate increases. The American Academy of Actuaries' Long-Term Care Reform Subcommittee has developed this issue brief to enhance understanding of what is leading to significant rate increases, examine how the need for a rate increase is determined, discuss the effects of increases on various stakeholders, and explore alternatives to premium rate increases.



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¹ [Long-Term Services and Supports for Older Americans: Risks and Financing Research Brief](#), Office of the Assistant Secretary for Planning and Evaluation; U.S. Department of Health and Human Services, February 2015.

² Many LTCI policies include a "guaranteed renewable" contractual provision requiring an insurance company to offer to renew these policies, but the insurance company may do so with a premium rate increase only on a class basis.

³ Some states include short-term care insurance (which generally provides similar coverage to LTC, but for shorter benefit periods, typically for a year or less) under the classification of long-term care insurance. For clarity, this issue brief is not intended to address such short-term care insurance.

Factors Affecting LTCI Premium Increases

Private LTCI is complex—a policyholder is essentially paying today for a varied range of care he or she may or may not need years, if not decades, into the future. As such, LTCI requires a long projection period, with some policyholders receiving benefits beyond age 100. Therefore even for the average issue age of 57, policy projections require assumptions for more than 50 years into the future. The future period is even longer for younger policyholders. Further, calculating premiums relies on a number of assumptions for variables such as:

- mortality;
- voluntary lapses;
- interest rates; and
- morbidity, including
 - incidence of disabilities requiring LTC services;
 - recoveries and mortality while on claim;
 - benefit expiry;
 - service inflation costs of covered services relative to inflation protection assumptions; and
 - the amount of services required while disabled (for policies that reimburse actual expenses).

In addition, there has been and continues to be a high level of uncertainty and change in circumstances that affect the level of sufficient premium rates, such as:

- changing pattern of service/care providers (e.g., growth of assisted living facilities and continuing care retirement communities, access to home care services that are covered by LTCI);
- changing medical practice (e.g., criteria for diagnosis of Alzheimer’s disease and other cognitive impairments);

- effects of mortality improvement in the population, leading to more older age benefits and longer stays for a given age;
- changes in family composition and availability of caregivers, leading to fewer supports for care at home;
- lower investment income, a crucial consideration for a financial instrument that must accumulate large reserves over many decades to prefund the high cost of services that occur at advanced ages; and
- limited available data under existing LTCI coverage beyond 20 policy years for advanced ages, where morbidity tends to be substantially different from general population data due to the characteristics of those who purchase insurance.

If not for the ability to adjust premiums to better reflect actual experience, carriers would not have offered this type of insurance product. Without LTCI, many more people would exhaust their savings on care costs and then rely on public programs such as Medicaid for their additional care needs.

Often, examining adverse experience from older policy form blocks provides valuable insights that may be applicable to newer blocks. After reviewing the adverse experience, insurers may need to change projection assumptions used for the newer policy forms. The revised projections could identify a need for a premium rate increase. It is important to note that even though adverse experience has not developed yet for a newer block, the revised expected future benefits may be higher for that newer block than previously expected. Recognizing the need to fund the higher expected future benefits for the newer block comes in the form of a premium rate

Members of the Long-Term Care Reform Subcommittee include: P.J. Eric Stallard, MAAA, ASA, FCA, chairperson; Bruce Stahl, MAAA, ASA, vice chairperson; Mark Billingsley, MAAA, FSA; Dave Bond, MAAA, FCA, FSA; Michael A. Boot, MAAA, FSA; Malcolm A. Cheung, MAAA, FSA; Robert W. Darnell, MAAA, ASA; Timothy D. Gustafson, MAAA, FSA; Clark Heitkamp, MAAA, FSA; David E. Kerr, MAAA, ASA; Perry Kupferman, MAAA, FSA; Brad S. Linder, MAAA, ASA; Jamala Murray, MAAA, FSA; David Plumb, MAAA, FSA; Zenaida Samaniego, MAAA, FSA; Steven W. Schoonveld, MAAA, FSA; Sara Teppema, MAAA, FCA, FSA; Matthew Winegar, MAAA, FSA; and Ali Zaker-Shahrak, MAAA, FSA.

increase. Actuaries will then communicate the amount of premium rate increases along with their assumed implementation timing to state insurance departments. Both the increase and its associated implementation timing are very important. Deferring implementation of a needed rate increase is detrimental because waiting to implement the rate increase will not start the accumulation of the needed increased premium to fund the higher expected benefits, resulting in the need for a further increase. The effect on consumers is that deferrals generally lead to the need for a higher rate increase than originally calculated.

When original LTCI policy forms were issued in the 1980s and '90s, often morbidity assumptions were based upon general population statistics, and lapse and mortality assumptions upon experience of non-LTC insurance products. Not only did the insured population behave differently than the general population, but improvements in medical diagnostic practices and services and a large increase in the use of assisted living facilities helped increase (1) the number of individuals surviving to ages where the levels of disability are higher, leading to higher claim rates per insured; and (2) the survival time following the onset of disability.

Insurers are gradually learning through their claims experience what the actual levels of benefits are and will be; nonetheless, they still do not yet have a complete basis for assessing the ultimate levels of claims to be paid at advanced ages and later policy durations, nor how these levels might change over time. Insurers will continue to use existing information to estimate these ultimate claim levels and may need to raise premium rates further as more insured life experience develops or if there are unfavorable changes in benefit usage in the future.

Differences Between Current and Past LTCI Policies

There are significant differences in the pricing characteristics for LTCI policies issued in the past, especially more than a decade ago, compared to policies being issued today and what is expected going forward. The possibility of a future rate increase, at any point in time, is a function of the confidence level in the underlying assumptions and risks associated with these assumptions. With more conservative assumptions, more data to support those assumptions, key assumptions approaching their absolute limits (e.g., ultimate lapse rates approaching zero), and higher explicit margins, it is likely that the probability of rate increases on the current generation of LTCI policies will be lower than the probability of rate increases on previous generations. Future changes in the underlying morbidity, mortality, policyholder behavior, provider behavior, or regulations could alter this likelihood, yet statistical analyses on the experience are helpful when applying historical results to future projections.

A recent presentation⁴ of the likelihood of future rate increases on policies issued in 2014 versus policies issued in 2007 and 2000, based on a survey of insurers writing business in 2000, 2007, and 2014, found the following:

- Barring the potential changes mentioned above, and using the same projection model for each time period, the risk of a future rate increase issued in 2014 (using 2014 assumptions) is only one-quarter that of the risk on business issued in 2000 (using 2000 assumptions), and only one-third that of the risk on business issued in 2007 (using 2007 assumptions).
- The primary reasons for this improved expectation of future premium stability are the substantially greater insured experience behind each successive set of assumptions, the significantly lower future downside risk of most assumptions, and an increase in the margins for adverse experience.

⁴ Stephen Douglas Forman, James M. Glickman, and Roger Loomis, "[LTCI New Business Pricing - How Safe Is It?](#)," Society of Actuaries Annual Meeting, October 11-14, 2015.

- Amount of data increased 16-fold from 2000 to 2014.
- Claims data for ultimate experience (e.g., durations 10 and beyond) at attained ages over 80 increased 70-fold from 2000 to 2014.
- Ultimate voluntary lapse rate assumptions decreased from 2.8 percent in 2000 to 0.7 percent in 2014. This leaves very little room for future adverse deviations from lower voluntary lapse rates.
- Best estimate ultimate claim costs in the year 2000 were estimated at 70 percent of the recently released 2000-2011 SOA LTC Experience Study.⁵ The corresponding best estimate ultimate claim costs used for 2014 pricing were 108 percent of that SOA LTC Experience Study.
- Ultimate mortality being used in 2014 pricing is 72 percent of the mortality assumption used in 2000.
- Investment portfolio rates were assumed to be 6.4 percent for every future year of a policy issued in 2000, while they are now assumed to be 4.6 percent for every future year of a policy issued in 2014.
- As a consequence of the above, the average policy premiums (for the same benefits) increased to 215 percent of the year 2000 premiums by 2014.

Determining the Need for Premium Rate Increases

In determining whether LTCI policies require a premium rate increase, two authorized methods are applied—one for policies subject to minimum loss ratio certifications and one for a rate stability certifications.

Historically, LTCI pricing was subject to a 60 percent minimum loss ratio (MLR) by most states, meaning that the ratio of the present value of lifetime claims to premiums could not fall below 60 percent. Beginning in the early 2000s, many states enacted rate stability laws, which stated that LTCI should be priced without using the MLR approach. Instead actuaries would need to certify that the premium rates had enough margin to withstand moderately adverse experience (MAE).

Under the MLR approach, if an insurer demonstrates that revised historical and future projected experience produces a lifetime loss ratio greater than 60 percent (or the originally priced-for loss ratio), a premium rate increase could be filed that would allow the projected experience on the policies to return to that lifetime loss ratio.

Under the rate stabilization approach, a premium rate increase could be requested if actual past experience combined with projected future experience exceeds the original or previously defined MAE margin. If revised projections using updated experience exceed the MAE margin, then a premium rate increase could be filed such that the lifetime loss ratio on the original premiums is assumed to be the greater of 58 percent and the original assumed loss ratio; and the lifetime loss ratio on the increased premiums is at least 85 percent (with claims projected into the future including MAE). For this premium rate increase filing, the amount of premium rate increase needs to be large enough for the insurer's designated actuary to certify that the premiums are sufficient with no further premium rate increases in the future unless the actual experience exceeds a revised MAE margin.

⁵ Society of Actuaries, [Long Term Care Intercompany Experience Study – Aggregate Database 2000-2011 Report](#), January 2015.

Under either approach, the need for a premium rate increase should be driven by projected lifetime loss ratios also, rather than actual past experience alone. Despite the relatively straightforward mathematical calculations to determine premium increases, determining projection assumptions (e.g., whether actual historical experience is sufficiently credible to justify changes in future projected assumptions) can be difficult.

Some assumptions have a higher degree of credibility earlier in the life of a policy than others. For example, policy lapses are more likely to occur in the earlier years of the policy, and claim submissions are more likely to occur in later policy years. As such, actual lapse experience develops a higher degree of credibility in the earlier years of the business while actual claim experience has a lower degree of credibility in the earlier years of the business.

With LTCI it can take a long time from the purchase of a policy until the first time a claim is submitted, and this time period can be several decades for many individual policies. As such, there is often little claims experience to justify premium rate increases on a relatively young group of policy forms based on the experience of those forms alone. Section 3.2.1 of Actuarial Standard of Practice No. 18, *Long-Term Care Insurance*, requires actuaries to use alternative data sources such as public data or experience from the insurance company's older, similar policy forms for identifying reasonable assumptions.⁶ Waiting until there is adequate claim information on each policy form could result in much larger, less affordable rate increases.

Filing and Approval Process

The rate increase process can vary across state jurisdictions, and can be time-consuming. While a company prepares the same initial rate increase filing in each jurisdiction, the filings are addressed differently by many states. Each state/jurisdiction approval includes unique conditions. Approvals are often for different amounts, which sometimes may not be at an adequate level as determined by the company, with different administrative implementation rules and time frames for that approval to be effective.

Larger rate increase requests may experience delays in approval within a state, and depending on the time taken in the approval process might mean the insurer does not receive approval in the year filed, and for that missed year will need to be made up in later years, in the form of an even higher premium rate for that state. Similarly, if a state approves less than the needed increase, carriers will likely request additional increases to make up for the expected shortfall. Thus, the cumulative amount of the increase could be larger than the original request in that state.

It would be necessary to develop steps to improve the filing and approval process that consider regulatory requirements found in state laws and regulations, including:

- An insurer's thorough review signed by an actuary with LTCI experience identifying deterioration and migration from each of the initial pricing assumptions;
- Predesigned rules or guidelines for increase approval that take into account the necessary total increase or an implementation plan for a series of preferred rate increases;

⁶ Actuarial Standards Board, [Actuarial Standard of Practice No. 18, *Long-Term Care Insurance*](#), January 1999.

- Preset benefit reduction options that will be offered to policyholders in their effort to maintain the same premium level;
- Standardized dates and methods of implementing the rate increases nationally; and
- Seeking greater ability through enhanced standards at the Interstate Compact for premium rate increase approvals.⁷

The Effects of Premium Rate Increases

LTCI premium rate increases may not align the premiums with the future benefits as well as one might otherwise expect because individual behavior may not align with predictions. There are several reasons for this.

First, an insurer may offer an opportunity to reduce benefits in order to keep the premium dollars a policyholder pays roughly equivalent after the premium rate increase versus before (e.g., reducing the daily maximum benefit). When offered, policyholders may select benefits that better match their current/anticipated health care needs. For example, many policyholders are in the position where they have higher maximum daily benefits than actual current cost of services because the policyholders originally purchased inflation coverage⁸ to meet expected inflation needs but actual inflation turned out to be lower. A policyholder who has coverage limits significantly higher than the actual cost of LTC services may reduce their daily maximum coverage such that the premiums do not change and the new maximum benefit levels continue to remain higher than the actual cost of services. Similar examples may exist for lapsing of particular riders or other benefit options.

Second, many states' regulations require that a nonforfeiture benefit be given in lieu of lapse to those who cease paying premiums and whose

cumulative premium rate increases exceed a specific percentage based on the issue age of the policyholder. The nonforfeiture benefit is a paid-up benefit with a total policy limit that equals the premiums paid to date (less any claims paid), and payable according to the benefits of the policy had it not ceased to be premium-paying upon implementation of a premium rate increase. The insurer maintains a reserve for these remaining paid-up benefits. While this remaining nonforfeiture reserve is lower, the company will have a harder time monitoring residual benefits in cases in which there is a significant reduction in policyholder contact and no incentive to report an insured's death.

Finally, the policyholders who choose to lapse their policies or reduce their benefits may be the healthier policyholders, leaving the remaining pool of policyholders with higher average expected claims. Ideally, and to the extent the experience is credible, the morbidity experience following a premium rate increase should be compared to the morbidity of similar policies without a premium rate increase.

Alternatives to a Premium Rate Increase

Insurers have routinely allowed insureds to reduce coverage by changing typical benefit options in order to help offset some or all of a rate increase. In recent years, in an effort to enable policyholders faced with a rate increase to retain significant coverage, some companies have started making available an option for policyholders to avoid the rate increase and keep their same premium by reducing the size of the future benefit increases for plans with automatic built-in inflation increases.

For example, policyholders would be able to keep their accrued benefit at their current inflation rate and only the future increases are lower

⁷ The Interstate Insurance Product Regulation Compact allows member states to establish standards for long-term care insurance, among other insurance products. These insurance products are governed by the [Interstate Insurance Product Regulation Commission \(IIPRC\)](#), where there is a limited ability to control rate increases through reviews of rate filing standards.

⁸ A popular inflation option selected by policyholders was the 5 percent option because states required LTC applicants to sign that they rejected this option, which often led to applicants selecting the 5 percent option. This inflation option turned out to be higher than actual LTC cost increases, leaving many policyholders with more coverage than needed.

than they would otherwise be. This is most effective as a conservation tool if it is done on an actuarially equivalent basis, meaning that the new prospective inflation accrual is set so that the present value of the expected reduction in benefits over time will be equal to the present value of the premium increase that is forgone. This is in contrast with most benefit reductions, which are in essence “partial surrenders” where there may be a reduction in the insurer’s liability.

When insureds reduce their benefits to help offset a rate increase, an insurer would expect some adverse selection—meaning that the healthier insureds are the ones reducing their benefits and thus the experience on the block will likely worsen over time. With the approach described above, there may be less adverse selection involved because the benefit reductions are gradual and may not become significant for many years.

In the past relatively few insureds have chosen to lapse their policies when premiums were increased and alternatives to the increase were offered. According to a 2010 report from Gen Re (a reinsurance company) based on an industry survey, lapses at the time of a rate increase were only higher than normal by 2.5 percent of the total policies exposed to an increase.⁹ The low 2.5 percent extra lapse rate suggests that the increases were generally affordable for the vast majority of policyholders, which is likely due to LTC insurance purchasers being in the higher income and asset demographics than non-purchasers.

Conclusion

Predicting future policyholder and service provider behavior can be difficult. A means for taking corrective action to accommodate the changing future is important. The more conservative assumptions in today’s pricing of private LTCI and improved speed at taking corrective action should improve future projections, resulting in fewer and smaller rate increases.

⁹ The context for the premium rate increases at the time of the survey included: a low-interest-rate environment, generally lower-than-anticipated lapses and mortality, an average rate increase of about 25 percent in the survey, and premium price points that were generally at or below what policyholders could purchase at their attained ages.

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<u>Product Name</u>	<u>Form Number</u>	<u>Issue Date Range</u>
Leading Edge	LTC-06 VA	Oct 2006 - Mar 2011

These policy form rates were originally priced with a margin for moderately adverse experience in accordance with the NAIC model rate stability regulations which were being implemented on a State by State basis during the time of our initial rate filing.

1. Scope & Purpose

This memorandum consists of materials which support the development of new premium rates for the above captioned policy series forms. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to an in force rate increase request have been met. This rate filing is not intended to be used for any other purpose.

2. Justification for Rate Increase

John Hancock has completed our most recent triennial comprehensive long-term care experience study which examines the usage trends for our insured population. Relative to previous expectations, the new data demonstrates lower mortality for non-claimants, higher utilization of benefits, and lower than expected claim terminations, partly offset by lower claim incidence. Based on that data, we have determined that there is a need to increase premiums on certain policy series. Further detail on assumptions and recent analysis is provided in **Addendum #1 - Assumptions and Analysis Performed**.

3. Requested Rate Increase

The Company is requesting an average rate increase of 30.7%, which varies by inflation option, and ranges from 22.7% to 31.7%. These rate increases will be phased in over a period of up to 2 years, with a maximum of 25% per year, as requested by the state. Rate increases were derived as outlined below, ensuring at each step that the proposed rate increases did not result in premium rates that exceed rates for older issue ages:

1. The Company first determined the projected lifetime loss ratio for this form based on nationwide actual experience and projected future experience assuming the prior rate increase request was approved in full and within three months of the original filing date. We then determined the amount of rate increase (29.9%) that would be needed to satisfy the rate stability rule ensuring a loss ratio no less than 85% (or the original pricing loss ratio if greater) on the rate increase portion, while applying 58% (or the original pricing loss ratio if greater) on the original rate schedule.
2. Rate increases were adjusted to account for the timing of approvals on prior filings in your State. Adjustments are proportional to the amounts requested in prior filings and were determined to satisfy the rate stability rule. After the application of this adjustment, the average rate increase for the forms listed in this memo is 31.9%, ranging from 30.9% to 33.7%.
3. We ensured that the resulting overall increase in rates continues to satisfy the rate stability rule. This is demonstrated at the bottom of Exhibit 1 where it can be seen that the sum of past and future projected incurred claims excluding past losses is not less than the sum of the original premium times the greater of 58% and the original pricing loss ratio and the rate increase premium times the greater of 85% and the original pricing loss ratio. The resulting average rate increase for CPI policies is 31.7%, ranging from 30.9% to 31.7%, while the resulting rate increase for non-CPI policies is 33.6%, ranging from 31.0% to 33.7%.

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4. Per the state's request, the rate increases were then capped at 22.7% for GPO inflation policies and 31.7% for CPI inflation policies, and then phased-in over two years with a maximum of 25% per year, resulting in an average rate increase of 30.7%, ranging from 22.7% to 31.7%.

A summary of proposed rate increases can be found in **Appendix A**.

In the rate schedules by policy form, **Appendix B1** contains the new proposed rate tables for all policy forms included with this filing for those policyholders that *never* elected an inflation reduction or shared cost option as part of the 2019 rate increase filing.

In the rate schedules by policy form, **Appendix B2** contains the new proposed rate tables for all policy forms included with this filing for those policyholders that *did* elect an inflation reduction or shared cost option as part of the 2019 rate increase filing.

Please note that the actual rates implemented may vary slightly from those in the Appendices due to implementation rounding algorithms.

Exhibit 1 contains nationwide past premium and claims experience as well as future premium and claim projections and hedge gains. Waived premiums are not included. It illustrates that the anticipated lifetime loss ratio, net of hedge gains and with the capped requested rate increase is 69.7%, compared to the original pricing loss ratio (updated for actual CPI) of 65.6%. The lifetime loss ratio as of 12/31/2021 is calculated as the sum of accumulated past and discounted future claims less hedge gains divided by the sum of accumulated past and discounted future earned premium where accumulation and discounting occur at the maximum statutory valuation discount rate.

In addition, **Exhibit 1** contains the original expected loss ratio projections with the lifetime loss ratio calculated as stated above, adjusted for the following.

- For contracts with the CPI linked inflation rider, both past and future benefits were updated to reflect the impact of actual past CPI rates differing from the original pricing assumption. In this way, the current projected benefits and the benefits projected in original pricing are based on the same level of CPI indices. This adjustment is needed to neutralize the impact on the rate increase for differences in actual past CPI from original pricing assumptions; i.e. the need for a rate increase and the level of a rate increase is not dependent on changes in the CPI levels. Adjustments will be made in both directions (i.e. when actual CPI is higher or lower than original pricing).
- Updated to reflect the actual mix of business sold.

For contracts with CPI-linked inflation, we are using the same future CPI assumptions as were used in original pricing (2.9%) in order to ensure that the need for a rate increase and the level of a rate increase is not dependent on changes to future CPI levels.

Furthermore, **Exhibit 1** demonstrates that the calculated loss ratio respects the applicable pre or post stability form requirements:

Post-stability form requirements:

The sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

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1. Accumulated value of the initial earned premium times the greater of the original assumed lifetime loss ratio and 58%,
2. Accumulated value of prior premium rate schedule increases times the greater of the original assumed lifetime loss ratio and 85%,
3. Present value of future projected initial earned premium times the greater of the original assumed lifetime loss ratio and 58%, and
4. Present value of future projected premium in excess of the projected initial earned premium times the greater of the original assumed lifetime loss ratio and 85%.

Pre-stability form requirements:

The sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

1. Accumulated value of the initial earned premium times the greater of the original assumed lifetime loss ratio and 60%,
2. Accumulated value of prior premium rate schedule increases times the greater of the original assumed lifetime loss ratio and 80%,
3. Present value of future projected initial earned premium times the greater of the original assumed lifetime loss ratio and 60%, and
4. Present value of future projected premium in excess of the projected initial earned premium times the greater of the original assumed lifetime loss ratio and 80%.

Exhibit 2 contains the same past experience and future projections as Exhibit 1, except only for policies issued in Virginia. Please note that the experience alone is not credible and was not used to develop the proposed rate increase.

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4. Nationwide Loss Ratio Exhibit (Exhibit 1)

Leading Edge (LTC-06)

Calendar Year	Original Assumptions			Before Proposed Increase			Historical & Projected Experience With Proposed Rate Increase			With Capped Phased-in Rate Increase		
	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio
2002	-	-	0%	-	1,430	0%	-	1,430	0%	-	1,430	0%
2003	-	-	0%	-	8,411	0%	-	8,411	0%	-	8,411	0%
2004	-	-	0%	-	17,584	0%	-	17,584	0%	-	17,584	0%
2005	-	-	0%	-	38,337	0%	-	38,337	0%	-	38,337	0%
2006	686	527,796	0%	-	670,062	0%	-	670,062	0%	-	670,062	0%
2007	100,935	10,877,546	1%	-	11,659,012	0%	-	11,659,012	0%	-	11,659,012	0%
2008	468,119	31,028,661	2%	536,219	32,082,276	2%	536,219	32,082,276	2%	536,219	32,082,276	2%
2009	1,113,120	49,303,222	2%	114,380	49,487,722	0%	114,380	49,487,722	0%	114,380	49,487,722	0%
2010	2,030,409	62,972,058	3%	1,905,388	62,485,468	3%	1,905,388	62,485,468	3%	1,905,388	62,485,468	3%
2011	3,077,518	65,216,519	5%	2,214,016	63,963,943	3%	2,214,016	63,963,943	3%	2,214,016	63,963,943	3%
2012	4,181,853	64,059,559	7%	2,311,292	62,636,974	4%	2,311,292	62,636,974	4%	2,311,292	62,636,974	4%
2013	5,385,960	62,991,707	9%	2,581,678	61,913,112	4%	2,581,678	61,913,112	4%	2,581,678	61,913,112	4%
2014	6,680,316	61,931,843	11%	6,093,226	61,473,670	10%	6,093,226	61,473,670	10%	6,093,226	61,473,670	10%
2015	8,063,084	60,803,403	13%	6,557,403	60,837,979	11%	6,557,403	60,837,979	11%	6,557,403	60,837,979	11%
2016	9,516,533	59,601,957	16%	7,612,554	60,435,731	13%	7,612,554	60,435,731	13%	7,612,554	60,435,731	13%
2017	11,095,653	58,339,854	19%	8,955,539	60,146,630	15%	8,955,539	60,146,630	15%	8,955,539	60,146,630	15%
2018	12,913,343	57,015,767	23%	11,029,727	59,730,299	18%	11,029,727	59,730,299	18%	11,029,727	59,730,299	18%
2019	14,821,325	55,628,121	27%	14,631,660	58,881,879	25%	14,631,660	58,881,879	25%	14,631,660	58,881,879	25%
2020	16,669,228	54,177,312	31%	16,374,091	57,762,116	28%	16,374,091	57,762,116	28%	16,374,091	57,762,116	28%
2021	18,719,545	52,664,600	36%	21,975,724	61,915,939	35%	21,975,724	61,915,939	35%	21,975,724	61,915,939	35%
2022	21,032,613	51,084,301	41%	25,665,030	73,778,025	35%	25,665,030	73,778,025	35%	25,665,030	73,778,025	35%
2023	23,924,132	49,431,074	48%	30,253,430	72,695,147	42%	30,253,430	72,695,147	42%	30,253,430	72,695,147	42%
2024	27,445,001	47,690,528	58%	35,079,081	70,792,861	50%	34,535,356	88,596,508	39%	34,535,356	84,155,423	41%
2025	31,379,506	45,856,294	68%	40,443,453	68,776,498	59%	39,189,706	87,924,503	45%	39,189,706	86,769,800	45%
2026	35,588,522	43,931,059	81%	45,858,210	66,628,429	69%	44,436,606	85,176,002	52%	44,436,606	84,462,365	53%
2027	39,713,787	41,920,109	95%	51,810,305	64,374,691	80%	50,204,186	82,292,472	61%	50,204,186	81,618,375	62%
2028	43,538,167	39,830,690	109%	58,947,717	62,000,182	95%	57,120,338	79,254,653	72%	57,120,338	78,620,528	73%
2029	47,589,494	37,667,534	126%	66,561,920	59,481,217	112%	64,498,501	76,032,307	85%	64,498,501	75,438,670	85%
2030	51,904,334	35,436,464	146%	74,546,636	56,812,454	131%	72,235,690	72,618,644	99%	72,235,690	72,065,890	100%
2031	56,417,301	33,148,022	170%	82,713,957	53,992,559	153%	80,149,824	69,011,989	116%	80,149,824	68,500,345	117%
2032	60,169,563	30,823,051	195%	90,893,266	51,036,516	178%	88,075,575	65,231,538	135%	88,075,575	64,760,891	136%
2033	62,344,527	28,491,845	219%	98,799,751	47,962,315	206%	95,736,958	61,300,314	156%	95,736,958	60,870,241	157%
2034	64,236,482	26,188,264	245%	106,182,633	44,797,884	237%	102,890,971	57,254,044	180%	102,890,971	56,863,690	181%
2035	66,219,258	23,940,053	277%	112,875,857	41,575,388	271%	109,376,705	53,133,868	206%	109,376,705	52,781,936	207%
2036	68,612,392	21,764,778	315%	118,590,546	38,327,940	309%	114,914,239	48,982,113	235%	114,914,239	48,666,967	236%
2037	70,001,654	19,677,027	356%	123,034,965	35,087,208	351%	119,220,881	44,839,256	266%	119,220,881	44,558,974	268%
2038	69,013,512	17,687,520	390%	125,756,012	31,883,279	394%	121,857,576	40,743,738	299%	121,857,576	40,496,209	301%
2039	67,380,456	15,808,861	426%	126,998,200	28,756,574	442%	123,061,256	36,747,199	335%	123,061,256	36,530,057	337%
2040	65,747,445	14,050,671	468%	126,778,262	25,753,556	492%	122,848,136	32,908,967	373%	122,848,136	32,719,736	375%
2041	64,799,665	12,415,777	522%	125,253,890	22,911,471	547%	121,371,019	29,276,613	415%	121,371,019	29,112,670	417%
2042	63,209,505	10,908,143	579%	122,401,291	20,256,742	604%	118,606,851	25,883,875	458%	118,606,851	25,742,546	461%
2043	59,660,758	9,527,045	626%	118,401,794	17,799,263	665%	114,731,338	22,743,358	504%	114,731,338	22,622,114	507%
2044	55,674,184	8,273,385	673%	113,452,995	15,544,779	730%	109,935,952	19,862,365	553%	109,935,952	19,758,857	556%
2045	51,850,633	7,144,501	726%	107,681,005	13,493,854	798%	104,342,894	17,241,584	605%	104,342,894	17,153,645	608%
2046	48,810,579	6,133,500	796%	101,363,415	11,643,763	871%	98,221,149	14,877,505	660%	98,221,149	14,803,153	664%
2047	45,681,035	5,235,051	873%	94,593,661	9,988,255	947%	91,661,257	12,762,120	718%	91,661,257	12,699,549	722%
2048	41,577,783	4,442,004	936%	87,576,892	8,518,238	1028%	84,862,008	10,883,791	780%	84,862,008	10,831,379	783%
2049	37,480,728	3,749,051	1000%	80,402,643	7,222,668	1113%	77,910,161	9,228,391	844%	77,910,161	9,184,687	848%
2050	33,595,926	3,148,833	1067%	73,234,782	6,089,871	1203%	70,964,504	7,780,994	912%	70,964,504	7,744,699	916%

Note: Please refer to the Actuarial Memorandum, section "Ensuring No Cross-Subsidization Between States", for adjustments made to experience exhibits

Values as of 12/31/2021 (discounted at maximum statutory valuation rates)												
Past :	136,557,281	1,074,614,552	12.7%	119,725,748	1,094,813,195	10.9%	119,725,748	1,094,813,195	10.9%	119,725,748	1,094,813,195	10.9%
Future :	901,134,111	506,548,772	177.9%	1,529,271,029	806,280,135	189.7%	1,484,021,011	989,648,066	150.0%	1,484,021,011	979,686,309	151.5%
Lifetime :	1,037,691,392	1,581,163,324	65.6%	1,648,996,777	1,901,093,330	86.7%	1,603,746,759	2,084,461,261	76.9%	1,603,746,759	2,074,499,505	77.3%
Lifetime Net of Hedges :	1,037,691,392	1,581,163,324	65.6%	1,490,776,330	1,901,093,330	78.4%	1,445,526,312	2,084,461,261	69.3%	1,445,526,312	2,074,499,505	69.7%

Total Incurred Claims exceed Total Initial Premiums x max(58%, Original Pricing Loss Ratio) + Increased Premiums x max(85%, Original Pricing Loss Ratio)

Impact of Improved Hedge Terms =	(158,220,447)		Accum Value of Past Initial Prm x 65.6% =	715,059,427
Minimum (Accum Value of Past Incurred Claims,			Present Value of Future Initial Prm x 65.6% =	390,285,155
Accum Value of Adjusted Expected Incurred Claims)	119,725,748		Accum Value of Prior Increases x 85.0% =	4,466,275
Present Value of Future Incurred Claims =	1,484,021,011		Present Value of Future Increases x 85.0% =	335,714,455
Total =	1,445,526,312	>=	Total =	1,445,526,312

Total Incurred Claims exceed Total Initial Premiums x max(60%, Original Pricing Loss Ratio) + Increased Premiums x max(80%, Original Pricing Loss Ratio)

Impact of Improved Hedge Terms =	(158,220,447)		Accum Value of Past Initial Prm x 65.6% =	715,059,427
Minimum (Accum Value of Past Incurred Claims,			Present Value of Future Initial Prm x 65.6% =	390,285,155
Accum Value of Adjusted Expected Incurred Claims)	119,725,748		Accum Value of Prior Increases x 80.0% =	4,203,553
Present Value of Future Incurred Claims =	1,484,021,011		Present Value of Future Increases x 80.0% =	315,966,546
Total =	1,445,526,312	>=	Total =	1,425,514,681

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5. State Specific Loss Ratio Exhibit (Exhibit 2)

Leading Edge (LTC-06)

Calendar Year	Original Assumptions			Before Proposed Increase			Historical & Projected Experience With Proposed Rate Increase			With Capped Rate Increase			
	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	
	2002	-	-	0%	-	1,430	0%	-	1,430	0%	-	1,430	0%
2003	-	-	0%	-	1,430	0%	-	1,430	0%	-	1,430	0%	
2004	-	-	0%	-	1,430	0%	-	1,430	0%	-	1,430	0%	
2005	-	-	0%	-	3,662	0%	-	3,662	0%	-	3,662	0%	
2006	50	40,534	0%	-	52,575	0%	-	52,575	0%	-	52,575	0%	
2007	6,398	708,841	1%	-	764,524	0%	-	764,524	0%	-	764,524	0%	
2008	28,869	2,081,285	1%	174,551	2,147,688	8%	174,551	2,147,688	8%	174,551	2,147,688	8%	
2009	66,363	3,214,779	2%	-	3,165,771	0%	-	3,165,771	0%	-	3,165,771	0%	
2010	117,064	3,828,915	3%	35,517	3,733,678	1%	35,517	3,733,678	1%	35,517	3,733,678	1%	
2011	174,728	4,067,183	4%	26,932	3,886,337	1%	26,932	3,886,337	1%	26,932	3,886,337	1%	
2012	235,041	4,000,976	6%	-	3,756,774	0%	-	3,756,774	0%	-	3,756,774	0%	
2013	300,657	3,935,414	8%	114,340	3,679,451	3%	114,340	3,679,451	3%	114,340	3,679,451	3%	
2014	370,247	3,870,602	10%	290,850	3,596,951	8%	290,850	3,596,951	8%	290,850	3,596,951	8%	
2015	442,662	3,803,846	12%	328,819	3,545,229	9%	328,819	3,545,229	9%	328,819	3,545,229	9%	
2016	517,872	3,734,123	14%	127,585	3,508,643	4%	127,585	3,508,643	4%	127,585	3,508,643	4%	
2017	602,138	3,661,190	16%	750,561	3,468,690	22%	750,561	3,468,690	22%	750,561	3,468,690	22%	
2018	702,512	3,584,984	20%	146,278	3,433,824	4%	146,278	3,433,824	4%	146,278	3,433,824	4%	
2019	803,495	3,505,378	23%	897,103	3,441,196	26%	897,103	3,441,196	26%	897,103	3,441,196	26%	
2020	895,620	3,422,393	26%	812,504	3,463,684	23%	812,504	3,463,684	23%	812,504	3,463,684	23%	
2021	1,006,163	3,336,104	30%	1,199,426	3,711,770	32%	1,199,426	3,711,770	32%	1,199,426	3,711,770	32%	
Projected Future Experience	2022	1,140,470	3,246,049	35%	1,341,886	4,342,392	31%	1,341,886	4,342,392	31%	1,341,886	4,342,392	31%
	2023	1,310,467	3,151,809	42%	1,585,571	4,287,463	37%	1,585,571	4,287,463	37%	1,585,571	4,287,463	37%
	2024	1,511,816	3,052,741	50%	1,846,568	4,188,205	44%	1,817,946	5,238,662	35%	1,817,946	4,981,810	36%
	2025	1,735,996	2,948,327	59%	2,136,521	4,081,591	52%	2,070,289	5,214,918	40%	2,070,289	5,160,992	40%
	2026	1,976,037	2,838,678	70%	2,434,496	3,968,374	61%	2,359,026	5,070,163	47%	2,359,026	5,042,501	47%
	2027	2,211,283	2,724,120	81%	2,762,967	3,849,466	72%	2,677,315	4,918,147	54%	2,677,315	4,891,932	55%
	2028	2,446,843	2,604,875	94%	3,166,271	3,723,471	85%	3,068,116	4,757,085	64%	3,068,116	4,732,296	65%
	2029	2,705,908	2,481,050	109%	3,600,054	3,588,868	100%	3,488,452	4,585,035	76%	3,488,452	4,561,662	76%
	2030	2,985,009	2,352,791	127%	4,058,329	3,445,476	118%	3,932,521	4,401,764	89%	3,932,521	4,379,803	90%
	2031	3,270,094	2,220,456	147%	4,532,588	3,293,136	138%	4,392,078	4,207,072	104%	4,392,078	4,186,515	105%
	2032	3,501,624	2,085,162	168%	5,016,709	3,132,417	160%	4,861,191	4,001,683	121%	4,861,191	3,982,527	122%
	2033	3,666,430	1,948,535	188%	5,493,571	2,964,405	185%	5,323,270	3,786,986	141%	5,323,270	3,769,221	141%
	2034	3,837,495	1,812,302	212%	5,958,720	2,790,458	214%	5,774,000	3,564,715	162%	5,774,000	3,548,318	163%
	2035	4,036,951	1,677,861	241%	6,389,784	2,611,912	245%	6,191,701	3,336,578	186%	6,191,701	3,321,526	186%
	2036	4,242,152	1,546,190	274%	6,769,129	2,430,463	279%	6,559,286	3,104,739	211%	6,559,286	3,091,004	212%
	2037	4,359,670	1,418,207	307%	7,084,972	2,247,712	315%	6,865,337	2,871,245	239%	6,865,337	2,858,788	240%
	2038	4,341,206	1,294,744	335%	7,307,294	2,065,256	354%	7,080,768	2,638,136	268%	7,080,768	2,626,908	270%
	2039	4,317,969	1,176,623	367%	7,459,038	1,885,692	396%	7,227,808	2,408,729	300%	7,227,808	2,398,670	301%
	2040	4,331,088	1,064,440	407%	7,539,152	1,711,586	440%	7,305,438	2,186,300	334%	7,305,438	2,177,345	336%
	2041	4,350,519	958,520	454%	7,555,593	1,545,101	489%	7,321,369	1,973,612	371%	7,321,369	1,965,681	372%
	2042	4,299,328	859,118	500%	7,494,968	1,387,526	540%	7,262,624	1,772,313	410%	7,262,624	1,765,324	411%
	2043	4,122,431	766,518	538%	7,349,783	1,239,633	593%	7,121,940	1,583,385	450%	7,121,940	1,577,258	452%
	2044	3,940,004	680,855	579%	7,145,884	1,102,001	648%	6,924,361	1,407,569	492%	6,924,361	1,402,226	494%
	2045	3,807,932	602,058	632%	6,912,033	974,935	709%	6,697,760	1,245,253	538%	6,697,760	1,240,620	540%
	2046	3,686,102	529,863	696%	6,634,045	858,312	773%	6,428,389	1,096,279	586%	6,428,389	1,092,285	589%
	2047	3,537,355	464,026	762%	6,315,104	751,990	840%	6,119,336	960,466	637%	6,119,336	957,046	639%
	2048	3,307,526	404,424	818%	5,947,743	655,652	907%	5,763,363	837,406	688%	5,763,363	834,499	691%
	2049	3,088,724	350,859	880%	5,574,958	569,078	980%	5,402,134	726,821	743%	5,402,134	724,365	746%
	2050	2,895,752	303,106	955%	5,190,292	491,900	1055%	5,029,393	628,240	801%	5,029,393	626,178	803%
<p>Note: Please refer to the Actuarial Memorandum, section "Ensuring No Cross-Subsidization Between States", for adjustments made to experience exhibits</p>													
<p>Values as of 12/31/2021 (discounted at maximum statutory valuation rates)</p>													
Past :	7,474,207	67,674,684	11.0%	5,662,995	65,681,851	8.6%	5,662,995	65,681,851	8.6%	5,662,995	65,681,851	8.6%	
Future :	58,674,163	34,137,746	171.9%	92,672,730	49,678,946	186.5%	89,912,959	61,060,293	147.3%	89,912,959	60,575,419	148.4%	
Lifetime :	66,148,370	101,812,430	65.0%	98,335,725	115,360,797	85.2%	95,575,954	126,742,144	75.4%	95,575,954	126,257,270	75.7%	
Lifetime Net of Hedges :	66,148,370	101,812,430	65.0%	87,930,274	115,360,797	76.2%	85,170,503	126,742,144	67.2%	85,170,539	126,257,270	67.5%	

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6. Proposed Effective Date

These rates will be effective on the next policy anniversary date, following at least a 90 day policyholder notification period. The assumed effective date used to calculate the rate increase is 01/01/2024.

7. History of Previous Rate Revisions

A 32.6% rate increase on these policy forms was accepted by your state on February 18, 2021.

8. Reduced Benefit Options (RBOs)

Although this is a closed block of business, we are filing the following options that will provide policyholders alternatives to the rate increase:

- ***Shared Cost Option***

Shared Cost option is an actuarially equivalent option that allows policyholders without CPI-linked inflation the option to offset the rate increase. The Shared Cost option would:

- Reduce the policyholder’s current policy benefit amounts by their Shared Cost percentage. The daily/monthly benefit and the policy limit will be reduced by the Shared Cost percentage
- Apply a percentage factor to any future claim payments equal to the Shared Cost percentage. John Hancock will pay our portion (1 minus the Shared Cost percent) of any covered services, but will not pay more than the new reduced daily/monthly benefit amount and the policyholder will be responsible for the remainder.

Shared Cost Percentages are calculated using seriatim, nationwide data for each benefit period, inflation type and issue age band combination. All Shared Cost percentages are determined to be actuarially equivalent to the requested rate increases by combination of 5-year issue age band, benefit period and inflation type, and therefore these options are only available as filed if the full rate increase requested is accepted. The Shared Cost option is not available to limited pay policies or policyholders who have elected two prior Shared Cost options.

For policyholder Shared Cost percentages and for details on premium calculations for policyholders who elected the Shared Cost option, please see **Appendix D** in the filing package. The Shared Cost percentages in **Appendix D** will apply to all policyholders who have not bought additional attained age coverage. For those who have, the applicable Shared Cost percentage for a given rate increase is the lesser of what is shown in Appendix D and 80% of the benefit reduction available at the time of election to offset that rate increase. The Shared Cost percentages are included in **Appendix D** as follows:

Elected Shared Cost	Appendix
2022	D1
2019	D2
2019 and 2022	D3

The premium rate tables for these options are included in the rate schedules by policy form as **Appendix C**.

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- ***Voluntary Enhanced Paid-Up Policy Option***

For those who choose to stop paying premiums, this option will be a paid-up policy with a policy limit equal to the lesser of the current policy limit and 150% of premiums paid less any benefits received. The Paid-Up Policy will only be offered if the full or a substantial portion of the rate increase is approved.

9. State Policyholder Counts & Average Annual Premium

The table below summarizes the number of policies inforce that could be affected by the rate increase in your state and their annualized premiums, as well as the average annual premium per policy before and after the requested increase.

Counts and premiums are based on policies inforce as of 12/31/2021. Premium-paying policies as well as policies on claim are included, since although the premium for policies on claim is currently waived, they could be subject to the rate increase upon recovery. Paid-up policies and policies which have exercised the nonforfeiture benefit option are excluded.

Form	Number of Policies	2021 Annualized Premium*	2021 Average Annual Premium Before the rate increase*	2021 Average Annual Premium After the capped rate increase
LTC-06 VA	1,871	4,755,483	2,542	3,323

*Premiums reflect the rate increases approved in prior filing(s), including approvals where implementation is not yet complete

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10. State and Nationwide Distribution of Business as of December 31, 2021

The state-specific and nationwide distribution of business for policyholders impacted by the rate increase is shown below by inflation type, benefit period, and issue age. The breakdown of business by Premium Payment Option is also included to show the number of policyholders no longer paying premiums due to nonforfeiture election or paid-up status.

Inflation Type

State	GPO	Compound	CPI	Total
NW	12%	0%	88%	100%
VA	8%	0%	92%	100%
NW	3,459	64	25,814	29,337
VA	142	0	1,729	1,871

State	3 yr	5 yr	Lifetime	Total
NW	41%	48%	11%	100%
VA	47%	44%	9%	100%
NW	12,013	14,107	3,217	29,337
VA	884	826	161	1,871

Issue Age

State	< 40	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	Total
NW	3%	4%	9%	18%	29%	25%	10%	2%	0%	100%
VA	7%	7%	12%	20%	26%	20%	7%	2%	0%	100%
NW	875	1,093	2,549	5,407	8,554	7,231	2,857	671	100	29,337
VA	122	134	220	379	481	369	127	34	5	1,871

Premium Payment Option

State	Lifetime Pay	On Claim	Limited Pay	NFO*	Limited Pay, Paid Up*	Total
NW	93%	1%	1%	1%	4%	100%
VA	90%	1%	2%	3%	4%	100%
NW	28,731	319	287	350	1,083	30,770
VA	1,811	15	45	56	75	2,002

*Policies not included in distributions by count shown above as they are not impacted by the rate increase.

11. Benefit Description(s)

A brief policy description for the policy form:

LTC-06 VA

Individually underwritten long-term care policies that provide comprehensive long-term care coverage for care received in a nursing home or assisted care living facility, home health care, hospice care, respite care, or attendance at an Adult Day Care Center providing Adult Day Care.

Provides reimbursement of covered long-term care expenses incurred after an elected elimination period is met, up to the maximum daily/monthly amount. The benefit eligibility is determined based on the insured's cognitive

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impairment or their requiring physical assistance to perform two out of six activities of daily living (ADLs) of bathing, dressing, eating, toileting, transferring and maintaining continence.

Premiums are waived after the insured has met the elimination period and is receiving benefits and will continue to be waived until the insured stops receiving such benefits.

12. Renewability

All policy forms are guaranteed renewable.

13. Applicability

This filing is applicable to in force policies only, as these policy forms are no longer being sold in the market. The premium changes will apply to the base forms as well as all applicable riders.

14. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

15. Marketing Method

This product was typically marketed through our traditional agency system and brokers involving a personal contact with each applicant.

16. Underwriting

These policy forms were underwritten using a medical and risk questionnaire. We also utilized Attending Physician Statement and personal interviews depending on the age of the applicant and medical conditions.

17. Premium Classes

The base policy premium rates vary by issue age, benefit period, inflation option, home health care maximum benefit percentage, and underwriting class, as in the initial rate filing.

All premium factors related to the insured elected benefit design options or any eligible discount remain unchanged from the initial rate filing.

18. Premium Modalization Rules

Frequency	Multiple of Annual Premium
Semiannual	.52
Quarterly	.2625
Monthly	.0875

19. Issue Age Range

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The issue age range is 18-79 for all policy forms.

20. Area Factors

Area factors are not applicable to any of the policy forms or riders.

21. Reserves

Active Life Reserves have not been used in this rate increase demonstration. Minimum Statutory Claim reserves as of 12/31/2021 have been discounted to the date of incurral of each respective claim and included in the historical incurred claims. Incurred But Not Reported claim reserves as of 12/31/2021 have also been allocated to the calendar year of incurral and included in historic incurred claims.

22. Data Credibility

Regarding the credibility of data for younger blocks of business such as Leading Edge, the Company would like to draw attention to the American Academy of Actuaries Issue Brief “*Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf*”, which has been included with this filing. The brief provides guidance on determining the need for premium rate increases on pages 4 and 5. This guidance includes a discussion on determining assumptions used for projections, particularly in situations where experience credibility may be low. Because of the long duration nature of Long Term Care policies, claims are often not seen in early durations which leads to lower credibility in actual experience for younger groups of policies. In situations where this is the case, the Actuarial Standards of Practice require that industry data or company data for older, similar business be used to set assumptions. Specifically, the brief states the following:

“Section 3.2.1 of Actuarial Standard of Practice No. 18, Long-Term Care Insurance, requires actuaries to use alternative data sources such as public data or experience from the insurance company’s older, similar policy forms for identifying reasonable assumptions. Waiting until there is adequate claim information on each policy form could result in much larger, less affordable rate increases.”

Since Leading Edge is a younger block of business, our proposed rate increases on this form are based on our experience from this form as well as similar forms where we have over 20 years of experience. Overall, our unfavorable morbidity experience is at later durations and older attained ages, where we have significant data on our older plans and less on younger ones. With our combined data we are able to make credible decisions regarding future assumptions, in accordance with ASOP 18. Focusing solely on past experience for this product discredits our future projections and prevents us from acting on this information in a timely manner. Delaying rate increases until we have amassed similar experience on this particular policy form would take a considerable amount of time and would result in much higher rate increases for our customers which would be more difficult to manage and would require larger reductions in benefits in order to mitigate them.

23. Ensuring No Cross-Subsidization Between States

We have ensured no state's rate increase approvals will subsidize other states' rate increases. Rate increases will vary by state, but only to reflect the timing and amount of prior rate increases approved by that state. This is accomplished by first backing-out all prior approved rate increases from our nationwide premium data. We then re-introduce actual prior rate increases with the amount and timing based on your state's prior approvals (as detailed in the section entitled **History of Previous Rate Revisions**). The current proposed rate increases are

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then determined based on the amounts needed in order to achieve our target lifetime loss ratios certified to in our prior filing.

Although some states may have capped our previous inforce rate increase filings, in each case this was done with the understanding that the full amount of the proposed rate increases were justified and that John Hancock would be refile for the remainder at a later date. In instances where the remainder remains unapproved, it has been included in the current filings.

24. Past Losses Testing

Preventing companies from recouping past losses was the subject of a discussion by the NAIC in late 2013. The accepted methodology which was incorporated into the 2014 Long Term Care Model Regulation defines past losses as actual past claims less expected past claims when determining loss ratio compliance. Expected past claims are defined as the following:

“Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase [regardless of whether or not the rate increase is approved]. Expected claims are calculated for each calendar year based on the in-force at the beginning of the calendar year. Expected claims shall include margins for moderately adverse experience; either amounts included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing.”

We apply this methodology in demonstrating that we are not recouping past losses.

The ‘Adjusted Expected Incurred Claims’ are initially calculated by applying the original pricing durational loss ratio to the actual earned premium in a given calendar year. Later, in years in which and after which we filed for inforce rate increases, expected incurred claims are based on the new assumptions that were filed.

The accumulated value of the Adjusted Expected Incurred Claims is compared to the accumulated value of Actual Incurred Claims. The lesser of the Adjusted Expected Incurred Claims or Actual Incurred Claims is used for past claims when ensuring that the resulting overall increase in rates satisfies the rate stability rule ensuring a loss ratio no less than 85% (or the original pricing loss ratio if greater) on the rate increase portion, while applying 58% (or the original pricing loss ratio if greater) on the original rate schedule. This is demonstrated at the bottom of **Exhibit 1**. The derivation of Adjusted Expected Incurred Claims and comparison to Actual Incurred Claims can be seen in **Addendum #2 – Demonstration of not Recouping Past Losses**.

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25. Actuarial Certification

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long-term care insurance premiums and filing for increases in long-term care insurance premiums. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

The preceding Actuarial Memorandum contains:

- a) the assumptions on which this certification is based;
- b) the adjustments to prior assumptions with an explanation of the reasons previous assumptions were not realized;
- c) a lifetime projection of the prior premium rate schedules and incurred claims plus future expected premiums and claims which demonstrates that the revised premium rate schedule meets the loss ratios standards and necessary details of this state; and
- d) disclosure of the manner, if any, in which reserves have been recognized.

Due to the capped approval, if the requested premium rate schedule increase is implemented and the underlying assumptions which reflect moderately adverse conditions are realized, additional rate increases will be necessary to achieve the full actuarially justified one-time request based on the Lifetime Loss Ratio.

I have reviewed and taken into consideration the policy design and coverage provided, and our current underwriting and claims adjudication processes.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary. Based on these assumptions or statutory requirements where necessary, the premium rate filing is in compliance with the loss ratio standards of this state.

The basis for contract reserves has been previously filed and there is no anticipation of any changes.



P.J. Beltramini, FSA, MAAA
VP, Long Term Care Inforce Management
John Hancock Life Insurance Company

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Addendum #1 - Assumptions and Analysis Performed

As part of the inforce management of the business, the Company monitored the performance of the business by completing periodic analysis for morbidity, voluntary lapse rates, and mortality. The findings from these analyses were used in projecting the inforce business to determine the effect of experience on the projected lifetime loss ratio. The most current studies show unfavorable trends since the study that prompted our 2019 rate increase filings.

Relative to previous expectations, the new data demonstrates lower mortality for non-claimants, higher utilization of benefits, and lower than expected claim terminations, partly offset by lower claim incidence.

Our nationwide best estimate assumptions for morbidity, voluntary termination rates, and mortality are the same as our best estimate assumptions used for AG51 and GPV projections, with one exception. A shock lapse rate is applied in rate increase filings as described below, but the benefit of shock lapse is not reflected within our AG51 and GPV projections.

For both mortality and morbidity, adjustments were made in the experience analysis to normalize for differences in underwriting by setting different expectations by issue year/product series which are proxies for underwriting era.

The information that follows shows in aggregate how our new and prior assumptions compare to actual experience.

A. Current & Prior Assumptions

Morbidity

The morbidity assumptions are derived from our own experience, following our most recent comprehensive claim study completed in 2022. The study analyzed all major components of morbidity including incidence, claim terminations due to recovery or death, and benefit utilization across many attributes, focusing on the 4-year period of 2016-2019. Given the age of our inforce block of business, experience in durations 10+ is used for Incidence, Termination, and Utilization. Experience from calendar years 2020 and 2021 was excluded due to the short-term nature of impacts from Covid-19. The study has been peer reviewed both internally as well as by two independent third parties.

For the 2022 study, the JH Retail block was split into Pre-Custom Care and Custom Care and later blocks as the experience emerges.

Overall our morbidity experience has been unfavorable since the last filing.

Morbidity assumptions are represented below by incidence, claim termination, and utilization rate assumptions.

Our claims projections also include future morbidity improvement of 0.50% per calendar year applied as an incidence adjustment until attained age 100, as well as a 7.50% margin for moderately adverse experience consistent with the margin originally anticipated in our original pricing loss ratio. No future morbidity improvement is assumed beyond attained age 100.

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Incidence

Incidence rates are the likelihood a policyholder will go on claim during a given duration.

Overall incidence experience has been favorable. Experience is favorable for younger attained ages and adverse for the oldest attained ages where experience continues to emerge.

Below are the current and prior weighted average incidence rates before future morbidity improvements for LTC-06 with an 100 day elimination period, across all risk classes, genders, marital statuses and inflation types for a 5 year Benefit Period. Assuming issue year 2012.

Current:

Policy Duration	5 Year Benefit Period		
	Issue Age		
	55	65	75
10	0.1%	0.8%	5.0%
15	0.3%	1.9%	10.3%
20	0.7%	4.4%	17.1%
25	1.8%	9.4%	22.9%
30	4.1%	15.5%	28.8%
35	8.9%	20.8%	28.8%

Prior:

Policy Duration	5 Year Benefit Period		
	Issue Age		
	55	65	75
10	0.2%	0.9%	6.0%
15	0.3%	2.3%	11.7%
20	0.9%	5.5%	18.0%
25	2.3%	10.3%	20.5%
30	5.1%	15.4%	23.2%
35	9.7%	17.6%	26.6%

Current/Prior:

Policy Duration	5 Year Benefit Period		
	Issue Age		
	55	65	75
10	84%	89%	83%
15	86%	80%	88%
20	81%	80%	95%
25	78%	91%	112%
30	82%	101%	124%
35	92%	118%	109%

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After updating assumptions to reflect the generally favorable experience, the overall A/E ratio is 101%.

Incidence (Count)		
Duration	A/E Before Assumption Update	A/E After Assumption Update
10-11	93%	99%
12-14	95%	101%
15+	94%	102%
Total	94%	101%

Claim Terminations

Claim termination rates are the likelihood a policyholder will either die while on claim or recover and re-enter the active population.

Our termination experience has been unfavorable, particularly during the first several months on claim.

Below are the current and prior weighted average termination rates for LTC-06 with genders, risk classes, issue ages and marital status combined.

Current:

Months on Claim	5 Year Benefit Period		
	Attained Age at Claim		
	80	85	90
avg 1-3	5.3%	4.5%	4.5%
avg 4-12	2.5%	2.4%	2.7%
18	2.0%	2.1%	2.4%
30	1.9%	2.0%	2.3%
60	1.9%	2.2%	2.5%
90	3.4%	4.2%	5.5%

Prior:

Months on Claim	5 Year Benefit Period		
	Attained Age at Claim		
	80	85	90
avg 1-3	6.3%	6.2%	6.4%
avg 4-12	2.8%	2.5%	2.7%
18	2.2%	2.4%	2.6%
30	2.1%	2.5%	3.1%
60	2.5%	3.1%	3.7%
90	2.7%	3.8%	4.6%

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Current/Prior:

Months on Claim	5 Year Benefit Period		
	Attained Age at Claim		
	80	85	90
avg 1-3	84%	72%	69%
avg 4-12	90%	97%	98%
18	94%	89%	94%
30	90%	80%	76%
60	77%	72%	66%
90	123%	111%	121%

Since the termination assumptions have generally decreased (at least in the earlier months) more policies will remain on claim for the first few years. For a more intuitive comparison of the termination rate changes, below we have provide the ratio of remaining portion on claim consistent with the termination rate changes.

Percentage of policies still on claim

End of Year	5 Year Benefit Period								
	Attained Age 80 at Claim			Attained Age 85 at Claim			Attained Age 90 at Claim		
	New	Prior	New/ Prior	New	Prior	New/ Prior	New	Prior	New/ Prior
1	68%	64%	106%	70%	66%	106%	68%	64%	107%
2	53%	49%	108%	54%	50%	110%	51%	47%	109%
3	42%	38%	110%	43%	37%	117%	38%	32%	120%

As can be seen, the changes result in a higher proportion of policyholders remaining on claim through the first few years, resulting in longer average claims.

After updating assumptions to reflect termination experience, the A/E is 99% for the first 5 months on claim and 97% overall.

Benefit Period	Terminations (Count)					
	All Months		Months 1-5		Months 6+	
	A/E Before Assumption Update	A/E After Assumption Update	A/E Before Assumption Update	A/E After Assumption Update	A/E Before Assumption Update	A/E After Assumption Update
<10 years	97%	98%	95%	99%	98%	97%
10+ years	91%	96%	91%	102%	92%	93%
Total	96%	97%	94%	99%	97%	96%

Utilization

Utilization rates are the estimated percentage of the maximum daily benefit that a policyholder is expected to use, reflecting the number of days it is used.

Benefit utilization rates vary by gender, marital status at issue, inflation type, benefit period, issue age, policy year of incurral and time on claim. Utilization does not vary by maximum daily benefit, however because there

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is a tendency toward a higher maximum daily benefit at lower issue ages, lower expected utilization is assumed for issue ages below age 60.

The future Cost of Care growth rate reflected in the utilization assumption is 4.5%.

Utilization experience has been adverse, particularly for compound inflation.

Below are current and prior expected sample utilization rates for LTC-06, Standard risk class, Female, Single, 3rd year of being on claim, Issue Age 60-69:

Current:

Policy Year of Incurral	5 Year Benefit Period		
	Inflation		
	GPO	5% Compound	CPI
10	71.1%	63.5%	67.5%
15	70.4%	62.2%	67.0%
20	69.9%	61.4%	66.9%
25	69.4%	60.5%	66.8%
30	68.8%	59.6%	66.7%
35	68.3%	58.7%	66.6%

Prior:

Policy Year of Incurral	5 Year Benefit Period		
	Inflation		
	GPO	5% Compound	CPI
10	73.2%	60.6%	63.9%
15	72.7%	59.8%	63.4%
20	72.2%	59.0%	63.3%
25	71.7%	58.2%	63.2%
30	71.2%	57.4%	63.1%
35	70.7%	56.6%	63.1%

Current/Prior:

Policy Year of Incurral	5 Year Benefit Period		
	Inflation		
	GPO	5% Compound	CPI
10	97%	105%	106%
15	97%	104%	106%
20	97%	104%	106%
25	97%	104%	106%
30	97%	104%	106%
35	97%	104%	106%

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After updating our assumption based on experience, the total A/E is 102%.

Utilization (Amount)		
Inflation Type	A/E Before Assumption Update	A/E After Assumption Update
None/GPO	101%	101%
Simple	102%	101%
Compound	112%	104%
Total	106%	102%

Voluntary Lapses

The voluntary lapse rates are based on our own experience between 2016 and 2019.

Lapse experience from 2016 through 2019 was analyzed both by policy count (for credibility) and by policy amount (for assumption recommendations). Note that “Amount” is defined as the Maximum Daily Benefit multiplied by a Benefit Period factor to ensure that policies with longer benefit periods are appropriately weighted.

In prior studies, policies were not allowed to reenter the study following the rerate shock lapse period (2 years). In the 2022 study we continue to exclude policyholder experience within the shock lapse period, but as rate increase filings have become more prevalent, the rerate shock lapse period has been redefined as within 11 months since the last rerate effective date and within 6 months of the next rerate effective date.

The experience has shown that our prior assumptions were reasonable in total, but there was some deviation amongst cohorts with offsetting impacts.

Current assumption lapse rates vary by product, gender, attained age, issue age, duration, marital status, risk class, benefit period and inflation type. The prior voluntary lapse rates were based on experience between 2013 and 2017, and varied by issue age, duration, and inflation option.

Below are current and prior expected sample lapse rates for Female, standard, single, issue ages 55, 65 and 75, 5-Year benefit period.

Current:

Duration	5-Year Benefit Period								
	Compound Inflation			Simple Inflation			GPO		
	Issue Age			Issue Age			Issue Age		
	55	65	75	55	65	75	55	65	75
10	0.9%	0.9%	0.8%	1.1%	1.0%	0.9%	1.6%	1.4%	1.2%
15	0.6%	0.8%	0.9%	0.7%	0.9%	1.1%	1.0%	1.2%	1.6%
20	0.6%	0.7%	2.0%	0.7%	0.8%	2.0%	1.0%	1.2%	2.1%
25	0.5%	0.9%	2.2%	0.6%	1.0%	2.2%	0.8%	1.4%	2.2%
30	0.6%	2.0%	2.2%	0.6%	2.0%	2.2%	0.8%	2.1%	2.2%
35	0.3%	2.2%	2.2%	0.4%	2.2%	2.2%	0.5%	2.2%	2.2%

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Prior:

All Benefit Periods									
Duration	Compound Inflation			Simple Inflation			GPO		
	Issue Age			Issue Age			Issue Age		
	55	65	75	55	65	75	55	65	75
10	0.6%	0.8%	1.0%	0.6%	0.8%	1.0%	0.8%	1.2%	1.2%
15	0.4%	0.6%	0.9%	0.4%	0.6%	0.9%	0.8%	1.2%	1.4%
20	0.4%	0.6%	1.5%	0.4%	0.6%	1.5%	0.5%	1.0%	2.1%
25	0.5%	1.2%	2.2%	0.5%	1.2%	2.2%	0.6%	1.4%	2.1%
30	0.6%	2.2%	2.2%	0.6%	2.2%	2.2%	0.8%	2.1%	2.1%
35	1.2%	2.2%	2.2%	1.2%	2.2%	2.2%	1.4%	2.1%	2.1%

In addition to the lapse rates shown above, we also assume a 3.1% shock lapse rate due to the rate increase. The additional lapse rate is used to adjust future premiums and claims down by 3.1% starting at the expected date of the rate increase.

Actual to Expected ratios by amount for this block (John Hancock individual business) summarized by inflation and duration groups before and after the assumption update are shown below.

Lapse (Amount)						
Duration	No Inflation		With Inflation		Total	
	A/E Before Assumption Update	A/E After Assumption Update	A/E Before Assumption Update	A/E After Assumption Update	A/E Before Assumption Update	A/E After Assumption Update
1-5	120%	72%	91%	100%	91%	99%
6-10	104%	87%	105%	107%	105%	104%
11-15	88%	95%	96%	100%	95%	99%
16-20	125%	93%	128%	103%	128%	101%
21-25	126%	119%	127%	123%	127%	121%
26+	109%	100%	88%	92%	104%	98%
Total	107%	96%	105%	104%	105%	102%

The changes to the expected lapse assumption improved the fit across cohorts and resulted in a total A/E of 102%.

Mortality

The mortality rates have been derived based on our own experience for the individual long-term care block of business over the four-year period from 2016 to 2019 on an Active Life basis. Healthy life mortality experience was analyzed both by policy count (for credibility) and by policy amount (for assumption recommendations). Note that “Amount” is defined as Maximum Daily Benefit multiplied by a Benefit Period factor to ensure that policies with longer benefit periods are appropriately weighted.

15% of lapses for attained ages 80+ are considered deaths due to underreporting of deaths in LTC. Prior studies had assumed 25% but since the last study a new process has been implemented which has reduced the amount of “missed” deaths. Refer to the LTC Mortality study for more detail.

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The experience for Retail showed lower A/Es for older attained ages. The expected mortality assumption has been updated to address this developing trend.

Current mortality assumptions vary by issue age, duration, gender, risk class, marital status, and product generation. Sample mortality rates before future mortality improvements are shown below.

Current:

Policies Issued in 2004 and later

Policy Duration	Preferred Risk			Standard Risk		
	Issue Age			Issue Age		
	55	65	75	55	65	75
10	0.002	0.004	0.013	0.002	0.006	0.018
15	0.002	0.007	0.024	0.004	0.012	0.034
20	0.005	0.017	0.066	0.007	0.025	0.077
25	0.012	0.038	0.131	0.016	0.049	0.131
30	0.029	0.077	0.294	0.038	0.088	0.294
35	0.050	0.135	0.475	0.065	0.135	0.475

Prior (including 3 years of mortality improvement for comparison to Current):

Policies Issued in 2004 and later

Policy Duration	Preferred Risk			Standard Risk		
	Issue Age			Issue Age		
	55	65	75	55	65	75
10	0.001	0.004	0.015	0.002	0.006	0.020
15	0.002	0.007	0.029	0.004	0.011	0.042
20	0.005	0.019	0.060	0.008	0.027	0.088
25	0.014	0.045	0.118	0.017	0.059	0.155
30	0.031	0.090	0.286	0.040	0.116	0.312
35	0.059	0.150	0.464	0.075	0.193	0.469

Future mortality improvements are based on US general population data covering experience from 1933 to 2015 and were developed in a manner consistent with prescribed Canadian Institute of Actuaries' rates. The rates vary by attained age and are not distinct by gender or smoker status; linear grading is applied between key ages.

- 1.0% per year for attained ages 0-85
- 0.2% per year for attained age 95
- 0.0% per year for attained age 105.

The below table shows the healthy life A/E ratios by amount before and after the assumption update for our Retail Individual business.

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Mortality (Amount)		
Duration	A/E Before Assumption Update	A/E After Assumption Update
1-5	100%	105%
6-10	99%	99%
11-15	96%	99%
16-20	94%	102%
21-25	97%	101%
26+	76%	84%
Total	95%	100%

Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

CPI Inflation Rate

At the time of pricing this product, John Hancock projected to enter into forward swaps to hedge inflation risk. These swaps drove the pricing of the product. The swaps were priced at an average rate 3.1%.

Due to inflation risk being hedged, we ensured that actual CPI rate never had an impact on rate increases by adjusting our original pricing loss ratio by reflecting actual past CPI in projected future claims. The projected CPI rate for both original pricing and best estimate cashflows reflects what our expectation for long-term inflation was back when the product was originally filed, which is 2.9%. We have not updated this rate as that would have no impact on rate increases as original pricing cashflows would also be changed, to ensure that changes in CPI do not impact rate increases.

However, due to basis changes creating additional inflation risk exposure, more future swaps were purchased at the end of 2019 in order to hedge said exposure. These swaps were priced at a lower rate than what was priced originally. The average notional- and duration-weighted terms of all swaps is now 2.4%.

In order to reflect the improvement in hedge terms, we have quantified the projected amount of gain and are including it as a claim reduction as part of the rate stability rule.

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B. Original Pricing Assumptions

The initial premium schedule was based on the originally filed pricing assumptions which were believed to be appropriate, given company and industry experience available, when the initial rate schedule was developed.

The original pricing assumptions for morbidity, voluntary termination rates, and mortality are provided below. A comparison of actual to expected experience using the original pricing assumptions is not available because original pricing assumptions are no longer used to analyze current experience. Instead, we show actual to expected experience relative to the prior and new assumptions.

Morbidity

Claim assumptions were derived using data published by the National Center for Health Statistics National Nursing Home Survey (1985 and 1995), the National Health Interview Survey (1984), the National Long-Term Care Survey (1982, 1984, 1989, and 1994), Medicare data, and other experience furnished to us by consultants, with adjustments due to the impact of underwriting, inflation options, elected options, anti-selection considerations, and the savings incurred because the maximum daily benefit will not always be paid.

Below are the original sample annual claim costs for an LTC-06 policy, \$300 monthly benefit, with no inflation (which included a 7.5% margin for moderately adverse experience):

Age	Issue Age 50		
	3 Year	5 Year	5 Yr + 1M
50	0.52	0.68	2.46
55	2.79	3.74	8.47
60	4.86	6.50	13.84
65	7.95	10.63	22.67
70	20.72	27.28	57.77
75	54.73	72.76	153.20
80	125.76	164.86	255.27
85	221.40	267.71	343.71
90	318.41	349.52	412.53
95	394.99	431.71	502.42

Age	Issue Age 60		
	3 Year	5 Year	5 Yr + 1M
60	1.23	1.63	5.98
65	8.34	11.15	24.91
70	24.17	31.83	66.33
75	57.35	76.22	157.99
80	131.11	171.86	262.14
85	229.23	276.99	351.41
90	326.65	357.73	418.97
95	401.38	437.23	505.37

Age	Issue Age 70		
	3 Year	5 Year	5 Yr + 1M
70	6.90	9.01	31.00
75	64.78	86.21	187.32
80	160.46	210.25	315.79
85	250.73	302.29	377.79
90	351.84	385.20	446.27
95	422.88	459.20	527.49

Voluntary Terminations

Duration	5% Compound Guaranteed Purchase	Automatic Inflation & 5% Compound Inflation
1	3.90%	3.30%
2	2.45%	1.95%
3	1.55%	1.35%
4	1.25%	1.00%
5	1.10%	0.95%
6	1.00%	0.90%
7	1.00%	0.85%
8	1.00%	0.85%
9	1.00%	0.85%
10	1.00%	0.85%
11+	0.95%	0.85%

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Total Life Mortality

Our mortality decrement is based on the unloaded 1994 Group Annuity Mortality Table, sex-distinct with 10 years of improvements, and the following selection factors:

Policy Year	Preferred Risk Class				Standard Risk Class			
	Issue Ages				Issue Ages			
	<= 55	65	75	>= 82	<= 55	65	75	>= 82
1	15.8%	12.9%	14.6%	14.6%	27.7%	22.6%	25.7%	25.7%
2	21.9%	17.7%	19.5%	19.7%	37.0%	29.8%	32.9%	33.2%
3	27.8%	22.8%	25.9%	25.7%	45.2%	37.0%	42.1%	41.7%
4	31.5%	26.3%	32.2%	32.1%	49.3%	41.1%	50.3%	50.3%
5	34.7%	34.0%	39.4%	39.7%	52.4%	51.4%	59.6%	59.9%
6	39.4%	39.4%	45.7%	45.7%	57.5%	57.5%	66.8%	66.8%
7	42.9%	42.9%	51.6%	51.5%	60.6%	60.6%	72.9%	72.8%
8	47.3%	46.6%	57.1%	57.1%	64.7%	63.7%	78.1%	78.1%
9	50.8%	49.6%	62.0%	70.2%	67.4%	65.7%	82.2%	93.1%
10	56.7%	53.4%	69.8%	78.1%	70.9%	66.8%	87.3%	97.6%
11	59.2%	53.5%	72.2%	81.6%	74.0%	66.9%	90.3%	102.1%
12	60.0%	54.3%	77.1%	85.6%	75.0%	67.9%	96.4%	107.0%
13	60.9%	55.9%	82.1%	85.6%	76.1%	69.9%	102.6%	107.0%
14	62.6%	57.5%	83.8%	85.6%	78.2%	71.9%	104.8%	107.0%
15	64.2%	59.1%	85.6%	85.6%	80.3%	73.9%	107.0%	107.0%
16	66.4%	62.7%	85.6%	85.6%	83.0%	78.4%	107.0%	107.0%
17	68.5%	64.4%	85.6%	85.6%	85.6%	80.5%	107.0%	107.0%
18	70.7%	67.1%	85.6%	85.6%	88.3%	83.8%	107.0%	107.0%
19	72.8%	69.7%	85.6%	85.6%	91.0%	87.1%	107.0%	107.0%
20	74.9%	72.4%	85.6%	85.6%	93.7%	90.4%	107.0%	107.0%
21	77.1%	75.0%	85.6%	85.6%	96.3%	93.8%	107.0%	107.0%
22	79.2%	77.7%	85.6%	85.6%	99.0%	97.1%	107.0%	107.0%
23	81.3%	80.3%	85.6%	85.6%	101.7%	100.4%	107.0%	107.0%
24	83.5%	83.0%	85.6%	85.6%	104.3%	103.7%	107.0%	107.0%
25+	85.6%	85.6%	85.6%	85.6%	107.0%	107.0%	107.0%	107.0%

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Policy Year	Substandard 1 Risk Class				Substandard 2 Risk Class			
	Issue Ages				Issue Ages			
	<= 55	65	75	>= 82	<= 55	65	75	>= 82
1	49.0%	39.9%	45.4%	45.4%	60.1%	49.0%	55.7%	55.7%
2	64.7%	52.1%	57.5%	58.0%	78.6%	63.3%	69.9%	70.5%
3	78.3%	64.1%	73.0%	72.3%	94.1%	77.0%	87.7%	86.9%
4	84.6%	70.5%	86.4%	86.3%	100.6%	83.8%	102.7%	102.6%
5	89.0%	87.3%	101.3%	101.9%	104.6%	102.6%	119.0%	119.7%
6	96.8%	96.8%	112.4%	112.4%	112.4%	112.4%	130.5%	130.5%
7	101.0%	101.0%	121.5%	121.3%	115.8%	115.8%	139.4%	139.1%
8	106.8%	105.1%	128.8%	128.9%	120.9%	119.0%	145.9%	145.9%
9	110.1%	107.4%	134.2%	152.0%	123.1%	120.0%	150.0%	169.9%
10	113.4%	106.8%	139.7%	156.1%	123.3%	116.2%	151.9%	169.8%
11	118.4%	107.0%	144.4%	163.3%	128.7%	116.4%	157.1%	177.6%
12	120.0%	108.6%	154.3%	171.2%	130.5%	118.1%	167.8%	186.2%
13	121.7%	111.8%	164.1%	171.2%	132.4%	121.6%	178.5%	186.2%
14	125.1%	115.0%	167.7%	171.2%	136.1%	125.1%	182.3%	186.2%
15	128.5%	118.2%	171.2%	171.2%	139.7%	128.6%	186.2%	186.2%
16	132.8%	125.5%	171.2%	171.2%	144.4%	136.5%	186.2%	186.2%
17	137.0%	128.8%	171.2%	171.2%	149.0%	140.1%	186.2%	186.2%
18	141.3%	134.1%	171.2%	171.2%	153.7%	145.8%	186.2%	186.2%
19	145.6%	139.4%	171.2%	171.2%	158.3%	151.6%	186.2%	186.2%
20	149.8%	144.7%	171.2%	171.2%	163.0%	157.4%	186.2%	186.2%
21	154.1%	150.0%	171.2%	171.2%	167.6%	163.1%	186.2%	186.2%
22	158.4%	155.3%	171.2%	171.2%	172.2%	168.9%	186.2%	186.2%
23	162.7%	160.6%	171.2%	171.2%	176.9%	174.7%	186.2%	186.2%
24	166.9%	165.9%	171.2%	171.2%	181.5%	180.4%	186.2%	186.2%
25+	171.2%	171.2%	171.2%	171.2%	186.2%	186.2%	186.2%	186.2%

Factors for ages between the ones listed above are interpolated.

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Addendum #2 – Demonstration of not Recouping Past Losses
Leading Edge (LTC-06)

	Calendar Year	Original Incurred Loss Ratio	Historic Data Earned Premium	Adjusted Expected Incurred Claims	Historic Data Incurred Claims	
Original Pricing	1988	0%	-	-	-	
	1989	0%	-	-	-	
	1990	0%	-	-	-	
	1991	0%	-	-	-	
	1992	0%	-	-	-	
	1993	0%	-	-	-	
	1994	0%	-	-	-	
	1995	0%	-	-	-	
	1996	0%	-	-	-	
	1997	0%	-	-	-	
	1998	0%	-	-	-	
	1999	0%	-	-	-	
	2000	0%	-	-	-	
	2001	0%	-	-	-	
	2002	0%	-	1,430	-	-
	2003	0%	-	8,411	-	-
	2004	0%	-	17,132	-	-
	2005	0%	-	36,956	-	-
	2006	0%	-	616,488	802	-
	2007	1%	-	11,060,812	102,669	-
2008	2%	-	31,189,533	470,697	536,219	
2009	2%	-	48,922,780	1,104,902	114,380	
2010	3%	-	62,229,456	2,007,220	1,905,388	
2011	5%	-	66,387,282	3,134,127	2,214,016	
2012	7%	-	67,822,702	4,430,094	2,311,292	
2013	9%	-	67,104,518	5,743,100	2,581,678	
2014	11%	-	66,643,059	7,200,509	6,093,226	
2015	13%	-	65,969,435	8,773,393	6,557,403	
2016 RI	2016			7,084,765	7,612,554	
	2017			8,771,629	8,955,539	
	2018			10,665,732	11,029,727	
2019 RI	2019			15,842,683	14,631,660	
	2020			18,446,779	16,374,091	
	2021			21,653,401	21,975,724	
Values as of 12/31/2021 (discounted at maximum statutory valuation rates)						
	Past :			136,710,090	> 119,725,748	

Minimum (Accum Value of Past Incurred Claims,
Accum Value of Adjusted Expected Incurred Claims) = 119,725,748

The lesser of actual and expected past claims, \$119,725,748, is used in demonstrating compliance with the minimum loss ratio in Exhibit 1

Appendix A
Leading Edge (LTC-06)
Rate Increase Percentages (Year 1 of 2)

(applied across all elimination periods, and across all Assisted Living Facilities, Home and Community Care percentages)

Age	Base			CPI Inflation		
	Benefit Period			Benefit Period		
	3 Years	5 Years	5 Years + 1M Rider	3 Years	5 Years	5 Years + 1M Rider
18-29	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
30	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
31	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
32	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
33	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
34	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
35	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
36	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
37	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
38	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
39	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
40	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
41	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
42	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
43	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
44	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
45	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
46	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
47	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
48	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
49	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
50	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
51	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
52	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
53	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
54	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
55	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
56	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
57	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
58	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
59	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
60	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
61	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
62	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
63	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
64	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
65	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
66	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
67	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
68	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
69	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
70	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
71	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
72	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
73	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
74	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
75	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
76	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
77	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
78	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
79	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
80	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
81	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
82	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
83	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
84	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
85	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
86	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
87	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
88	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
89	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
90	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%
91	22.7%	22.7%	22.7%	25.0%	25.0%	25.0%

Appendix A
Leading Edge (LTC-06)
Rate Increase Percentages (Year 2 of 2)

(applied across all elimination periods, and across all Assisted Living Facilities, Home and Community Care percentages)

Age	Base			CPI Inflation		
	Benefit Period			Benefit Period		
	3 Years	5 Years	5 Years + 1M Rider	3 Years	5 Years	5 Years + 1M Rider
18-29	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
30	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
31	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
32	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
33	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
34	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
35	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
36	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
37	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
38	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
39	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
40	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
41	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
42	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
43	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
44	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
45	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
46	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
47	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
48	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
49	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
50	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
51	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
52	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
53	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
54	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
55	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
56	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
57	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
58	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
59	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
60	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
61	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
62	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
63	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
64	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
65	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
66	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
67	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
68	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
69	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
70	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
71	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
72	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
73	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
74	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
75	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
76	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
77	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
78	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
79	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
80	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
81	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
82	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
83	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
84	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
85	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
86	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
87	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
88	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
89	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
90	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%
91	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%

Appendix D1

Leading Edge

Proposed Shared Cost percentage to be used only with those that have not previously elected a Shared Cost option

Age	GPO		
	Benefit Period		
	3 Years	5 Years	5 Years + \$1m
18-29	14.8%	14.8%	14.8%
30	14.8%	14.8%	14.8%
31	14.8%		14.8%
32	14.8%	14.8%	14.8%
33	14.8%	14.8%	14.8%
34	14.8%	14.8%	14.8%
35	14.8%	14.8%	14.8%
36	14.8%	14.8%	14.8%
37	14.8%	14.8%	
38	14.8%	14.8%	14.8%
39	14.8%	14.8%	
40	14.8%	14.8%	14.8%
41	14.8%	14.8%	14.8%
42	14.8%	14.8%	14.8%
43	14.8%	14.8%	14.8%
44	14.8%	14.8%	14.8%
45	14.8%	14.8%	14.8%
46	14.8%	14.8%	14.8%
47	14.8%	14.8%	14.8%
48	14.8%	14.8%	14.8%
49	14.8%	14.8%	14.8%
50	14.8%	14.8%	14.8%
51	14.8%	14.8%	14.8%
52	14.8%	14.8%	14.8%
53	14.8%	14.8%	14.8%
54	14.8%	14.8%	14.8%
55	14.8%	13.7%	12.9%
56	14.8%	13.7%	12.9%
57	14.8%	13.7%	12.9%
58	14.8%	13.7%	12.9%
59	14.8%	13.7%	12.9%
60	12.5%	11.4%	10.3%
61	12.5%	11.4%	10.3%
62	12.5%	11.4%	10.3%
63	12.5%	11.4%	10.3%
64	12.5%	11.4%	10.3%
65	11.2%	9.9%	9.0%
66	11.2%	9.9%	9.0%
67	11.2%	9.9%	9.0%
68	11.2%	9.9%	9.0%
69	11.2%	9.9%	9.0%
70	9.4%	9.1%	7.8%
71	9.4%	9.1%	7.8%
72	9.4%	9.1%	7.8%
73	9.4%	9.1%	
74	9.4%	9.1%	7.8%
75	9.2%	7.0%	
76	9.2%	7.0%	5.1%
77	9.2%	7.0%	
78	9.2%	7.0%	
79	9.2%	7.0%	
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83			
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Certain cells are blank because there are no nationwide policies with that benefit period, issue age and inflation combination

For GPO policies with multiple layers of coverage, the Shared Cost percentage will be based on the issue age of the base contract. Each GPO layer will be reduced by the Shared Cost percentage
 Shared Cost percentages are calculated based on policyholder data at the time of election

Appendix D2

Leading Edge

Prior Shared Cost percentage previously used only with those that elected the Shared Cost option during the 2019 Rate Filing

Age	GPO		
	Benefit Period		
	3 Years	5 Years	5 Years + \$1m
18-29	22.7%	19.6%	17.6%
30	18.2%	23.5%	21.7%
31	28.5%		16.7%
32	26.1%	21.0%	25.4%
33	29.2%	30.7%	28.1%
34	21.0%	26.7%	20.3%
35	30.7%	30.7%	19.1%
36	30.7%	29.8%	28.2%
37	30.7%	30.7%	
38	30.7%	29.0%	30.7%
39	30.7%	30.7%	
40	30.7%	30.7%	29.8%
41	30.7%	29.1%	30.7%
42	30.7%	30.7%	30.7%
43	30.7%	30.7%	30.7%
44	30.7%	30.7%	30.7%
45	30.7%	30.7%	30.7%
46	30.7%	30.7%	30.7%
47	30.7%	30.7%	30.7%
48	30.7%	30.7%	30.7%
49	30.7%	30.7%	30.7%
50	30.7%	30.7%	30.7%
51	30.7%	30.7%	30.7%
52	30.7%	30.7%	30.7%
53	30.7%	30.7%	30.7%
54	30.7%	30.7%	30.7%
55	30.7%	27.7%	30.4%
56	30.7%	29.9%	28.3%
57	30.7%	30.5%	30.7%
58	30.7%	30.7%	30.7%
59	30.7%	30.7%	30.7%
60	25.4%	22.2%	20.7%
61	27.4%	25.7%	23.3%
62	29.8%	27.9%	24.3%
63	30.7%	29.9%	26.5%
64	30.7%	30.7%	30.7%
65	21.1%	19.7%	17.3%
66	23.2%	21.1%	20.8%
67	27.1%	23.6%	20.7%
68	29.9%	25.5%	25.0%
69	30.7%	29.2%	25.4%
70	17.8%	18.2%	20.1%
71	20.5%	21.2%	15.2%
72	22.4%	20.6%	14.7%
73	26.0%	27.0%	18.4%
74	27.9%	24.5%	30.7%
75	16.0%	16.2%	9.1%
76	15.5%	10.3%	10.1%
77	12.8%	9.1%	
78	10.9%	8.1%	6.5%
79	7.6%	6.7%	
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81			
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90			
91			

Certain cells are blank because there are no nationwide policies with that benefit period, issue age and inflation combination

For GPO policies with multiple layers of coverage, the Shared Cost percentage will be based on the issue age of the base contract. Each GPO layer will be reduced by the Shared Cost percentage

Shared Cost percentages are calculated based on policyholder data at the time of election

Appendix D3

Leading Edge

Proposed Shared Cost percentage to be used only with those that have previously elected the Shared Cost option during the 2019 Rate Filing

Age	GPO		
	Benefit Period		
	3 Years	5 Years	5 Years + \$1m
18-29	34.1%	31.5%	29.8%
30	30.3%	34.8%	33.3%
31	39.1%		29.0%
32	37.0%	32.7%	36.4%
33	39.7%	41.0%	38.7%
34	32.7%	37.5%	32.1%
35	41.0%	41.0%	31.1%
36	41.0%	40.2%	38.8%
37	41.0%	41.0%	
38	41.0%	39.5%	41.0%
39	41.0%	41.0%	
40	41.0%	41.0%	40.2%
41	41.0%	39.6%	41.0%
42	41.0%	41.0%	41.0%
43	41.0%	41.0%	41.0%
44	41.0%	41.0%	41.0%
45	41.0%	41.0%	41.0%
46	41.0%	41.0%	41.0%
47	41.0%	41.0%	41.0%
48	41.0%	41.0%	41.0%
49	41.0%	41.0%	41.0%
50	41.0%	41.0%	41.0%
51	41.0%	41.0%	41.0%
52	41.0%	41.0%	41.0%
53	41.0%	41.0%	41.0%
54	41.0%	41.0%	41.0%
55	41.0%	37.6%	39.4%
56	41.0%	39.5%	37.5%
57	41.0%	40.0%	39.6%
58	41.0%	40.2%	39.6%
59	41.0%	40.2%	39.6%
60	34.7%	31.1%	28.9%
61	36.5%	34.2%	31.2%
62	38.6%	36.1%	32.1%
63	39.4%	37.9%	34.1%
64	39.4%	38.6%	37.8%
65	29.9%	27.6%	24.7%
66	31.8%	28.9%	27.9%
67	35.3%	31.2%	27.8%
68	37.8%	32.9%	31.7%
69	38.5%	36.2%	32.1%
70	25.5%	25.6%	26.3%
71	28.0%	28.4%	21.8%
72	29.7%	27.8%	21.4%
73	33.0%	33.6%	
74	34.7%	31.4%	36.1%
75	23.7%	22.1%	
76	23.3%	16.6%	14.7%
77	20.8%	15.5%	
78	19.1%	14.5%	
79	16.1%	13.2%	
80			
81			
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Certain cells are blank because there are no nationwide policies with that benefit period, issue age and inflation combination

For GPO policies with multiple layers of coverage, the Shared Cost percentage will be based on the issue age of the base contract. Each GPO layer will be reduced by the Shared Cost percentage

Shared Cost percentages are calculated based on policyholder data at the time of election

Appendix D1-D3
Leading Edge
Shared Cost Percentages

Note on premium calculation for a policyholder who elects the Shared Cost option:

To calculate the premium after election of the Shared Cost option, the premium rate schedules in Appendix C should be used. Since the Shared Cost option reduces the daily benefit, an additional factor is required to calculate the premium appropriately, as shown below:

$$\text{Premium after electing Shared Cost option} = \frac{(\text{Premium Rate Schedule per } \$10 \text{ daily benefit: Appendix C}) * (\text{New Daily Benefit}/10)}{(1 - \text{Shared Cost Percentage})}$$

A similar formula can be used for GPO policies with multiple layers of coverage:

$$\text{Premium after electing Shared Cost option} = \frac{[(\text{Premium Rate Schedule, Base Issue Age per } \$10 \text{ Daily Benefit: Appendix C}) * (\text{New Base Daily Benefit}/10) + (\text{Premium Rate Schedule, GPO Layer 1 Issue Age per } \$10 \text{ Daily Benefit: Appendix C}) * (\text{New Layer 1 Daily Benefit}/10) + \dots]}{(1 - \text{Shared Cost Percentage})}$$

**Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company**

Company Name and NAIC Number: John Hancock Life Insurance Company (U.S.A), 69477

SERFF Tracking Number: MULF-133673718

Revised Rates

Average Annual Premium Per Member: \$3,323

Average Requested Percentage Rate Change Per Member: 30.7%

Range of Requested Rate Changes: 22.7% - 31.7%

Number of Virginia Policyholders Affected: 1,871

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
LTC-06 VA	Leading Edge	October 2006 – March 2011	32.6% - 02/18/2021	<small>Due to the capped approval, if the requested premium rate schedule increase is implemented and the underlying assumptions which reflect moderately adverse conditions are realized, additional rate increases will be necessary to achieve the full actuarially justified one-time request based on the Lifetime Loss Ratio.</small>

Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

Summary of the John Hancock's 2022 Rate Increase Request John Hancock Life Insurance Leading Edge Policy Series

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including, for example, the expected lifespan of policyholders, the length of time policyholders keep their policies, and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary.

John Hancock continuously monitors the experience of our in-force LTC insurance policies. We have completed our most recent triennial comprehensive long-term care experience study. Relative to previous expectations, the new data demonstrates lower mortality for non-claimants, higher utilization of benefits, and lower than expected claim terminations, partly offset by lower claim incidence. Based on that data, we have determined that there is a need to increase premiums on this policy series so we can meet our future claims obligations.

The filing will vary by state based on the amount and timing of prior increases that we were permitted to implement in that state. In this way, policyholders are not subsidizing policyholders in other states.

In Virginia, we are requesting an average rate increase of 30.7% which ranges from 22.7% to 31.7% on this policy series.

No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. John Hancock's decision to increase premiums on certain policies is based upon the future claims anticipated on these policies.

After the rate increase is accepted by the Virginia Insurance Department, affected policyholders will be provided with an extensive and personalized notification communication at least 90 days prior to the effective date, which will describe the increase and options available to mitigate the impact of the rate increase. In addition, customer support will be available through a dedicated customer service team to help our policyholders navigate through their choices and respond to any questions.

John Hancock Life Insurance Company (U.S.A.)

John Hancock Place
Post Office Box 111
Boston, Massachusetts 02117
1-888-877-6075
Direct: (617) 572-0101
Email: mfluet@jhancock.com

Michelle Fluet
US Legacy - LTC

May 18, 2023

Scott A. White
Commissioner of Insurance
Virginia State Corporation Commission
Bureau of Insurance
Tyler Building, 6th Floor
1300 East Main Street
Richmond, Virginia 23219

Re: **John Hancock Life Insurance Company (U.S.A.)**
Company NAIC # 65838; FEIN #: 01-0233346
Individual Long-Term Care Insurance Rate Revision Submission
Revised Actuarial Memos (See Policy Forms List Below)

Dear Commissioner:

We have recently completed our 2022 experience study. This comprehensive study is generally conducted every three years and examines the usage trend for our insured population. Relative to previous expectations, the new data demonstrates lower mortality for non-claimants, higher utilization of benefits, and longer than expected claims, partly offset by lower claim incidence. Based on that data, we have determined that there is a need to increase premiums on certain policy series.

As a result of the study, we are requesting a premium rate increase on the policy series listed below and are enclosing the actuarial memos and rates for your review and acceptance.

Policy Series	Approval Date	Years Sold	Average Increase
LTC-06 VA	5/26/2006	2006 – 2011	31.9%

The increases requested reflect the timing of the acceptance of our prior rate increase filings in your state as well as any unapproved amounts from our prior filing on an actuarially equivalent basis.

The proposed premium rates will be effective on the next policy anniversary date, following a 90-day policyholder notification period, which will be made as soon as practicable following state acceptance. As we will describe later in this letter, we will also offer affected insureds various benefit reduction options to help mitigate the impact of the rate increase.

Policyholder Options

We are aware that a premium increase may be difficult for our policyholders. Therefore, we will provide all policyholders with options which will help them mitigate the impact of any increase.

- **Shared Cost Option**
If the policyholder selects this option, they will be able to offset the premium rate increase. The Shared Cost Option consists of two components.
 - All policy benefit amounts (all Daily/Weekly/Monthly Benefit amounts and the Policy Limit) will be decreased by an assigned Shared Cost percentage (based upon policy series and the insured's original issue age and benefit selected); and

- We will also apply that same Shared Cost percentage to future claims for covered charges and will pay our portion (1 minus the Shared Cost percentage) of covered charges, but we will pay no more than the new revised [daily/monthly/weekly] benefit amount and the new Policy Limit. The insured will be responsible for the remaining expenses.

Example: If the revised Daily Benefit for Nursing Facility Care is \$200 and Your Shared Cost Percentage is 20%, we will pay 80% of the Nursing Home charges, but no more than \$200.

- *If Your Nursing Home charges are \$100, we will pay \$80 and You will be responsible for \$20.*
- *If Your Nursing Home charges are \$200, we will pay \$160 and You will be responsible for \$40.*
- *If Your Nursing Home charges are \$300, we will pay \$200 and You will be responsible for \$100*

Shared Cost percentages will be determined to be actuarially equivalent to the rate increases by combination of the issue age band, benefit period and inflation type.

If Shared Cost is elected, all other policy provisions other than those mentioned above remain unchanged, including the inflation increase option (if selected).

- **Paid-up Option**

If the policyholder selects this option, the policy will be converted to a paid-up status on the rate increase effective date (the next policy anniversary date). The new policy limit will be equal to the lesser of the current policy limit and 150% of premiums paid, less any claims paid. Under this option, all optional riders will terminate, and no additional inflation adjustments/increases will be provided.

Please note the referenced mitigation options above may not be available on all policy forms if the rate increase is not approved as requested.

- **Nonforfeiture**

The nonforfeiture rider benefit, if purchased, may be exercised and the policy will be converted to paid-up status in accordance with the policy provision on the rate increase effective date.

- **Contingent Nonforfeiture**

If the NAIC contingent nonforfeiture benefit upon lapse is triggered, customers will be offered paid-up coverage in accordance with the provision. We are allowing contingent nonforfeiture if the rate increase trigger is met for all affected policyholders, even if it was not otherwise required in your State.

- **Additional Mitigation Options**

Policyholders may also be able to reduce their benefit period, adjust their daily/monthly benefit amount, drop optional benefit riders or extend their elimination period.

The corresponding forms for the Shared Cost and Paid-up options will be submitted under separate cover shortly.

Policyholder Communication Package

We are also submitting our sample template policyholder communication package regarding the rate increase and options to help mitigate the rate increase for your information. We developed this communication package keeping in mind the amount of meaningful and detailed information to the policyholder and the presentation of the material in a clear manner. We have incorporated suggestions from state regulators, policyholders, and our dedicated policyholder service representatives. This package will be personalized for each customer with reduction options to keep their premium near or at the current level; options will vary by their respective situation. This package is included in Supporting Documentation. We will be submitting the policyholder communication package for review and approval in a separate form filing.

Ensuring No Cross-Subsidization Between States

We have ensured no state's rate increase approvals will subsidize other states' experience. Rate increases will vary by state, but only to reflect the timing and amount of prior rate increases approved by that state. This is accomplished by first backing-out all prior rate increases from our nationwide premium data. We then re-introduce prior rate increases with the amount and timing based on your state's prior approvals. The current proposed rate increases are then determined based on the amounts needed in order to achieve our target loss ratios where our targets reflect the lifetime loss ratios certified to in our prior filing.

Although some states may have capped our previous inforce rate increase filings, in each case this was done with the understanding that the full amount of the proposed rate increases were justified, and that John Hancock would be refiling for the remainder at a later date. In instances where the remainder remains unapproved, it has been included in the current filings.

Past Losses Testing

Preventing companies from recouping past losses was the subject of discussion by the Health Actuarial Task Force in late 2013. The accepted methodology by the Health Actuarial Task Force is to define past losses as actual past claims less expected past claims when determining loss ratio compliance where expected past claims are defined as the following:

“Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase regardless of whether or not the rate increase is approved. Expected claims are calculated for each calendar year based on the in-force at the beginning of the calendar year. Expected claims shall include margins for moderately adverse experience; the margins included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing.”

The rate increases we calculated follow the methodology described above to ensure that we are not recouping past losses.

This submission is being filed in all states.

The following items are included in this submission:

- the submission letter.
- all actuarial material.
- sample Policyholder Communication Package
- all required certifications.

Please do not hesitate to contact us regarding this submission. We will be happy to meet with the Department at a time of your convenience.

Thank you for your time and consideration in this matter.

Sincerely,

Michelle Fluet



Laurene Polignone
Assistant Vice President
Long-Term Care Insurance
P.O. Box 55978
Boston, Massachusetts 02205-9723

April 19, 2024

Jane Doe
1 Maple St.
Anytown, NH 99999

Re: **Notice of Premium Rate Increase – Long-Term Care Insurance Policy No. 00009999.**
Decision Required by July 3, 2024.
John Hancock Life Insurance Company (U.S.A.) (John Hancock)

Dear Jane Doe,

We are writing to let you know that the premium for your John Hancock long-term care (LTC) insurance policy is increasing. This notice will provide you with:

- **Details** about the premium increase
- **Options** available to you to help keep your premiums at or near their current level
- **Next Steps** and the resources to help you decide how to manage the increase

About the Premium Increase

John Hancock is committed to helping ensure LTC benefits will be there when most needed. To uphold this responsibility, we continuously monitor the experience of our LTC policies and the policies we service. Our most recent comprehensive claims study, which we generally conduct every three years, was completed in 2022; it examined the usage trends for our insured population. When pricing a long-term care insurance product, John Hancock uses the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including, for example, the expected lifespan of policyholders, the length of time policyholders keep their policies, and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary. Based on that data, as well as data from prior studies as applicable, we have determined that there is a need to increase premiums in order to meet future claims obligations. Please refer to the Frequently Asked Questions in this package for details on our recent comprehensive claim studies.

Your Premium Increase

The approved rate increase is 35.0% for your policy, which will be phased-in over 2-years. Based on your current benefit selections, unless you elect a personalized option as described in your Options Worksheet, your premium will increase as illustrated in the table below. Your premium will continue to increase on each policy anniversary until the total annual premium amount of \$2,500 is reached. You will receive a notification each year as future premium increase segments are implemented. Please note this letter is not a bill.

Date of Premium Increase	Current Annual Premium	New Annual Premium
August 2, 2024	\$2,000	\$2,250
August 2, 2025	\$2,250	\$2,500

It is important for you to know that:

- the rate increase request was reviewed by Virginia’s State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are

- available for public inspection and may be accessed online through the Virginia State Corporation Commission’s webpage at <https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>
- no person has been singled out for an increase
- no increase is due to a policyholder’s advancing age or changing health

The decision to increase premiums on certain policies is based upon the future claims anticipated on these policies and has been made by John Hancock - not your insurance agent nor the Virginia Bureau of Insurance. As a reminder, per the terms of your policy, **premium rates are not guaranteed and could be increased again in the future.** In the event that our experience continues to deteriorate, future increases may be required. In that event options to reduce your premiums may be available.

Your Options

We understand that a premium increase may not be affordable for some. **Therefore, we are offering you options to help keep your premiums at or near their current level, or you can elect the LTC Buy-Out Offer and Policy Termination Option (“LTC Buy-Out Offer”). Please see the enclosed “Options Worksheet” for more information on these options. Please note that all the options available to you may not be of equal value.**

Included in this Package

- **Options Worksheet** (pages 3-10) – provides details about your current coverage and the options you have to help mitigate the premium increase. Please review this information carefully.
- **Frequently Asked Questions** (page 11-12) – provides answers to some of the most common questions.
- **Coverage Change Request Form** (page 13-14) – may be used to elect an option to help mitigate the increase.
- **Important Things You Should Consider** (page 15-16 – please review these important considerations before electing the LTC Buy-Out Offer and Policy Termination Option.
- **LTC Buy-Out Offer and Policy Termination Option Election Form** (page 17-18) – may be used to accept the Company’s option to terminate your policy in exchange for the LTC Buy-Out Offer Amount.

Next Steps

- We recommend that you review all options available to you (including paying the rate increase and any available benefit reduction options) and consult with your family members and other advisors to determine which option is appropriate for your needs.
- If you decide to reduce your coverage as outlined in the Options Worksheet, simply complete the “Coverage Change Request Form” and return it to John Hancock by **July 3, 2024**. These changes will be effective as of your next policy anniversary.
- If you decide to elect the LTC Buy-Out Offer and Policy Termination Option, review the “Important Things You Should Consider” and review and complete the “LTC Buy-Out Offer and Policy Termination Option Election Form” and return it to John Hancock by **July 3, 2024**. Your policy termination will be effective immediately.
- If you choose to make no changes to your coverage, no action is required, and your new increased premium will become effective on Anniversary date **August 2, 2024**.

Where to Get Help

- **Contact John Hancock** with any questions you may have. Please visit www.jhinfocenter.com or contact one of our customer service representatives at 844-272-7842, Monday through Friday from 8:00 a.m. – 5:00 p.m. Eastern Time. The TTY number for the hearing impaired is 800-555-5421. Our dedicated team is available to help you make a decision that best meets your personal needs.
- **You may contact your local State Health Insurance Assistance Program (SHIP)** if you need additional counseling on your options. Please go to www.shiptacenter.org to find the SHIP location closest to you.
- **You may also contact your State Department/Bureau of Insurance** if you need additional information associated with long-term care insurance. Please go to http://naic.org/state_web_map.htm to find your State Department/Bureau of Insurance.

We sincerely regret having to take this action, but we hope you find that the options and resources provided are helpful.

Sincerely,



Laurene Polignone
Assistant Vice President, Long-Term Care Operations

Enclosures:

Options Worksheet
Frequently Asked Questions
Coverage Change Request Form
Important Things to Consider
LTC Buy-Out Offer and Policy Termination Option Election Form
Return Envelope

YOUR OPTIONS SUMMARY

The table below shows:

- Your current premium and the new premium you will be charged if you keep your current coverage; and
- Options you have available to help mitigate the premium increase, including any impact the change would have on your coverage and the resulting premium, where applicable. Please also see page 6 for other options that may be available to you.

Please visit www.jhinfocenter.com for current **cost of care** information specific to your area. As you evaluate what is best for you, we encourage you to consider the current and projected cost of care in your area, as well as how much of that amount you are able to pay from your own savings.

Current Coverage ¹		Coverage Change Options					
	Accept Rate Increase	Reduce your Annual Inflation Rate ²	Shared Cost Option ³	Reduce your BP ⁴	Reduce your DB ⁴	Paid-Up Policy ⁵	LTC Buy-Out Offer ⁶
Daily Benefit (DB) ⁷	\$250	\$250	\$226	\$250	\$225	\$250	N/A
Benefit Period (BP)	5-years	5-years	5-years	3-years	5-years	N/A	N/A
Inflation Option	5% Simple	3.7% Simple	5% Simple	5% Simple	5% Simple	N/A	N/A
Shared Cost Option	0%	0%	13.7%	0%	0%	N/A	N/A
Elimination Period	90 Days					N/A	
Optional Riders	None					N/A	
[Policy Limit	\$450,000	\$450,000	\$406,800	\$270,000	\$405,000	\$45,000	N/A]
Current Annual Premium	\$2000						
LTC Buy-Out Offer Amount							\$32,000
New Annual Premium⁹	\$2250	\$2000	\$2000	\$1500	\$1750	N/A	N/A

Note - certain benefit reduction options will reduce your overall Policy Limit. Please contact John Hancock at 844-272-7842 for details on the impact these changes will have on your Policy Limit. Please note that, as the insured, you have the right to a revised premium rate or rate schedule upon request.

Important: Your policy includes a "Limited Pay" premium provision. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.

¹Assumes no recent changes in your current coverage.

²A reduction to your future annual inflation rate will apply to your Daily Benefit and Policy Limit

³This change will also result in a reduction to your overall Policy Limit.

⁴This reduction will also result in a reduction to your overall Policy Limit. You may also want to review the restoration of benefits provision in your policy before making your decision.

⁵You have the option to convert your policy to a paid-up status with a reduced Policy Limit. See page 9 for more details.

⁶Please refer to the "Important Things You Should Consider" and the "LTC Buy-Out Offer and Policy Termination Option Election Form" for important information for review.

⁷DB is the most the coverage will reimburse for the costs of covered long-term care services received on any day.

⁸Please contact John Hancock at 844-272-7842 to learn the amount of your LTC Buy-Out Offer.

⁹As of August 2, 2024.

YOUR OPTIONS

The following are options you have available to help mitigate the premium increase by keeping your premium neutral or as close as possible to your current premium, along with an option to terminate your policy and accept a buy-out amount and an option(s) for paid-up coverage. Other reduction options to offset the premium increase may be available, for information, please call John Hancock at 844-272-7842.

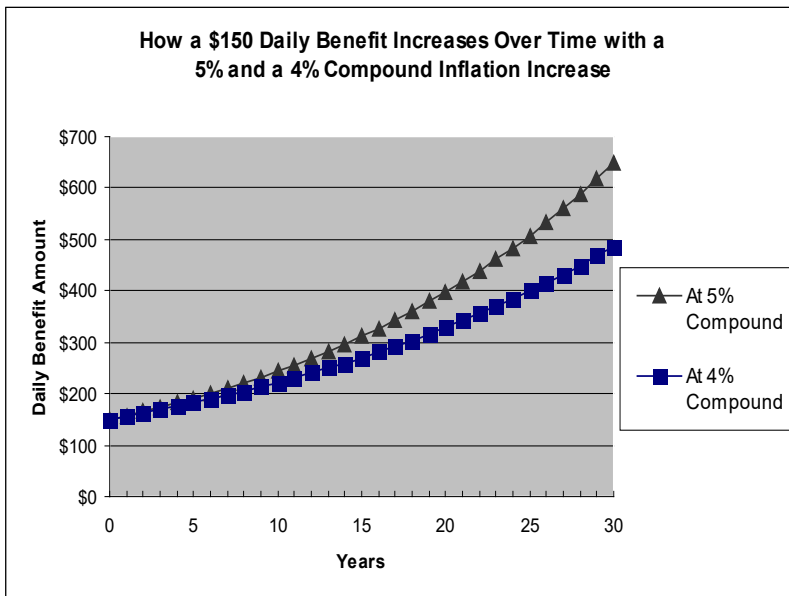
1.Reduce your Future Annual Inflation Rate¹ - One time opportunity to offset all segments of the premium rate increase and keep your premium at its current level.

To keep your premium at its current level we are offering you the opportunity to reduce your future annual inflation rate from 5% simple to 3.7% simple.

This inflation reduction will only be applied to future inflation increases that occur after the rate increase effective date. All other existing benefits and previous inflation increases that have already been applied to your policy through the effective date of the inflation rate reduction will be maintained.

Important: Reducing your future annual inflation rate may result in the loss of Partnership status and your policy may no longer qualify for Medicaid Asset Protection. If you wish to retain Partnership status, do not elect this option. Other options to help minimize the increase and retain your Partnership status may be available to you. For more information, please call John Hancock at 844-272-7842.

The graph below is an example of how a \$150 daily benefit amount increases over the next 30 years at 5% and 4% simple annual increases. The chart to the right shows the national average annual increase over a five year period for the cost of care in various care settings. Please visit www.jhinfocenter.com for current cost of care information specific to your area.



Trends in the Cost of Care

Long-Term Care Setting	5-Year Average Annual Increase
Nursing homes and adult day services	3.2%
Care of elderly at home	2.8%

The 5-year average annual increases are based on 2016 and 2021 index averages, series "Nursing homes and adult day services in U.S. city average, all urban consumers, not seasonally adjusted" and "Care of invalids and elderly at home in U.S. city average, all urban consumers, not seasonally adjusted". Data obtained from the Bureau of Labor Statistics of the U.S. Department of Labor at www.bls.gov.

¹ A reduction to your future annual inflation rate will apply to your Daily Benefit and Policy Limit.

YOUR OPTIONS

2. Elect the Shared Cost Option: One time opportunity to offset this premium rate increase and keep your premium at its current level

We are offering you an option to elect a personalized Shared Cost option. This option would:

- **Reduce your current benefit amounts to reflect your Shared Cost percentage of 13.7%.** Choosing this option will result in a **new nursing home daily benefit of \$226** and a **reduction to your overall Policy Limit**. Your Shared Cost percentage will be 13.70%. Your new daily benefit amount and your new Policy Limit will continue to grow at the rate of your automatic inflation coverage, if applicable.

AND

- **Apply your Shared Cost percentage to any future claim payments.** John Hancock will pay 86.30% of any covered services, but we will not pay more than the new daily benefit amount of \$226 and the new Policy Limit. You will be responsible for the remaining portion of covered charges and all remaining costs.

Please note: If you elect this option it will offset this premium rate increase. If you elect this option you will not be subject to future segments of this premium increase. If you do not elect this option now, it will not be available to you when future premium increase segments of this premium increase are implemented.

The table below demonstrates the impact this change would have on three different claim examples after electing the Shared Cost Option, compared to a traditional Daily benefit reduction. The examples reflect our payment amount and your payment amount under the Shared Cost Option and the Daily Benefit Reduction Option for three different claim expense scenarios, based on your cumulative Shared Cost percent. Note – all amounts below are rounded to the nearest dollar for illustrative purposes.

	Example 1 \$139 Claim Submitted			Example 2 \$199 Claim Submitted			Example 3 \$259 Claim Submitted		
	Keep Current Coverage	DB Reduction Option	Shared Cost Option	Keep Current Coverage	DB Reduction Option	Shared Cost Option	Keep Current Coverage	DB Reduction Option	Shared Cost Option
Daily Benefit	\$250	\$200	\$226	\$250	\$200	\$226	\$250	\$200	\$226
John Hancock's payment amount	\$139	\$139	\$120	\$119	\$199	\$172	\$250	\$200	\$224
Your payment amount	\$0	\$0	\$19	\$0	\$0	\$27	\$9	\$59	\$33

Using example #3, let's look at how the Shared Cost amounts are determined (using rounded dollar amounts):

- Your existing daily benefit is reduced to \$226 to reflect your Shared Cost percentage
- You submit a claim for \$259
- John Hancock pays 86.30% (which is 1 - 13.70%) of any covered service – but no more than your new daily benefit of \$226 ($\$259 \times 86.30\% = \224 ; which is greater than your new daily benefit of \$226 – therefore your claim reimbursement from John Hancock = \$226)
- You are responsible for paying the remaining amount ($\$259 - \$226 =$ your payment of \$33)

YOUR OPTIONS

2. Elect the Shared Cost Option: One time opportunity to offset this premium rate increase and keep your premium at its current level cont.

When compared to a traditional daily benefit reduction, the Shared Cost option allows you to retain a higher daily benefit and Policy Limit, for a similar annual premium (see page 4).

Please note – as shown in the examples above, the Shared Cost Option is a benefit reduction option and impacts the amount of out of pocket expenses you will pay for covered services.

3. Reduce Your Benefit Period

Reduce your benefit period from 5-year to 3-year, resulting in a new annual premium of \$1,500.00. Reducing your benefit period will also reduce your overall Policy Limit. There will be no change to your other benefit levels.

4. Reduce your Daily Benefit

Reduce your daily benefit from \$250 to \$225, resulting in a new annual premium of \$1,750.00. Reducing your daily benefit will also reduce your overall Policy Limit. There will be no change to your other benefit levels.

5. Elect the LTC Buy-Out Offer and Policy Termination Option – Terminate Your Policy in Exchange for a One-Time LTC Buy-Out Offer Amount

This option is instead of accepting the premium rate increase or other coverage change options to your policy that may off-set or reduce the premium rate increase.

We are offering this *option* to terminate your policy in exchange for the LTC Buy-Out Offer Amount of **\$32,000**. If you elect this option your LTC policy will terminate **effective immediately**. No claim for a previous or future loss will be eligible for consideration under a terminated policy, and your policy will not be eligible for restoration if you elect this offer. **This change will be effective immediately**. Once you have terminated your policy in exchange for the LTC Buy-Out Offer Amount your policy will no longer be active, and you will have only 30 days to change your mind. After that time your acceptance of this LTC Buy-Out Offer and Policy Termination Option cannot be undone, and your policy cannot be restored.

If you choose to elect this option you must return the LTC Buy-Out Offer and Policy Termination Option Election Form. If you do not return the LTC Buy-Out Offer and Policy Termination Option Election Form but do not continue to pay the premiums necessary to keep your policy in force, your policy will lapse pursuant to its terms and you will not receive the LTC Buy-Out Offer Amount.

You made an important decision to purchase your LTC policy. Please review the benefits of your policy carefully along with your needs for coverage and understand what you are giving up by terminating your policy. Please consider whether electing to decrease your benefits or selecting a paid-up option with a decreased policy limit is better for you.

Please refer to “Important Things You Should Consider” and the LTC Buy-Out Offer and Policy Termination Option Election Form for important information to assist with deciding if this option is right for you.

IMPORTANT – This option may or may not be right for you. Please consult with a financial advisor, tax and/or legal professional and family members to help with your decision.

6. Paid-Up Policy Option, resulting in a paid-up policy with reduced benefits

If you choose to elect this option, your policy will be converted to a paid-up status with a modified Policy Limit where no further premiums are due. Your new Policy Limit will be \$45,000, which represents the lesser of your current Policy Limit or 150% of all premiums paid*. By exercising this option, you may be significantly reducing your policy benefits, so you should give this careful consideration before you select it.

The following terms apply if you choose to exercise the Paid-Up Policy Option:

- No benefits will be paid in excess of your new Policy Limit.
- Benefits will be paid subject to the daily benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status, but limited to your new Policy Limit.
- All optional benefit riders will automatically terminate as of the effective date of your paid-up status.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.

*Calculated based on benefits paid and premiums paid as of April 19, 2024. The actual Paid-Up Policy option amount may differ as it will be calculated based on current benefits and premiums paid to date as of the effective date of your paid-up status.

8. Other Benefit Reduction Options

In addition, you may be eligible to reduce other benefits to help lower the premium increase. These benefits can be reduced upon your request at any time.

- Reduce your daily benefit*
 - Reduce your benefit period*
 - Increase your elimination period
 - Drop an optional rider
- * This reduction will also result in a decrease to your overall Policy Limit.

Please note - in certain instances the ability to reduce your benefits may not be available due to available plan options. In addition, certain changes are subject to Partnership regulatory benefit minimum requirements. For more information on these options as well as the new premium amounts, please call John Hancock at **844-272-7842**.

IMPORTANT DATES

- ▶ If you choose an option **listed on the enclosed Coverage Change Request Form**, you must complete, sign and return the form by **July 3, 2024**. Changes will be effective as of your next policy anniversary.
- ▶ If you decide to elect the LTC Buy-Out Offer and Policy Termination Option, complete the **separate** "LTC Buy-Out Offer and Policy Termination Option Election Form" and return it to John Hancock by **July 3, 2024**. **Your policy termination will be effective immediately.**
- ▶ If you choose to make no changes to your coverage, no action is required. Your level of coverage will not change and your new increased premium will become effective on **August 2, 2024**.

1. Why do you need to raise premium rates — can you explain further?

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including: particular medical conditions; the expected lifespan of policyholders; the length of time policyholders keep their policies; and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary.

Based on our most recent comprehensive claims study which we generally conduct every 3 years, which was completed in 2022, we have determined that there is a need to increase premiums in order to meet future claims obligations.

Premium rates are not guaranteed and may be increased in accordance with the terms of your policy. We will continue to monitor the claims experience to determine whether future increases will be necessary.

2. What is the policy provision that allows you to raise my premiums?

The provision that allows for an increase in premiums can be found on the front page of your policy. Your policy indicates that, while your insurance company cannot change coverage or refuse to renew coverage for reasons other than nonpayment of premiums, the company is allowed to change or increase premiums so long as the increase applies to an entire class of policies. Any future rate increase will not be implemented until the request has been filed with Virginia's State Corporation Commission and determined to be compliant with applicable Virginia laws and regulations addressing long-term care insurance.

3. If I no longer live in the state where I purchased my policy, does the increase still apply?

Yes. All LTC policies are regulated by the original state in which they were written at the time of the purchase of the policy. That means that the state where you were residing when you purchased your policy continues to be the applicable state, even if you are now residing elsewhere.

4. Do I need to complete and return the enclosed Coverage Change Request Form?

The Coverage Change Request Form should only be used if you decide you want to adjust your benefits. If you decide to elect the LTC Buy-Out Offer and Policy Termination Option, please use the LTC Buy-Out Offer and Policy Termination Option Election Form. Otherwise, no action is necessary on your part, as the premium rate increase will take place automatically on the policy anniversary date specified in your letter.

5. If I pay premiums through online banking or an automatic draft plan and my premium is changing, is there any action I need to take?

If you have an automatic draft plan established through John Hancock, no action is necessary, we will adjust the drafted amount. If you pay your premiums through online banking, please update your payment information with the new premium amount prior to the rate increase effective date.

For questions on the LTC Buy-Out Offer and Policy Termination Option, please see the "Important Things You Should Consider" and the "LTC Buy-Out Offer and Policy Termination Option Election Form" included in this package.

COVERAGE CHANGE REQUEST FORM
Individual LTC Insurance Policy for Jane Doe
Policy # 00009999
John Hancock Life Insurance Company (U.S.A.)



If you choose to make no changes to your current coverage, **no action is required** and your new increased premium will be effective on **August 2, 2024**.

If you choose to change your coverage, you must select an option listed below, sign and return this Coverage Change Request Form by **July 3, 2024**.

Before choosing any tax qualified long-term care policy option, we recommend that you review the option with a qualified tax professional or attorney to determine which option is best for you and to consider potential individual income tax consequences.

Step 1: Select an option (please choose only one option)

For more details, please see your Options Worksheet. As a reminder, you may have additional options available to help mitigate the premium increase. In some instances, certain changes are subject to Partnership regulatory benefit minimum requirements. For more information, please call John Hancock at **844-272-7842**. One of our Customer Service Representatives can discuss the impact of any change to your policy and provide you with new premium amounts.

COVERAGE CHANGE OPTIONS		NEW ANNUAL PREMIUM
<input type="checkbox"/>	Reduce your future annual inflation rate from 5% Simple to 3.7% Simple. This option will offset all segments of the premium rate increase and keep your premium at its current level.	\$2,000.00
<input type="checkbox"/>	Elect the Shared Cost Option resulting in a new daily benefit of \$226 and a reduction to your overall Policy Limit to \$406,800. <i>This option will offset the premium increase and keep your premium at its current level.</i>	\$2000
<input type="checkbox"/>	Reduce your Benefit Period from 5-year to 3-year. This will result in a reduction to your overall Policy Limit to \$270,000.	\$1,500.00
<input type="checkbox"/>	Reduce your Daily Benefit from \$250 to \$225. This will result in a reduction to your overall Policy Limit to \$405,000.	\$1,750.00
<input type="checkbox"/>	Elect the Paid-Up Policy Option available on your policy. Your policy will be converted to a paid-up status with a reduced Policy Limit of \$45,000.	N/A

LTC Buy-Out Offer and Policy Termination Option Election
 To elect the **LTC Buy-Out Offer Amount of \$32,000, and terminate your policy**, please complete the “**LTC Buy-Out Offer and Policy Termination Option Election Form**” included in this package.



Step 2: Review Agreement and Acknowledgement

I understand that my benefits and premium for those benefits will change based upon the option(s) I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of policyholders whose premiums are determined to be inadequate.

If I select an option(s) to change my coverage, I understand that, within 30 days of the date this change becomes effective, I may cancel the change in my coverage and return to my original coverage at the increased premium level.

I understand the policy change(s) I selected above. By signing below, I agree that any change(s) selected above will be effective on my next policy anniversary provided this form is returned to John Hancock by July 3, 2024.

Before sending, remember to keep a copy for your records.

Step 3: Sign and Date

Signature (Jane Doe)

Date

Step 4: Return this completed form using the enclosed postage-paid envelope by July 3, 2024.

Mail

John Hancock
LTC Coverage Election
P.O. Box 55978
Boston, MA 02205-9273

EMAIL

LTCforms@jhancock.com



The following is to assist you with some important information as you decide whether the LTC Buy-Out Offer and Policy Termination Option is right for you. You made an important decision in purchasing your policy to cover costs associated with long-term care, and you should carefully review the benefits of your policy to understand what you would be giving up by accepting this offer. Terminating your policy, which includes all riders on your policy, may not be the right choice for you. **Please consider this information carefully.**

Please discuss this option and your coverage with your family members, tax, legal and financial advisors before making any decision.

1. What is the LTC Buy-Out Offer and Policy Termination Option?

The LTC Buy-Out Offer and Policy Termination Option is a limited-time offer to terminate your policy and receive a one-time payment in exchange. If you select this option, your policy, which includes all riders on your policy, will terminate, and you will have no long-term care insurance coverage for any prior or future services or expenses associated with long-term care services.

Please be aware that all policy riders you have in force will terminate with your policy if you elect the LTC Buy-Out Offer and Policy Termination Option, including, but not limited to, the SharedCare Benefit Rider, the FamilyCare Benefit Rider, and Survivorship & Waiver of Premium Benefit Rider. You should consider speaking with your family, spouse, partner and other individuals who may have an interest in those riders and coverage before you make your decision to elect the LTC Buy-Out Offer and Policy Termination Option.

If you elect this option, we will send a notice to the individual you designated to receive notice of a policy lapse. The notice will indicate that you have elected to terminate your policy. You may also want to consider informing your designee of your interest in electing this LTC Buy-Out Offer and Policy Termination Option.

2. Do I have to terminate my policy?

No, this option is an offer for your consideration and is one of your options in this communication material regarding your premium rate increase. If you do not complete and return the "LTC Buy-Out Offer and Policy Termination Option Election Form" your policy will remain active at the increased premium level and you will not receive a LTC Buy-Out Offer Amount. If you wish to keep your policy in force, but do not want to pay the increased premium, there are additional alternative options available for you to consider on the "Options Worksheet".

3. Why is John Hancock making this offer?

This option may be mutually beneficial to John Hancock and to any eligible customer whose needs have changed and who no longer wants or needs their policy.

We know premium rate increases on your policy may be challenging and that your expected long-term care needs may have changed since purchasing your policy. We have developed this option for you to consider as an alternative to the current premium rate increase. We do not anticipate making this LTC Buy-Out Offer and Policy Termination Option available to you during future rate increases.

This option may provide financial benefits for John Hancock as the payment of any LTC Buy-Out Offer Amounts may be less costly to us than continuing to guarantee the benefits and it may enable the Company to reallocate capital.

4. How is the LTC Buy-Out Offer Amount calculated?

Your LTC Buy-Out Offer Amount was determined by an actuarial calculation which takes into account several factors including morbidity, mortality and interest rate assumptions. Consistent with how John Hancock values the reserves it holds for your policy, your offer amount reflects the characteristics of both you and your policy including, but not limited to product features and riders, benefit amounts, inflation type, policy duration, age at policy issue, sex, and risk class.

Premiums paid for coverage beyond your policy termination date will be refunded to you. The premium refund amount will be added to the LTC Buy-Out Offer Amount that you will receive if you accept this offer.

**5. When will my policy terminate and my LTC Buy-Out Offer Amount be sent?**

Once we receive the completed "LTC Buy-Out Offer and Policy Termination Option Election Form" in good order your policy will terminate effective immediately. Upon termination, a LTC Buy-Out Offer and Policy Termination Disclosure Endorsement will be sent to you, and the LTC Buy-Out Offer Amount will be separately mailed to you within 10 business days after the policy termination.

6. If I elect this option, can I change my decision in the future if I pay back the LTC Buy-Out Offer Amount?

Yes, but you will only have 30 days from your policy termination date to change your mind about terminating your LTC policy and contact us to reverse your decision. Prior to reversing your decision and restoring your policy we must receive the full LTC Buy-Out Offer Amount you received and any amount of premium refund included in your LTC Buy-Out Offer Amount. After the expiration of the 30 days, your acceptance of the LTC Buy-Out Offer and Policy Termination Option will become irrevocable and your policy cannot be restored.

You must contact John Hancock in writing at P.O. Box 55978, Boston, MA 02205 or call 844-272-7842 to reverse your decision to elect the LTC Buy-Out Offer and Policy Termination Option. The full LTC Buy-Out Offer Amount and any premium refund applicable must be sent to John Hancock at P.O. Box 55978, Boston, MA 02205, within 10-days of your request to reverse your decision.

If you do reverse your decision and your policy is restored, your increased premium amount will need to be paid on time unless you elect an alternative option available for you on the "Options Worksheet".

7. Is the LTC Buy-Out Offer Amount taxable?

If you elect this option, the LTC Buy-Out Offer Amount you receive may result in taxable income in some circumstances. If you accept this LTC Buy-Out Offer and the amount you receive exceeds your cumulative premiums paid, John Hancock will provide an IRS Form 1099 reporting the excess as taxable income, if it is required. Depending on your circumstances, your taxable income may be higher than the amount reported on IRS Form 1099, such as if you deducted premiums from your taxable income or if you previously excluded from taxable income premiums that were paid by your employer.

Before you make a decision to elect the LTC Buy-Out Offer and Policy Termination Option Election, please consult with your tax advisor on any potential individual income tax consequences of electing this LTC Buy-Out Offer and Policy Termination Option terminating your policy.

Please also discuss your decision on this option with your family members, legal and financial advisors before making any decision.

8. How will I pay for long-term care services if needed in future?

Prior to electing this option and terminating your policy you should think through how you will pay for long-term care services if you need them in the future and how using those resources will affect your way of life. Retaining your policy may help pay for the costs of long-term care services, allowing you to help keep your savings and assets longer. Your policy benefits may also help allow you to continue your independence and receive long-term care services at home.

The cost of long-term care services is generally not covered by health insurance, long-term disability insurance or government programs. Medicare may only pay for some care and Medicaid may only cover those individuals whose assets are at or below state-required levels.

You should consider how electing this LTC Buy-Out Offer and Policy Termination Option may affect not only your savings, but also family members and those closest to you, should they need to help pay for your care.

9. How much do long-term care services cost?

The cost of long-term care services varies based on the type of care and the geographical area in which care is provided. Please visit www.jhinfocenter.com for current cost of long-term care information specific to your area to assist you in making this important decision.



10. If my policy is an LTC Partnership policy that receives special treatment under Medicaid, what will happen if I terminate my policy?

Unfortunately, if you terminate your LTC Partnership policy you will generally no longer benefit from certain favorable asset eligibility rules under Medicaid that apply to “partnership” long-term care insurance policies, and therefore, you will forfeit favorable treatment under the Medicaid laws. We suggest you contact the department that administers the LTC Partnership program in the state where you live as well as the state in which you lived when you purchased your policy (if different) with any questions regarding Medicaid and the LTC Partnership program applicable for your policy.

11. If my spouse/partner has a policy, will they receive this offer?

This offer is available as an option for eligible insureds receiving a rate increase on their policy in states in which the offer was filed and approved by the state. If your spouse purchased the same John Hancock long-term care product, is currently receiving a premium rate increase, and is eligible based on issue age when they purchased their policy, then he/she will receive a LTC Buy-Out Offer and Policy Termination Option, though it will likely differ in offer amount.

12. If I choose not to elect this option, can John Hancock cancel my policy?

No, we cannot cancel your policy as long as you continue to pay the required premium. You have the right to continue your policy for as long as you live or until your benefits have been exhausted under the policy. We cannot cancel your policy unless you do not make the required premium payments on a timely basis. To continue this policy, you must make sure that you pay the premiums when they are due.

LTC BUY-OUT OFFER AND POLICY TERMINATION OPTION ELECTION FORM

Individual LTC Insurance Policy for Jane Doe

Policy # 00009999

John Hancock Life Insurance Company(U.S.A.)



Use this form to elect the LTC Buy-Out Offer and Policy Termination Option and terminate your coverage. Please read all the information provided carefully and complete the required information below. **THIS IS A LIMITED TIME OFFER.** To accept this offer, return the completed form to John Hancock by **July 3, 2024** in good order for timely processing.

In good order means that we receive the LTC Buy-Out Offer and Policy Termination Option Election form in a manner that is satisfactory to us, it is sufficiently complete and clear that we do not need to exercise any discretion to follow such instruction, it complies with Company requirements, and all signatures and dates we require to terminate your Policy and pay the LTC Buy-Out Offer Amount are completed.

You are not required to elect this option and accept this offer and terminate your policy. Other benefit decrease options may be available to you to mitigate the premium rate increase.

1. Important Things You Should Consider Before You Elect this Option

- Once the termination of your policy is effective, which includes termination of all riders, you will no longer be able to make a claim under your policy for any past or future long term care services or expenses or have any other rights under your policy, including but not limited to any nonforfeiture rights or any paid-up premium rights.
- Once the termination of your policy is effective you will have 30 days from the termination effective date to change your mind. Once the 30 day period expires, your election of this LTC Buy-Out Offer and Policy Termination Option cannot be undone, and your policy cannot be restored.
- Your decision to purchase your LTC policy was an important one. Please carefully review the benefits of your policy and your coverage needs and be sure you understand what you are giving up by terminating your policy before you make your decision.
- **If you believe you may need long-term care services in the future, terminating your policy may not be in your best interest.**
- This option may or may not be right for you. Please consider this option carefully and consult with a financial advisor, tax and/or legal professional and family members to help with your decision.
- Please refer to the "Important Things You Should Consider" document included in this package for valuable information before you elect this option.
- **THIS IS A LIMITED TIME OFFER. Return the completed form to John Hancock by July 3, 2024. If after this date you elect not to continue to pay the premiums necessary to keep your policy in force, your policy will lapse pursuant to its terms and you will not receive the LTC Buy-Out Offer Amount.**

Contact **John Hancock** with any questions you may have. Please visit www.jhinfocenter.com or contact one of our customer service representatives at 844-272-7842, Monday through Friday from 8:00 a.m. – 5:00 p.m. Eastern Time. The TTY number for the hearing impaired is 800-555-5421.

2. Tax Information

Electing this LTC Buy-Out Offer and Policy Termination Option may result in taxable income in some circumstances. If you accept this LTC Buy-Out Offer and Policy Termination Option and the amount you receive exceeds your cumulative premiums paid, John Hancock will provide an Internal Revenue Service (IRS) Form 1099 reporting the excess as taxable income, if it is required. Depending on your circumstances, your taxable income may be higher than the amount reported on IRS Form 1099, such as if you deducted premiums from your taxable income or if you previously excluded from taxable income premiums that were paid by your employer.

Before you make a decision to elect the LTC Buy-Out Offer and Policy Termination Option, please consult with your tax advisor regarding the potential individual income tax consequences of electing this LTC Buy-Out Offer and Policy Termination Option. We cannot provide advice regarding the tax consequences associated with electing the LTC Buy-Out Offer and Policy Termination Option. Please be advised that John Hancock will send a copy of Form 1099 to the IRS as well reporting taxable income with respect to the LTC Buy-Out Offer Amount, if it is required.



3. LTC Buy-Out Offer and Policy Termination Option and LTC Buy-Out Offer Amount Information

The LTC Buy-Out Offer Amount will be in the form of a check and mailed to your address of record. Please note, if your address on file with John Hancock has changed within the last 30 days, your signature must be notarized.

The check will be made payable to the policyholder.

LTC Buy-Out Offer Amount: \$32,000.

To accept, you must return the completed form to John Hancock by July 3, 2024.

Upon receipt of your completed LTC Buy-Out Offer and Policy Termination Option Election Form in good order, your policy will terminate effective immediately.

4. LTC Buy-Out Offer and Policy Termination Option Election, Acknowledgement & Signature

I acknowledge that I have read and understand the information provided in this LTC Buy-Out Offer and Policy Termination Option Election Form, along with the LTC Buy-Out Offer and Policy Termination Option Important Things You Should Consider document and other material provided to me from John Hancock with the Notice of Premium Rate Increase letter. By signing this form below, I agree to accept the LTC Buy-Out Offer and Policy Termination Option and terminate my policy identified above.

By signing below, I also acknowledge and confirm my understanding of the following:

- This LTC Buy-Out Offer and Policy Termination Option is completely voluntary and there is no obligation to accept it.
- By accepting this LTC Buy-Out Offer and Policy Termination Option I will receive the LTC Buy-Out Offer Amount identified in section [3] above, my LTC policy and all riders attached to it will terminate effective immediately and John Hancock will have no liability for any benefits or claims under my LTC policy, including claims for benefits related to prior and future services and expenses.
- I understand that once the policy is terminated any nonforfeiture, paid-up premium and return of premium benefits will no longer be available to me, and that after the policy has been terminated for 30 days it cannot be restored.
- I have had the opportunity to consult with a financial advisor, tax and/or legal professional and family members to help with my decision. I have determined, based on all the facts and circumstances, that it is better for me to accept the offer instead of keeping my LTC insurance policy.
- I have read the tax disclosures provided on this form regarding the tax treatment of this transaction, including the tax treatment of my policy termination and my receipt of the LTC Buy-Out Offer Amount.
- I understand that within 30 days of the termination date of my policy, I may cancel my election and restore my policy by calling 844-272-7842 or writing to John Hancock at the address below and returning the full LTC Buy-Out Offer Amount I received along with any premium also refunded to me. Once John Hancock receives the full LTC Buy-Out Offer Amount and premium refunded to me, my policy will be restored and will then return to my coverage in effect immediately prior to the termination date. I understand that I will also need to pay the new increased premium amount on time when due unless I elect another option that will impact the premium increase amount.

LTC BUY-OUT OFFER AND POLICY TERMINATION OPTION ELECTION FORM

Individual LTC Insurance Policy for Jane Doe

Policy # 00009999

John Hancock Life Insurance Company(U.S.A.)



Signature (Jane Doe)

Date

5. Return this completed form using the enclosed postage-paid envelope by July 3, 2024.

Mail

John Hancock
LTC Coverage Election
P.O. Box 55978
Boston, MA 02205-9723

EMAIL

LTCforms@jhancock.com

John Hancock Financial Services

Long Term Care
200 Berkeley Street
Boston, Massachusetts 02116

617 663-3791 Ext. 733791
pbeltramini@jhancock.com
P.J. Beltramini, FSA, MAAA
VP, Long Term Care Inforce Management



July 21, 2023

Ian Patterson

Re: John Hancock Life Insurance Company (U.S.A)
2022 Inforce Rate Increase – JH LE
SERFF ID: MULF-133673718

Dear Mr. Patterson,

This letter is in response to your objection dated June 23, 2023 regarding the above filing. Your questions/concerns are included below in bold with our responses following.

- 1) Please advise if you had an NAIC Multistate Advisory Committee (MSA) review on a rate increase related to these forms within the past 12 months. If yes, please provide the SERFF Tracking Number and date of submission or provide us the MSA report via email @ ian.patterson@scc.virginia.gov .**

We have not had an MSA review on a rate increase related to these forms in the past 12 months.

- 2) Please provide Exhibits in Excel with working formulas so that the calculations may be followed.**

Please refer to the excel file "VA LE Exhibits 1 & 2.xlsx" included with our response.

- 3) Please provide the average issue age and current attained age for the Virginia policyholders.**

The average issue age is 54 and the current attained age is 67 for the Leading Edge policy series.

- 4) Please state the intentions of the company regarding a future rate increase if the proposed rate increase is approved. Explain clearly what would trigger a future rate increase if the proposed rate were approved.**

The requested premium rate schedule is based on assumptions developed from our 2022 experience study. If the requested premium rate schedule increase is implemented and the underlying assumptions are realized, no further premium rate schedule increases are anticipated based on assumptions developed from our 2022 experience study. Comprehensive experience studies are completed every three years. Additional future rate increases will be necessary if experience deteriorates to the point where the lifetime loss ratio, without any applicable margins for moderately adverse expectations, exceeds the target loss ratio certified to in our current filing.

- 5) Please provide the discount rate the company used in Exhibit 2.**

The discount rates used in Exhibit 2 are the same as those used in Exhibit 1. For LE, the discount rate is 4% for policies issued before 2013, and 3.5% for policies issued during or after 2013.

6) Please explain if any adjustments to mortality or morbidity factors were made for COVID-19. Please fully describe these adjustments.

Our filing is based on nationwide experience through 2021, which includes impacts on actual claims in 2020 and 2021 due to COVID. In particular, in 2020 and 2021, we saw elevated claimant mortality and some changes to usage of LTC benefits. The result from these years (including claims that were opened prior to 2020) is a reduction to the lifetime loss ratio and reduces the amount of rate increase that otherwise would have been requested. We consider this experience temporary and do not expect it to recur in the future. As a result, our assumptions are set based on claim experience prior to the onset of COVID, as we expect this to be the best basis for projecting the future. We will continue to monitor any impacts of COVID, including both impacts on claims and cost of care, and continue to assess whether any adjustments should be made to the future projections.

7) Please provide all projections required to compute the "Prospective PV" and the "If Knew/Makeup Blend" allowable increases as currently under consideration by the NAIC.

Please see the attached file "PPV Method Projections.xlsx" for all projections required for the Prospective PV method. A summary of results is below.

Product	Prospective Present Value Method: Base Rate Increase
LE	34.7%

Please see the attached file "Blended If-Knew Projections.xlsx" for all projections required for the If Knew/Make Up Blend method.

8) Please provide an Exhibit similar to the one in section 9 for the Nationwide block of business.

Please refer to the file "Nationwide Counts & Average Annual Premium.xlsx" for the requested exhibit. We estimated the premiums after rate increases.

9) Please provide the total cumulative rate increases in Virginia for all forms without the proposed rate increase.

The cumulative approved rate increase for Virginia Leading Edge is 33%.

10) For all projections requested in this question, the baseline should comply with the following:

a. Any policies issued as limited-pay which are now in paid-up status should be removed, both from historical experience and future projections.

b. Premiums should be at the Virginia rate level for both historical and projected future.

The projections comply with a & b.

11) To assist the Virginia Bureau of Insurance in its review, for each of the subsets of the business corresponding to the combinations of Benefit Period, Elimination Period and Inflation Option, please provide in Excel format the following projections on a nationwide basis:

a. current assumptions and current rates

b. current assumptions with the proposed rate increase

c. current assumptions with premiums restated as if the proposed rate increase had been in effect from inception.

d. actual historical experience to the projection date and future projections based on the prior assumptions (to be used in the Prospective PV test).

e. original assumptions and original premiums from inception

Projections a. - e. can be separate tabs or combined into separate columns on the same exhibit.

Please see the attached file "VA LE Exhibits (split by BP and inflation).xlsx" for the information requested in a. – c. and e. The exhibits are split by inflation type and between lifetime and non-lifetime benefit periods.

We do not have data for PPV available by sub-bucket, but please see the response to Objection 7 for overall PPV projections. Splits by Elimination Period are not provided as over 90% of Leading Edge policies have a 100-day EP.

12) Please identify the portion of the proposed rate increase that is attributed to each of the following components:

a. Changes in the voluntary lapse assumptions

b. Changes in the mortality assumptions

c. Changes in the expected claim cost assumptions

d. Changes in any other assumptions (e.g., interest rates)

Please see the chart below for a breakdown of the drivers of the rate increase:

Drivers of the Rate Increase	
Changes in the voluntary lapse assumptions	4%
Changes in the mortality assumptions	24%
Changes in the morbidity assumptions	73%
Changes in any other assumptions (e.g., interest rates)	0%
Total Rate Increase	100%

13) Please confirm if margin was included in claim reserve estimates.

No margin is included in claim reserve estimates.

14) Please provide the full credibility standard used to determine the credibility of the experience of each policy series associated with this filing. Additionally, please provide the number of claims associated with each policy series.

In general, we have fairly credible data over our whole book of business and feel using our own data is best in predicting the future. Credibility determinations for LTC products are difficult due to a lack of homogeneity in the data and a lack of a standard industry table for reference. Our assumptions are set at

a nationwide level and in general we do not consider policy series level experience to be credible.

Please refer to the file "Claim Counts.xlsx" for the number of incurred claims on each policy series based on our most recent data. Please note that the claims for 2020 and 2021 include an estimate for incurred but not reported claims.

15) Please advise if there are any partnership policies issued to any of the remaining Virginia policyholders.

There are currently 1653 active partnership policies in Virginia for the Leading Edge policy series.

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,

A handwritten signature in blue ink, appearing to read "P.J. Beltrami", with a long horizontal line extending to the right.

P.J. Beltrami, FSA, MAAA
VP, Long Term Care Inforce Management
John Hancock Life Insurance Company

John Hancock Financial Services

Long Term Care
200 Berkeley Street
Boston, Massachusetts 02116

617 663-3791 Ext. 733791
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P.J. Beltramini, FSA, MAAA
VP, Long Term Care Inforce Management



September 7, 2023

Ian Patterson

Re: John Hancock Life Insurance Company (U.S.A)
2022 Inforce Rate Increase – JH LE
SERFF ID: MULF-133673718

Dear Mr. Patterson,

This letter is in response to your objection dated August 10, 2023 regarding the above filing. Your questions/concerns are included below in bold with our responses following.

- 1) Please provide the Active Life Reserve balance for each of the six segments of business displayed in “VA LE Exhibits (split by BP and inflation).xlsx”.**

Please see the table below for the active life reserve balance as of yearend 2022 for each subset of business.

Leading Edge Active Life Reserves (YE 2022)

Product	Nationwide
Non-Lifetime, GPO Inflation	38,907,887
Lifetime, GPO Inflation	9,269,921
Non-Lifetime, Compound Inflation	2,759,417
Lifetime, Compound Inflation	0
Non-Lifetime, CPI Inflation	583,273,703
Lifetime, CPI Inflation	92,658,724
Total	726,869,652

- 2) It is unclear from the data provided whether this increase will trigger the provisions of 14VAC5-200-153 G. Please provide the appropriate demonstration (C.2. or G.2.) for each of the six segments in Excel format with any source exhibits included.**

We have attached the file ‘VA LE Exhibits (split by BP and inflation) Demonstration.xlsx’ to show the regulation test results by segment.

We would like to note that we always apply the “greater of” rule (original premium times the greater of 58% and the original pricing loss ratio and the rate increase premium times the greater of 85% and the original pricing loss ratio) in demonstrating compliance with minimum loss ratio standards.

However, please note that we don’t believe meeting minimum loss ratio standards using the 58/85 or 60/80 regulation test was meant to apply at each inflation/benefit level. Separating the block at this level of granularity introduces credibility and consistency considerations, as

- a) some cohorts have a small number of policies, and

b) policies can change cohorts based on benefit elections.
 In addition, if rate increases are calculated and approved at this level, there would likely be rate anomalies across the cohorts. As a result, we do not ordinarily execute the test at this level, but rather use the aggregate calculation at the series level.

In order to understand the impact of the assumption change and ensuing rate increase on each of the cohorts, we have included a summary of the lifetime loss ratios for each of the cohorts for this filing vs the prior filing. As you can see, the loss ratios are generally consistent across the filings and no material subsidies have been introduced. There is very little business in cohorts where the loss ratios have dropped more than others. Please see the attached file “VA LLR Summary (split by BP and inflation).xlsx”.

**2022 Filing Round
 LLR After Proposed RI**

	GPO		Simple		Compound		CPI	
	NLT	LT	NLT	LT	NLT	LT	NLT	LT
CCI PreRS	82%	83%	96%	110%	88%	98%		
CCI PostRS	72%	65%	94%	108%	89%	98%		
CCII	67%	72%	90%	95%	92%	84%		
CCII07	67%	68%	86%	86%	90%	83%		
CCIIe	65%	72%	90%	91%	96%	85%	75%	76%
CCII10	64%		74%		71%		73%	
LE	71%	79%			95%		77%	82%

**2019 Filing Round
 LLR After Proposed RI**

	GPO		Simple		Compound		CPI	
	NLT	LT	NLT	LT	NLT	LT	NLT	LT
CCI PreRS	80%	82%	96%	107%	89%	99%		
CCI PostRS	73%	69%	92%	104%	91%	96%		
CCII	68%	75%	89%	94%	92%	82%		
CCII07	67%	72%	84%	88%	91%	85%		
CCIIe*	66%	77%	89%	93%	95%	84%	73%	73%
CCII10*	64%		72%		71%		71%	
LE*	72%	80%			95%		75%	79%

Change in LLR (2022 vs 2019)

	GPO		Simple		Compound		CPI	
	NLT	LT	NLT	LT	NLT	LT	NLT	LT
CCI PreRS	2%	2%	0%	3%	-1%	-1%	0%	0%
CCI PostRS	-1%	-4%	2%	4%	-2%	2%	0%	0%
CCII	-1%	-2%	1%	2%	0%	1%	0%	0%
CCII07	0%	-4%	2%	-2%	0%	-1%	0%	0%
CCIIe	-1%	-5%	1%	-1%	0%	1%	2%	3%
CCII10	0%	0%	1%	0%	0%	0%	2%	0%
LE	-2%	-1%	0%	0%	0%	0%	2%	3%

NW Mix of Business by Count

	GPO		Simple		Compound		CPI		Totals
	NLT	LT	NLT	LT	NLT	LT	NLT	LT	
CCI PreRS	9%	2%	19%	7%	41%	22%	0%	0%	100%
CCI PostRS	7%	1%	20%	5%	49%	17%	0%	0%	100%
CCII	15%	2%	24%	3%	55%	2%	0%	0%	100%
CCII07	14%	2%	25%	2%	56%	2%	0%	0%	100%
CCII E	9%	1%	10%	1%	24%	1%	53%	1%	100%
CCII10	13%	0%	5%	0%	4%	0%	78%	0%	100%
LE	10%	2%	0%	0%	0%	0%	79%	9%	100%

*Note: Loss ratios for 2019 filing round CPI cohort adjusted to reflect lower actual CPI 2019-2021 for comparison purposes.

- 3) **Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state.**

Please refer to the attached file "JH LE Rate Filing Summary.xlsx" for the requested summary of all past rate increases by state, as well as inforce premiums and counts both consistent with the data used in the filing.

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,



P.J. Beltramini, FSA, MAAA
 VP, Long Term Care Inforce Management
 John Hancock Life Insurance Company

John Hancock Financial Services

Long Term Care
200 Berkeley Street
Boston, Massachusetts 02116

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P.J. Beltramini, FSA, MAAA
VP, Long Term Care Inforce Management



December 21, 2023

Bobby Toone

Re: John Hancock Life Insurance Company (U.S.A)
2022 Inforce Rate Increase – JH LE
SERFF ID: MULF-133673718

Dear Mr. Toone,

This letter is in response to your objection dated December 14, 2023 regarding the above filing. Your questions/concerns are included below in bold with our responses following.

- 1. Please confirm that the intent of this filing is to be moving towards no additional increases, barring significant deviations from your projections.**

Confirmed. As noted in the Actuarial Certification Section of the Actuarial Memorandum,

“If the requested premium rate schedule increase is implemented and the underlying assumptions which reflect moderately adverse conditions are realized, no further premium rate schedule increases are anticipated.”

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,

A handwritten signature in blue ink, appearing to read "P.J. Beltramini". The signature is fluid and cursive, with a long horizontal line extending to the right.

P.J. Beltramini, FSA, MAAA
VP, Long Term Care Inforce Management
John Hancock Life Insurance Company

John Hancock Financial Services

Long Term Care
200 Berkeley Street
Boston, Massachusetts 02116

617 663-3791 Ext. 733791
pbeltramini@jhancock.com
P.J. Beltramini, FSA, MAAA
VP, Long Term Care Inforce Management



March 28, 2024

Bobby Toone

Re: John Hancock Life Insurance Company (U.S.A)
2022 Inforce Rate Increase – JH LE
SERFF ID: MULF-133673718

Dear Mr. Toone,

This letter is in response to your objection dated February 27, 2024 regarding the above filing. Your questions/concerns are included below in bold with our responses following.

- 1. After review of the Company's requested rate increase of 31.90%, this rate increase does not fully meet Virginia regulations 14VAC5-200-153. After review by the Commissioner, the following rate increase would bring the request into compliance.**

GPO: 22.70%
Compound: 13.20%
CPI: 31.70%

The Bureau would like the company to consider implementing the increase over 2-3 years without using the time value of money.

If this rate increase is acceptable to the company, please revise the actuarial memorandum and the necessary supporting documentation as well as the Rate/Rule Schedule - Company Rate Information and premium schedules. Once the updates are received, we will review for approval.

Thank you for the review and analysis of our filing. While we appreciate the conclusion, we continue to believe that the results should be determined at a less granular/ more aggregate level, consistent with past reviews. Please note that the approach the state has taken can create rate anomalies.

We will implement the phased in rate increase without applying actuarial equivalence, per the Bureau's request. The capped rate increase of 31.7% for CPI policies will be phased-in over a 2-year period, with 25% in the first year and the remainder in the second, as shown in the table below. The capped GPO rate increase of 22.7% will be implemented as a one-time rate increase. There are no Compound Virginia policies in force.

Leading Edge (LE)	Year 1	Year 2	Ultimate
GPO	22.7%	0%	22.7%
Compound*	n/a	n/a	n/a
CPI	25.0%	5.36%	31.7%

*There are no Compound LE policyholders in VA

We continue to believe all rate increases filed are actuarially appropriate and justified, and in a future

filing would continue to seek these amounts to restore the target Lifetime Loss Ratio on the business.

Due to the capped approval, we have provided a revised filing package as well as rate tables reflecting the revised rate increases and shared cost option percentages, for your review and approval. The following sections of the filing package have been updated:

Section 3 – Requested Rate Increase

Sections 4 & 5 – Nationwide and VA-Specific Loss Ratio Exhibits after the capped rate increase

Section 9 – Premium after the capped rate increase

Section 25 – Actuarial Certification

Appendix A – Rate Increase Percentages

Appendix D – Shared Cost Percentages

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,

A handwritten signature in blue ink, appearing to read "P.J. Beltrami", with a long horizontal flourish extending to the right.

P.J. Beltrami, FSA, MAAA
VP, Long Term Care Inforce Management
John Hancock Life Insurance Company