

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

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

SERFF Tracking Number: AERS-131005479

Disposition: Approved

Approval Date: 10/26/2020

### **Revised Rates**

Average Annual Premium Per Member: \$1,714

Average Requested Percentage Rate Change Per Member: 32.3%

Minimum Requested Percentage Rate Change Per Member: 0.0%

Maximum Requested Percentage Rate Change Per Member: 34.6%

Number of Policy Holders Affected: 276

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

The Company requested, and the Bureau approved a rate increase of 34.6% for policies with a lifetime benefit period and 24.2% for policies with a non-lifetime benefit for this block of individual long-term care insurance policy forms.

The filing was reviewed by the Bureau's consulting actuary and determined to comply with the requirements for a rate increase set forth in 14VAC5-200-150 of the Virginia Administrative Code for policies issued prior to October 1, 2003. The review indicated that the anticipated loss ratio, reflecting claims payout, will be 119% for policies with a lifetime benefit and 85% for policies with a non-lifetime benefit with the increase, which exceeds the minimum required loss ratio of 60%.

The Company has advised that they do intend to request a future rate increase on this block if the actual experience is worse than projected.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer, which has resulted in more claims being filed than the Company anticipated when the policy was originally priced. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced and to ensure that sufficient funds are available to pay claims.

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions, or a paid-up policy. Specific options are included in the letter sent to all policyholders notifying them of the rate increase and can be discussed with the Company by calling its customer service department.

The filing can be reviewed on the Bureau's webpage under the Rate/Policy Form Search at:  
<https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>