

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

Company Name and NAIC Number:

SERFF Tracking Number:

Effective Date:

Revised Rates

Average Annual Premium Per Member:

Average Requested Percentage Rate Change Per Member:

Minimum Requested Percentage Rate Change Per Member:

Maximum Requested Percentage Rate Change Per Member:

Number of Policy Holders Affected :

Plans Affected

(The Form Number and "Product Name")

Form#

"Product Name"(if applicable)

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

This document is intended to help explain the rate filing and it 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.

Key Information Used to Develop the Rates Including the Main Drivers

GLIC's assumptions in the projections underlying its rate action filings are consistent and align with the assumptions used in CFT, so that the basis for rate actions and reserves align. Although the assumptions supporting the projections in this filing are consistent with GLIC's 2016 CFT assumptions, GLIC has applied incidence actual to expected analysis to determine the rate increase differentiated by Lifetime and Limited benefit periods that would produce the same lifetime loss ratio as the Multi-Year Rate Action Plan. GLIC believes that this is a prudent and proactive way to account for experience (because between 2014 and 2016 CFT, incidence assumptions were not broken out into Lifetime and Limited benefit periods) while maintaining consistency of the underlying assumptions in this filing with CFT.

Historically, prior to 2014, when GLIC significantly strengthened claim reserves, GLIC's incidence assumptions distinguished between Lifetime and Limited benefit period policies, based upon experience. Similarly, GLIC's 2012 rate action sought rate increases that differentiated between policies with Lifetime and Limited benefit periods, with a higher justified amount for policies with Lifetime benefits, consistent with actual experience. For 2017, GLIC intends to resume differentiating its incidence assumptions by Lifetime and Limited benefit periods for CFT purposes.

In determining the need for additional rate increases beyond 2012, GLIC considered:

- a) Claim termination rates were lowered in 2014 and again in 2016 resulting in two rounds of significant strengthening of the Disabled Life Reserves (DLR) on existing claimants with a corresponding magnified effect in the projections. Claimants are expected to stay on claim longer and, therefore, use more of their available benefits than was previously assumed.
- b) The benefit utilization assumption was updated in 2014, which contributed to the significant increase in the DLR on existing claims and had a corresponding effect in the projections. Claimants are expected to use a higher portion of their Daily Maximum Benefit than was previously assumed.
- c) More policyholders are surviving to claim than was previously assumed. Increased future earned premiums, driven by the lower than expected termination assumptions, are not sufficient to offset increased future incurred claims.