

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

**Company Name and NAIC Number:** John Hancock Life Insurance Company (U.S.A.) - 65838

**SERFF Tracking Number:** MULF-131210202

**Disposition:** Approved

**Approval Date:** 7/03/2019

**Revised Rates**

**Average Annual Premium Per Member:** \$3,236

**Average Requested Percentage Rate Change Per Member:** 43.5%

**Minimum Requested Percentage Rate Change Per Member:** 14.1%

**Maximum Requested Percentage Rate Change Per Member:** 80.7%

**Number of Policy Holders Affected:** 17,766

John Hancock Life Insurance Company (U.S.A.) (the Company) requested a 43.5% increase for their individual long-term care insurance forms (LTC-VA-91, NH-VA-91, LTC-94 VA, NH-94 VA, LTC-96 VA, LTC-96 VA 9/96, LTC-96CL VA, LTC-96 VA 9/96, NH-99 VA 4/99, LTC2000 VA, LTC002 VA, BSC-02 VA). As the forms were issued in Virginia from 1991 through 2003, the experience was reviewed based on the rules in effect at the time of issue. For policies issued prior to October 1, 2003, they were reviewed according to the requirements of 14VAC5-200-150 (pre-rate stability).

The Bureau of Insurance's (the Bureau) consulting actuary reviewed the filing and indicated that the rate increase will result in lifetime loss ratios more than the original target for this block as follows (original vs. after rate increase):

- ProtectCare Advantage (LTC-91; 94; NH-91; 94): (67.3% vs. 88.3%)
- Advantage Gold (LTC-96, 96 9/96; 96CL; 96CL 9/96; NH-99; 2000): (69.4% vs. 95.7%)
- Custom/Essential Care (LTC-02; BSC-02): (84.9% vs. 92.7%)

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Therefore, the requested rate increase was approved.

This increase will impact approximately 17,766 insureds in Virginia. 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.

Even with this increase, the Company advised that they believe additional increases will be needed on this block unless the actual experience improves.

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 equal to the sum of premiums paid. Specific options are included in the letter sent to all policyholders notifying them of the rate increase and may be discussed directly 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: <http://www.scc.virginia.gov/boi/SERFFInquiry/default.asp>

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