

**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.), 65838

SERFF Tracking Number: MULF-131989526

**Revised Rates**

Average Annual Premium Per Member: \$2,901

Average Requested Percentage Rate Change Per Member: 56.5%

Range of Requested Rate Changes: 49.6% to 56.5%

Number of Virginia Policyholders Affected: 388

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
4060-VA	Facility Only	July 1997 - November 1998	18% - 10/15/2008 45.3% - 8/15/2013	The requested premium rate schedule is based on assumptions developed from our 2016 experience study. Due to the capped approval, additional rate increases will be necessary to achieve the full actuarially justified one-time request based on the Lifetime Loss Ratio and the assumptions developed from our 2016 experience study. We recently completed another experience study in 2019 which shows the need for additional rate increases. We will be addressing the need for both the remainder from this filing as well as the additional rate increases based upon the 2019 experience study in a future filing.
4062-VA	Comprehensive TQ	June 1997 - December 1998	18% - 10/15/2008 45.3% - 8/15/2013	
4063-VA	Comprehensive Enhanced TQ	March 1997 - April 1999	18% - 10/15/2008 45.3% - 8/15/2013	
4072-VA	Comprehensive NTQ	September 1997 - September 1997	18% - 10/15/2008 45.3% - 8/15/2013	
4073-VA	Comprehensive Enhanced NTQ	February 1998- October 1998	18% - 10/15/2008 45.3% - 8/15/2013	

**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>.

*(Rev. 06/19)*

## **Summary of the John Hancock's 2016 Rate Increase Request on Time Insurance Company II Policy Series**

Per the Certificate of Assumption effective on July 1, 2022, John Hancock Life Insurance Company (U.S.A.) is substituted for Time Insurance Company in all matters and documents relating to claims incurred on and after the Effective Date of Assumption, including the rights, liabilities and obligations originally held by Time Insurance Company under the Policy. John Hancock Life Insurance Company (U.S.A.) will pay all Policy benefits for claims incurred in strict accordance with the terms of the Policy.

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. John Hancock requested and implemented rate increases on Union Security Insurance Company's long-term care policies in 2008, 2010, and 2013.

John Hancock continuously monitors the experience of our in-force LTC insurance policies. Our most recent analysis demonstrates that claims, particularly at older ages, continue to last longer than expected, and more policyholders are initiating claims at older ages than previously expected. Unfortunately, based on that data, we have determined that there is a need to increase premiums so we can meet our future claims obligations.

Increases will vary by issue age, inflation, benefit period, policy series, and state. 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, on our Time Insurance Company II block of business, we are requesting an average rate increase of 56.5% which ranges from 49.6% to 56.5%. This includes the 4060s policy forms.

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.

As with the 2010 and 2013 rate actions, there will be a number of benefit adjustment options to help keep premiums at or close to their current level. For example, policyholders will have the option of electing the new, actuarially equivalent Shared Cost option. Customers can also reduce their benefit period, adjust their daily/monthly benefit amount, extend their elimination period, or drop riders from their coverage.

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 in order to help our policyholders navigate through their choices and respond to any questions.