

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

Company Name and NAIC Number: New York Life Insurance Company; 66915

SERFF Tracking Number: NWLT-128855883

Disposition: On Approval

Approval Date: 3/24/2015

Revised Rates

Average Annual Premium Per Member:	\$1,824
Average Requested Percentage Rate Change Per Member:	31.5%
Minimum Requested Percentage Rate Change Per Member:	0%
Maximum Requested Percentage Rate Change Per Member:	40%
Number of Policy Holders Affected:	289

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

New York Life Insurance Company (the Company) requested an increase which varies by issue age according to the following table. The rate increase will be implemented over a 3 year period as follows.

Age Criteria	Requested Increase
Attained Age < 75	40%
Attained Age > 74	No rate change

The same increase is being requested nationwide for these individual policies that are still being sold. The overall effect is a rate increase of 21.2% nationwide and 31.5% in Virginia, and will affect approximately 263 policyholders in Virginia although 26 are over age 74 and will not receive a rate increase. This is the first rate increase on this block of business.

The rate increase was reviewed under the requirements of 14VAC5-200-153 for those policies issued on or after October 1, 2003. The company has another filing for policies issued pre rate stabilization. 14VAC5-200-153 requires that the rate increase cannot be so large that the resulting loss ratio is less than a weighted average of 58% and 85%. The weights are the present value of the original premiums and the present value of the incremental premiums. The weighted average depends on both the timing and the amount of all increases. For this block of business, the present value of the original premium is \$101.9 million and the present value of the incremental premiums is \$ 71.2 million. The weighted average of the 58% and 85% required loss ratios is 61.2%. The actual projected lifetime loss ratio is 101.7%. Thus the expected lifetime loss ratio exceeded the minimum.

The Company requested the rate increase because policy terminations have been much lower than assumed in the original pricing. When policyholders terminate at a lower rate, there are many more policyholders continuing to the high claim costs in later years. The Company has found that lapses have been only 0.65% as compared to the 5.00% expected in pricing. This is a significant difference as the effect is compounded over many years. Even with the full requested rate increase, the Company expects to pay out more than 73% of the premium in claims which is greater than the original expectation that the Company would pay out 60% of the premium in claims.

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.