

**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.

Explanation of Assumptions and Rate Increase

The company is requesting a 40% rate increase for policyholders with an attained age under 75 and a 0% rate increase for policyholders with an issue age of 75 or above. Policyholders who reach attained age 75 before their first policy anniversary on or after the rate increase implementation date will not receive an increase on any portion of premium (including future purchase option elections). The premium rate increase will not apply to future purchase option elections for policyholders with an attained age under 75 at their first policy anniversary on or after the rate increase implementation date, once they have reached attained age 75. The rate increase will be phased in over three years: the first rate increase will be 15%, the second rate increase will be 15% and the third rate increase will be 10%, all on a simple basis.

Long-term care insurance is a relatively new industry with only a few decades long history. Based on limited historical experience, it has been difficult to project future claims and price products appropriately. Over time, this resulted in the industry experiencing higher than expected claims relative to the assumptions made when the products were originally priced. We began offering this product in 1988 and since entering this market, we have never raised rates on existing policies. However, we have seen a gap develop between the original pricing assumptions and our actual experience and now find it necessary to adjust premiums to better align with the actual experience of the products.