

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

**Company Name and NAIC Number:** The Prudential Ins. Co. of America – 68241

**SERFF Tracking Number:** PRUD-130596304

**Disposition:** Approved

**Approval Date:** 2/10/2020

**Revised Rates**

**Average Annual Premium Per Member:** \$4,286 after increase

**Average Requested Percentage Rate Change Per Member:** 54%

**Minimum Requested Percentage Rate Change Per Member:** 45%

**Maximum Requested Percentage Rate Change Per Member:** 68.4%

**Number of Policy Holders Affected:** 126

Prudential (the Company) requested a: (1) 45% increase for Limited Benefit Period and Reimbursement Benefits, (2) 52.1% for Limited Benefit Period and Cash Rider, (3) 67.3% for Unlimited Benefit Period and Reimbursement Benefits, and (4) 68.4% for Unlimited Benefit Period and Cash Rider . As the forms were issued in Virginia from 5/2004 to 3/2006, the experience was reviewed based on the rules in effect at the time of issue. For policies issued after 10/1/2003, they were reviewed according to the requirements of 14VAC5-200-153 (post-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 (60%vs 102%). Therefore, the requested rate increase was approved.

This increase will impact approximately 126 policyholders. 39 with Unlimited Benefit Period and 87 with Limited Benefit Period. 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

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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.

The Company has stated that if the requested premium increase is implemented and the underlying assumptions with a 10% load for moderately adverse conditions are realized, no further premium rate schedule increases are anticipated.

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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