

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

**Company Name and NAIC Number: Senior Health Insurance Company of Pennsylvania  
NAIC# 76325**

**SERFF Tracking Number: SHPA-128685806**

**Disposition: Approve**

**Approval Date: 7/11/2017**

**Revised Rates**

<b>Average Annual Premium Per Member:</b>	<b><u>\$3,306</u></b>
<b>Average Requested Percentage Rate Change Per Member:</b>	<b><u>25%</u></b>
<b>Minimum Requested Percentage Rate Change Per Member:</b>	<b><u>25%</u></b>
<b>Maximum Requested Percentage Rate Change Per Member:</b>	<b><u>25%</u></b>
<b>Number of Policy Holders Affected:</b>	<b><u>633</u></b>

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

Senior Health Insurance Company of Pennsylvania (the company) has requested a rate increase of 25% for all policyholders. The company anticipates this will be the final increase for this policy forms series in Virginia. This is an individual block of business issued from 1990 to 1996. This rate increase filing was originally submitted September, 2012.

When the product was originally priced by the company, it was based on actuarial assumptions using the best information available at the time. However, additional experience both for the company and for the industry as a whole has demonstrated that the ultimate cost of benefit payments was underestimated. This is due to several factors; including fewer policyholders terminating their policies (either through death or voluntary lapse) than originally expected and more policyholders going on claim at advanced attained ages than originally anticipated. The combination of more policyholders maintaining their policies and a higher percentage of those policyholders going on claim has resulted in increased premiums to cover the higher claim costs.

The Bureau reviewed the rate increase in accordance with the requirements of 14VA5-200-150 which requires that the filing demonstrate that both the future and lifetime loss ratios will be at least 60% after the application of the rate increase. Based on requirements of Virginia law and regulations and using actuarially accepted and justified assumptions, the Bureau confirmed that the anticipated loss ratio will be 109.9% compared to the original target loss ratio of 66.5%. Since the filing meets the requirements of 14VAC-200-150, approval was recommended.

Policyholders have several available options to reduce or eliminate the premium increase by reducing coverage. Policyholders can lower daily benefits, decrease the benefit period, increase the elimination period, terminate riders or take a paid-up policy.

[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.aspx](http://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx)

***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.***