Reset Form

Long Term Care Insurance Rate Request Summary
Part 1 – To Be Completed By Company

Company Name and NAIC Number: Lincoln National Life Insurance Company, 65676

SERFF Tracking Number: TRST-130130738

Effective Date: On Approval

Revised Rates

Average Annual Premium Per Member: $1680 (HL-2500AA) & $3,229 (HL2950VA (7//92))

Average Requested Percentage Rate Change Per Member: 60%

Minimum Requested Percentage Rate Change Per Member: 60%

Maximum Requested Percentage Rate Change Per Member: 60%

Number of Policy Holders Affected : 74

Plans Affected
(The Form Number and "Product Name")

Form#	"Product Name"(if applicable)
HL-2500AA (8/90)	Long Term Care Policy
HL-2525AA (8/90)	Home and Community Care Rider
HL-2950VA (7/92)	Long Term Care Policy

Attach a brief narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.

See next page for the summary.

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.

This block of long-term care business was originally sold by Lincoln and their subsidiaries (First Penn Pacific and Security Connecticut) from 1991 to 1996. At this time, long-term care insurance was priced with limited knowledge of 1) the extent to which benefits would be utilized, and 2) the frequency and length of time that policies would remain in premium paying status. This resulted in the product being significantly underpriced, and several companies chose to exit the long-term care market altogether. To combat this mispricing issue, Trustmark began filing for premium rate increases in 2003. Policies issued in Virginia received their first and only increase in 2004. Any and all subsequent filings were not approved in Virginia.

The current rate increase request is necessary because the emerging experience reveals more insureds are keeping their policies in force than anticipated. This results in higher than expected claim costs because the rising attained age of insureds increases the likelihood of benefit utilization dramatically. When the product was originally priced the lapse assumption was inflated beyond levels that have been actually realized. This rate increase is necessary to ensure adequate funding of all future claim payments on current in force policies.