# Filing at a Glance

| | |
|---|---|
| Company: | Lincoln National Life Insurance Company |
| Product Name: | LTC Rate Increase |
| State: | Virginia |
| TOI: | LTC03I Individual Long Term Care |
| Sub-TOI: | LTC03I.002 Non Qualified |
| Filing Type: | Rate |
| Date Submitted: | 05/13/2019 |
| SERFF Tr Num: | TRST-131923253 |
| SERFF Status: | Closed-Approved |
| State Tr Num: | TRST-131923253 |
| State Status: | Approved & Filed |
| Co Tr Num: | 19.00102 |
| Implementation Date Requested: | On Approval |
| Author(s): | Traci Hawkins, Dawn Dyer, Karen Ficcardi, Jessica Whalen, Tim Xie, Kristen Kim |
| Reviewer(s): | Bill Dismore (primary) |
| Disposition Date: | 07/20/2020 |
| Disposition Status: | Approved |
| Implementation Date: | |

## General Information

Project Name:
Project Number:
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:

Deemer Date: 08/13/2020
Submitted By: Karen Ficcardi

Status of Filing in Domicile:
Date Approved in Domicile:
Domicile Status Comments:
Market Type: Individual
Individual Market Type:
Filing Status Changed: 07/20/2020
State Status Changed: 07/20/2020
Created By: Karen Ficcardi
Corresponding Filing Tracking Number:
State TOI: LTC03I Individual Long Term Care

Filing Description:
Dear Commissioner:

On behalf of The Lincoln National Life Insurance Company, we at Trustmark Insurance Company are submitting the enclosed actuarial memorandum for your review and approval. A letter authorizing Trustmark Insurance Company to make this rate filing on behalf of Lincoln National Life is attached.

The above long term care policies were marketed and issued by Lincoln National in the early 1990's. Lincoln National ceased marketing of the product in 1996 and Trustmark Insurance began administering this closed block of Lincoln National business in 1997. The enclosed actuarial memorandum details the request for a 60% increase in the rates for Lincoln National's long term care policy forms and associated riders noted above and in exhibit C. We recently retained Milliman to evaluate the size of the block and review the experience, which then allowed for Milliman to assist in preparation of this rate increase request and anticipate future claims projection. Based on this new information it is expected that past and future projected claims experience will produce a lifetime loss ratio that exceeds the minimum required loss ratio. This filing includes all the Long Term Care policies sold by Lincoln National.

We trust that you will find our filing to be in order and hope that you will grant your Department's approval to this submission. If you have any questions or would like to discuss any of the materials included in this submission, please feel free to call our Actuary, Kristen Kim, toll free at 1-800-877-9077, extension 33402. You may also send an email to kristen.kim@trustmarkins.com.

Sincerely,
Karen Ficcardi
Senior Compliance Analyst

## Company and Contact

### Filing Contact Information

Karen Ficcardi, Senior Compliance Analyst karen.ficcardi@trustmarkins.com
400 N. Field Drive 800-666-6977 [Phone] 32246 [Ext]
Lake Forest, IL 60045 847-615-3872 [FAX]

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

### Filing Company Information

Lincoln National Life Insurance Company
1300 S. Clinton Street
Fort Wayne, IN 46801
(260) 455-3244 ext. [Phone]

CoCode: 65676
Group Code: 20
Group Name:
FEIN Number: 35-0472300

State of Domicile: Indiana
Company Type:
State ID Number:

## Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

# Correspondence Summary

## Dispositions

| Status | Created By | Created On | Date Submitted |
|---|---|---|---|
| Approved | Bill Dismore | 07/20/2020 | 07/20/2020 |

## Objection Letters and Response Letters

### Objection Letters

| Status | Created By | Created On | Date Submitted |
|---|---|---|---|
| Info has been requested from company | Bill Dismore | 07/15/2020 | 07/15/2020 |
| Info has been requested from company | Bill Dismore | 07/10/2020 | 07/10/2020 |
| Info has been requested from company | Bill Dismore | 07/02/2020 | 07/10/2020 |
| Info has been requested from company | Bill Dismore | 07/10/2020 | 07/10/2020 |
| Info has been requested from company | Bill Dismore | 04/23/2020 | 04/23/2020 |
| Info has been requested from company | Bill Dismore | 04/03/2020 | 04/03/2020 |
| Info has been requested from company | Bill Dismore | 03/06/2020 | 03/06/2020 |
| Info has been requested from company | Bill Dismore | 02/04/2020 | 02/04/2020 |
| Info has been requested from company | Bill Dismore | 12/27/2019 | 12/27/2019 |
| Info has been requested from company | Bill Dismore | 09/18/2019 | 09/18/2019 |

### Response Letters

| Responded By | Created On | Date Submitted |
|---|---|---|
| Tim Xie | 07/16/2020 | 07/16/2020 |
| Tim Xie | 07/13/2020 | 07/14/2020 |
| Tim Xie | 07/13/2020 | 07/14/2020 |
| Tim Xie | 07/13/2020 | 07/14/2020 |
| Tim Xie | 04/23/2020 | 04/23/2020 |
| Tim Xie | 04/23/2020 | 04/23/2020 |
| Tim Xie | 04/01/2020 | 04/02/2020 |
| Karen Ficcardi | 03/05/2020 | 03/05/2020 |
| Karen Ficcardi | 02/03/2020 | 02/03/2020 |
| Karen Ficcardi | 10/17/2019 | 10/17/2019 |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

## Objection Letters and Response Letters

### Objection Letters

| Status | Created By | Created On | Date Submitted |
|---|---|---|---|
| Info has been requested from company | Bill Dismore | 08/19/2019 | 08/19/2019 |
| Info has been requested from company | Bill Dismore | 07/09/2019 | 07/09/2019 |
| Info has been requested from company | Bill Dismore | 06/20/2019 | 06/20/2019 |
| Info has been requested from company | Bill Dismore | 05/16/2019 | 05/16/2019 |

### Response Letters

| Responded By | Created On | Date Submitted |
|---|---|---|
| Karen Ficcardi | 09/05/2019 | 09/05/2019 |
| Karen Ficcardi | 08/01/2019 | 08/01/2019 |
| Karen Ficcardi | 06/21/2019 | 06/21/2019 |
| Karen Ficcardi | 06/17/2019 | 06/17/2019 |

## Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|---|---|---|---|---|
| Request for Extension | Note To Filer | Bill Dismore | 01/27/2020 | 01/27/2020 |
| Request for extension | Note To Reviewer | Karen Ficcardi | 01/27/2020 | 01/27/2020 |
| Actuarial Review - Final Opinion & Summary Report | Reviewer Note | Bill Dismore | 12/27/2019 | |
| RRS | Reviewer Note | Bill Dismore | 06/20/2019 | |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

## Disposition

Disposition Date: 07/20/2020
Implementation Date:
Status: Approved

Comment:

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | Number of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where req'd): | Minimum % Change (where req'd): |
|---|---|---|---|---|---|---|---|
| Lincoln National Life Insurance Company | 669.000% | 30.000% | $39,378 | 61 | $131,261 | 30.000% | 30.000% |

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|---|---|---|---|
| **Supporting Document (revised)** | Certification of Compliance | Received & Acknowledged | Yes |
| **Supporting Document** | Product Checklist | Received & Acknowledged | Yes |
| **Supporting Document (revised)** | L&H Actuarial Memorandum | Received & Acknowledged | Yes |
| **Supporting Document (revised)** | Long Term Care Insurance Rate Request Summary | Received & Acknowledged | Yes |
| **Supporting Document** | CBL Rider | Received & Acknowledged | Yes |
| **Supporting Document** | Third Party Authorization Letter | Received & Acknowledged | Yes |
| **Supporting Document (revised)** | Rate Exhibits A-E | Received & Acknowledged | Yes |
| **Supporting Document (revised)** | Policyholder Letter Variability Statement | Received & Acknowledged | Yes |
| **Supporting Document** | Please remove Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab. | Received & Acknowledged | Yes |
| **Supporting Document** | Response to VA | Received & Acknowledged | Yes |
| **Supporting Document (revised)** | Termination Experience and Exhibit H | Received & Acknowledged | Yes |
| **Supporting Document** | Schedule Page | Received & Acknowledged | Yes |
| **Supporting Document** | Response to 7-9-19 Objection | Received & Acknowledged | Yes |
| **Supporting Document** | Response to VA 9-5-19 | Received & Acknowledged | Yes |
| **Supporting Document (revised)** | Prospective PV Calculation | Received & Acknowledged | Yes |
| **Supporting Document** | Response to VA 10-15-19 | Received & Acknowledged | Yes |
| **Supporting Document** | Readability Certification | Received & Acknowledged | Yes |
| **Supporting Document** | Response to VA 2-3-20 | Received & Acknowledged | Yes |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|---|---|---|---|
| **Supporting Document** | Response to VA 3-5-20 | Received & Acknowledged | Yes |
| **Supporting Document** | Response to VA 4-5-20 | Received & Acknowledged | Yes |
| **Supporting Document** | Response to VA 5-3-20 | Received & Acknowledged | Yes |
| **Supporting Document** | "John Doe" Policyholder Letters | Received & Acknowledged | Yes |
| **Supporting Document** | Response to VA 5-22-20 | Received & Acknowledged | Yes |
| **Supporting Document** | Response to VA 7-10-20 | Received & Acknowledged | Yes |
| **Supporting Document** | Certification of Compliance | Withdrawn | No |
| **Supporting Document** | L&H Actuarial Memorandum | Withdrawn | No |
| **Supporting Document** | Long Term Care Insurance Rate Request Summary | Withdrawn | No |
| **Supporting Document** | CBL Rider | Withdrawn | No |
| **Supporting Document** | Rate Exhibits A-E | Withdrawn | No |
| **Supporting Document** | Rate Exhibits A-E | Withdrawn | No |
| **Supporting Document** | Rate Exhibits A-G | Withdrawn | No |
| **Supporting Document** | Policyholder Letter Variability Statement | Withdrawn | No |
| **Supporting Document** | Policyholder Letter Variability Statement | Withdrawn | No |
| **Supporting Document** | Termination Experience and Exhibit H | Withdrawn | No |
| **Supporting Document** | Prospective PV Calculation | Withdrawn | No |
| **Form (revised)** | VA Policyholder Letter without WOP | Approved | Yes |
| **Form (revised)** | VA Policyholder Letter with WOP | Approved | Yes |
| **Form** | VA Policyholder Letter without WOP | Withdrawn | No |
| **Form** | VA Policyholder Letter without WOP | Withdrawn | No |
| **Form** | VA Policyholder Letter without WOP | Withdrawn | No |
| **Form** | VA Policyholder Letter without WOP | Withdrawn | No |
| **Form** | VA Policyholder Letter with WOP | Withdrawn | No |
| **Form** | VA Policyholder Letter with WOP | Withdrawn | No |
| **Form** | VA Policyholder Letter with WOP | Withdrawn | No |
| **Form** | VA Policyholder Letter with WOP | Withdrawn | No |
| **Rate (revised)** | LTC1 Rates | Approved | Yes |
| **Rate** | LTC2 Rates | Approved | Yes |
| **Rate** | Exhibits A-E VA | Withdrawn | No |

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 07/15/2020 |
| Submitted Date | 07/15/2020 |
| Respond By Date | 07/17/2020 |

*Dear Karen Ficcardi,*

***Introduction:***

*One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.*

***Objection 1***

*- Response to VA (Supporting Document)*

*Comments: In your response letter submitted on 07/14/2020 05:38 PM you replied that you are currently in the process of obtaining an updated document (CBL Rider) containing the current signatory. Please advise the SERFF Tracking Number under which this document is filed with the Virginia Bureau of Insurance.*

***Conclusion:***

*We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.*

*Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Thank you for your courtesy and consideration in this matter.*

*Sincerely,*
*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 07/15/2020 |
| Submitted Date | 07/10/2020 |
| Respond By Date | |

*Dear Karen Ficcardi,*

***Introduction:***

*One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.*

***Objection 1***

*- VA Policyholder Letter without WOP, PL-VA18 (Form)*

*- VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Page 1, 5th paragraph.*

*Please add the words "or rate schedule" to the end of the first sentence so that it reads, "As a policyholder, you have the right to a revised premium rate or rate schedule." to comply with the regulations.*

***Conclusion:***

*We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.*

*Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Thank you for your courtesy and consideration in this matter.*

*Sincerely,*
*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 07/02/2020 |
| Submitted Date | 07/10/2020 |
| Respond By Date | 07/16/2020 |

*Dear Karen Ficcardi,*

***Introduction:***

*The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.*

*One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.*

***Objection 1***

*- Response to VA 2-3-20 (Supporting Document)*

*Comments: Please explain the company's intentions regarding a future rate increase if the proposed rates are approved in Virginia. Explain the triggers that would prompt a future rate increase.*

***Objection 2***

*- VA Policyholder Letter without WOP, PL-VA18 (Form)*

*- VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Please correct the VA BOI website. The correct website is: https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx*

***Objection 3***

*- "John Doe" Policyholder Letters (Supporting Document)*

*Comments: Please describe the notification process involving a policyholder that is on waiver of premium at the time the rate increase is announced. Please give a detailed description of the process (i.e. when the initial increase notification letter is sent, how much time does the policyholder have to respond once they come off of waiver of premium, what options are available to them, etc.).*

***Objection 4***

*- CBL Rider (Supporting Document)*

*Comments: Please confirm if the signatory, Charles A. Brawley, III is still valid as Secretary of The Lincoln National Life Insurance Company. Please, through your response to this objection, request that TRST-130130738 be reopened.*

***Conclusion:***

*We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.*

*A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.*

*Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.*

*Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Thank you for your courtesy and consideration in this matter.*

*Sincerely,*
*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 07/10/2020 |
| Submitted Date | 07/10/2020 |
| Respond By Date | 07/15/2020 |

*Dear Karen Ficcardi,*

***Introduction:***

*One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.*

***Objection 1***

*- VA Policyholder Letter without WOP, PL-VA18 (Form)*

*- VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Second to last paragraph above signatory, please revise the following for both policyholder letter forms:*

*Please correct the VA BOI website to https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx*

***Conclusion:***

*We look forward to resuming our review of this submission upon receipt of the requested information to address the questions noted above. A response to our request is expected within the "Respond by" date. No response could result in the filing becoming DISAPPROVED unless an extension is requested. Please do not hesitate to contact me if there are any questions.*

*Sincerely,*
*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 04/23/2020 |
| Submitted Date | 04/23/2020 |
| Respond By Date | 05/22/2020 |

*Dear Karen Ficcardi,*

***Introduction:***

*The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.*

*One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.*

***Objection 1***

*- Response to VA 5-3-20 (Supporting Document)*

*Comments: It is not clear from the Company's response to Objection #1 if the company understood the nature of the objection. The Virginia Long Term Care Insurance Partnership Program is outlined below. Please review and advise if the company has any policies active in Virginia that qualify under the Virginia long term care partnership program as described by the Virginia regulations.*

*The LTC Partnership Program must have three components to be eligible:*

*1. Tax qualified,*

*2. Coverage period of at least one year,*

*3. Inflation protection based upon the policyholders age.*

*In Virginia, the primary applicable regulations that apply to long term care partnership plans are:*

*14VAC5-200-205. State Long-Term Care Insurance Partnership Program*

*14VAC5-200-100. Requirement to offer inflation protection.*

*Partnership policies must provide inflation protection at issue as follows (14VAC5-200-205 B 4.):*

*Ages < 60 automatic compound inflation of 5% (See 14VAC5-200-100 A 1. In response to market conditions and our analysis, Virginia will allow compound inflation adjustments of 3% in lieu of 5%).*

*Ages 6175 any inflation protection is allowable (compound, simple)*

*Ages ≥ 76 - inflation protection is discretionary*

***Conclusion:***

*We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

*A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.*

*Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.*

*Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Thank you for your courtesy and consideration in this matter.*

*Sincerely,*
*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 04/03/2020 |
| Submitted Date | 04/03/2020 |
| Respond By Date | 05/03/2020 |

*Dear Karen Ficcardi,*

***Introduction:***

*During our review, we noted the need for additional information to continue. Any revisions, modifications, or changes of any type to a filing not requested by us must be brought to our attention upon and explained in detail. It will expedite the review process if all changes are highlighted and explained.*

***Objection 1***

*- VA Policyholder Letter without WOP, PL-VA18 (Form)*

*- VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Please advise if there are any partnership policies among the active Virginia policies.*

***Objection 2***

*- VA Policyholder Letter without WOP, PL-VA18 (Form)*

*- VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Please provide "John Doe" policyholder notification letters under the Supporting Documentation tab.*

***Conclusion:***

*We look forward to resuming our review of this submission upon receipt of the requested information to address the questions noted above. A response to our request is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested. Please do not hesitate to contact me if there are any questions.*

*Sincerely,*

*Sincerely,*

*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 03/06/2020 |
| Submitted Date | 03/06/2020 |
| Respond By Date | 04/05/2020 |

*Dear Karen Ficcardi,*

***Introduction:***

*During our review, we noted the need for additional information to continue. Any revisions, modifications, or changes of any type to a filing not requested by us must be brought to our attention upon and explained in detail. It will expedite the review process if all changes are highlighted and explained.*

***Objection 1***

*- VA Policyholder Letter without WOP, PL-VA18 (Form)*

*- VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: We are unclear regarding the 5th paragraph of the Policyholder Letter that states the following: "In accordance with state law the enclosed Contingent Benefit Upon Lapse Rider is made part of your policy. This Rider offers you the following two options in lieu of the above premium adjustment."*

*The confusion is caused by the statement, "...the enclosed Contingent Benefit Upon Lapse Rider is made part of your policy." which is premature since the policyholder has not made a decision concerning the options made available to them in this notice.*

*The VA Bureau of Insurance is concerned that the letter is not in compliance with 14VAC5-101-70 A. which states, "Each form submitted for review or approval shall be written in simplified language, logically and clearly arranged, printed in a legible format, and understandable to a person of average intelligence without special insurance knowledge or training.*

***Conclusion:***

*We look forward to resuming our review of this submission upon receipt of the requested information to address the questions noted above. A response to our request is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested. Please do not hesitate to contact me if there are any questions.*

*I can be reached at (804) 371-9370 should you have any questions or would like clarification.*

*Sincerely,*

*Sincerely,*

*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 02/04/2020 |
| Submitted Date | 02/04/2020 |
| Respond By Date | 03/05/2020 |

*Dear Karen Ficcardi,*

***Introduction:***

*The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.*

*One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.*

***Objection 1***

*- Policyholder Letter Variability Statement (Supporting Document)*

*Comments: The Statement of Variability (SOV) is not consistent with the Policyholder Notification Letter forms PL-VA18 and PLWOP-VA18.*

*There are several variable fields that do not appear on the SOV (i.e. RETN_ADDR 3; RETN_ADDR 4; LETTER DATE; FM ACCOUNT; MODE; RERATE DATE; NEW RRT MODAL PREM).*

*There are several items on the SOV that are not applicable to the Policyholder Notification Letters (i.e. ISSUE-AGE; MBASE-PREM; CC_DB_AMT; ELIM-PERIOD, etc.).*

*Please review the SOV with each Policyholder Notification Letter and ensure that each variable field on the letters are fully explained. Please do not include variable fields that do not appear on either of the two Policyholder Notification forms. An SOV is required for each form and should follow the order in which the variances appear on the form.*

***Conclusion:***

*We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.*

*A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.*

*Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.*

*Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Thank you for your courtesy and consideration in this matter.*

*Sincerely,*
*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 12/27/2019 |
| Submitted Date | 12/27/2019 |
| Respond By Date | 02/04/2020 |

*Dear Karen Ficcardi,*

***Introduction:***

*The  submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.*

*One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.*

***Objection 1***

*- VA Policyholder Letter without WOP, PL-VA18 (Form)*

*- VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: 1) Pursuant to 14 VAC5-100-50 2. the insurance company's name must be prominent. The current letter has "Trustmark Insurance Company" more prominently displayed than "The Lincoln National Life Insurance Company".*

*2) Please provide a Certificate of Compliance for each form filed under the Form Schedule in accordance with 14 VAC%-100-40-3.*

*3) Please provide a readability certification/Flesch Score for each form filed under the Form Schedule pursuant to 14 VAC5-110-60.*

*4) The rate increase percentage should be variable in the last sentence of paragraph 1.*

*5) The current premium, prior to the rate increase, should be stated in the policyholder letter pursuant to 14 VAC5-200-75 A. 3.*

*6) 5th paragraph on page 1 states, "As a policyholder you have the right to a revised premium rate. In accordance with state law the enclosed Rider is made part of your policy." Please state the name of the "Rider" and clarify what is meant by a "revised premium rate".*

*7) PL-VA18 contains the waiver of premium benefits in the first paragraph on page 2. Please clarify that this is the company's intent. This same paragraph is contained on form PLWOP-VA18.  Explain the differences between these two forms?*

*8) Pursuant to 14 VAC5-200-75 A 2. provide an explanation of potential premium rate revisions, and the policyholder's option in the event of a premium rate revision. The current letter states, "Your policy may be subject to future premium adjustments" and does not provide a description of the policyholder's option(s) if this were to occur.*

*9) The VA BOI recommends making phone, fax numbers, email addresses and customer service hours variable in the event of a future change.*

*10) Please clarify if any enclosures are sent to the policyholder along with the policyholder notification letter. If so, these enclosures should be identified and can be variable.*

*11) Please confirm the company will comply with 14 VAC5-200-75 D. and provide at least 75 days notice prior to implementation of*

the approved premium rate increase.

### Objection 2

- Policyholder Letter Variability Statement (Supporting Document)

Comments: The statement of variability refers to "Trustmark" account number and policy number. Explain why these are Trustmark numbers rather than those of "The Lincoln National Life Insurance Company".

### Objection 3

Comments: 1) The previous rate increase was approved on 7/24/2017 for 26.5% increase for each of the next two years (60% total increase). Please state if the second increase had been fully implemented at the time of the current rate increase filing submitted on 5/13/2019.

2) Please explain the reason for the filing of a new rate increase so soon after the previous increase, especially given that the average age of the VA policyholder is 84 and that there are only 61 policies remaining in the Virginia block. The VA BOI has a concern regarding a large increase on the few remaining, elderly policyholders.

3) The Virginia Bureau of Insurance has a concern that the current requested rate increase request of 30%, if approved, would raise the cumulative rate increase total to 191.2%. The nationwide cumulative increase total would be 160.8%. Explain how state subsidization is avoided in this situation. In order for the Virginia cumulative rate increase total to equal the nationwide cumulative increase the requested increase would need to be reduced to 16% instead of 30%.

### Conclusion:

We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bill Dismore

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 09/18/2019 |
| Submitted Date | 09/18/2019 |
| Respond By Date | 10/18/2019 |

*Dear Karen Ficcardi,*

***Introduction:***

*During our review, we noted the following inconsistencies and/or need additional information to continue. Please note, any revisions, modifications, or changes of any type to a filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.*

***Objection 1***

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please describe the experience that was used to develop the voluntary lapse assumption of 1.2%.*

***Objection 2***

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Since the assumptions for voluntary lapse, morbidity, mortality, etc. underlying the proposed rate increase are the same as those underlying the prior rate increase, please revise the prospective PV calculation so that the prior assumptions reflect the most recent preceding filing that utilizes assumptions that are different from those underlying the projected experience associated with this filing. Please state the time period the assumptions were developed, revise the calculation to reflect approved rate levels in Virginia, and provide the loss ratio exhibits by year that correspond to the values provided in the response.*

*Please provide the exhibits in Excel with formulas intact.*

***Objection 3***

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please demonstrate quantitatively how the Company determined a 608% rate increase could have been justified with the submission of the 2015 rate filing to achieve the minimum loss ratio.*

***Conclusion:***

*We shall be glad to reconsider this submission upon receipt of the receipt of the requested information to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.*

*A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.*

*Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.*

*Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Thank you for your courtesy and consideration in this matter.*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

*Sincerely,*
*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 08/19/2019 |
| Submitted Date | 08/19/2019 |
| Respond By Date | 09/05/2019 |

*Dear Karen Ficcardi,*

***Introduction:***

*During our review, we noted the following inconsistencies and/or need additional information to continue. Please note, any revisions, modifications, or changes of any type to a filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.*

***Objection 1***

*- Response to 7-9-19 Objection (Supporting Document)*

*Comments: In your prior response to objection 7, you state there were no changes in the underlying assumptions. Please explain what is driving the requested 30% rate increase and how that was developed if no changes were made to the underlying assumptions that are used in the development of the proposed rate increase.*

***Objection 2***

*- Response to 7-9-19 Objection (Supporting Document)*

*Comments: In your prior response to objection 8 regarding future rate increases, you provide the prospective PV approach calculations. The following questions pertain to the response provided:*

*a. Please revise the calculation to reflect approved rate levels in Virginia and the cumulative approved rate increase in Virginia.*

*b. Please demonstrate quantitatively how each component of the Prospective Present Value calculation was determined (e.g., the cumulative percent rate increase to date).*

*c. Please provide the loss ratio exhibits by year that correspond to the values provided in the response. Please provide these in Excel with formulas intact.*

***Conclusion:***

*We shall be glad to reconsider this submission upon receipt of the requested information to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.*

*A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.*

*Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.*

*Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Thank you for your courtesy and consideration in this matter.*

*Sincerely,*
*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 07/09/2019 |
| Submitted Date | 07/09/2019 |
| Respond By Date | 08/08/2019 |

*Dear Karen Ficcardi,*

***Introduction:***

*During our review, we noted the following inconsistencies and/or need additional information to continue. Please note, any revisions, modifications, or changes of any type to a filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.*

***Objection 1***

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please clarify whether the original lifetime loss ratio with ALR removed of 70.7% reflects the actual mix of business sold. If it does not, please state the original lifetime loss ratio, adjusted to reflect the actual mix of business sold.*

***Objection 2***

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please provide a breakdown of the rate increase components showing the portion of the rate increase each component contributes to the requested rate increase of 30%.*

***Objection 3***

*- L&H Actuarial Memorandum (Supporting Document)*

*- Rate Exhibits A-E (Supporting Document)*

*Comments: Please state whether the experience projections are assuming future mortality improvement. If the experience projections assume future mortality improvement, please state the underlying assumption and explain the sources used to derive the assumption.*

***Objection 4***

*- L&H Actuarial Memorandum (Supporting Document)*

*- Rate Exhibits A-E (Supporting Document)*

*Comments: Please state whether the experience projections are assuming future morbidity improvement. If the experience projections assume future morbidity improvement, please state the underlying assumption and explain the sources used to derive the assumption.*

***Objection 5***

*- Rate Exhibits A-E (Supporting Document)*

*Comments: Please explain the basis of the Expected Incurred Claims column shown in Exhibit A (e.g., original expected pricing assumptions).*

***Objection 6***

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please clarify whether the ALR estimate of $53.1 million was calculated at the interest rate used to discount and accumulate cash flows in the underlying experience projection. If not, please provide the nationwide ALR estimate as of December 31, 2018, calculated at the interest rate used to discount and accumulate premiums and claims in the underlying experience projection.*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

### Objection 7

- Rate Exhibits A-E (Supporting Document)

Comments: Please provide an exhibit similar to Exhibit A using the assumptions associated with the most recently approved rate filing to project the future experience so that we may understand how the projected premium and claims differ as a result of changes in the underlying assumptions. Please provide this for both nationwide and Virginia specific experience.

### Objection 8

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please state the expectations with regard to future rate increases on these policy forms, assuming the full proposed rate increase is approved.

### Objection 9

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the full credibility standard used to determine the credibility of the Virginia experience.

### Conclusion:

We shall be glad to reconsider this submission upon receipt of the requested information to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bill Dismore

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 06/20/2019 |
| Submitted Date | 06/20/2019 |
| Respond By Date | 07/19/2019 |

*Dear Karen Ficcardi,*

***Introduction:***

*One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.*

***Objection 1***

*- Rate Exhibits A-E (Supporting Document)*

*Comments: Rate Exhibits A-E, H and Termination Experience*

*Please provide these exhibits in Excel with working formulas so that we may follow the calculations.*

***Conclusion:***

*We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.*

*A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.*

*Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.*

*Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.*

*Thank you for your courtesy and consideration in this matter.*

*Sincerely,*
*Bill Dismore*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Info has been requested from company |
| Objection Letter Date | 05/16/2019 |
| Submitted Date | 05/16/2019 |
| Respond By Date | 06/17/2019 |

*Dear Karen Ficcardi,*

***Introduction:***

*During our review, we noted the following inconsistencies and/or need additional information to continue. Please note, any revisions, modifications, or changes of any type to a filing not specifically requested by us must be brought to our attention upon resubmission and explained in detail.*

***Objection 1***

*- Long Term Care Insurance Rate Request Summary (Supporting Document)*

*Comments: Please provide the SERFF Tracking Number and a brief narrative to summarize the key information used to develop the rates, including the main drivers for the revised rates. The narrative should be written in language that the consumer can understand.*

***Objection 2***

*- Exhibits A-E VA, [HL-2500AA (8/90). HL-2525AA (8/90), HL-2950VA (7/92)] (Rate)*

*Comments: Rate/Rule Schedule*

*1. Please remove Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab.*

*2. Provide the proposed revised rate schedule under the Rate/Rule Schedule "Attach Document" column and label each proposed rate sheet with the corresponding policy form to which the rates apply.*

***Objection 3***

*- Rate Exhibits A-G (Supporting Document)*

*Comments: HL-2550AA - Guaranteed Insurability Rider*

*In the previous rate request filing (TRST-130130738) the company advised that there were no HL-2550AA riders currently active in Virginia. Please confirm and remove the reference to HL-2550AA from Exhibit C in the Rate Exhibits A-G.*

***Objection 4***

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Provide the total cumulative nationwide rate increase percentage that has been approved by all states as of 12/31/2018.*

***Objection 5***

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Provide the original anticipated lifetime loss ratio.*

***Objection 6***

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Provide a comparison exhibit illustrating an actual to expected analysis of the original pricing assumptions to the current pricing assumptions. The actuarial memorandum only provides a comparison of actual to expected for Persistency.*

### Objection 7

- Rate Exhibits A-G (Supporting Document)

Comments: Please update the Nationwide and Virginia historical experience, with and without the rate increase with data through 12/31/2018.

### Objection 8

- L&H Actuarial Memorandum (Supporting Document)
- Rate Exhibits A-G (Supporting Document)

Comments: 1. Provide a demonstration of the sufficiency of the reported claim reserves. Include a discussion of how the incurred claims in the loss ratio exhibits are adjusted to remove any margins in the claim reserves.

2. In accordance with 14VAC5-200-185 D which requires the provision of a contingent benefit upon lapse for all polices if the requested rate increase is approved. Provide the assumptions with respect to the election of the contingent benefit upon lapse in the projections in Exhibit B.

3. In the previous rate revision filing, the company estimated the maximum benefits exposure on in force Virginia policyholders as 8 years for lifetime benefit policies. Please advise if this assumption has changed and provide a summary of the revised calculations, if any.

4. In accordance with 14VAC5-200-150 B. 11. describe the valuation basis of the Active Life reserves for these policies. Please indicate the amount of reported Active Life reserves as of the projection date in the analyses.

5. The Actuarial Memorandum does not indicate how the 4.5% interest rate was determined to calculate the anticipated loss ratio. In the previous rate revision filing, the company determined that the weighted average of the various interest rates was 4.833% which is higher than that used in the current calculations. Provide a description of how the interest rate was determined and modify any exhibits and loss ratio projections as necessary.

6. Please recalculate the anticipated lifetime loss ratios. The Active Life reserves should be included in the determination of the Future Loss ratio as a reduction to the present value of future incurred claims.

### Objection 9

Comments: Please advise if there are any partnership policies in force in Virginia.

### Objection 10

- CBL Rider (Supporting Document)

Comments: Explain if the CBL Rider form (CBL VA) is the same as previously approved under TRST-130130738 and advise if any changes were made to the form.

### Objection 11

Comments: Does the company plan to offer the policyholder a revised policy schedule should the policyholder opt for the contingent benefit upon lapse or elect an eligible reduced benefit option? Please place a copy of the policy benefit schedule in Supporting Documentation and advise the SERFF Tracking # under which the revised policy schedule form was approved.

### Objection 12

Comments: VA Policyholder Letter with and without WOP

1) How is the percentage of the premium increase communicated to the policyholder in the letter? We did not find in the proposed letter how the percentage of the increase or their current premium amount is communicated.

2) The 5th paragraph mentions, "...the enclosed Rider is made a part of your policy." Please provide the Rider to which the letter refers and the SERFF Tracking # under which the Rider form was approved.

3) Please explain how a policyholder communicates with the company to understand or select their reduced benefit options. The letter seems to state the only option is to telephone the company at the telephone number provided.

**Conclusion:**

We shall be glad to reconsider this submission upon receipt of the requested information to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,
Bill Dismore

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 07/16/2020 |
| Submitted Date | 07/16/2020 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your 7-15-20 letter.*

***Response 1***

***Comments:***

*The SERFF tracking number is TRST-130130738.*

***Related Objection 1***

*Applies To:*

*- Response to VA (Supporting Document)*

*Comments: In your response letter submitted on 07/14/2020 05:38 PM you replied that you are currently in the process of obtaining an updated document (CBL Rider) containing the current signatory. Please advise the SERFF Tracking Number under which this document is filed with the Virginia Bureau of Insurance.*

***Changed Items:***

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Conclusion:***

*Thank you for your time and consideration.*

*Sincerely,*

*Tim Xie*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 07/13/2020 |
| Submitted Date | 07/14/2020 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your objection letter dated 7-10-20.*

***Response 1***

***Comments:***

*Please see our response letter and revised policyholder letters.*

***Related Objection 1***

*Applies To:*

- *VA Policyholder Letter without WOP, PL-VA18 (Form)*
- *VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Page 1, 5th paragraph.*

*Please add the words "or rate schedule" to the end of the first sentence so that it reads, "As a policyholder, you have the right to a revised premium rate or rate schedule." to comply with the regulations.*

***Changed Items:***

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Conclusion:***

*Thank you for your time and consideration.*

*Sincerely,*

*Tim Xie*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 07/13/2020 |
| Submitted Date | 07/14/2020 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your objection letter dated 7-10-20.*

***Response 1***

***Comments:***

*Please see our response letter.*

***Related Objection 1***

*Applies To:*

*- Response to VA 2-3-20 (Supporting Document)*

*Comments: Please explain the company's intentions regarding a future rate increase if the proposed rates are approved in Virginia. Explain the triggers that would prompt a future rate increase.*

***Changed Items:***

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 2***

***Comments:***

*Please see our response letter and revised policyholder letters.*

***Related Objection 2***

*Applies To:*

*- VA Policyholder Letter without WOP, PL-VA18 (Form)*

*- VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Please correct the VA BOI website. The correct website is: https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx*

***Changed Items:***

*No Supporting Documents changed.*

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 3***

***Comments:***

*Please see our response letter.*

***Related Objection 3***

*Applies To:*

- "John Doe" Policyholder Letters (Supporting Document)

Comments: Please describe the notification process involving a policyholder that is on waiver of premium at the time the rate increase is announced. Please give a detailed description of the process (i.e. when the initial increase notification letter is sent, how much time does the policyholder have to respond once they come off of waiver of premium, what options are available to them, etc.).

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 4**

**Comments:**

Please see our response letter.

**Related Objection 4**

Applies To:

- CBL Rider (Supporting Document)

Comments: Please confirm if the signatory, Charles A. Brawley, III is still valid as Secretary of The Lincoln National Life Insurance Company. Please, through your response to this objection, request that TRST-130130738 be reopened.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you for your time and consideration.

Sincerely,

Tim Xie

**State:** Virginia
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /
**Filing Company:** Lincoln National Life Insurance Company

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 07/13/2020 |
| Submitted Date | 07/14/2020 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your objection letter dated 7-10-20.*

***Response 1***

***Comments:***

*Please see our response letter and revised policyholder letters.*

***Related Objection 1***

*Applies To:*

- *VA Policyholder Letter without WOP, PL-VA18 (Form)*
- *VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Second to last paragraph above signatory, please revise the following for both policyholder letter forms:*

*Please correct the VA BOI website to https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to VA 7-10-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-10-20.pdf |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

## Form Schedule Item Changes

| Item No. | Form Name | Form Number | Form Type | Form Action | Action Specific Data | Readability Score | Attachments | Submitted |
|---|---|---|---|---|---|---|---|---|
| 1 | VA Policyholder Letter without WOP | PL-VA18 | OTH | Initial | | 40.200 | VA Policyholder Letter without WOP PL-VA18 (revised 7.13.20).pdf | Date Submitted: 07/14/2020 By: Tim Xie |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | *40.200* | *PL-VA18 Policyholder Letter without WOP (revised 3.31.20).pdf* | *Date Submitted: 04/02/2020 By: Tim Xie* |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | *40.200* | *PL-VA18 Policyholder Letter without WOP.pdf* | *Date Submitted: 02/03/2020 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | | *PL-VA18.pdf* | *Date Submitted: 06/17/2019 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | | *PL-VA18.pdf* | *Date Submitted: 05/13/2019 By: Karen Ficcardi* |
| 2 | VA Policyholder Letter with WOP | PLWOP-VA18 | OTH | Initial | | 42.900 | VA Policyholder Letter with WOP PLWOP-VA18 (revised 7.13.20).pdf | Date Submitted: 07/14/2020 By: Tim Xie |
| *Previous Version* | | | | | | | | |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | *42.900* | *PLWOP-VA18 Policyholder Letter with WOP (revised 3.31.20).pdf* | *Date Submitted: 04/02/2020 By: Tim Xie* |
| *Previous Version* | | | | | | | | |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

## Form Schedule Item Changes

| Item No. | Form Name | Form Number | Form Type | Form Action | Action Specific Data | Readability Score | Attachments | Submitted |
|---|---|---|---|---|---|---|---|---|
| 1 | VA Policyholder Letter without WOP | PL-VA18 | OTH | Initial | | 40.200 | VA Policyholder Letter without WOP PL-VA18 (revised 7.13.20).pdf | Date Submitted: 07/14/2020 By: Tim Xie |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | *42.900* | *PLWOP-VA18 Policyholder Letter with WOP.pdf* | *Date Submitted: 02/03/2020 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | | *PLWOP-VA18.pdf* | *Date Submitted: 06/17/2019 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | | *PLWOP-VA18.pdf* | *Date Submitted: 05/13/2019 By: Karen Ficcardi* |

*No Rate/Rule Schedule items changed.*

***Conclusion:***

*Thank you for your time and consideration.*

*Sincerely,*

*Tim Xie*

**State:** Virginia
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /
**Filing Company:** Lincoln National Life Insurance Company

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 04/23/2020 |
| Submitted Date | 04/23/2020 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your objection letter dated 4/23/2020*

***Response 1***

***Comments:***

*Please see our response letter under Supporting Documentation.*

***Related Objection 1***

*Applies To:*

- *Response to VA 5-3-20 (Supporting Document)*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

*Comments: It is not clear from the Company's response to Objection #1 if the company understood the nature of the objection. The Virginia Long Term Care Insurance Partnership Program is outlined below. Please review and advise if the company has any policies active in Virginia that qualify under the Virginia long term care partnership program as described by the Virginia regulations.*

*The LTC Partnership Program must have three components to be eligible:*

*1. Tax qualified,*

*2. Coverage period of at least one year,*

*3. Inflation protection based upon the policyholders age.*

*In Virginia, the primary applicable regulations that apply to long term care partnership plans are:*

*14VAC5-200-205. State Long-Term Care Insurance Partnership Program*

*14VAC5-200-100. Requirement to offer inflation protection.*

*Partnership policies must provide inflation protection at issue as follows (14VAC5-200-205 B 4.):*

*Ages < 60 automatic compound inflation of 5% (See 14VAC5-200-100 A 1. In response to market conditions and our analysis, Virginia will allow compound inflation adjustments of 3% in lieu of 5%).*

*Ages 6175 any inflation protection is allowable (compound, simple)*

*Ages ≥ 76 - inflation protection is discretionary*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to VA 5-22-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 5-22-20.pdf |

*No Form Schedule items changed.*

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you for your time and consideration.

Sincerely,

Tim Xie

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 04/23/2020 |
| Submitted Date | 04/23/2020 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your 4/3/2020 objection letter.*

***Response 1***

***Comments:***

*Please see our response letter under Supporting Documentation.*

***Related Objection 1***

*Applies To:*

- *VA Policyholder Letter without WOP, PL-VA18 (Form)*
- *VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Please advise if there are any partnership policies among the active Virginia policies.*

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA 5-3-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 5-3-20.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 2***

***Comments:***

*Please see "John Doe" Policyholder Letters under Supporting Documentation.*

***Related Objection 2***

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

*Applies To:*
- *VA Policyholder Letter without WOP, PL-VA18 (Form)*
- *VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: Please provide "John Doe" policyholder notification letters under the Supporting Documentation tab.*

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | "John Doe" Policyholder Letters |
| **Comments:** | |
| **Attachment(s):** | John Doe VA Policyholder Letter with WOP.pdf<br>John Doe VA Policyholder Letter without WOP.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Conclusion:***

*Thank you for your time and consideration.*

*Sincerely,*

*Tim Xie*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 04/01/2020 |
| Submitted Date | 04/02/2020 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your 3-6-20 objection.*

***Response 1***

***Comments:***

*Please see our response letter attached as a Supporting Document and revised policyholder letters attached under the Form Schedule.*

***Related Objection 1***

*Applies To:*

- *VA Policyholder Letter without WOP, PL-VA18 (Form)*
- *VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

*Comments: We are unclear regarding the 5th paragraph of the Policyholder Letter that states the following: "In accordance with state law the enclosed Contingent Benefit Upon Lapse Rider is made part of your policy. This Rider offers you the following two options in lieu of the above premium adjustment."*

*The confusion is caused by the statement, "...the enclosed Contingent Benefit Upon Lapse Rider is made part of your policy." which is premature since the policyholder has not made a decision concerning the options made available to them in this notice.*

*The VA Bureau of Insurance is concerned that the letter is not in compliance with 14VAC5-101-70 A. which states, "Each form submitted for review or approval shall be written in simplified language, logically and clearly arranged, printed in a legible format, and understandable to a person of average intelligence without special insurance knowledge or training.*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to VA 4-5-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 3-6-20.pdf |

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

## Form Schedule Item Changes

| Item No. | Form Name | Form Number | Form Type | Form Action | Action Specific Data | Readability Score | Attachments | Submitted |
|---|---|---|---|---|---|---|---|---|
| 1 | VA Policyholder Letter without WOP | PL-VA18 | OTH | Initial | | 40.200 | PL-VA18 Policyholder Letter without WOP (revised 3.31.20).pdf | Date Submitted: 04/02/2020 By: Tim Xie |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | *40.200* | *PL-VA18 Policyholder Letter without WOP.pdf* | *Date Submitted: 02/03/2020 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | | *PL-VA18.pdf* | *Date Submitted: 06/17/2019 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | | *PL-VA18.pdf* | *Date Submitted: 05/13/2019 By: Karen Ficcardi* |
| 2 | VA Policyholder Letter with WOP | PLWOP-VA18 | OTH | Initial | | 42.900 | PLWOP-VA18 Policyholder Letter with WOP (revised 3.31.20).pdf | Date Submitted: 04/02/2020 By: Tim Xie |
| *Previous Version* | | | | | | | | |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | *42.900* | *PLWOP-VA18 Policyholder Letter with WOP.pdf* | *Date Submitted: 02/03/2020 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | | *PLWOP-VA18.pdf* | *Date Submitted: 06/17/2019 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | | *PLWOP-VA18.pdf* | *Date Submitted: 05/13/2019* |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

## Form Schedule Item Changes

| Item No. | Form Name | Form Number | Form Type | Form Action | Action Specific Data | Readability Score | Attachments | Submitted |
|---|---|---|---|---|---|---|---|---|
| 1 | VA Policyholder Letter without WOP | PL-VA18 | OTH | Initial | | 40.200 | PL-VA18 Policyholder Letter without WOP (revised 3.31.20).pdf | Date Submitted: 04/02/2020 By: Tim Xie |
| | | | | | | | | *By: Karen Ficcardi* |

*No Rate/Rule Schedule items changed.*

***Conclusion:***

*Thank you for your time and consideration.*

*Sincerely,*

*Tim Xie*

*Sincerely,*

*Tim Xie*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 03/05/2020 |
| Submitted Date | 03/05/2020 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your 2/4/20 objection.*

***Response 1***

***Comments:***

*Please see our response letter and revised statements of variability attached as Supporting Documents.*

***Related Objection 1***

*Applies To:*

*- Policyholder Letter Variability Statement (Supporting Document)*

*Comments: The Statement of Variability (SOV) is not consistent with the Policyholder Notification Letter forms PL-VA18 and PLWOP-VA18.*

*There are several variable fields that do not appear on the SOV (i.e. RETN_ADDR 3; RETN_ADDR 4; LETTER DATE; FM ACCOUNT; MODE; RERATE DATE; NEW RRT MODAL PREM).*

*There are several items on the SOV that are not applicable to the Policyholder Notification Letters (i.e. ISSUE-AGE; MBASE-PREM; CC_DB_AMT; ELIM-PERIOD, etc.).*

*Please review the SOV with each Policyholder Notification Letter and ensure that each variable field on the letters are fully explained. Please do not include variable fields that do not appear on either of the two Policyholder Notification forms. An SOV is required for each form and should follow the order in which the variances appear on the form.*

***Changed Items:***

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Policyholder Letter Variability Statement |
| **Comments:** | The insurer will be providing the policyholder letters at least 75 days prior to the implementation of the premium rate schedule increase. |
| **Attachment(s):** | Statement of Variability VA - SOV-PL-VA18.pdf<br>Statement of Variability VA - SOV-PLWOP-VA18.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Policyholder Letter Variability Statement* |
| **Comments:** | *The insurer will be providing the policyholder letters at least 75 days prior to the implementation of the premium rate schedule increase.* |
| **Attachment(s):** | *Statement of Variability PL-VA18 and PLWOP-VA18.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Policyholder Letter Variability Statement* |
| **Comments:** | *The insurer will be providing the policyholder letters at least 75 days prior to the implementation of the premium rate schedule increase.* |
| **Attachment(s):** | *Policyholder Letter Variability Statement.pdf* |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Policyholder Letter Variability Statement |
| **Comments:** | The insurer will be providing the policyholder letters at least 75 days prior to the implementation of the premium rate schedule increase. |
| **Attachment(s):** | Statement of Variability VA - SOV-PL-VA18.pdf<br>Statement of Variability VA - SOV-PLWOP-VA18.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Policyholder Letter Variability Statement* |
| **Comments:** | *The insurer will be providing the policyholder letters at least 75 days prior to the implementation of the premium rate schedule increase.* |
| **Attachment(s):** | *Statement of Variability PL-VA18 and PLWOP-VA18.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Policyholder Letter Variability Statement* |
| **Comments:** | *The insurer will be providing the policyholder letters at least 75 days prior to the implementation of the premium rate schedule increase.* |
| **Attachment(s):** | *Policyholder Letter Variability Statement.pdf* |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 3-5-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 3-5-20.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Conclusion:***

*Thank you for your time and consideration.*

*Sincerely,*

*Tim Xie*

**State:** Virginia
**Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 02/03/2020 |
| Submitted Date | 02/03/2020 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your 12/27/19 objection letter.*

***Response 1***

***Comments:***

*Please see our response letter, Certification of Compliance and Readability Certification attached as Supporting Documents; as well as our revised Policyholder letters attached under the Form Schedule.*

***Related Objection 1***

*Applies To:*

- *VA Policyholder Letter without WOP, PL-VA18 (Form)*
- *VA Policyholder Letter with WOP, PLWOP-VA18 (Form)*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

Comments: 1) Pursuant to 14 VAC5-100-50 2. the insurance company's name must be prominent. The current letter has "Trustmark Insurance Company" more prominently displayed than "The Lincoln National Life Insurance Company".

2) Please provide a Certificate of Compliance for each form filed under the Form Schedule in accordance with 14 VAC%-100-40-3.

3) Please provide a readability certification/Flesch Score for each form filed under the Form Schedule pursuant to 14 VAC5-110-60.

4) The rate increase percentage should be variable in the last sentence of paragraph 1.

5) The current premium, prior to the rate increase, should be stated in the policyholder letter pursuant to 14 VAC5-200-75 A. 3.

6) 5th paragraph on page 1 states, "As a policyholder you have the right to a revised premium rate. In accordance with state law the enclosed Rider is made part of your policy." Please state the name of the "Rider" and clarify what is meant by a "revised premium rate".

7) PL-VA18 contains the waiver of premium benefits in the first paragraph on page 2. Please clarify that this is the company's intent. This same paragraph is contained on form PLWOP-VA18. Explain the differences between these two forms?

8) Pursuant to 14 VAC5-200-75 A 2. provide an explanation of potential premium rate revisions, and the policyholder's option in the event of a premium rate revision. The current letter states, "Your policy may be subject to future premium adjustments" and does not provide a description of the policyholder's option(s) if this were to occur.

9) The VA BOI recommends making phone, fax numbers, email addresses and customer service hours variable in the event of a future change.

10) Please clarify if any enclosures are sent to the policyholder along with the policyholder notification letter. If so, these enclosures should be identified and can be variable.

11) Please confirm the company will comply with 14 VAC5-200-75 D. and provide at least 75 days notice prior to implementation of the approved premium rate increase.

**Changed Items:**

**State:** *Virginia*
**Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Certification of Compliance |
| **Comments:** | |
| **Attachment(s):** | Certification of Compliance.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Certification of Compliance* |
| **Comments:** | |
| **Attachment(s):** | *Certification of Compliance.pdf* |

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Certification of Compliance |
| **Comments:** | |
| **Attachment(s):** | Certification of Compliance.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Certification of Compliance* |
| **Comments:** | |
| **Attachment(s):** | *Certification of Compliance.pdf* |

| | |
|---|---|
| **Satisfied - Item:** | Readability Certification |
| **Comments:** | |
| **Attachment(s):** | READABILITY CERTIFICATION.pdf |

**State:** *Virginia*
**Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Certification of Compliance |
| **Comments:** | |
| **Attachment(s):** | Certification of Compliance.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Certification of Compliance* |
| **Comments:** | |
| **Attachment(s):** | *Certification of Compliance.pdf* |

| | |
|---|---|
| **Satisfied - Item:** | Readability Certification |
| **Comments:** | |
| **Attachment(s):** | READABILITY CERTIFICATION.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 2-3-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 2-3-20.pdf |

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

## Form Schedule Item Changes

| Item No. | Form Name | Form Number | Form Type | Form Action | Action Specific Data | Readability Score | Attachments | Submitted |
|---|---|---|---|---|---|---|---|---|
| 1 | VA Policyholder Letter without WOP | PL-VA18 | OTH | Initial | | 40.200 | PL-VA18 Policyholder Letter without WOP.pdf | Date Submitted: 02/03/2020 By: Karen Ficcardi |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | | *PL-VA18.pdf* | *Date Submitted: 06/17/2019 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | | *PL-VA18.pdf* | *Date Submitted: 05/13/2019 By: Karen Ficcardi* |
| 2 | VA Policyholder Letter with WOP | PLWOP-VA18 | OTH | Initial | | 42.900 | PLWOP-VA18 Policyholder Letter with WOP.pdf | Date Submitted: 02/03/2020 By: Karen Ficcardi |
| *Previous Version* | | | | | | | | |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | | *PLWOP-VA18.pdf* | *Date Submitted: 06/17/2019 By: Karen Ficcardi* |
| *Previous Version* | | | | | | | | |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | | *PLWOP-VA18.pdf* | *Date Submitted: 05/13/2019 By: Karen Ficcardi* |

*No Rate/Rule Schedule items changed.*

### *Response 2*

***Comments:***

*Please see our response letter and and Policyholder Letter Statement of Variability attached as Supporting Documents.*

### *Related Objection 2*

*Applies To:*

- *Policyholder Letter Variability Statement (Supporting Document)*

*Comments: The statement of variability refers to "Trustmark" account number and policy number. Explain why these are Trustmark numbers rather than those of "The Lincoln National Life Insurance Company".*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to VA 2-3-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 2-3-20.pdf |

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to VA 2-3-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 2-3-20.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Policyholder Letter Variability Statement |
| **Comments:** | The insurer will be providing the policyholder letters at least 75 days prior to the implementation of the premium rate schedule increase. |
| **Attachment(s):** | Statement of Variability PL-VA18 and PLWOP-VA18.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Policyholder Letter Variability Statement* |
| **Comments:** | *The insurer will be providing the policyholder letters at least 75 days prior to the implementation of the premium rate schedule increase.* |
| **Attachment(s):** | *Policyholder Letter Variability Statement.pdf* |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 3***

***Comments:***

*Please see our response letter attached as a Supporting Document.*

***Related Objection 3***

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

*Comments: 1) The previous rate increase was approved on 7/24/2017 for 26.5% increase for each of the next two years (60% total increase). Please state if the second increase had been fully implemented at the time of the current rate increase filing submitted on 5/13/2019.*

*2) Please explain the reason for the filing of a new rate increase so soon after the previous increase, especially given that the average age of the VA policyholder is 84 and that there are only 61 policies remaining in the Virginia block. The VA BOI has a concern regarding a large increase on the few remaining, elderly policyholders.*

*3) The Virginia Bureau of Insurance has a concern that the current requested rate increase request of 30%, if approved, would raise the cumulative rate increase total to 191.2%. The nationwide cumulative increase total would be 160.8%. Explain how state subsidization is avoided in this situation. In order for the Virginia cumulative rate increase total to equal the nationwide cumulative increase the requested increase would need to be reduced to 16% instead of 30%.*

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA 2-3-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 2-3-20.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Conclusion:***

*Thank you for your time and consideration in reviewing this filing submission.*

*Sincerely,*
*Karen Ficcardi*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 10/17/2019 |
| Submitted Date | 10/17/2019 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your 9/18/19 objection*

***Response 1***

***Comments:***

*Please see our response letter attached as a supporting document.*

***Related Objection 1***

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please describe the experience that was used to develop the voluntary lapse assumption of 1.2%.*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to VA 10-15-19 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 10-15-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 2***

***Comments:***

*Please refer to our response letter and revised prospective PV calculation attached as supporting documents.*

***Related Objection 2***

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

*Comments: Since the assumptions for voluntary lapse, morbidity, mortality, etc. underlying the proposed rate increase are the same as those underlying the prior rate increase, please revise the prospective PV calculation so that the prior assumptions reflect the most recent preceding filing that utilizes assumptions that are different from those underlying the projected experience associated with this filing. Please state the time period the assumptions were developed, revise the calculation to reflect approved rate levels in Virginia, and provide the loss ratio exhibits by year that correspond to the values provided in the response.*

*Please provide the exhibits in Excel with formulas intact.*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Prospective PV Calculation |
| **Comments:** | |
| **Attachment(s):** | Prospective Present Value Calculation for VA.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Prospective PV Calculation* |
| **Comments:** | |
| **Attachment(s):** | *Prospective PV Calculation.xlsx* |

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Prospective PV Calculation |
| **Comments:** | |
| **Attachment(s):** | Prospective Present Value Calculation for VA.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Prospective PV Calculation* |
| **Comments:** | |
| **Attachment(s):** | *Prospective PV Calculation.xlsx* |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 10-15-19 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 10-15-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

### Response 3

**Comments:**

Please refer tour response letter attached as a supporting document.

### Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please demonstrate quantitatively how the Company determined a 608% rate increase could have been justified with the submission of the 2015 rate filing to achieve the minimum loss ratio.

### Changed Items:

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA 10-15-19 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 10-15-19.pdf |

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Your time and consideration is appreciated. Thank you.

Sincerely,

Karen Ficcardi

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 09/05/2019 |
| Submitted Date | 09/05/2019 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your 8/19/19 objection.*

***Response 1***

***Comments:***

*Please refer to our response letter attached as a supporting document.*

***Related Objection 1***

*Applies To:*

*- Response to 7-9-19 Objection (Supporting Document)*

*Comments: In your prior response to objection 7, you state there were no changes in the underlying assumptions. Please explain what is driving the requested 30% rate increase and how that was developed if no changes were made to the underlying assumptions that are used in the development of the proposed rate increase.*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to VA 9-5-19 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 8-19-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 2***

***Comments:***

*Please refer to our response letter and PV calculation attached as supporting documents.*

***Related Objection 2***

*Applies To:*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

- Response to 7-9-19 Objection (Supporting Document)

Comments: In your prior response to objection 8 regarding future rate increases, you provide the prospective PV approach calculations. The following questions pertain to the response provided:

a. Please revise the calculation to reflect approved rate levels in Virginia and the cumulative approved rate increase in Virginia.

b. Please demonstrate quantitatively how each component of the Prospective Present Value calculation was determined (e.g., the cumulative percent rate increase to date).

c. Please provide the loss ratio exhibits by year that correspond to the values provided in the response. Please provide these in Excel with formulas intact.

**Changed Items:**

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA 9-5-19 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 8-19-19.pdf |

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA 9-5-19 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 8-19-19.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Prospective PV Calculation |
| **Comments:** | |
| **Attachment(s):** | Prospective PV Calculation.xlsx |

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you for your time and consideration.

Sincerely,

Karen Ficcardi

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 08/01/2019 |
| Submitted Date | 08/01/2019 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your 7/9/19 objection.*

***Response 1***

***Comments:***

*Our response letter and revised exhibits are attached as Supporting Documents. The actuarial memo has not been revised.*

***Related Objection 1***

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please clarify whether the original lifetime loss ratio with ALR removed of 70.7% reflects the actual mix of business sold. If it does not, please state the original lifetime loss ratio, adjusted to reflect the actual mix of business sold.*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 2***

***Comments:***

*Our response letter and revised exhibits are attached as Supporting Documents. The actuarial memo has not been revised.*

***Related Objection 2***

*Applies To:*

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a breakdown of the rate increase components showing the portion of the rate increase each component contributes to the requested rate increase of 30%.

**Changed Items:**

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 3**

**Comments:**

Our response letter and revised exhibits are attached as Supporting Documents. The actuarial memo has not been revised.

**Related Objection 3**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)
- Rate Exhibits A-E (Supporting Document)

Comments: Please state whether the experience projections are assuming future mortality improvement. If the experience projections assume future mortality improvement, please state the underlying assumption and explain the sources used to derive the assumption.

**Changed Items:**

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | (Revised) Exhibit A 2018 - ALR.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.XLSX* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | (Revised) Exhibit A 2018 - ALR.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.XLSX* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

| | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 4***

***Comments:***

*Our response letter and revised exhibits are attached as Supporting Documents. The actuarial memo has not been revised.*

***Related Objection 4***

*Applies To:*

- *L&H Actuarial Memorandum (Supporting Document)*
- *Rate Exhibits A-E (Supporting Document)*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

*Comments: Please state whether the experience projections are assuming future morbidity improvement. If the experience projections assume future morbidity improvement, please state the underlying assumption and explain the sources used to derive the assumption.*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | (Revised) Exhibit A 2018 - ALR.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.XLSX* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | (Revised) Exhibit A 2018 - ALR.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.XLSX* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

| | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 5***

***Comments:***

*Our response letter and revised exhibits are attached as Supporting Documents.*

***Related Objection 5***

*Applies To:*

*- Rate Exhibits A-E (Supporting Document)*

*Comments: Please explain the basis of the Expected Incurred Claims column shown in Exhibit A (e.g., original expected pricing assumptions).*

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

### *Changed Items:*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | (Revised) Exhibit A 2018 - ALR.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.XLSX* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | (Revised) Exhibit A 2018 - ALR.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.XLSX* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

| | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 6***

***Comments:***

*Our response letter and revised exhibits are attached as Supporting Documents. The actuarial memo has not been revised.*

***Related Objection 6***

*Applies To:*

- *L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please clarify whether the ALR estimate of $53.1 million was calculated at the interest rate used to discount and accumulate cash flows in the underlying experience projection. If not, please provide the nationwide ALR estimate as of December 31, 2018, calculated at the interest rate used to discount and accumulate premiums and claims in the underlying experience projection.*

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 7***

***Comments:***

*Our response letter and revised exhibits are attached as Supporting Documents.*

***Related Objection 7***

*Applies To:*

*- Rate Exhibits A-E (Supporting Document)*

*Comments: Please provide an exhibit similar to Exhibit A using the assumptions associated with the most recently approved rate filing to project the future experience so that we may understand how the projected premium and claims differ as a result of changes in the underlying assumptions. Please provide this for both nationwide and Virginia specific experience.*

***Changed Items:***

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | (Revised) Exhibit A 2018 - ALR.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.XLSX* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | (Revised) Exhibit A 2018 - ALR.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.XLSX* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

| | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 8***

***Comments:***

*Our response letter and revised exhibits are attached as Supporting Documents. The actuarial memo has not been revised.*

***Related Objection 8***

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please state the expectations with regard to future rate increases on these policy forms, assuming the full proposed rate increase is approved.*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 9***

***Comments:***

*Our response letter and revised exhibits are attached as Supporting Documents. The actuarial memo has not been revised.*

***Related Objection 9***

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please provide the full credibility standard used to determine the credibility of the Virginia experience.*

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Conclusion:***

*Thank you for your time and consideration.*

*Sincerely,*

*Karen Ficcardi*

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 06/21/2019 |
| Submitted Date | 06/21/2019 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your recent objection letter.*

***Response 1***

***Comments:***

*The revised documents have been attached.*

***Related Objection 1***

*Applies To:*

*- Rate Exhibits A-E (Supporting Document)*

*Comments: Rate Exhibits A-E, H and Termination Experience*

*Please provide these exhibits in Excel with working formulas so that we may follow the calculations.*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | L&H Actuarial Memorandum |
| **Comments:** | Revised document is attached. |
| **Attachment(s):** | VA Actuarial Memorandum.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *L&H Actuarial Memorandum* |
| **Comments:** | |
| **Attachment(s):** | *VA Actuarial Memorandum.pdf* |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | L&H Actuarial Memorandum |
| **Comments:** | Revised document is attached. |
| **Attachment(s):** | VA Actuarial Memorandum.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *L&H Actuarial Memorandum* |
| **Comments:** | |
| **Attachment(s):** | *VA Actuarial Memorandum.pdf* |

| | |
|---|---|
| **Satisfied - Item:** | Termination Experience and Exhibit H |
| **Comments:** | |
| **Attachment(s):** | Exhibit H.xlsx<br>Termination Experience.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Termination Experience and Exhibit H* |
| **Comments:** | |
| **Attachment(s):** | *Exhibit H.pdf*<br>*Termination Experience.pdf* |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | L&H Actuarial Memorandum |
| **Comments:** | Revised document is attached. |
| **Attachment(s):** | VA Actuarial Memorandum.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *L&H Actuarial Memorandum* |
| **Comments:** | |
| **Attachment(s):** | *VA Actuarial Memorandum.pdf* |

| | |
|---|---|
| **Satisfied - Item:** | Termination Experience and Exhibit H |
| **Comments:** | |
| **Attachment(s):** | Exhibit H.xlsx<br>Termination Experience.xlsx |
| *Previous Version* | |
| **Satisfied - Item:** | *Termination Experience and Exhibit H* |
| **Comments:** | |
| **Attachment(s):** | *Exhibit H.pdf*<br>*Termination Experience.pdf* |

| | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | Exhibits A-E VA 2018 Individual Excluding FPP & SC.XLSX |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-E* |
| **Comments:** | *Revised exhibits are attached.* |
| **Attachment(s):** | *Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf* |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

*No Form Schedule items changed.*

No Rate/Rule Schedule items changed.

**Conclusion:**

Thank you for your time and consideration.

Sincerely,

Karen Ficcardi

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 06/17/2019 |
| Submitted Date | 06/17/2019 |

*Dear Bill Dismore,*

***Introduction:***

*Please accept our response to your 5/16/19 objection letter.*

***Response 1***

***Comments:***

*Please refer to our response letter and rate request summary attached as Supporting Documents.*

***Related Objection 1***

*Applies To:*

*- Long Term Care Insurance Rate Request Summary (Supporting Document)*

*Comments: Please provide the SERFF Tracking Number and a brief narrative to summarize the key information used to develop the rates, including the main drivers for the revised rates. The narrative should be written in language that the consumer can understand.*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Long Term Care Insurance Rate Request Summary |
| **Comments:** | Revised document is attached. |
| **Attachment(s):** | VA LTC-Rate Request Summary 2018.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Long Term Care Insurance Rate Request Summary* |
| **Comments:** | |
| **Attachment(s):** | *VA LTC-Rate Request Summary 2018.pdf* |

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Long Term Care Insurance Rate Request Summary |
| **Comments:** | Revised document is attached. |
| **Attachment(s):** | VA LTC-Rate Request Summary 2018.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Long Term Care Insurance Rate Request Summary* |
| **Comments:** | |
| **Attachment(s):** | *VA LTC-Rate Request Summary 2018.pdf* |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 2***

***Comments:***

*Please refer to our response letter attached as a Supporting Document.*

*1. These exhibits have been moved to the Supporting Document tab.*
*2. These items have been placed under the Rate/Rule Schedule.*

***Related Objection 2***

*Applies To:*
*- Exhibits A-E VA, [HL-2500AA (8/90). HL-2525AA (8/90), HL-2950VA (7/92)] (Rate)*
*Comments: Rate/Rule Schedule*

*1. Please remove Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab.*

*2. Provide the proposed revised rate schedule under the Rate/Rule Schedule "Attach Document" column and label each proposed rate sheet with the corresponding policy form to which the rates apply.*

***Changed Items:***

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Please remove Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab. |
| **Comments:** | Per your request, we have removed Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab. |
| **Attachment(s):** | Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf |

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Please remove Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab. |
| **Comments:** | Per your request, we have removed Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab. |
| **Attachment(s):** | Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

*No Form Schedule items changed.*

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

**Rate/Rule Schedule Item Changes**

| Item No. | Document Name | Affected Form Numbers (Separated with commas) | Rate Action | Rate Action Information | Attachments | Date Submitted |
|---|---|---|---|---|---|---|
| 1 | LTC1 Rates | HL-2500AA (8/90), HL-2525AA (8/90) | Revised | Previous State Filing Number: TRST-130130738 Percent Rate Change Request: 30 | LTC1 Rates.xlsx, | 06/17/2019 By: Karen Ficcardi |
| *Previous Version* | | | | | | |
| *1* | *Exhibits A-E VA* | *HL-2500AA (8/90). HL-2525AA (8/90), HL-2950VA (7/92)* | *Revised* | *Previous State Filing Number: TRST-130130738 Percent Rate Change Request: 30* | *Exhibits A-E VA 2017 Individual.pdf,* | *05/13/2019 By: Karen Ficcardi* |
| 2 | LTC2 Rates | HL-2950VA (7/92) | Revised | Previous State Filing Number: TRST-130130738 Percent Rate Change Request: 30 | LTC2 Rates.xlsx, | 06/17/2019 By: Karen Ficcardi |

***Response 3***

***Comments:***

*Please refer to our response letter and the revised exhibits attached as Supporting Documents.*

***Related Objection 3***

*Applies To:*

*- Rate Exhibits A-G (Supporting Document)*

*Comments: HL-2550AA - Guaranteed Insurability Rider*

*In the previous rate request filing (TRST-130130738) the company advised that there were no HL-2550AA riders currently active in Virginia. Please confirm and remove the reference to HL-2550AA from Exhibit C in the Rate Exhibits A-G.*

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 4***

***Comments:***

*Please refer to our response letter and revised exhibits attached as Supporting Documents.*

***Related Objection 4***

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Provide the total cumulative nationwide rate increase percentage that has been approved by all states as of 12/31/2018.*

***Changed Items:***

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 5***

***Comments:***

*Please refer to our response letter and the revised exhibits attached as a Supporting Documents.*

***Related Objection 5***

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Provide the original anticipated lifetime loss ratio.*

***Changed Items:***

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 6***

***Comments:***

*Please refer to our response letter, Termination Experience and Exhibit H attached as Supporting Documents.*

***Related Objection 6***

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Provide a comparison exhibit illustrating an actual to expected analysis of the original pricing assumptions to the current pricing assumptions. The actuarial memorandum only provides a comparison of actual to expected for Persistency.*

***Changed Items:***

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Termination Experience and Exhibit H |
| **Comments:** | |
| **Attachment(s):** | Exhibit H.pdf<br>Termination Experience.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 7***

***Comments:***

*Please refer to our response letter and revised exhibits attached as Supporting Documents.*

***Related Objection 7***

*Applies To:*

*- Rate Exhibits A-G (Supporting Document)*

*Comments: Please update the Nationwide and Virginia historical experience, with and without the rate increase with data through 12/31/2018.*

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 8***

***Comments:***

*Please refer to our response letter and revised exhibits attached as Supporting Documents.*

***Related Objection 8***

*Applies To:*

- *L&H Actuarial Memorandum (Supporting Document)*
- *Rate Exhibits A-G (Supporting Document)*

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

*Comments: 1. Provide a demonstration of the sufficiency of the reported claim reserves. Include a discussion of how the incurred claims in the loss ratio exhibits are adjusted to remove any margins in the claim reserves.*

*2. In accordance with 14VAC5-200-185 D which requires the provision of a contingent benefit upon lapse for all polices if the requested rate increase is approved. Provide the assumptions with respect to the election of the contingent benefit upon lapse in the projections in Exhibit B.*

*3. In the previous rate revision filing, the company estimated the maximum benefits exposure on in force Virginia policyholders as 8 years for lifetime benefit policies. Please advise if this assumption has changed and provide a summary of the revised calculations, if any.*

*4. In accordance with 14VAC5-200-150 B. 11. describe the valuation basis of the Active Life reserves for these policies. Please indicate the amount of reported Active Life reserves as of the projection date in the analyses.*

*5. The Actuarial Memorandum does not indicate how the 4.5% interest rate was determined to calculate the anticipated loss ratio. In the previous rate revision filing, the company determined that the weighted average of the various interest rates was 4.833% which is higher than that used in the current calculations. Provide a description of how the interest rate was determined and modify any exhibits and loss ratio projections as necessary.*

*6. Please recalculate the anticipated lifetime loss ratios. The Active Life reserves should be included in the determination of the Future Loss ratio as a reduction to the present value of future incurred claims.*

***Changed Items:***

| **Supporting Document Schedule Item Changes** | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *Rate Exhibits A-G* |
| **Comments:** | |
| **Attachment(s):** | *Exhibits A-E VA 2017 Individual (to send).xlsx* |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 9***

***Comments:***

*Please refer to our response letter attached as a Supporting Document.*

***Related Objection 9***

*Comments: Please advise if there are any partnership policies in force in Virginia.*

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

### Response 10

**Comments:**

*Please refer to our response letter and CBL Rider attached as Supporting Documents.*

### Related Objection 10

*Applies To:*

*- CBL Rider (Supporting Document)*

*Comments: Explain if the CBL Rider form (CBL VA) is the same as previously approved under TRST-130130738 and advise if any changes were made to the form.*

### Changed Items:

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | CBL Rider |
| **Comments:** | No revision required, this is the same as previously approved under TRST-130130738. |
| **Attachment(s):** | VA CBL Rider.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *CBL Rider* |
| **Comments:** | |
| **Attachment(s):** | *VA CBL Rider.pdf* |

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | CBL Rider |
| **Comments:** | No revision required, this is the same as previously approved under TRST-130130738. |
| **Attachment(s):** | VA CBL Rider.pdf |
| *Previous Version* | |
| **Satisfied - Item:** | *CBL Rider* |
| **Comments:** | |
| **Attachment(s):** | *VA CBL Rider.pdf* |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 11***

***Comments:***

*Please refer to our response letter and schedule page attached as Supporting Documents.*

***Related Objection 11***

*Comments: Does the company plan to offer the policyholder a revised policy schedule should the policyholder opt for the contingent benefit upon lapse or elect an eligible reduced benefit option? Please place a copy of the policy benefit schedule in Supporting Documentation and advise the SERFF Tracking # under which the revised policy schedule form was approved.*

***Changed Items:***

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

| | |
|---|---|
| **Satisfied - Item:** | Schedule Page |
| **Comments:** | Provided for your information. These are the same as previously approved under TRST-130130738. |
| **Attachment(s):** | JOHN DOE SCHEDULE WITH RIDERS.pdf<br>JOHN DOE SCHEDULE WITH RIDERS.pdf<br>REVISED POLICY SCHEDULE.pdf<br>Statement of Variability VA - SOV-VA16.pdf |

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

***Response 12***

***Comments:***

**State:** Virginia **Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

*Please refer to our response letter attached as a Supporting Document.*

*Revised policyholder letters have been attached under the Form tab.*

### *Related Objection 12*

*Comments: VA Policyholder Letter with and without WOP*

*1) How is the percentage of the premium increase communicated to the policyholder in the letter? We did not find in the proposed letter how the percentage of the increase or their current premium amount is communicated.*

*2) The 5th paragraph mentions, "...the enclosed Rider is made a part of your policy." Please provide the Rider to which the letter refers and the SERFF Tracking # under which the Rider form was approved.*

*3) Please explain how a policyholder communicates with the company to understand or select their reduced benefit options. The letter seems to state the only option is to telephone the company at the telephone number provided.*

### *Changed Items:*

| Supporting Document Schedule Item Changes | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

## Form Schedule Item Changes

| Item No. | Form Name | Form Number | Form Type | Form Action | Action Specific Data | Readability Score | Attachments | Submitted |
|---|---|---|---|---|---|---|---|---|
| 1 | VA Policyholder Letter without WOP | PL-VA18 | OTH | Initial | | | PL-VA18.pdf | Date Submitted: 06/17/2019 By: Karen Ficcardi |
| *Previous Version* | | | | | | | | |
| *1* | *VA Policyholder Letter without WOP* | *PL-VA18* | *OTH* | *Initial* | | | *PL-VA18.pdf* | *Date Submitted: 05/13/2019 By: Karen Ficcardi* |
| 2 | VA Policyholder Letter with WOP | PLWOP-VA18 | OTH | Initial | | | PLWOP-VA18.pdf | Date Submitted: 06/17/2019 By: Karen Ficcardi |
| *Previous Version* | | | | | | | | |
| *2* | *VA Policyholder Letter with WOP* | *PLWOP-VA18* | *OTH* | *Initial* | | | *PLWOP-VA18.pdf* | *Date Submitted: 05/13/2019 By: Karen Ficcardi* |

*No Rate/Rule Schedule items changed.*

***Conclusion:***

*Thank you for your time and consideration.*

*Sincerely,*

*Karen Ficcardi*

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Note To Filer

**Created By:**

Bill Dismore on 01/27/2020 01:34 PM

**Last Edited By:**

Bill Dismore

**Submitted On:**

04/02/2020 10:31 AM

**Subject:**

Request for Extension

**Comments:**

Extension granted to 2/04/2020 to respond to outstanding objections.

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Note To Reviewer

**Created By:**

Karen Ficcardi on 01/27/2020 01:13 PM

**Last Edited By:**

Bill Dismore

**Submitted On:**

04/02/2020 10:31 AM

**Subject:**

Request for extension

**Comments:**

Good Afternoon,
At this time, we would like to ask for an extension of 1 week in order to complete our response to your 12/27/19 objection.

Thank you for your consideration of this request.
Karen Ficcardi
Senior Compliance Analyst

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Reviewer Note

### Created By:

Bill Dismore on 12/27/2019 09:40 AM

### Last Edited By:

Bill Dismore

### Submitted On:

12/27/2019 09:41 AM

### Subject:

Actuarial Review - Final Opinion & Summary Report

### Comments:

10/29/2019 - actuarially justified Company's 30% rate increase request. Final report received.

**Ryan Mueller, FSA, MAAA**

Oliver Wyman
411 East Wisconsin Avenue, Suite 1300
Milwaukee, WI 53202-4419
Tel: 414-277-4680 Fax: 414-223-3244
ryan.mueller@oliverwyman.com
www.oliverwyman.com

October 30, 2019

Bill Dismore
Insurance Market Examiner
Life and Health Division
State Corporation Commission, Bureau of Insurance
Richmond, VA 23218

Subject:
**Lincoln National Life Insurance Company – Long-Term Care Filing**
**State Tracking #: TRST-131923253**

Dear Mr. Dismore:

At your request, we reviewed the above captioned long-term care rate filing submitted by Lincoln National Life Insurance Company (the Company). The purpose of this letter is to provide you with our analysis and opinion with respect to the rate increase requested by the Company. This letter is not intended for any other purposes.

Based on the information provided, we believe this filing satisfies the loss ratio requirements of 14VAC5-200-150. Additionally, the proposed rate increase is less than the maximum justifiable rate increase under the prospective present value approach.

## Background

The Company is requesting to increase rates 30.0% for a closed block of individual long-term care policies (policy form series LTC1 and LTC2) providing comprehensive long-term care benefits to insureds. These policies were issued between 1991 and 1996. As of December 31, 2017, a total of 59 policyholders will be impacted by this rate filing.

According to the Actuarial Memorandum, three previous rate increases have been approved by the Bureau for these policy forms in Virginia for a cumulative average rate increase of 124.0%: a 40% rate increase in 2004, a 26.5% rate increase in 2017, and a 26.5% rate increase in 2018. With the proposed rate increase, the cumulative average rate increase in Virginia would be 191.2%. Nationwide, the cumulative average rate increase prior to the most recently requested rate increase is estimated to be 124.9%; with the requested rate increase, the cumulative average rate increase nationwide is estimated to be 160.8%. We have reviewed this filing for compliance with 14VAC5-200-150.

## Analysis

The Company used nationwide experience of the LTC1 and LTC2 products to support the requested rate increase. The experience of Virginia policyholders was not fully credible.

The assumptions underlying the experience projection are based on the assumptions underlying the rate increase that was approved by the Bureau in 2004. The Company believes it is appropriate to use the same assumptions, since the Company believes the current experience is close to the current assumptions.

### Morbidity Assumptions

The morbidity assumptions were developed by Milliman using Milliman's projection model. The morbidity assumptions were developed to reflect the claims experience of the policy forms, the demographic mix of the policy forms, and the level of underwriting performed at the time the policies were issued. No future morbidity improvement was assumed in the projections. A comparison of actual claims to expected claims for these policy forms shows actual claims are higher than expected claims. However, the claims experience is not fully credible, and if the morbidity assumptions were refined, the Company would likely be able to justify a larger rate increase.

### Mortality and Voluntary Lapse Assumptions

The mortality assumptions were developed from the Annuity 2000 mortality table. No future mortality improvement was assumed. The Company assumed a future annual voluntary lapse rate of 1.2%, which was developed by Milliman using Milliman's Long Term Care Guidelines. To support the assumptions, the Company provided an exhibit comparing actual-to-expected assumptions for voluntary lapses, deaths, and total terminations (i.e., voluntary lapses and deaths combined). Based on the information provided, the termination assumptions in aggregate are reasonable.

Since the average age of policyholders is 84, the Company does not expect any shock lapse to occur as a result of the rate increase.

### Projected Loss Ratios

A discount rate of approximately 4.8% was used to discount and accumulate cash flows in the experience projections. This discount rate reflects the average maximum statutory valuation rate based on policy issue year. Using a discount rate of 4.8%, the Company has stated the lifetime loss ratio using nationwide experience without the requested rate increase would be 85.3%; with the requested rate increase, the lifetime loss ratio is projected to be 83.9%. The original lifetime loss ratio with active life reserves removed was 70.7%, noting that the Company was unable to adjust the original lifetime loss ratio to reflect the actual mix of business sold.

Active life reserves are not included in the incurred claims projections supporting the rate increase request. It is important to consider policy reserves when projecting the future loss ratio in order to ensure that the pre-funding of benefits of the persisting policyholders has been taken into consideration. The Company is currently holding $51.4 million in active life reserves for these policy forms when using the average maximum statutory valuation rate of 4.8%. The future loss ratio considering active life reserves and assuming the requested rate increase was implemented is estimated to be 117.0%.

**Evaluation of the Prospective Present Value Approach**
The Company provide the appropriate experience projections to evaluate the maximum justifiable rate increase using the prospective present value approach (i.e., the approach used by Texas). We adjusted the information to discount and accumulate cash flows using the average maximum statutory valuation rate. We estimate the Company could justify a rate increase of 171.2% using the prospective present value approach.

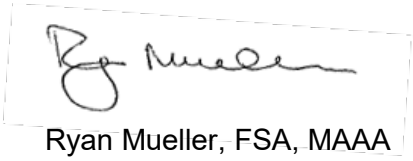
## Opinion

In my opinion the filed premium rates are reasonable in relation to the benefits provided and are not excessive or unfairly discriminatory. In arriving at our opinion, we used and relied on information provided by the Company without independent investigation or verification. If this information is inaccurate, incomplete, or out of date, our findings and conclusions may need to be revised. While we have relied on the data provided by the Company without independent investigation or verification, we have reviewed the data for consistency and reasonableness. Where we found the data inconsistent or unreasonable, we have requested clarification.

We have utilized generally accepted actuarial methodology in reaching this opinion. I am a member of the American Academy of Actuaries and meet all of its requirements to render this opinion.

If you have any questions regarding this filing, please feel free to contact me. I can be reached at 414 277 4680.

Sincerely,



Ryan Mueller, FSA, MAAA
Senior Consultant

Copy: Tammy Tomczyk, Oliver Wyman Actuarial Consulting, Inc.

| | | | |
|---|---|---|---|
| **State:** | *Virginia* | **Filing Company:** | *Lincoln National Life Insurance Company* |
| **TOI/Sub-TOI:** | *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified* | | |
| **Product Name:** | *LTC Rate Increase* | | |
| **Project Name/Number:** | */* | | |

# Reviewer Note

**Created By:**

Bill Dismore on 06/20/2019 06:51 AM

**Last Edited By:**

Bill Dismore

**Submitted On:**

07/20/2020 12:08 PM

**Subject:**

RRS

**Comments:**

Rate Review Summary

Reset Form

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

**Company Name and NAIC Number:** The Lincoln National Life Insurance Company 65676

**SERFF Tracking Number:** TRST-131923253

**Effective Date:** On Approval

**Revised Rates**

**Average Annual Premium Per Member:** $2,201.69

**Average Requested Percentage Rate Change Per Member:** 30%

**Minimum Requested Percentage Rate Change Per Member:** 30%

**Maximum Requested Percentage Rate Change Per Member:** 30%

**Number of Policy Holders Affected :** 59

**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) | Guaranteed Insurability Rider |
| | 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.**

***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.***

**Long Term Care Insurance Rate Request Summary**
**Part 1**

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.

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

Company Name and NAIC Number: The Lincoln National Life Insurance Company - 65676

SERFF Tracking Number: TRST-131923253

Disposition: Approved & Filed

Approval Date: 7/17/2020

**Revised Rates**

Average Annual Premium Per Member: $2,201.69

Average Requested Percentage Rate Change Per Member: 30%

Minimum Requested Percentage Rate Change Per Member: 30%

Maximum Requested Percentage Rate Change Per Member: 30%

Number of Policy Holders Affected: 59

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

The Company requested, and the Bureau approved a rate increase of 30% for this block of individual long-term care insurance policy forms.

The filing was reviewed by the Bureau's consulting actuary and determined to comply with the requirements for a rate increase set forth in 14VAC5-200-150 of the Virginia Administrative Code for policies issued prior to October 1,2003. The review indicated that the anticipated loss ratio, reflecting claims payout, will be 117.0% with the increase, which exceeds the minimum required loss ratio of 60%.

The Company has advised that they do not intend to request future rates increases on this block unless the actual experience is worse than projected.

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 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 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. Specific options are included in the letter sent to all policyholders notifying them of the rate increase and can be discussed 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:
https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

# Form Schedule

**Lead Form Number: PL-VA18**

| Item No. | Schedule Item Status | Form Name | Form Number | Form Type | Form Action | Action Specific Data | Readability Score | Attachments |
|---|---|---|---|---|---|---|---|---|
| 1 | Approved 07/17/2020 | VA Policyholder Letter without WOP | PL-VA18 | OTH | Initial | | 40.200 | VA Policyholder Letter without WOP PL-VA18 (revised 7.13.20).pdf |
| 2 | Approved 07/20/2020 | VA Policyholder Letter with WOP | PLWOP-VA18 | OTH | Initial | | 42.900 | VA Policyholder Letter with WOP PLWOP-VA18 (revised 7.13.20).pdf |

**Form Type Legend:**

| | | | |
|---|---|---|---|
| **ADV** | Advertising | **AEF** | Application/Enrollment Form |
| **CER** | Certificate | **CERA** | Certificate Amendment, Insert Page, Endorsement or Rider |
| **DDP** | Data/Declaration Pages | **FND** | Funding Agreement (Annuity, Individual and Group) |
| **MTX** | Matrix | **NAP** | Network Access Plan |
| **NOC** | Notice of Coverage | **OTH** | Other |
| **OUT** | Outline of Coverage | **PJK** | Policy Jacket |
| **POL** | Policy/Contract/Fraternal Certificate | **POLA** | Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider |
| **PRC** | Provider Contract/Provider Addendum/Provider Leading Agreement | **PRD** | Provider Directory |

**Trustmark**
INSURANCE COMPANY

*Long Term Care Administrator for*

# *The Lincoln National Life Insurance Company*

{RETN ADDR 3}, {RETN ADDR 4}

{LETTER DATE}

{INS ADDRESS1}
{INS ADDRESS2}
{INS ADDRESS3}
{INS ADDRESS4}

Account No: {FM ACCOUNT}
Policy No: {CONTRACT NUM}

Dear Policyholder:

Maintaining adequate Long-Term Care coverage is essential to protect you and your family and is a concern for us all. As the administrator of your Long Term Care policy with **The Lincoln National Life Insurance Company**, we are responsible for keeping sufficient funds to cover your valuable policy benefits. Therefore, we requested a {30%} rate increase on all policies issued in Virginia.

Your current premium, prior to the rate increase is {CURR-MODAL-PREMIUM} {MODE}. Effective {RERATE DATE}, the premium increase will be applied to all policyholders in your premium class. Your new premium will be {NEW RRT MODAL PREM} {MODE}. Please refer to your policy regarding premium adjustments for additional details, or call us should you have any questions.

The rate increase is necessary because the emerging experience reveals more insureds are keeping their policies in force than anticipated, resulting in higher than expected claim costs. This rate increase is necessary to ensure adequate funding of all future claim payments. Your policy may be subject to future premium adjustments. Please refer to your policy regarding premium adjustments for additional details.

If your premiums are paid by your employer through payroll deduction or by an annuity, please notify your payroll department or financial institution of the premium adjustment.

As a policyholder, you have the right to a revised premium rate or rate schedule. A revised premium rate can either be a lower premium by reducing your benefits, or opting for paid-up coverage which will require no further premium payments. In accordance with state law, enclosed is the Contingent Benefit Upon Lapse Rider. This Rider offers you the following two options in lieu of the above premium adjustment. **The reduced benefit options may not be of equal value of the original benefits.** All future rate adjustments will provide alternative options to offset your premium as described below and contained in the enclosed Contingent Benefit Upon Lapse Rider.

- One option allows you to reduce your level of benefit. Options include reduction in benefit period or benefit amount, extension of Elimination Period, elimination of riders, etc.
- The other option allows you to choose Contingent Benefit Upon Lapse. Your policy would be converted to paid-up insurance, with no further premium payments required. Your Policy Benefit Limit

under this option will be reduced to an amount equal to the total premium paid under this policy less any waived premium, no less than 30 times the daily nursing home benefit at the time of lapse. In no event will the paid up value exceed the maximum benefits which would be payable if the policy remained in a premium paying status. With the Contingent Benefit Upon Lapse, the annual Benefit Increase Option, Restoration of Benefits, and Guaranteed Insurability Rider are no longer available.

If you would like to keep your policy benefits as is, then there is no need to contact us. The new premium will go into effect on the date indicated above. If you choose to explore a reduction in benefits, or the contingent benefit upon lapse option, then please contact us at the telephone number below. Benefit changes may occur at any time, not just at the time of a rate increase.

The rate increase request was reviewed by the Virginia State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx.

We appreciate the opportunity to serve your insurance needs. If you have any questions, contact our Policyowner Services Department at {(800) 554-1640}, {between 7:00 a.m. and 5:00 p.m. Central Standard Time, Monday through Thursday, and between 7:00 a.m. and 3:00 p.m. on Friday}. You may also reach us by using our email address, {DILTC_SERVICES@TRUSTMARKINS.COM}.

Sincerely,

Policyowner Services Department
DI/LTC Division

**Trustmark**
INSURANCE COMPANY

*Long Term Care Administrator for*

# *The Lincoln National Life Insurance Company*

{RETN ADDR 3}, {RETN ADDR 4}

{LETTER DATE}

{INS ADDRESS1}
{INS ADDRESS2}
{INS ADDRESS3}
{INS ADDRESS4}

Account No: {FM ACCOUNT}
Policy No: {CONTRACT NUM}

Dear Policyholder:

Maintaining adequate Long-Term Care coverage is essential to protect you and your family and is a concern for us all. As the administrator of your Long Term Care policy with **The Lincoln National Life Insurance Company**, we are responsible for keeping sufficient funds to cover your valuable policy benefits. Therefore, we requested a {30%} rate increase on all policies issued in Virginia.

Your current premium, prior to the rate increase is {CURR-MODAL-PREMIUM} {MODE}. Effective {RERATE DATE}, the premium increase will be applied to all policyholders in your premium class. Your new premium will be {NEW RRT MODAL PREM} {MODE}. Please refer to your policy regarding premium adjustments for additional details, or call us should you have any questions.

The rate increase is necessary because the emerging experience reveals more insureds are keeping their policies in force than anticipated, resulting in higher than expected claim costs. This rate increase is necessary to ensure adequate funding of all future claim payments. Your policy may be subject to future premium adjustments. Please refer to your policy regarding premium adjustments for additional details.

If your premiums are paid by your employer through payroll deduction or by an annuity, please notify your payroll department or financial institution of the premium adjustment.

As a policyholder, you have the right to a revised premium rate or rate schedule. A revised premium rate can either be a lower premium by reducing your benefits, or opting for paid-up coverage which will require no further premium payments. In accordance with state law, enclosed is the Contingent Benefit Upon Lapse Rider. This Rider offers you the following two options in lieu of the above premium adjustment. **The reduced benefit options may not be of equal value of the original benefits.** All future rate adjustments will provide alternative options to offset your premium as described below and contained in the enclosed Contingent Benefit Upon Lapse Rider.

- One option allows you to reduce your level of benefit. Options include reduction in benefit period or benefit amount, extension of Elimination Period, elimination of riders, etc.
- The other option allows you to choose Contingent Benefit Upon Lapse. Your policy would be converted to paid-up insurance, with no further premium payments required. Your Policy Benefit Limit

under this option will be reduced to an amount equal to the total premium paid under this policy less any waived premium, no less than 30 times the daily nursing home benefit at the time of lapse. In no event will the paid up value exceed the maximum benefits which would be payable if the policy remained in a premium paying status. With the Contingent Benefit Upon Lapse, the annual Benefit Increase Option, Restoration of Benefits, and Guaranteed Insurability Rider are no longer available.

If you would like to keep your policy benefits as is, then there is no need to contact us. The new premium will go into effect on the date indicated above. If you choose to explore a reduction in benefits, or the contingent benefit upon lapse option, then please contact us at the telephone number below. Benefit changes may occur at any time, not just at the time of a rate increase.

Because our records indicate that you are currently receiving Waiver of Premium benefits for your long-term care coverage, you are not responsible for paying your premiums. If your Waiver of Premium benefits stop on or after {RERATE DATE}, you will then pay the premium of {NEW RRT MODAL PREM}.

The rate increase request was reviewed by the Virginia State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx.

We appreciate the opportunity to serve your insurance needs. If you have any questions, contact our Policyowner Services Department at {(800) 554-1640}, {between 7:00 a.m. and 5:00 p.m. Central Standard Time, Monday through Thursday, and between 7:00 a.m. and 3:00 p.m. on Friday}. You may also reach us by using our email address, {DILTC_SERVICES@TRUSTMARKINS.COM}.

Sincerely,

Policyowner Services Department
DI/LTC Division

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

## Rate Information

Rate data applies to filing.

| | |
|---|---|
| **Filing Method:** | SERFF |
| **Rate Change Type:** | Increase |
| **Overall Percentage of Last Rate Revision:** | 60.000% |
| **Effective Date of Last Rate Revision:** | 09/01/2017 |
| **Filing Method of Last Filing:** | SERFF |
| **SERFF Tracking Number of Last Filing:** | TRST-130130738 |

### Company Rate Information

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | Number of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where req'd): | Minimum % Change (where req'd): |
|---|---|---|---|---|---|---|---|
| Lincoln National Life Insurance Company | 669.000% | 30.000% | $39,378 | 61 | $131,261 | 30.000% | 30.000% |

**State:** *Virginia*
**Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

## Rate/Rule Schedule

| Item No. | Schedule Item Status | Document Name | Affected Form Numbers (Separated with commas) | Rate Action | Rate Action Information | Attachments |
|---|---|---|---|---|---|---|
| 1 | | LTC1 Rates | HL-2500AA (8/90), HL-2525AA (8/90) | Revised | Previous State Filing Number: TRST-130130738<br>Percent Rate Change Request: 30 | LTC1 Rates.xlsx, |
| 2 | | LTC2 Rates | HL-2950VA (7/92) | Revised | Previous State Filing Number: TRST-130130738<br>Percent Rate Change Request: 30 | LTC2 Rates.xlsx, |

**State:** Virginia
**Filing Company:** Lincoln National Life Insurance Company
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified
**Product Name:** LTC Rate Increase
**Project Name/Number:** /

***Attachment LTC1 Rates.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment LTC2 Rates.xlsx is not a PDF document and cannot be reproduced here.***

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

## Supporting Document Schedules

| | |
|---|---|
| **Satisfied - Item:** | Certification of Compliance |
| **Comments:** | |
| **Attachment(s):** | Certification of Compliance.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Bypassed - Item:** | Product Checklist |
| **Bypass Reason:** | This is a rate increase filing only, it does not contain product forms. |
| **Attachment(s):** | |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | L&H Actuarial Memorandum |
| **Comments:** | Revised document is attached. |
| **Attachment(s):** | VA Actuarial Memorandum.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Long Term Care Insurance Rate Request Summary |
| **Comments:** | Revised document is attached. |
| **Attachment(s):** | VA LTC-Rate Request Summary 2018.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | CBL Rider |
| **Comments:** | No revision required, this is the same as previously approved under TRST-130130738. |
| **Attachment(s):** | VA CBL Rider.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Third Party Authorization Letter |
| **Comments:** | |
| **Attachment(s):** | authorization letter.pdf |
| **Item Status:** | Received & Acknowledged |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| | |
|---|---|
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Rate Exhibits A-E |
| **Comments:** | Revised exhibits are attached. |
| **Attachment(s):** | (Revised) Exhibit A 2018 - ALR.xlsx |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Policyholder Letter Variability Statement |
| **Comments:** | The insurer will be providing the policyholder letters at least 75 days prior to the implementation of the premium rate schedule increase. |
| **Attachment(s):** | Statement of Variability VA - SOV-PL-VA18.pdf<br>Statement of Variability VA - SOV-PLWOP-VA18.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 04/23/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Please remove Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab. |
| **Comments:** | Per your request, we have removed Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab. |
| **Attachment(s):** | Exhibits A-E VA 2018 Individual Excluding FPP & SC.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA |
| **Comments:** | |
| **Attachment(s):** | Response to VA.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Termination Experience and Exhibit H |
| **Comments:** | |
| **Attachment(s):** | Exhibit H.xlsx<br>Termination Experience.xlsx |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Schedule Page |
| **Comments:** | Provided for your information. These are the same as previously approved under TRST-130130738. |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| | |
|---|---|
| **Attachment(s):** | JOHN DOE SCHEDULE WITH RIDERS.pdf<br>JOHN DOE SCHEDULE WITH RIDERS.pdf<br>REVISED POLICY SCHEDULE.pdf<br>Statement of Variability VA - SOV-VA16.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to 7-9-19 Objection |
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-9-19.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 9-5-19 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 8-19-19.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Prospective PV Calculation |
| **Comments:** | |
| **Attachment(s):** | Prospective Present Value Calculation for VA.xlsx |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 10-15-19 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 10-15-19.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Readability Certification |
| **Comments:** | |
| **Attachment(s):** | READABILITY CERTIFICATION.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 2-3-20 |

**State:** *Virginia* **Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| | |
|---|---|
| **Comments:** | |
| **Attachment(s):** | Response to VA 2-3-20.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 02/04/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 3-5-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 3-5-20.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 04/23/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 4-5-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 3-6-20.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 04/23/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 5-3-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 5-3-20.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 04/23/2020 |

| | |
|---|---|
| **Satisfied - Item:** | "John Doe" Policyholder Letters |
| **Comments:** | |
| **Attachment(s):** | John Doe VA Policyholder Letter with WOP.pdf<br>John Doe VA Policyholder Letter without WOP.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 04/23/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 5-22-20 |
| **Comments:** | |
| **Attachment(s):** | Response to VA 5-22-20.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 07/17/2020 |

| | |
|---|---|
| **Satisfied - Item:** | Response to VA 7-10-20 |

**State:** *Virginia*
**Filing Company:** *Lincoln National Life Insurance Company*
**TOI/Sub-TOI:** *LTC03I Individual Long Term Care/LTC03I.002 Non Qualified*
**Product Name:** *LTC Rate Increase*
**Project Name/Number:** */*

| | |
|---|---|
| **Comments:** | |
| **Attachment(s):** | Response to VA 7-10-20.pdf |
| **Item Status:** | Received & Acknowledged |
| **Status Date:** | 07/17/2020 |

| | | | |
|---|---|---|---|
| **State:** | Virginia | **Filing Company:** | Lincoln National Life Insurance Company |
| **TOI/Sub-TOI:** | LTC03I Individual Long Term Care/LTC03I.002 Non Qualified | | |
| **Product Name:** | LTC Rate Increase | | |
| **Project Name/Number:** | / | | |

***Attachment (Revised) Exhibit A 2018 - ALR.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment Exhibit H.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment Termination Experience.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment Prospective Present Value Calculation for VA.xlsx is not a PDF document and cannot be reproduced here.***

## CERTIFICATION OF COMPLIANCE

I, Kristen Kim, Executive Director and Actuary, am authorized to sign on behalf of Trustmark Insurance Company as Reinsurer and Administrator for The Lincoln National Life Insurance Company, have reviewed the enclosed forms and certify that, to the best of our knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the regulations promulgated pursuant thereto.

Signature of Actuary

Kristen Kim
Name

Executive Director and Actuary
Title

January 31, 2020
Date

# Lincoln National Life Insurance Company

## Actuarial Justification of Premium Rate Increase
## Long Term Care Policies

## 1. PURPOSE AND SCOPE OF FILING

This is a rate increase filing for Lincoln National Life Insurance existing Long Term Care policy forms. The purpose of this filing is to demonstrate that the anticipated loss ratio of these forms meets the minimum requirements of this state. This rate filing is not intended to be used for any other purposes.

While a 669% rate increase can be justified at this time, the company is requesting a 30% increase, effective upon approval by the state, on all of the company's Long Term Care policy forms and rider forms as summarized below.

Lincoln National sold Long Term Care policies from 1991-1996. All inforce policies subject to this proposed rate increase were issued prior to August 1, 1996. Lincoln then ceded out 100% of the risk to GenRe who then ceded out 50% of the risk to Trustmark Insurance Company who also administers this block.

*Series LTC1*

*Lincoln National Life Insurance Company*
Long Term Care Policy HL-2500AA (8/90)
Home and Community Care Rider HL-2525AA (8/90)

*Series LTC2*

*Lincoln National Life Insurance Company*
Long Term Care Policy HL-2950VA (7/92)

The rate increase will apply to all insureds covered under the referenced policy series in this state. The rate increase is necessary because the emerging experience reveals morbidity and policy persistency levels that produce lifetime loss ratios above the minimum required loss ratio.

## 2. BENEFITS

### *LTC1*

This policy provides daily benefits for confinement in a nursing home. Optional riders are available to provide: (1) daily home health care and adult day care benefits, and (2) a guaranteed insurability privilege allowing an annual increase of 5% of the initial daily benefit through age 85.

Nursing home benefits begin after the insured has satisfied a deductible period

# Lincoln National Life Insurance Company

## Actuarial Justification of Premium Rate Increase
## Long Term Care Policies

(elimination period) and continue while the insured remains confined until the policy benefit limit has been reached. Home health care and adult day care benefits are subject to a separate deductible period and benefit limit. However, any day used to satisfy the nursing home deductible period also satisfies the home health care/adult day care deductible period. Each day of benefit, whether provided for nursing home confinement or home health care/adult day care, counts toward the policy benefit limit.

Benefit options include:

| Benefit Feature | Nursing Home | Home Health/ Adult Day Care |
|---|---|---|
| Deductible Periods | 0, 20, 60, 100 days | 0, 20, 60, 100 days |
| Benefit Limits | 730 days | 730 days |
| | 1,095 days | 1,095 days |
| | 1,460 days | 1,460 days |
| | 1,825 days | 1,825 days |
| | 2,190 days | 2,190 days |
| | Unlimited | Unlimited |

The maximum daily home health care benefit equals the maximum daily benefit for nursing home confinement. However, no more than 50% of the maximum daily nursing home benefit will be paid for “basic” home health care services, as defined in the rider.

The maximum daily adult day care benefit is 25% of the maximum daily nursing home benefit.

A benefit increase option is also available. The benefit increase option provides a 5% compounded increase in the daily benefit limits each year through the anniversary on or after the insured’s 85th birthday or for 10 years, whichever period is longer. The benefit increase applies even when the policy is in claim status. If this option is elected a higher level premium is charged for the lifetime of the policy. The insured may not elect both the benefit increase option and the guaranteed insurability rider.

***LTC2***

This policy provides daily benefit for confinement in a nursing home or other confined care facility. This policy has an option, which may be elected, to provide home health and community care benefits.

# Lincoln National Life Insurance Company

## Actuarial Justification of Premium Rate Increase
## Long Term Care Policies

Benefits begin after the insured has satisfied an elimination period, and continue while the insured remains confined or, if applicable, receives home health or community care services, until the policy benefit limit has been reached. Benefits paid for confined care and home health and community care all count toward the policy benefit limit. The policy benefit limit is a dollar amount that is calculated as the selected benefit period multiplied by the selected daily limit.

Benefit options include:

| Benefit Feature | Options |
|---|---|
| Elimination Periods | 0, 20, 60, 100, 180, 365 days |
| Benefit Limits | 730 days<br>1,095 days<br>1,460 days<br>1,825 days<br>2,190 days<br>Unlimited |

The normal daily limit for home health and community care benefits is 60% of the daily limit for confined care benefits. The maximum daily limit for home health and community care benefits equal 100% of the daily limit for confined care benefits. However, no more than 80% of the actual charges will be paid for home health care basic services, adult day care, respite care, alternate care or equipment, and confined care outside of a nursing home, as defined in the policy.

Two annual increase optional benefits are included. The first provides a 5% equal annual increase in the daily limit and remaining benefit limit each year that the policy is in force. The second provides a 5% compounded annual increase in the daily limit and remaining benefit limit each year that the policy is in force. The annual increase applies even when the policy is in claim status. Premiums are expected to remain level from issue under both increase options.

A return of premium option is also included. Upon death of the insured, termination of the policy, or a decrease in the daily limit and policy benefit limit, it provides for the payment of a return of premium as described in the policy.

## 3. RENEWABILITY

These policy forms are guaranteed renewable for life subject to the company's right to change premium rates.

## 4. APPLICABILITY

# Lincoln National Life Insurance Company

## Actuarial Justification of Premium Rate Increase
## Long Term Care Policies

This filing applies to inforce insureds as these forms are no longer actively marketed. The premium change will be applicable to the base forms and to all riders associated with the base forms.

## 5. MORBIDITY

The Minnesota Milliman office projected future incurred claims based on the claim experience of these policy forms, the current demographics of the block, the original underwriting of the business, and their projection models. The ultimate claim costs represent best estimate values and do not include an explicit provision for moderately adverse conditions.

## 6. MORTALITY

The Annuity 2000 mortality table was used for projecting future mortality with the following selection factors:

| DURATIONAL MORTALITY FACTORS | |
|---|---|
| Duration | Selection |
| 1 | 30% |
| 2 | 60% |
| 3 | 65% |
| 4 | 70% |
| 5 | 75% |
| 6 | 80% |
| 7 | 85% |
| 8 | 85% |
| 9+ | 90% |

## 7. PERSISTENCY

Experience to date –

| Policy Duration | Expected Termination Rate | Actual Termination Rate | Actual / Expected |
|---|---|---|---|
| 2/1 | 15% | 10% | 67% |
| 3/2 | 13% | 8% | 61% |
| 4/3 | 12% | 5% | 45% |
| 5/4 | 12% | 6% | 47% |

# Lincoln National Life Insurance Company

**Actuarial Justification of Premium Rate Increase**
**Long Term Care Policies**

| | | | |
|---|---|---|---|
| 6/5 | 11% | 5% | 46% |
| 7/6 | 11% | 5% | 43% |
| 8/7 | 11% | 4% | 37% |
| 9/8 | 12% | 5% | 41% |
| 10/9 | 14% | 6% | 42% |
| 11/10 | 15% | 6% | 38% |
| 12/11 | 15% | 5% | 34% |
| 13/12 | 16% | 7% | 44% |
| 14/13 | 16% | 6% | 38% |
| 15/14 | 18% | 5% | 28% |
| 16/15 | 19% | 5% | 39% |
| 17/16 | 20% | 5% | 21% |
| 18/17 | 21% | 5% | 24% |
| 19/18 | 22% | 6% | 27% |
| 20/19 | 22% | 5% | 23% |
| 21/20 | 23% | 6% | 27% |
| 22/21 | 24% | 7% | 31% |
| 23/22 | 24% | 8% | 34% |
| 24/23 | 30% | 8% | 26% |
| 25/24 | 24% | 10% | 41% |
| 26/25 | 25% | 9% | 36% |
| 27/26 | 25% | 7% | 27% |

Note: As policies were issued in different years, not all policies have reached durations 23 and beyond. To account for this, the shaded numbers do not include policies that have not completed the given duration. Terminations include voluntary lapses and deaths. Future voluntary lapse rates are assumed to be 1.2%.

## 8. EXPENSES

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

## 9. MARKETING

These policy forms were marketed by the companies' agents and marketing companies.

## 10. UNDERWRITING

These policies were fully underwritten. Attending physician statements were generally obtained.

## 11. PREMIUMS

# Lincoln National Life Insurance Company

## Actuarial Justification of Premium Rate Increase
## Long Term Care Policies

Premiums vary by original issue age, benefit option selected, and risk class (with and without spousal discount). A factor of **1.30** will be applied to the currently filed and approved rates.

## 12. ISSUE AGE RANGE

The maximum issue age is 85; however, only a limited selection of benefit options was available over issue age 79.

## 13. AREA FACTORS

These policies were not area rated.

## 14. AVERAGE ANNUAL PREMIUM

| Plan | Before Increase | After Increase (Virginia Rate Basis) |
|---|---|---|
| Virginia | | |
| LTC1 | $1,222 | $1,588 |
| LTC2 | $2,313 | $3,006 |
| Nationwide | | |
| LTC1 | $2,260 | $2,938 |
| LTC2 | $2,377 | $3,090 |

## 15. PREMIUM MODALIZATION RULES

The following modal factors were applied to the annual premiums.

| **Premium Mode** | **Modal Factor** |
|---|---|
| Annual | 1.000 |
| Semi-annual | 0.520 |
| Quarterly | 0.265 |
| Monthly | 0.089 |

## 16. CLAIM LIABILITY AND RESERVES

Claim reserves and liabilities are calculated on a seriatim basis for known claims, plus an IBNR provision. These are based on continuation factors developed by Lincoln National Life for Home Care vs. Nursing Home, by sex and by whether or not bathing is a benefit trigger. Interest is at 5.5% for 1991-1992 claims, 5% for 1993-1994 claims, and 4.5% for 1995-2005, 4% for 2006-2012, and 3.5% for 2013 and later claims. Maximum benefits range from 2 years to lifetime.

# Lincoln National Life Insurance Company

## Actuarial Justification of Premium Rate Increase
## Long Term Care Policies

### 17. ACTIVE LIFE RESERVE

Active life reserve projections are provided in Exhibit A.

### 18. TREND ASSUMPTIONS

We have assumed that daily benefits will increase by 5% each policy year for plans with compound inflation protection. Plans without inflation protection do not include any trend.

### 19. MINIMUM REQUIRED LOSS RATIO

The minimum required loss ratio for these forms is 60%.

### 20. ANTICIPATED LOSS RATIO

The anticipated lifetime loss ratio for this book of business without the current proposed rate increase is 85.3% shown in Exhibit A. This is based on a 4.83% interest rate.

### 21. DISTRIBUTION OF BUSINESS - Nationwide

Distribution of Issues by Age –

| Issue Age | Distribution |
|---|---|
| <50 | 8.5% |
| 50 - 54 | 15.3% |
| 55 - 59 | 24.1% |
| 60 - 64 | 31.3% |
| 65 - 69 | 16.4% |
| 70 - 74 | 3.7% |
| 75 - 79 | 0.7% |
| Total | 100.0% |
| Average Age | 59 |

Distribution of Issues by Plan –

| Plan | Distribution |
|---|---|
| LTC1 | 12.2% |
| LTC2 | 87.8% |

Distribution of Issues by Gender –

# Lincoln National Life Insurance Company

## Actuarial Justification of Premium Rate Increase
## Long Term Care Policies

| Gender | Distribution |
|---|---|
| Male | 34.7% |
| Female | 65.3% |

Distribution of Issues by Benefit Period –

| Benefit Period (years) | Distribution |
|---|---|
| 2 | 4.5% |
| 3 | 16.5% |
| 4 | 19.5% |
| 5 | 7.5% |
| 6 | 2.4% |
| Unlimited | 49.6% |

Distribution of Issues by Elimination Period –

| Elimination Period (days) | Distribution |
|---|---|
| 20 | 33.4% |
| 60 | 22.0% |
| 100 | 42.5% |
| 365 | 2.1% |

Distribution of Issues by Home Health Care Percentage –

| Home Health Care Percentage | Distribution |
|---|---|
| 0% | 15.8% |
| 60% | 16.3% |
| 100% | 67.9% |

Distribution of Issues by Risk Class –

| Risk Class | Distribution |
|---|---|
| With spousal discount | 68.0% |
| Without spousal discount | 32.0% |

Distribution of Issues by Optional Rider –

| Optional Rider | % Electing |
|---|---|
| Compound Inflation | 20.4% |
| Simple Inflation | 18.4% |
| Guaranteed Insurability | 0.5% |

# Lincoln National Life Insurance Company

**Actuarial Justification of Premium Rate Increase**
**Long Term Care Policies**

Return of Premium 8.1%

## 22. CONTINGENCY AND RISK MARGINS

Contingency and risk margins have not been included in the justification for this rate increase.

## 23. EXPERIENCE OF THE FORM

See Exhibit A for calendar year historical experience through December 31, 2017 as well as projected future experience. Historical incurred claims reflect claim payment runoff through December 31, 2017 plus the claim reserve estimate as of December 31, 2017 (as described in Section 16 above).

Exhibit B provides projected future experience including the proposed rate increase. The assumed implementation date is September 1, 2019.

Future claims experience data is from a recently completed analysis of this block of business performed by the Minnesota Milliman office.

## 24. LIFETIME LOSS RATIO

The lifetime anticipated loss ratio is 85.3%. See Exhibit A for the calculation.

## 25. HISTORY OF RATE ADJUSTMENTS

A 40% rate increase was approved in the state of Virginia in 2004, a 26.5% rate increase was approved in 2017, and a 26.5% rate increase was approved in 2018.

## 26. NUMBER OF POLICYHOLDERS

The number of policyholders and annualized inforce premium as of 12/31/2017 are shown below.

| Company | Plan | Annualized Premium | Inforce |
|---|---|---|---|
| Virginia Only | | | |
| LNL | LTC1 | $7,330 | 6 |
| LNL | LTC2 | $122,569 | 53 |
| Nationwide | | | |
| LNL | LTC1 | $379,617 | 168 |
| | LTC2 | $3,085,579 | 1,298 |

# Lincoln National Life Insurance Company

**Actuarial Justification of Premium Rate Increase**
**Long Term Care Policies**

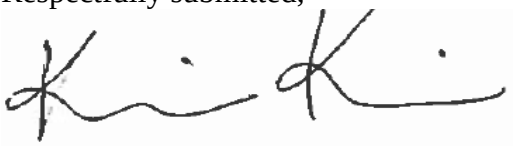
## 27. PROPOSED EFFECTIVE DATE

The proposed 30% increase will be implemented as soon as possible following approval after fulfillment of all statutory and contractual requirements. The assumed implementation in Exhibit B is September 1, 2019.

## 28. ACTUARIAL CERTIFICATION

I hereby certify to the best of my knowledge and judgment, the entire rate filing submitted herein is in compliance with all applicable laws of this state, the rules of the Department of Insurance, and Actuarial Standard of Practice Number 8 as adopted by the Actuarial Standards Board. In my opinion, the rates are not excessive or unfairly discriminatory. This filing will enhance premium adequacy, but future rate action may be necessary. Therefore, benefits cannot be certified reasonable in relation to premium.

Respectfully submitted,



Kristen S. Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

Reset Form

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

**Company Name and NAIC Number:** The Lincoln National Life Insurance Company 65676

**SERFF Tracking Number:** TRST-131923253

**Effective Date:** On Approval

**Revised Rates**

**Average Annual Premium Per Member:** $2,201.69

**Average Requested Percentage Rate Change Per Member:** 30%

**Minimum Requested Percentage Rate Change Per Member:** 30%

**Maximum Requested Percentage Rate Change Per Member:** 30%

**Number of Policy Holders Affected :** 59

**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) | Guaranteed Insurability Rider |
| | 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.**

***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.***

*The Lincoln National Life Insurance Company*
*350 Church Street*
*Hartford, CT. 06103-1106*
*(800) 238-6252*

ENDORSEMENT RIDER EFFECTIVE DATE: {RERATE DATE}

The following provision in this Rider is added to Your Policy effective as of the endorsement date on the Rider.

CONTINGENT BENEFIT AT LAPSE

If Your Long Term Care Policy receives a Substantial Premium Increase, as described on page 2, We will offer You the following options in lieu of accepting the Substantial Premium Increase:

1. Reduce Benefit: If You choose this option, the Nursing Home Daily Benefit maximum and Policy Benefit Limit will be reduced to the levels to which Your current premium would correspond under the new rate schedule; or

2. Contingent Benefit Upon Lapse: If You choose this option, Your Policy will be converted into Contingent Benefit Upon Lapse.

If Your Policy converts to Contingent Benefit Upon Lapse, it will be continued in force with no further premiums being payable. Contingent Benefit Upon Lapse means Your Nursing Home Daily Benefit maximum will remain the same, but Your Policy Benefit Limit will be reduced to an amount equal to the total amount of premiums paid under this Policy less any premium waived. The reduced Policy Benefit Limit shall not be less than the equivalent of Nursing Home Daily Benefit maximum times 30. Any Compound Automatic Inflation Protection, Restoration of Benefits, or Guaranteed Insurability provisions will no longer be available if this option is exercised. If You die before using all benefits available under Your reduced Policy Benefit Limit, there will not be a refund of any benefits.

We will notify You of a Substantial Premium Increase 75 days before the increase takes effect. If Your Policy lapses within 120 days of the Substantial Premium Increase due date, and if You have not chosen either option, then Your Policy will automatically convert to Contingent Benefit Upon Lapse.

The total of all benefits paid under this Policy and this Contingent Benefit at Lapse will not exceed the maximum benefits which would have been payable under this Policy had this Contingent Benefit at Lapse not been exercised.

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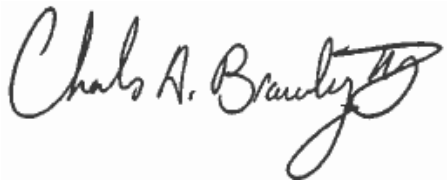
A Substantial Premium Increase is a percentage increase over the initial premium as provided in the table below. NOTE: If your policy has been active for at least 20 years you are not required to meet the trigger for a Substantial Premium Increase.

| Triggers for a Substantial Premium Increase | | | | | |
|---|---|---|---|---|---|
| Issue Age | Percent Increase over Initial Premium | Issue Age | Percent Increase over Initial Premium | Issue Age | Percent Increase over Initial Premium |
| 29 and Under | 100% | 65 | 50% | 77 | 26% |
| 30-34 | 100% | 66 | 48% | 78 | 24% |
| 35-39 | 100% | 67 | 46% | 79 | 22% |
| 40-44 | 100% | 68 | 44% | 80 | 20% |
| 45-49 | 100% | 69 | 42% | 81 | 19% |
| 50-54 | 100% | 70 | 40% | 82 | 18% |
| 55-59 | 90% | 71 | 38% | 83 | 17% |
| 60 | 70% | 72 | 36% | 84 | 16% |
| 61 | 66% | 73 | 34% | 85 | 15% |
| 62 | 62% | 74 | 32% | 86 | 14% |
| 63 | 58% | 75 | 30% | 87 | 13% |
| 64 | 54% | 76 | 28% | 88 | 12% |
| | | | | 89 | 11% |
| | | | | 90 and over | 10% |

Nothing contained in this Rider will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than stated above.



Secretary

Lincoln
Financial Group®

**Brandy Ness**
*Assistant Vice President*
*Reinsurance Accounting & Administration*

The Lincoln National Life Insurance Co.
1300 S. Clinton St.
Fort Wayne, IN 46802-3506
Phone 260 455-5542
Fax 260 455-3214
Brandy.Ness@lfg.com

July 16, 2018

To Whom It May Concern:

This is to authorize Trustmark Insurance Company to make state rate filings on Lincoln National Life Insurance Company's behalf in regard to the Long-Term Care policy forms LTC1 and LTC2. This authorization is granted for one year from the date of this letter.

Please feel free to contact me directly at (260) 455-5542 or via email at Brandy.Ness@lfg.com should there be any questions regarding this authorization.

Sincerely,

Brandy Ness
Assistant Vice President



Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

# STATEMENT OF VARIABILITY FOR FORM PL-VA18

| Variable | Description | Example |
|---|---|---|
| {RETN ADDR 3}, {RETN ADDR 4} | Trustmark mailing address | “400 N. Field Drive, Lake Forest, IL 60045” |
| {LETTER DATE} | Date of the letter | Jan 01, 2020 |
| {INS-ADDRESS-1}<br>{INS-ADDRESS-2}<br>{INS-ADDRESS-3}<br>{INS-ADDRESS-4} | The address of the policyholder | “John Doe<br>123 Address Lane<br>Lake Forest, IL 60045” |
| {FM ACCOUNT} | Trustmark account number | "TX12345" |
| {CONTRACT-NUM} | Trustmark policy number | "TX1234" |
| {30%} | Rate increase percentage- bracketed to allow a revision due to a future rate increase approval | “30%” |
| {CURR-MODAL-PREMIUM} | The modal premium of a policy | “$127.65” |
| {MODE} | The current mode of the policy | “semi-annual” |
| {RERATE DATE} | Effective change date of the policy rerate. | “Jan 01, 2018” |
| {NEW RRT MODAL PREM} | The rerated modal premium of a policy | “$127.65” |
| {(800) 554-1640} | Customer service phone number | “(800) 554-1640” |
| {between 7:00 a.m. and 5:00 p.m. Central Standard Time, Monday through Thursday, and between 7:00 a.m. and 3:00 p.m. on Friday} | Customer service hours | “between 7:00 a.m. and 5:00 p.m. Central Standard Time, Monday through Thursday, and between 7:00 a.m. and 3:00 p.m. on Friday” |
| {DILTC_SERVICES@TRUSTMARK | Customer service Email address | “DILTC_SERVICES@TRUSTMARKINS.COM” |

# STATEMENT OF VARIABILITY FOR FORM PLWOP-VA18

| Variable | Description | Example |
|---|---|---|
| {RETN ADDR 3}, {RETN ADDR 4} | Trustmark mailing address | "400 N. Field Drive, Lake Forest, IL 60045" |
| {LETTER DATE} | Date of the letter | Jan 01, 2020 |
| {INS-ADDRESS-1}<br>{INS-ADDRESS-2}<br>{INS-ADDRESS-3}<br>{INS-ADDRESS-4} | The address of the policyholder | "John Doe<br>123 Address Lane<br>Lake Forest, IL 60045" |
| {FM ACCOUNT} | Trustmark account number | "TX12345" |
| {CONTRACT-NUM} | Trustmark policy number | "TX1234" |
| {30%} | Rate increase percentage- bracketed to allow a revision due to a future rate increase approval | "30%" |
| {CURR-MODAL-PREMIUM} | The modal premium of a policy | "$127.65" |
| {MODE} | The current mode of the policy | "semi-annual" |
| {RERATE DATE} | Effective change date of the policy rerate. | "Jan 01, 2018" |
| {NEW RRT MODAL PREM} | The rerated modal premium of a policy | "$127.65" |
| {(800) 554-1640} | Customer service phone number | "(800) 554-1640" |
| {between 7:00 a.m. and 5:00 p.m. Central Standard Time, Monday through Thursday, and between 7:00 a.m. and 3:00 p.m. on Friday} | Customer service hours | "between 7:00 a.m. and 5:00 p.m. Central Standard Time, Monday through Thursday, and between 7:00 a.m. and 3:00 p.m. on Friday" |
| {DILTC_SERVICES@TRUSTMARKINS.COM} | Customer service Email address | "DILTC_SERVICES@TRUSTMARKINS.COM" |

**Exhibit A**

Future Voluntary Lapse Rate 1.2%
Future Mortality from Annuity 2000 mortality table

## Lincoln National Life Insurance Company
### Individual LTC policies issued from 1991-1996 Excluding FPP & SC
### Nationwide Actual and Projected Experience without Rate Increase

| Cal Year | Actual Earned Premium | State Basis *Earned Premium | Before Any Rate Increase Earned Premium | Claims paid Through 12/31/18 for given Incurred Year | Outstanding Reserve As of 12/31/2018 | Incurred Claims | State Basis Incurred Loss Ratio | Actual Basis Incurred Loss Ratio | Expected Incurred Claims | Expected Loss Ratio | A/E Claims Ratio | A/E Claims Ratio without Rate Increase |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1991 | 377,610 | 377,610 | 377,610 | 2,480 | - | 2,480 | 0.7% | 0.7% | 34,942 | 9.3% | 0.07 | 0.07 |
| 1992 | 1,478,446 | 1,478,446 | 1,478,446 | 7,304 | - | 7,304 | 0.5% | 0.5% | 198,256 | 13.4% | 0.04 | 0.04 |
| 1993 | 3,008,271 | 3,008,271 | 3,008,271 | 768,277 | - | 768,277 | 25.5% | 25.5% | 494,047 | 16.4% | 1.56 | 1.56 |
| 1994 | 4,531,593 | 4,531,593 | 4,531,593 | 725,100 | - | 725,100 | 16.0% | 16.0% | 922,140 | 20.3% | 0.79 | 0.79 |
| 1995 | 5,730,761 | 5,730,761 | 5,730,761 | 474,637 | - | 474,637 | 8.3% | 8.3% | 1,496,992 | 26.1% | 0.32 | 0.32 |
| 1996 | 6,957,149 | 6,957,149 | 6,957,149 | 1,909,961 | - | 1,909,961 | 27.5% | 27.5% | 2,241,500 | 32.2% | 0.85 | 0.85 |
| 1997 | 7,073,730 | 7,073,730 | 7,073,730 | 2,668,130 | - | 2,668,130 | 37.7% | 37.7% | 2,987,495 | 42.2% | 0.89 | 0.89 |
| 1998 | 6,627,129 | 6,627,129 | 6,627,129 | 1,486,886 | - | 1,486,886 | 22.4% | 22.4% | 3,689,097 | 55.7% | 0.40 | 0.40 |
| 1999 | 6,355,114 | 6,355,114 | 6,355,114 | 2,283,121 | - | 2,283,121 | 35.9% | 35.9% | 4,389,572 | 69.1% | 0.52 | 0.52 |
| 2000 | 6,054,124 | 6,054,124 | 6,054,124 | 3,288,978 | - | 3,288,978 | 54.3% | 54.3% | 4,933,174 | 81.5% | 0.67 | 0.67 |
| 2001 | 5,718,984 | 5,718,984 | 5,718,984 | 2,946,503 | - | 2,946,503 | 51.5% | 51.5% | 5,280,439 | 92.3% | 0.56 | 0.56 |
| 2002 | 5,459,002 | 5,459,002 | 5,459,002 | 2,856,981 | - | 2,856,981 | 52.3% | 52.3% | 5,611,660 | 102.8% | 0.51 | 0.51 |
| 2003 | 5,179,535 | 5,179,535 | 5,179,535 | 3,867,673 | - | 3,867,673 | 74.7% | 74.7% | 5,867,226 | 113.3% | 0.66 | 0.66 |
| 2004 | 5,353,766 | 6,365,561 | 4,896,586 | 3,549,282 | - | 3,549,282 | 55.8% | 66.3% | 6,075,082 | 124.1% | 0.45 | 0.58 |
| 2005 | 5,548,657 | 6,413,217 | 4,580,869 | 3,952,696 | 44,393 | 3,997,089 | 62.3% | 72.0% | 6,199,830 | 135.3% | 0.46 | 0.64 |
| 2006 | 5,570,597 | 6,067,658 | 4,334,041 | 5,698,457 | - | 5,698,457 | 93.9% | 102.3% | 6,354,316 | 146.6% | 0.64 | 0.90 |
| 2007 | 5,997,258 | 5,686,068 | 4,061,477 | 4,273,102 | - | 4,273,102 | 75.2% | 71.3% | 6,413,435 | 157.9% | 0.48 | 0.67 |
| 2008 | 5,932,632 | 5,344,445 | 3,817,461 | 5,076,512 | - | 5,076,512 | 95.0% | 85.6% | 6,477,685 | 169.7% | 0.56 | 0.78 |
| 2009 | 5,588,006 | 4,998,056 | 3,570,040 | 4,295,365 | - | 4,295,365 | 85.9% | 76.9% | 6,487,050 | 181.7% | 0.47 | 0.66 |
| 2010 | 5,442,608 | 4,623,239 | 3,302,314 | 3,917,699 | - | 3,917,699 | 84.7% | 72.0% | 6,430,909 | 194.7% | 0.44 | 0.61 |
| 2011 | 5,232,257 | 4,293,520 | 3,066,800 | 4,249,226 | 531,670 | 4,780,896 | 111.4% | 91.4% | 6,376,545 | 207.9% | 0.54 | 0.75 |
| 2012 | 4,842,040 | 4,007,072 | 2,862,194 | 4,248,089 | 159,678 | 4,407,767 | 110.0% | 91.0% | 6,358,909 | 222.2% | 0.50 | 0.69 |
| 2013 | 4,571,781 | 3,727,886 | 2,662,775 | 4,697,709 | 423,410 | 5,121,119 | 137.4% | 112.0% | 6,300,090 | 236.6% | 0.58 | 0.81 |
| 2014 | 4,214,458 | 3,422,015 | 2,444,297 | 4,475,490 | 1,117,279 | 5,592,769 | 163.4% | 132.7% | 6,188,616 | 253.2% | 0.65 | 0.90 |
| 2015 | 3,887,440 | 3,141,644 | 2,244,031 | 5,845,881 | 1,561,502 | 7,407,382 | 235.8% | 190.5% | 6,093,548 | 271.5% | 0.87 | 1.22 |
| 2016 | 3,681,659 | 2,914,223 | 2,081,588 | 3,865,359 | 2,617,592 | 6,482,951 | 222.5% | 176.1% | 6,053,639 | 290.8% | 0.76 | 1.07 |
| 2017 | 3,627,273 | 2,933,356 | 1,886,908 | 3,403,108 | 6,047,307 | 9,450,415 | 322.2% | 260.5% | 5,857,083 | 310.4% | 1.04 | 1.61 |
| 2018 | 3,330,689 | 3,095,130 | 1,605,826 | 962,319 | 6,524,817 | 7,487,136 | 241.9% | 224.8% | 5,276,888 | 328.6% | 0.74 | 1.42 |
| 2019 | 3,196,429 | 3,244,654 | 1,448,302 | | | 8,997,518 | 277.3% | 281.5% | 4,749,043 | 327.9% | 0.85 | 1.89 |
| 2020 | 2,855,188 | 2,898,264 | 1,293,686 | | | 8,826,620 | 304.5% | 309.1% | 4,574,356 | 353.6% | 0.86 | 1.93 |
| 2021 | 2,527,507 | 2,565,639 | 1,145,214 | | | 8,546,147 | 333.1% | 338.1% | 4,356,572 | 380.4% | 0.88 | 1.96 |
| 2022 | 2,226,796 | 2,260,391 | 1,008,961 | | | 8,200,632 | 362.8% | 368.3% | 4,092,303 | 405.6% | 0.89 | 2.00 |
| 2023 | 1,952,618 | 1,982,077 | 884,731 | | | 7,805,630 | 393.8% | 399.8% | 3,833,568 | 433.3% | 0.91 | 2.04 |
| 2024 | 1,703,986 | 1,729,695 | 772,077 | | | 7,374,684 | 426.4% | 432.8% | 3,522,137 | 456.2% | 0.93 | 2.09 |
| 2025 | 1,479,655 | 1,501,978 | 670,432 | | | 6,913,795 | 460.3% | 467.3% | 3,325,625 | 496.0% | 0.93 | 2.08 |
| 2026 | 1,278,424 | 1,297,711 | 579,254 | | | 6,435,747 | 495.9% | 503.4% | 3,130,360 | 540.4% | 0.92 | 2.06 |
| 2027 | 1,099,190 | 1,115,774 | 498,043 | | | 5,948,908 | 533.2% | 541.2% | 2,880,949 | 578.5% | 0.92 | 2.06 |
| 2028 | 940,816 | 955,010 | 426,284 | | | 5,469,305 | 572.7% | 581.3% | 2,639,851 | 619.3% | 0.92 | 2.07 |
| 2029 | 800,966 | 813,050 | 362,918 | | | 4,996,089 | 614.5% | 623.8% | 2,374,230 | 654.2% | 0.94 | 2.10 |
| 2030 | 677,628 | 687,852 | 307,033 | | | 4,530,572 | 658.7% | 668.6% | 2,157,167 | 702.6% | 0.94 | 2.10 |
| 2031 | 569,624 | 578,218 | 258,097 | | | 4,077,179 | 705.1% | 715.8% | 1,960,952 | 759.8% | 0.93 | 2.08 |
| 2032 | 475,792 | 482,970 | 215,581 | | | 3,643,245 | 754.3% | 765.7% | 1,717,710 | 796.8% | 0.95 | 2.12 |
| 2033 | 394,916 | 400,874 | 178,936 | | | 3,230,369 | 805.8% | 818.0% | 1,480,737 | 827.5% | 0.97 | 2.18 |
| 2034 | 325,707 | 330,621 | 147,578 | | | 2,840,860 | 859.3% | 872.2% | 1,262,165 | 855.3% | 1.00 | 2.25 |
| 2035 | 266,809 | 270,834 | 120,891 | | | 2,475,672 | 914.1% | 927.9% | 1,061,057 | 877.7% | 1.04 | 2.33 |
| 2036 | 217,112 | 220,388 | 98,373 | | | 2,135,549 | 969.0% | 983.6% | 888,391 | 903.1% | 1.07 | 2.40 |
| 2037 | 175,546 | 178,194 | 79,540 | | | 1,829,765 | 1026.8% | 1042.3% | 723,817 | 910.0% | 1.13 | 2.53 |
| 2038 | 141,082 | 143,210 | 63,924 | | | 1,555,390 | 1086.1% | 1102.5% | 581,713 | 910.0% | 1.19 | 2.67 |
| 2039 | 112,720 | 114,421 | 51,074 | | | 1,311,329 | 1146.1% | 1163.3% | 464,772 | 910.0% | 1.26 | 2.82 |
| 2040 | 89,526 | 90,876 | 40,564 | | | 1,095,481 | 1205.5% | 1223.6% | 369,136 | 910.0% | 1.32 | 2.97 |
| 2041 | 70,672 | 71,738 | 32,021 | | | 907,352 | 1264.8% | 1283.9% | 291,395 | 910.0% | 1.39 | 3.11 |
| 2042 | 55,447 | 56,283 | 25,123 | | | 746,857 | 1327.0% | 1347.0% | 228,619 | 910.0% | 1.46 | 3.27 |
| 2043 | 43,244 | 43,897 | 19,594 | | | 609,076 | 1387.5% | 1408.5% | 178,306 | 910.0% | 1.52 | 3.42 |
| 2044 | 33,520 | 34,025 | 15,188 | | | 492,704 | 1448.0% | 1469.9% | 138,210 | 910.0% | 1.59 | 3.56 |
| 2045 | 25,846 | 26,236 | 11,711 | | | 395,692 | 1508.2% | 1531.0% | 106,568 | 910.0% | 1.66 | 3.71 |
| 2046 | 19,849 | 20,149 | 8,994 | | | 315,684 | 1566.8% | 1590.4% | 81,843 | 910.0% | 1.72 | 3.86 |
| 2047 | 15,184 | 15,413 | 6,880 | | | 250,074 | 1622.5% | 1647.0% | 62,605 | 910.0% | 1.78 | 3.99 |
| 2048 | 11,579 | 11,754 | 5,246 | | | 196,789 | 1674.3% | 1699.5% | 47,743 | 910.0% | 1.84 | 4.12 |
| 2049 | 8,809 | 8,942 | 3,991 | | | 154,315 | 1725.7% | 1751.8% | 36,322 | 910.0% | 1.90 | 4.25 |
| 2050 | 6,678 | 6,779 | 3,026 | | | 120,407 | 1776.3% | 1803.1% | 27,535 | 910.0% | 1.95 | 4.37 |
| 2051 | 5,051 | 5,127 | 2,289 | | | 93,797 | 1829.4% | 1857.0% | 20,826 | 910.0% | 2.01 | 4.50 |
| 2052 | 3,802 | 3,859 | 1,723 | | | 72,576 | 1880.6% | 1908.9% | 15,676 | 910.0% | 2.07 | 4.63 |
| 2053 | 2,845 | 2,888 | 1,289 | | | 55,725 | 1929.4% | 1958.5% | 11,732 | 910.0% | 2.12 | 4.75 |
| 2054 | 2,120 | 2,152 | 960 | | | 42,353 | 1968.4% | 1998.1% | 8,740 | 910.0% | 2.16 | 4.85 |
| 2055 | - | - | - | | | - | - | - | - | - | - | - |
| Past | | 131,584,539 | | | | 104,823,972 | 79.7% | | 131,090,165 | 99.6% | 80.0% | |
| Future | | 24,171,944 | | | | 112,693,889 | 466.2% | | 53,402,730 | 220.9% | 211.0% | |
| Lifetime | | 155,756,482 | | | | 217,517,861 | 139.7% | | 184,492,895 | 118.4% | 117.9% | |
| Interest 4.8% | | | | | | | | | | | | |
| Past | | 274,520,457 | | | | 171,079,303 | 62.3% | | 229,590,992 | 83.6% | 74.5% | |
| Future | | 18,729,933 | | | | 79,177,894 | 422.7% | | 38,467,083 | 205.4% | 205.8% | |
| Lifetime | | 293,250,391 | | | | 250,257,197 | 85.3% | | 268,058,076 | 91.4% | 93.4% | |

Note: Loss ratios do not include the change in active life reserves.
*Earned premium is a Virginia rate basis.

HL-2500AA (8/90)
HL-2950VA (7/92)

| | 12/31/2018 BRI EP |
|---|---|
| LTC-1 | 160,124 |
| LTC-2 | 1,445,702 |

**Exhibit A 2018 - ALR**

Future Voluntary Lapse Rate 1.2%
Future Mortality from Annuity 2000 mortality table

## Lincoln National Life Insurance Company
### Individual LTC policies issued from 1991-1996 Excluding FPP & SC
### Nationwide Actual and Projected Experience without Rate Increase

| Cal Year | Actual Earned Premium | State Basis *Earned Premium | Before Any Rate Increase Earned Premium | Claims paid Through 12/31/18 for given Incurred Year | Outstanding Reserve As of 12/31/2018 | Change in Active Life Reserve | Incurred Claims | State Basis Incurred Loss Ratio | Actual Basis Incurred Loss Ratio | Expected Incurred Claims | Expected Loss Ratio | A/E Claims Ratio | A/E Claims Ratio without Rate Increase |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1991 | 377,610 | 377,610 | 377,610 | 2,480 | - | | 2,480 | 0.7% | 0.7% | 34,942 | 9.3% | 0.07 | 0.07 |
| 1992 | 1,478,446 | 1,478,446 | 1,478,446 | 7,304 | - | | 7,304 | 0.5% | 0.5% | 198,256 | 13.4% | 0.04 | 0.04 |
| 1993 | 3,008,271 | 3,008,271 | 3,008,271 | 768,277 | - | | 768,277 | 25.5% | 25.5% | 494,047 | 16.4% | 1.56 | 1.56 |
| 1994 | 4,531,593 | 4,531,593 | 4,531,593 | 725,100 | - | | 725,100 | 16.0% | 16.0% | 922,140 | 20.3% | 0.79 | 0.79 |
| 1995 | 5,730,761 | 5,730,761 | 5,730,761 | 474,637 | - | | 474,637 | 8.3% | 8.3% | 1,496,992 | 26.1% | 0.32 | 0.32 |
| 1996 | 6,957,149 | 6,957,149 | 6,957,149 | 1,909,961 | - | | 1,909,961 | 27.5% | 27.5% | 2,241,500 | 32.2% | 0.85 | 0.85 |
| 1997 | 7,073,730 | 7,073,730 | 7,073,730 | 2,668,130 | - | | 2,668,130 | 37.7% | 37.7% | 2,987,495 | 42.2% | 0.89 | 0.89 |
| 1998 | 6,627,129 | 6,627,129 | 6,627,129 | 1,486,886 | - | | 1,486,886 | 22.4% | 22.4% | 3,689,097 | 55.7% | 0.40 | 0.40 |
| 1999 | 6,355,114 | 6,355,114 | 6,355,114 | 2,283,121 | - | | 2,283,121 | 35.9% | 35.9% | 4,389,572 | 69.1% | 0.52 | 0.52 |
| 2000 | 6,054,124 | 6,054,124 | 6,054,124 | 3,288,978 | - | | 3,288,978 | 54.3% | 54.3% | 4,933,174 | 81.5% | 0.67 | 0.67 |
| 2001 | 5,718,984 | 5,718,984 | 5,718,984 | 2,946,503 | - | | 2,946,503 | 51.5% | 51.5% | 5,280,439 | 92.3% | 0.56 | 0.56 |
| 2002 | 5,459,002 | 5,459,002 | 5,459,002 | 2,856,981 | - | | 2,856,981 | 52.3% | 52.3% | 5,611,660 | 102.8% | 0.51 | 0.51 |
| 2003 | 5,179,535 | 5,179,535 | 5,179,535 | 3,867,673 | - | | 3,867,673 | 74.7% | 74.7% | 5,867,226 | 113.3% | 0.66 | 0.66 |
| 2004 | 5,353,766 | 6,365,561 | 4,896,586 | 3,549,282 | - | | 3,549,282 | 55.8% | 66.3% | 6,075,082 | 124.1% | 0.45 | 0.58 |
| 2005 | 5,548,657 | 6,413,217 | 4,580,869 | 3,952,696 | 44,393 | | 3,997,089 | 62.3% | 72.0% | 6,199,830 | 135.3% | 0.46 | 0.64 |
| 2006 | 5,570,597 | 6,067,658 | 4,334,041 | 5,698,457 | - | | 5,698,457 | 93.9% | 102.3% | 6,354,316 | 146.6% | 0.64 | 0.90 |
| 2007 | 5,997,258 | 5,686,068 | 4,061,477 | 4,273,102 | - | | 4,273,102 | 75.2% | 71.3% | 6,413,435 | 157.9% | 0.48 | 0.67 |
| 2008 | 5,932,632 | 5,344,445 | 3,817,461 | 5,076,512 | - | | 5,076,512 | 95.0% | 85.6% | 6,477,685 | 169.7% | 0.56 | 0.78 |
| 2009 | 5,588,006 | 4,998,056 | 3,570,040 | 4,295,365 | - | | 4,295,365 | 85.9% | 76.9% | 6,487,050 | 181.7% | 0.47 | 0.66 |
| 2010 | 5,442,608 | 4,623,239 | 3,302,314 | 3,917,699 | - | | 3,917,699 | 84.7% | 72.0% | 6,430,909 | 194.7% | 0.44 | 0.61 |
| 2011 | 5,232,257 | 4,293,520 | 3,066,800 | 4,249,226 | 531,670 | | 4,780,896 | 111.4% | 91.4% | 6,376,545 | 207.9% | 0.54 | 0.75 |
| 2012 | 4,842,040 | 4,007,072 | 2,862,194 | 4,248,089 | 159,678 | | 4,407,767 | 110.0% | 91.0% | 6,358,909 | 222.2% | 0.50 | 0.69 |
| 2013 | 4,571,781 | 3,727,886 | 2,662,775 | 4,697,709 | 423,410 | | 5,121,119 | 137.4% | 112.0% | 6,300,090 | 236.6% | 0.58 | 0.81 |
| 2014 | 4,214,458 | 3,422,015 | 2,444,297 | 4,475,490 | 1,117,279 | | 5,592,769 | 163.4% | 132.7% | 6,188,616 | 253.2% | 0.65 | 0.90 |
| 2015 | 3,887,440 | 3,141,644 | 2,244,031 | 5,845,881 | 1,561,502 | | 7,407,382 | 235.8% | 190.5% | 6,093,548 | 271.5% | 0.87 | 1.22 |
| 2016 | 3,681,659 | 2,914,223 | 2,081,588 | 3,865,359 | 2,617,592 | | 6,482,951 | 222.5% | 176.1% | 6,053,639 | 290.8% | 0.76 | 1.07 |
| 2017 | 3,627,273 | 2,933,356 | 1,886,908 | 3,403,108 | 6,047,307 | | 9,450,415 | 322.2% | 260.5% | 5,857,083 | 310.4% | 1.04 | 1.61 |
| 2018 | 3,330,689 | 3,095,130 | 1,605,826 | 962,319 | 6,524,817 | | 7,487,136 | 241.9% | 224.8% | 5,276,888 | 328.6% | 0.74 | 1.42 |
| 2019 | 3,196,429 | 3,244,654 | 1,448,302 | | | (2,205,302) | 6,792,216 | 209.3% | 212.5% | 4,749,043 | 327.9% | 0.64 | 1.43 |
| 2020 | 2,855,188 | 2,898,264 | 1,293,686 | | | (2,392,268) | 6,434,352 | 222.0% | 225.4% | 4,574,356 | 353.6% | 0.63 | 1.41 |
| 2021 | 2,527,507 | 2,565,639 | 1,145,214 | | | (2,526,455) | 6,019,693 | 234.6% | 238.2% | 4,356,572 | 380.4% | 0.62 | 1.38 |
| 2022 | 2,226,796 | 2,260,391 | 1,008,961 | | | (2,618,682) | 5,581,950 | 246.9% | 250.7% | 4,092,303 | 405.6% | 0.61 | 1.36 |
| 2023 | 1,952,618 | 1,982,077 | 884,731 | | | (2,671,993) | 5,133,637 | 259.0% | 262.9% | 3,833,568 | 433.3% | 0.60 | 1.34 |
| 2024 | 1,703,986 | 1,729,695 | 772,077 | | | (2,691,774) | 4,682,910 | 270.7% | 274.8% | 3,522,137 | 456.2% | 0.59 | 1.33 |
| 2025 | 1,479,655 | 1,501,978 | 670,432 | | | (2,662,037) | 4,251,758 | 283.1% | 287.3% | 3,325,625 | 496.0% | 0.57 | 1.28 |
| 2026 | 1,278,424 | 1,297,711 | 579,254 | | | (2,578,096) | 3,857,652 | 297.3% | 301.8% | 3,130,360 | 540.4% | 0.55 | 1.23 |
| 2027 | 1,099,190 | 1,115,774 | 498,043 | | | (2,468,281) | 3,480,627 | 311.9% | 316.7% | 2,880,949 | 578.5% | 0.54 | 1.21 |
| 2028 | 940,816 | 955,010 | 426,284 | | | (2,340,147) | 3,129,158 | 327.7% | 332.6% | 2,639,851 | 619.3% | 0.53 | 1.19 |
| 2029 | 800,966 | 813,050 | 362,918 | | | (2,191,847) | 2,804,242 | 344.9% | 350.1% | 2,374,230 | 654.2% | 0.53 | 1.18 |
| 2030 | 677,628 | 687,852 | 307,033 | | | (2,052,218) | 2,478,354 | 360.3% | 365.7% | 2,157,167 | 702.6% | 0.51 | 1.15 |
| 2031 | 569,624 | 578,218 | 258,097 | | | (1,904,592) | 2,172,587 | 375.7% | 381.4% | 1,960,952 | 759.8% | 0.49 | 1.11 |
| 2032 | 475,792 | 482,970 | 215,581 | | | (1,748,174) | 1,895,071 | 392.4% | 398.3% | 1,717,710 | 796.8% | 0.49 | 1.10 |
| 2033 | 394,916 | 400,874 | 178,936 | | | (1,584,958) | 1,645,411 | 410.5% | 416.6% | 1,480,737 | 827.5% | 0.50 | 1.11 |
| 2034 | 325,707 | 330,621 | 147,578 | | | (1,417,814) | 1,423,046 | 430.4% | 436.9% | 1,262,165 | 855.3% | 0.50 | 1.13 |
| 2035 | 266,809 | 270,834 | 120,891 | | | (1,269,332) | 1,206,340 | 445.4% | 452.1% | 1,061,057 | 877.7% | 0.51 | 1.14 |
| 2036 | 217,112 | 220,388 | 98,373 | | | (1,141,086) | 994,463 | 451.2% | 458.0% | 888,391 | 903.1% | 0.50 | 1.12 |
| 2037 | 175,546 | 178,194 | 79,540 | | | (1,026,780) | 802,986 | 450.6% | 457.4% | 723,817 | 910.0% | 0.50 | 1.11 |
| 2038 | 141,082 | 143,210 | 63,924 | | | (919,724) | 635,666 | 443.9% | 450.6% | 581,713 | 910.0% | 0.49 | 1.09 |
| 2039 | 112,720 | 114,421 | 51,074 | | | (826,275) | 485,055 | 423.9% | 430.3% | 464,772 | 910.0% | 0.47 | 1.04 |
| 2040 | 89,526 | 90,876 | 40,564 | | | (730,523) | 364,958 | 401.6% | 407.7% | 369,136 | 910.0% | 0.44 | 0.99 |
| 2041 | 70,672 | 71,738 | 32,021 | | | (637,799) | 269,553 | 375.7% | 381.4% | 291,395 | 910.0% | 0.41 | 0.93 |
| 2042 | 55,447 | 56,283 | 25,123 | | | (539,698) | 207,159 | 368.1% | 373.6% | 228,619 | 910.0% | 0.40 | 0.91 |
| 2043 | 43,244 | 43,897 | 19,594 | | | (451,115) | 157,961 | 359.8% | 365.3% | 178,306 | 910.0% | 0.40 | 0.89 |
| 2044 | 33,520 | 34,025 | 15,188 | | | (393,871) | 98,833 | 290.5% | 294.9% | 138,210 | 910.0% | 0.32 | 0.72 |
| 2045 | 25,846 | 26,236 | 11,711 | | | (351,413) | 44,279 | 168.8% | 171.3% | 106,568 | 910.0% | 0.19 | 0.42 |
| 2046 | 19,849 | 20,149 | 8,994 | | | (279,036) | 36,647 | 181.9% | 184.6% | 81,843 | 910.0% | 0.20 | 0.45 |
| 2047 | 15,184 | 15,413 | 6,880 | | | (205,588) | 44,486 | 288.6% | 293.0% | 62,605 | 910.0% | 0.32 | 0.71 |
| 2048 | 11,579 | 11,754 | 5,246 | | | (173,850) | 22,938 | 195.2% | 198.1% | 47,743 | 910.0% | 0.21 | 0.48 |
| 2049 | 8,809 | 8,942 | 3,991 | | | (146,227) | 8,089 | 90.5% | 91.8% | 36,322 | 910.0% | 0.10 | 0.22 |
| 2050 | 6,678 | 6,779 | 3,026 | | | (118,112) | 2,295 | 33.9% | 34.4% | 27,535 | 910.0% | 0.04 | 0.08 |
| 2051 | 5,051 | 5,127 | 2,289 | | | (96,264) | (2,467) | -48.1% | -48.8% | 20,826 | 910.0% | (0.05) | (0.12) |
| 2052 | 3,802 | 3,859 | 1,723 | | | (77,262) | (4,686) | -121.4% | -123.2% | 15,676 | 910.0% | (0.13) | (0.30) |
| 2053 | 2,845 | 2,888 | 1,289 | | | (64,376) | (8,651) | -299.5% | -304.0% | 11,732 | 910.0% | (0.33) | (0.74) |
| 2054 | 2,120 | 2,152 | 960 | | | (49,119) | (6,766) | -314.4% | -319.2% | 8,740 | 910.0% | (0.35) | (0.77) |
| 2055 | - | - | - | | | - | - | - | - | - | - | - | - |
| Past | | 131,584,539 | | | | | 104,823,972 | 79.7% | | 131,090,165 | 99.6% | 80.0% | |
| Future | | 24,171,944 | | | | | 67,141,801 | 277.8% | | 53,402,730 | 220.9% | 125.7% | |
| Lifetime | | 155,756,482 | | | | | 171,965,773 | 110.4% | | 184,492,895 | 118.4% | 93.2% | |
| Interest 4.8% | | | | | | | | | | | | | |
| Past | | 274,520,457 | | | | | 171,079,303 | 62.3% | | 229,590,992 | 83.6% | 74.5% | |
| Future | | 18,729,933 | | | | | 49,680,399 | 265.2% | | 38,467,083 | 205.4% | 129.2% | |
| Lifetime | | 293,250,391 | | | | | 220,759,701 | 75.3% | | 268,058,076 | 91.4% | 82.4% | |

Note: Loss ratios do not include the change in active life reserves.
*Earned premium is a Virginia rate basis.

HL-2500AA (8/90)
HL-2950VA (7/92)

| | 12/31/2018 BRI EP |
|---|---|
| LTC-1 | 160,124 |
| LTC-2 | 1,445,702 |

**Exhibit A-VA**

Future Voluntary Lapse Rate 1.2%
Future Mortality from Annuity 2000 mortality table

## Lincoln National Life Insurance Company
## Individual LTC policies issued from 1991-1996 Excluding FPP & SC
## Virginia Actual and Projected Experience without Rate Increase

| Cal Year | Actual Earned Premium | Before Any Rate Increase Earned Premium | Claims paid Through 12/31/18 for given Incurred Year | Outstanding Reserve As of 12/31/2018 | Incurred Claims | Actual Basis Incurred Loss Ratio | Expected Incurred Claims | Expected Loss Ratio | A/E Claims Ratio | A/E Claims Ratio without Rate Increase |
|---|---|---|---|---|---|---|---|---|---|---|
| 1991 | 6,968 | 6,968 | - | - | - | 0.0% | 651 | 9.3% | - | - |
| 1992 | 48,905 | 48,905 | - | - | - | 0.0% | 6,162 | 12.6% | - | - |
| 1993 | 99,560 | 99,560 | - | - | - | 0.0% | 15,492 | 15.6% | - | - |
| 1994 | 137,855 | 137,855 | 119,735 | - | 119,735 | 86.9% | 26,706 | 19.4% | 4.48 | 4.48 |
| 1995 | 209,248 | 209,248 | - | - | - | 0.0% | 71,248 | 34.0% | - | - |
| 1996 | 272,950 | 272,950 | - | - | - | 0.0% | 128,493 | 47.1% | - | - |
| 1997 | 271,041 | 271,041 | - | - | - | 0.0% | 183,807 | 67.8% | - | - |
| 1998 | 252,285 | 252,285 | 529,547 | - | 529,547 | 209.9% | 244,383 | 96.9% | 2.17 | 2.17 |
| 1999 | 240,687 | 240,687 | 415,833 | - | 415,833 | 172.8% | 306,813 | 127.5% | 1.36 | 1.36 |
| 2000 | 241,308 | 241,308 | 1,740 | - | 1,740 | 0.7% | 365,872 | 151.6% | 0.00 | 0.00 |
| 2001 | 219,976 | 219,976 | 225,929 | - | 225,929 | 102.7% | 380,671 | 173.1% | 0.59 | 0.59 |
| 2002 | 212,695 | 212,695 | - | - | - | 0.0% | 407,277 | 191.5% | - | - |
| 2003 | 209,362 | 209,362 | - | - | - | 0.0% | 440,751 | 210.5% | - | - |
| 2004 | 229,127 | 199,064 | 75,533 | - | 75,533 | 33.0% | 464,791 | 233.5% | 0.14 | 0.16 |
| 2005 | 256,725 | 189,747 | 14,769 | - | 14,769 | 5.8% | 486,800 | 256.6% | 0.02 | 0.03 |
| 2006 | 243,014 | 177,338 | - | - | - | 0.0% | 496,078 | 279.7% | - | - |
| 2007 | 233,550 | 165,459 | 171,990 | - | 171,990 | 73.6% | 499,743 | 302.0% | 0.24 | 0.34 |
| 2008 | 224,262 | 156,546 | 9,164 | - | 9,164 | 4.1% | 504,885 | 322.5% | 0.01 | 0.02 |
| 2009 | 216,955 | 152,089 | 48,886 | - | 48,886 | 22.5% | 530,915 | 349.1% | 0.06 | 0.09 |
| 2010 | 209,006 | 146,686 | 105,741 | - | 105,741 | 50.6% | 550,998 | 375.6% | 0.13 | 0.19 |
| 2011 | 201,178 | 141,361 | - | - | - | 0.0% | 569,129 | 402.6% | - | - |
| 2012 | 189,998 | 133,494 | 266,241 | - | 266,241 | 140.1% | 574,221 | 430.1% | 0.33 | 0.46 |
| 2013 | 170,519 | 121,198 | 126,413 | - | 126,413 | 74.1% | 551,910 | 455.4% | 0.16 | 0.23 |
| 2014 | 154,211 | 109,179 | 485,913 | 238,282 | 724,195 | 469.6% | 533,394 | 488.5% | 0.96 | 1.36 |
| 2015 | 144,343 | 102,286 | 121,255 | 108,701 | 229,956 | 159.3% | 536,166 | 524.2% | 0.30 | 0.43 |
| 2016 | 141,337 | 98,811 | 6,291 | - | 6,291 | 4.5% | 554,616 | 561.3% | 0.01 | 0.01 |
| 2017 | 128,166 | 90,606 | 45,281 | 223,947 | 269,228 | 210.1% | 539,472 | 595.4% | 0.35 | 0.50 |
| 2018 | 127,113 | 75,851 | 21,829 | 315,357 | 337,185 | 265.3% | 498,268 | 656.9% | 0.40 | 0.68 |
| 2019 | 112,556 | 67,165 | | | 320,325 | 284.6% | 218,568 | 325.4% | 0.87 | 1.47 |
| 2020 | 99,666 | 59,473 | | | 311,304 | 312.3% | 208,355 | 350.3% | 0.89 | 1.49 |
| 2021 | 87,499 | 52,213 | | | 298,510 | 341.2% | 196,646 | 376.6% | 0.91 | 1.52 |
| 2022 | 76,590 | 45,703 | | | 283,929 | 370.7% | 183,438 | 401.4% | 0.92 | 1.55 |
| 2023 | 66,879 | 39,909 | | | 269,421 | 402.8% | 171,225 | 429.0% | 0.94 | 1.57 |
| 2024 | 58,243 | 34,755 | | | 254,644 | 437.2% | 157,041 | 451.9% | 0.97 | 1.62 |
| 2025 | 50,534 | 30,155 | | | 239,136 | 473.2% | 148,645 | 492.9% | 0.96 | 1.61 |
| 2026 | 43,663 | 26,055 | | | 222,628 | 509.9% | 140,656 | 539.8% | 0.94 | 1.58 |
| 2027 | 37,572 | 22,420 | | | 204,598 | 544.5% | 130,131 | 580.4% | 0.94 | 1.57 |
| 2028 | 32,221 | 19,227 | | | 186,138 | 577.7% | 119,964 | 623.9% | 0.93 | 1.55 |
| 2029 | 27,529 | 16,427 | | | 168,594 | 612.4% | 108,615 | 661.2% | 0.93 | 1.55 |
| 2030 | 23,414 | 13,972 | | | 152,342 | 650.6% | 99,585 | 712.8% | 0.91 | 1.53 |
| 2031 | 19,826 | 11,831 | | | 136,441 | 688.2% | 91,541 | 773.8% | 0.89 | 1.49 |
| 2032 | 16,707 | 9,970 | | | 120,764 | 722.8% | 81,074 | 813.2% | 0.89 | 1.49 |
| 2033 | 14,027 | 8,371 | | | 105,917 | 755.1% | 70,814 | 846.0% | 0.89 | 1.50 |
| 2034 | 11,739 | 7,005 | | | 92,046 | 784.1% | 61,334 | 875.6% | 0.90 | 1.50 |
| 2035 | 9,799 | 5,847 | | | 79,992 | 816.4% | 52,595 | 899.5% | 0.91 | 1.52 |
| 2036 | 8,149 | 4,862 | | | 69,147 | 848.6% | 45,053 | 926.6% | 0.92 | 1.53 |
| 2037 | 6,741 | 4,023 | | | 59,743 | 886.2% | 37,569 | 933.9% | 0.95 | 1.59 |
| 2038 | 5,563 | 3,320 | | | 51,930 | 933.5% | 31,003 | 933.9% | 1.00 | 1.68 |
| 2039 | 4,583 | 2,735 | | | 44,892 | 979.6% | 25,540 | 933.9% | 1.05 | 1.76 |
| 2040 | 3,769 | 2,249 | | | 38,461 | 1020.4% | 21,006 | 933.9% | 1.09 | 1.83 |
| 2041 | 3,090 | 1,844 | | | 33,024 | 1068.8% | 17,219 | 933.9% | 1.14 | 1.92 |
| 2042 | 2,521 | 1,504 | | | 28,507 | 1131.0% | 14,047 | 933.9% | 1.21 | 2.03 |
| 2043 | 2,042 | 1,219 | | | 24,597 | 1204.3% | 11,383 | 933.9% | 1.29 | 2.16 |
| 2044 | 1,642 | 980 | | | 21,185 | 1290.5% | 9,148 | 933.9% | 1.38 | 2.32 |
| 2045 | 1,316 | 786 | | | 18,128 | 1377.1% | 7,336 | 933.9% | 1.47 | 2.47 |
| 2046 | 1,058 | 631 | | | 15,469 | 1462.0% | 5,897 | 933.9% | 1.57 | 2.62 |
| 2047 | 852 | 509 | | | 13,165 | 1544.4% | 4,751 | 933.9% | 1.65 | 2.77 |
| 2048 | 688 | 410 | | | 11,191 | 1627.7% | 3,832 | 933.9% | 1.74 | 2.92 |
| 2049 | 554 | 331 | | | 9,532 | 1719.8% | 3,089 | 933.9% | 1.84 | 3.09 |
| 2050 | 447 | 267 | | | 8,119 | 1816.6% | 2,491 | 933.9% | 1.95 | 3.26 |
| 2051 | 360 | 215 | | | 6,867 | 1905.5% | 2,008 | 933.9% | 2.04 | 3.42 |
| 2052 | 290 | 173 | | | 5,759 | 1985.3% | 1,616 | 933.9% | 2.13 | 3.56 |
| 2053 | 233 | 139 | | | 4,739 | 2036.8% | 1,297 | 933.9% | 2.18 | 3.65 |
| 2054 | 186 | 111 | | | 3,849 | 2073.4% | 1,035 | 933.9% | 2.22 | 3.72 |
| 2055 | - | - | | | - | - | - | - | - | - |
| Past | 10,330,464 | | | | 3,341,210 | 32.3% | 9,971,443 | 96.5% | 33.5% | |
| Future | 959,660 | | | | 4,252,219 | 443.1% | 2,983,812 | 310.9% | 142.5% | |
| Lifetime | 6,124,892 | | | | 7,593,411 | 124.0% | 12,955,255 | 211.5% | 58.6% | |
| Interest 4.8% | | | | | | | | | | |
| Past | 10,608,668 | | | | 6,050,152 | 57.0% | 17,099,914 | 161.2% | 35.4% | |
| Future | 771,856 | | | | 3,087,437 | 400.0% | 2,276,850 | 295.0% | 135.6% | |
| Lifetime | 11,380,524 | | | | 9,137,588 | 80.3% | 19,376,764 | 170.3% | 47.2% | |

Note: Loss ratios do not include the change in active life reserves.
*Earned premium is a Virginia rate basis.

| | 12/31/2018 BRI EP |
|---|---|
| LTC-1 | 3,037 |
| LTC-2 | 72,814 |

**Exhibit B**

Proposed Rate Increase effective 9/1/2019 30%
Future Voluntary Lapse Rate 1.2%
Future Mortality from Annuity 2000 mortality table

## Lincoln National Life Insurance Company
## Individual LTC policies issued from 1991-1996 Excluding FPP & SC
## Nationwide Actual and Projected Experience with Rate Increase

| Cal Year | *Earned Premium | Claims paid Through 12/31/18 for given Incurred Year | Outstanding Reserve As of 12/31/2018 | Incurred Claims | Incurred Loss Ratio |
|---|---|---|---|---|---|
| 1991 | 377,610 | 2,480 | - | 2,480 | 0.7% |
| 1992 | 1,478,446 | 7,304 | - | 7,304 | 0.5% |
| 1993 | 3,008,271 | 768,277 | - | 768,277 | 25.5% |
| 1994 | 4,531,593 | 725,100 | - | 725,100 | 16.0% |
| 1995 | 5,730,761 | 474,637 | - | 474,637 | 8.3% |
| 1996 | 6,957,149 | 1,909,961 | - | 1,909,961 | 27.5% |
| 1997 | 7,073,730 | 2,668,130 | - | 2,668,130 | 37.7% |
| 1998 | 6,627,129 | 1,486,886 | - | 1,486,886 | 22.4% |
| 1999 | 6,355,114 | 2,283,121 | - | 2,283,121 | 35.9% |
| 2000 | 6,054,124 | 3,288,978 | - | 3,288,978 | 54.3% |
| 2001 | 5,718,984 | 2,946,503 | - | 2,946,503 | 51.5% |
| 2002 | 5,459,002 | 2,856,981 | - | 2,856,981 | 52.3% |
| 2003 | 5,179,535 | 3,867,673 | - | 3,867,673 | 74.7% |
| 2004 | 6,365,561 | 3,549,282 | - | 3,549,282 | 55.8% |
| 2005 | 6,413,217 | 3,952,696 | 44,393 | 3,997,089 | 62.3% |
| 2006 | 6,067,658 | 5,698,457 | - | 5,698,457 | 93.9% |
| 2007 | 5,686,068 | 4,273,102 | - | 4,273,102 | 75.2% |
| 2008 | 5,344,445 | 5,076,512 | - | 5,076,512 | 95.0% |
| 2009 | 4,998,056 | 4,295,365 | - | 4,295,365 | 85.9% |
| 2010 | 4,623,239 | 3,917,699 | - | 3,917,699 | 84.7% |
| 2011 | 4,293,520 | 4,249,226 | 531,670 | 4,780,896 | 111.4% |
| 2012 | 4,007,072 | 4,248,089 | 159,678 | 4,407,767 | 110.0% |
| 2013 | 3,727,886 | 4,697,709 | 423,410 | 5,121,119 | 137.4% |
| 2014 | 3,422,015 | 4,475,490 | 1,117,279 | 5,592,769 | 163.4% |
| 2015 | 3,141,644 | 5,845,881 | 1,561,502 | 7,407,382 | 235.8% |
| 2016 | 2,914,223 | 3,865,359 | 2,617,592 | 6,482,951 | 222.5% |
| 2017 | 2,933,356 | 3,403,108 | 6,047,307 | 9,450,415 | 322.2% |
| 2018 | 3,095,130 | 962,319 | 6,524,817 | 7,487,136 | 241.9% |
| 2019 | 3,569,119 | | | 8,997,518 | 252.1% |
| 2020 | 3,767,744 | | | 8,826,620 | 234.3% |
| 2021 | 3,335,331 | | | 8,546,147 | 256.2% |
| 2022 | 2,938,509 | | | 8,200,632 | 279.1% |
| 2023 | 2,576,700 | | | 7,805,630 | 302.9% |
| 2024 | 2,248,603 | | | 7,374,684 | 328.0% |
| 2025 | 1,952,572 | | | 6,913,795 | 354.1% |
| 2026 | 1,687,025 | | | 6,435,747 | 381.5% |
| 2027 | 1,450,506 | | | 5,948,908 | 410.1% |
| 2028 | 1,241,514 | | | 5,469,305 | 440.5% |
| 2029 | 1,056,966 | | | 4,996,089 | 472.7% |
| 2030 | 894,207 | | | 4,530,572 | 506.7% |
| 2031 | 751,683 | | | 4,077,179 | 542.4% |
| 2032 | 627,861 | | | 3,643,245 | 580.3% |
| 2033 | 521,136 | | | 3,230,369 | 619.9% |
| 2034 | 429,807 | | | 2,840,860 | 661.0% |
| 2035 | 352,085 | | | 2,475,672 | 703.1% |
| 2036 | 286,504 | | | 2,135,549 | 745.4% |
| 2037 | 231,653 | | | 1,829,765 | 789.9% |
| 2038 | 186,173 | | | 1,555,390 | 835.5% |
| 2039 | 148,747 | | | 1,311,329 | 881.6% |
| 2040 | 118,139 | | | 1,095,481 | 927.3% |
| 2041 | 93,259 | | | 907,352 | 972.9% |
| 2042 | 73,168 | | | 746,857 | 1020.7% |
| 2043 | 57,066 | | | 609,076 | 1067.3% |
| 2044 | 44,233 | | | 492,704 | 1113.9% |
| 2045 | 34,106 | | | 395,692 | 1160.2% |
| 2046 | 26,193 | | | 315,684 | 1205.2% |
| 2047 | 20,036 | | | 250,074 | 1248.1% |
| 2048 | 15,280 | | | 196,789 | 1287.9% |
| 2049 | 11,625 | | | 154,315 | 1327.5% |
| 2050 | 8,812 | | | 120,407 | 1366.4% |
| 2051 | 6,665 | | | 93,797 | 1407.3% |
| 2052 | 5,017 | | | 72,576 | 1446.6% |
| 2053 | 3,755 | | | 55,725 | 1484.2% |
| 2054 | 2,797 | | | 42,353 | 1514.2% |
| 2055 | - | | | - | - |
| Past | 131,584,539 | | | 104,823,972 | 79.7% |
| Future | 30,774,596 | | | 112,693,889 | 366.2% |
| Lifetime | 162,359,135 | | | 217,517,861 | 134.0% |
| Interest 4.8% | | | | | |
| Past | 274,520,457 | | | 171,079,303 | 62.3% |
| Future | 23,715,118 | | | 79,177,894 | 333.9% |
| Lifetime | 298,235,576 | | | 250,257,197 | 83.9% |

Note: Loss ratios do not include the change in active life reserves.
*Earned premium is a Virginia rate basis.

**Exhibit B-VA**

Proposed Rate Increase effective 9/1/2019 30%

Future Voluntary Lapse Rate 1.2%

Future Mortality from Annuity 2000 mortality table

## Lincoln National Life Insurance Company

### Individual LTC policies issued from 1991-1996 Excluding FPP & SC

### Virginia Actual and Projected Experience with Rate Increase

| | Cal Year | *Earned Premium | Claims paid Through 12/31/18 for given Incurred Year | Outstanding Reserve As of 12/31/2018 | Incurred Claims | Incurred Loss Ratio |
|---|---|---|---|---|---|---|
| | 1991 | 6,968 | - | - | - | 0.0% |
| | 1992 | 48,905 | - | - | - | 0.0% |
| | 1993 | 99,560 | - | - | - | 0.0% |
| | 1994 | 137,855 | 119,735 | - | 119,735 | 86.9% |
| | 1995 | 209,248 | - | - | - | 0.0% |
| | 1996 | 272,950 | - | - | - | 0.0% |
| | 1997 | 271,041 | - | - | - | 0.0% |
| | 1998 | 252,285 | 529,547 | - | 529,547 | 209.9% |
| | 1999 | 240,687 | 415,833 | - | 415,833 | 172.8% |
| | 2000 | 241,308 | 1,740 | - | 1,740 | 0.7% |
| | 2001 | 219,976 | 225,929 | - | 225,929 | 102.7% |
| | 2002 | 212,695 | - | - | - | 0.0% |
| | 2003 | 209,362 | - | - | - | 0.0% |
| | 2004 | 229,127 | 75,533 | - | 75,533 | 33.0% |
| | 2005 | 256,725 | 14,769 | - | 14,769 | 5.8% |
| | 2006 | 243,014 | - | - | - | 0.0% |
| | 2007 | 233,550 | 171,990 | - | 171,990 | 73.6% |
| | 2008 | 224,262 | 9,164 | - | 9,164 | 4.1% |
| | 2009 | 216,955 | 48,886 | - | 48,886 | 22.5% |
| | 2010 | 209,006 | 105,741 | - | 105,741 | 50.6% |
| | 2011 | 201,178 | - | - | - | 0.0% |
| | 2012 | 189,998 | 266,241 | - | 266,241 | 140.1% |
| | 2013 | 170,519 | 126,413 | - | 126,413 | 74.1% |
| | 2014 | 154,211 | 485,913 | 238,282 | 724,195 | 469.6% |
| | 2015 | 144,343 | 121,255 | 108,701 | 229,956 | 159.3% |
| | 2016 | 141,337 | 6,291 | - | 6,291 | 4.5% |
| | 2017 | 128,166 | 45,281 | 223,947 | 269,228 | 210.1% |
| | 2018 | 127,113 | 21,829 | 315,357 | 337,185 | 265.3% |
| | 2019 | 123,812 | | | 320,325 | 258.7% |
| | 2020 | 129,566 | | | 311,304 | 240.3% |
| | 2021 | 113,748 | | | 298,510 | 262.4% |
| | 2022 | 99,567 | | | 283,929 | 285.2% |
| | 2023 | 86,943 | | | 269,421 | 309.9% |
| | 2024 | 75,715 | | | 254,644 | 336.3% |
| | 2025 | 65,694 | | | 239,136 | 364.0% |
| | 2026 | 56,761 | | | 222,628 | 392.2% |
| | 2027 | 48,844 | | | 204,598 | 418.9% |
| | 2028 | 41,887 | | | 186,138 | 444.4% |
| | 2029 | 35,788 | | | 168,594 | 471.1% |
| | 2030 | 30,438 | | | 152,342 | 500.5% |
| | 2031 | 25,774 | | | 136,441 | 529.4% |
| | 2032 | 21,719 | | | 120,764 | 556.0% |
| | 2033 | 18,236 | | | 105,917 | 580.8% |
| | 2034 | 15,261 | | | 92,046 | 603.1% |
| | 2035 | 12,738 | | | 79,992 | 628.0% |
| | 2036 | 10,593 | | | 69,147 | 652.8% |
| | 2037 | 8,763 | | | 59,743 | 681.7% |
| | 2038 | 7,232 | | | 51,930 | 718.1% |
| | 2039 | 5,958 | | | 44,892 | 753.5% |
| | 2040 | 4,900 | | | 38,461 | 784.9% |
| | 2041 | 4,017 | | | 33,024 | 822.2% |
| | 2042 | 3,277 | | | 28,507 | 870.0% |
| | 2043 | 2,655 | | | 24,597 | 926.4% |
| | 2044 | 2,134 | | | 21,185 | 992.7% |
| | 2045 | 1,711 | | | 18,128 | 1059.3% |
| | 2046 | 1,375 | | | 15,469 | 1124.6% |
| | 2047 | 1,108 | | | 13,165 | 1188.0% |
| | 2048 | 894 | | | 11,191 | 1252.0% |
| | 2049 | 721 | | | 9,532 | 1323.0% |
| | 2050 | 581 | | | 8,119 | 1397.4% |
| | 2051 | 468 | | | 6,867 | 1465.8% |
| | 2052 | 377 | | | 5,759 | 1527.2% |
| | 2053 | 302 | | | 4,739 | 1566.8% |
| | 2054 | 241 | | | 3,849 | 1595.0% |
| | 2055 | - | | | - | - |
| Past | | 5,292,345 | | | 3,678,377 | 69.5% |
| Future | | 1,059,800 | | | 3,915,034 | 369.4% |
| Lifetime | | 6,352,145 | | | 7,593,411 | 119.5% |
| Interest | 4.8% | | | | | |
| Past | | 10,738,816 | | | 6,395,390 | 59.6% |
| Future | | 812,234 | | | 2,742,199 | 337.6% |
| Lifetime | | 11,551,050 | | | 9,137,588 | 79.1% |

Note: Loss ratios do not include the change in active life reserves.

*Earned premium is a Virginia rate basis.

**Exhibit C**

| Series LTC-1 | Series LTC-2 |
| --- | --- |
| HL-2500AA (8/90) Long Term Care Policy | HL-2950VA (7/92) Long Term Care Policy |
| HL-2525AA (8/90) Home & Community Care Rider | |

**Exhibit D**

Lincoln National Life Insurance Company
Premium Rate Schedule for Policies issued in Virginia

| Inflation Protection | Inflation Type | Association Discount | Spousal Discount | Elimination Period (Days) | Nursing Home DBA | Home Health Care Benefit | Benefit Period (Days) | Benefit Period (Years) | Resider State | Issue State | Issue Age | Compan | Form | Mode | Premium Mode | Current Annualized Premium | Annualized Premium After 30% Rate Increase | Maximum Benefits Exposure |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| N | 0 | N | N | 60 | 100 | 100% | 99999 | LIFE | VA | VA | 58 | LN | LTC-1 | 1 | M | $ 1,842.36 | $ 2,395.07 | $ 292,000 |
| N | 0 | N | Y | 60 | 100 | 0% | 99999 | LIFE | VA | VA | 50 | LN | LTC-2 | 1 | M | $ 555.60 | $ 722.28 | $ 292,000 |
| N | 0 | N | Y | 60 | 80 | 100% | 99999 | LIFE | TN | VA | 53 | LN | LTC-1 | 1 | M | $ 923.64 | $ 1,200.73 | $ 233,600 |
| N | 0 | N | Y | 60 | 140 | 100% | 99999 | LIFE | VA | VA | 48 | LN | LTC-1 | 6 | S | $ 980.04 | $ 1,274.05 | $ 408,800 |
| N | 0 | N | Y | 60 | 140 | 100% | 99999 | LIFE | VA | VA | 49 | LN | LTC-1 | 6 | S | $ 1,050.48 | $ 1,365.62 | $ 408,800 |
| N | 0 | N | Y | 60 | 80 | 100% | 99999 | LIFE | VA | VA | 68 | LN | LTC-2 | 1 | M | $ 2,908.44 | $ 3,780.97 | $ 233,600 |
| N | 0 | N | Y | 60 | 80 | 100% | 99999 | LIFE | VA | VA | 64 | LN | LTC-2 | 1 | M | $ 1,942.32 | $ 2,525.02 | $ 233,600 |
| Y | C | N | N | 100 | 426.78 | 100% | 99999 | LIFE | VA | VA | 52 | LN | LTC-2 | 3 | Q | $ 3,641.48 | $ 4,733.92 | $ 1,246,198 |
| Y | C | N | Y | 100 | 338.63 | 100% | 1460 | 4 | VA | VA | 41 | LN | LTC-1 | 1 | M | $ 935.64 | $ 1,216.33 | $ 494,400 |
| Y | C | N | Y | 100 | 338.63 | 100% | 1460 | 4 | VA | VA | 51 | LN | LTC-1 | 1 | M | $ 1,598.16 | $ 2,077.61 | $ 494,400 |
| N | 0 | N | Y | 60 | 100 | 100% | 99999 | LIFE | VA | VA | 57 | LN | LTC-2 | 6 | S | $ 1,252.08 | $ 1,627.70 | $ 292,000 |
| N | 0 | N | Y | 60 | 100 | 100% | 99999 | LIFE | VA | VA | 58 | LN | LTC-2 | 6 | S | $ 1,347.46 | $ 1,751.70 | $ 292,000 |
| Y | C | N | N | 20 | 355.61 | 100% | 99999 | LIFE | VA | VA | 34 | LN | LTC-2 | 3 | Q | $ 2,450.00 | $ 3,185.00 | $ 1,038,381 |
| Y | C | N | N | 20 | 338.63 | 100% | 99999 | LIFE | VA | VA | 58 | LN | LTC-2 | 3 | Q | $ 4,279.24 | $ 5,563.01 | $ 988,800 |
| N | 0 | N | Y | 60 | 100 | 0% | 99999 | LIFE | VA | VA | 66 | LN | LTC-2 | 1 | M | $ 1,876.68 | $ 2,439.68 | $ 292,000 |
| Y | S | Y | Y | 100 | 157.5 | 60% | 1460 | 4 | VA | VA | 69 | LN | LTC-2 | 12 | A | $ 1,916.14 | $ 2,490.98 | $ 229,950 |
| N | 0 | N | Y | 60 | 100 | 60% | 2190 | 6 | WA | VA | 54 | LN | LTC-2 | 12 | A | $ 528.70 | $ 687.31 | $ 219,000 |
| N | 0 | N | Y | 60 | 100 | 60% | 2190 | 6 | WA | VA | 56 | LN | LTC-2 | 12 | A | $ 597.24 | $ 776.41 | $ 219,000 |
| Y | C | N | Y | 20 | 406.36 | 100% | 2190 | 6 | VA | VA | 64 | LN | LTC-2 | 1 | M | $ 5,424.72 | $ 7,052.14 | $ 889,928 |
| Y | C | N | N | 60 | 270.91 | 100% | 1460 | 4 | VA | VA | 50 | LN | LTC-2 | 1 | M | $ 2,286.72 | $ 2,972.74 | $ 395,529 |
| N | 0 | N | N | 60 | 100 | 100% | 1095 | 3 | VA | VA | 62 | LN | LTC-2 | 3 | Q | $ 1,669.40 | $ 2,170.22 | $ 109,500 |
| N | 0 | N | N | 60 | 120 | 100% | 1095 | 3 | FL | VA | 63 | LN | LTC-2 | 12 | A | $ 2,024.82 | $ 2,632.27 | $ 131,400 |
| Y | C | N | N | 365 | 322.5 | 60% | 99999 | LIFE | VA | VA | 57 | LN | LTC-2 | 12 | A | $ 2,405.73 | $ 3,127.45 | $ 941,700 |
| Y | S | N | Y | 100 | 264 | 100% | 99999 | LIFE | VA | VA | 61 | LN | LTC-2 | 12 | A | $ 2,874.27 | $ 3,736.55 | $ 770,880 |
| Y | S | N | Y | 100 | 264 | 100% | 99999 | LIFE | VA | VA | 65 | LN | LTC-2 | 12 | A | $ 4,038.16 | $ 5,249.61 | $ 770,880 |
| Y | S | N | N | 60 | 176 | 60% | 99999 | LIFE | AL | VA | 66 | LN | LTC-2 | 1 | M | $ 4,331.64 | $ 5,631.13 | $ 513,920 |
| N | 0 | N | N | 60 | 100 | 100% | 99999 | LIFE | VA | VA | 70 | LN | LTC-2 | 12 | A | $ 3,825.78 | $ 4,973.51 | $ 292,000 |
| N | 0 | Y | Y | 20 | 100 | 60% | 1825 | 5 | NY | VA | 52 | LN | LTC-2 | 3 | Q | $ 629.12 | $ 817.86 | $ 182,500 |
| Y | S | N | N | 60 | 132 | 100% | 99999 | LIFE | VA | VA | 67 | LN | LTC-2 | 12 | A | $ 3,888.94 | $ 5,055.62 | $ 385,440 |
| Y | S | N | N | 60 | 176 | 0% | 1460 | 4 | SC | VA | 65 | LN | LTC-2 | 1 | M | $ 2,334.84 | $ 3,035.29 | $ 256,960 |
| N | 0 | N | Y | 60 | 70 | 100% | 99999 | LIFE | VA | VA | 68 | LN | LTC-2 | 12 | A | $ 2,409.34 | $ 3,132.14 | $ 204,400 |
| N | 0 | N | N | 100 | 100 | 0% | 730 | 2 | VA | VA | 34 | LN | LTC-2 | 1 | M | $ 338.64 | $ 440.23 | $ 73,000 |
| N | 0 | N | Y | 20 | 90 | 60% | 1460 | 4 | NC | VA | 58 | LN | LTC-2 | 1 | M | $ 946.20 | $ 1,230.06 | $ 131,400 |
| N | 0 | N | Y | 60 | 100 | 60% | 99999 | LIFE | VA | VA | 62 | LN | LTC-2 | 1 | M | $ 1,677.84 | $ 2,181.19 | $ 292,000 |
| N | 0 | N | N | 100 | 140 | 60% | 99999 | LIFE | VA | VA | 48 | LN | LTC-2 | 3 | Q | $ 1,273.40 | $ 1,655.42 | $ 408,800 |
| N | 0 | N | Y | 60 | 110 | 0% | 99999 | LIFE | AZ | VA | 62 | LN | LTC-2 | 1 | M | $ 1,147.80 | $ 1,492.14 | $ 321,200 |
| N | 0 | N | N | 20 | 100 | 60% | 99999 | LIFE | VA | VA | 65 | LN | LTC-2 | 1 | M | $ 2,775.48 | $ 3,608.12 | $ 292,000 |
| N | 0 | N | Y | 60 | 100 | 60% | 99999 | LIFE | VA | VA | 62 | LN | LTC-2 | 12 | A | $ 1,241.95 | $ 1,614.54 | $ 292,000 |
| N | 0 | N | Y | 100 | 80 | 100% | 1460 | 4 | WA | VA | 65 | LN | LTC-2 | 1 | M | $ 1,671.60 | $ 2,173.08 | $ 116,800 |
| N | 0 | N | Y | 20 | 90 | 60% | 1460 | 4 | NC | VA | 63 | LN | LTC-2 | 1 | M | $ 1,451.64 | $ 1,887.13 | $ 131,400 |
| Y | S | Y | Y | 60 | 126 | 100% | 1460 | 4 | VA | VA | 63 | LN | LTC-2 | 3 | Q | $ 1,599.72 | $ 2,079.64 | $ 183,960 |
| Y | S | N | Y | 20 | 129 | 100% | 1460 | 4 | VA | VA | 66 | LN | LTC-2 | 3 | Q | $ 2,516.64 | $ 3,271.63 | $ 188,340 |
| N | 0 | N | Y | 20 | 120 | 100% | 99999 | LIFE | VA | VA | 57 | LN | LTC-2 | 12 | A | $ 1,454.88 | $ 1,891.34 | $ 350,400 |
| Y | C | N | N | 20 | 492.19 | 100% | 99999 | LIFE | DC | VA | 49 | LN | LTC-2 | 12 | A | $ 5,209.37 | $ 6,772.18 | $ 1,437,195 |
| Y | S | N | N | 60 | 210 | 100% | 99999 | LIFE | VA | VA | 56 | LN | LTC-2 | 12 | A | $ 2,629.40 | $ 3,418.22 | $ 613,200 |
| N | 0 | N | N | 20 | 130 | 100% | 1460 | 4 | DC | VA | 79 | LN | LTC-2 | 12 | A | $ 8,572.73 | $ 11,144.55 | $ 189,800 |
| N | 0 | N | N | 100 | 100 | 60% | 99999 | LIFE | VA | VA | 65 | LN | LTC-2 | 6 | S | $ 2,488.68 | $ 3,235.28 | $ 292,000 |
| N | 0 | N | Y | 100 | 100 | 60% | 99999 | LIFE | VA | VA | 60 | LN | LTC-2 | 3 | Q | $ 1,339.40 | $ 1,741.22 | $ 292,000 |
| Y | S | N | Y | 60 | 210 | 100% | 99999 | LIFE | VA | VA | 62 | LN | LTC-2 | 12 | A | $ 2,739.39 | $ 3,561.21 | $ 613,200 |
| Y | S | N | Y | 60 | 210 | 100% | 99999 | LIFE | VA | VA | 62 | LN | LTC-2 | 12 | A | $ 2,739.39 | $ 3,561.21 | $ 613,200 |
| Y | C | Y | Y | 20 | 280.34 | 100% | 99999 | LIFE | AL | VA | 54 | LN | LTC-2 | 12 | A | $ 1,926.39 | $ 2,504.31 | $ 818,593 |
| N | 0 | N | N | 100 | 100 | 60% | 99999 | LIFE | VA | VA | 66 | LN | LTC-2 | 1 | M | $ 3,778.20 | $ 4,911.66 | $ 292,000 |
| N | 0 | N | N | 60 | 100 | 100% | 99999 | LIFE | VA | VA | 63 | LN | LTC-2 | 12 | A | $ 1,874.60 | $ 2,436.98 | $ 292,000 |
| Y | S | Y | N | 20 | 136.5 | 100% | 1825 | 5 | VA | VA | 66 | LN | LTC-2 | 12 | A | $ 2,364.15 | $ 3,073.40 | $ 249,113 |
| N | 0 | N | N | 60 | 100 | 60% | 99999 | LIFE | VA | VA | 59 | LN | LTC-2 | 1 | M | $ 1,512.12 | $ 1,965.76 | $ 292,000 |
| N | 0 | N | Y | 60 | 100 | 100% | 1825 | 5 | VA | VA | 61 | LN | LTC-2 | 12 | A | $ 1,154.29 | $ 1,500.58 | $ 182,500 |
| N | 0 | N | Y | 60 | 100 | 100% | 99999 | LIFE | VA | VA | 58 | LN | LTC-2 | 12 | A | $ 1,024.21 | $ 1,331.47 | $ 292,000 |
| Y | S | N | N | 20 | 210 | 100% | 1095 | 3 | VA | VA | 57 | LN | LTC-2 | 1 | M | $ 2,058.36 | $ 2,675.87 | $ 229,950 |
| Y | S | N | N | 100 | 215 | 100% | 730 | 2 | VA | VA | 58 | LN | LTC-2 | 1 | M | $ 1,623.84 | $ 2,110.99 | $ 156,950 |

**Exhibit E**

| State | 1st Approval Date | 1st Approval Percent | 2nd Approval Date | 2nd Approval Percent | 3rd Approval Date | 3rd Approval Percent | 4th Approval Date | 4th Approval Percent | 5th Approval Date | 5th Approval Percent | 6th Approval Date | 6th Approval Percent | 7th Approval Date | 7th Approval Percent | Filed/ Anticipated Date | Filing Status | Filing Percent | Cumulative Approved Rate Increase | Percent of Total Premium |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OH | 10/7/2003 | 33% | 3/1/2006 | 20% | | | 8/13/2009 | 20% | 2/23/2016 | 15% | 12/5/2017 | 15% | | | 5/15/2019 | Approved | 15% | 191% | 9.0% |
| MD | 12/19/2003 | 15% | 7/27/2006 | 15% | | | 10/27/2009 | 15% | 1/27/2016 | 15% | 6/29/2017 | 15% | 11/14/2018 | 5% | 12/1/2019 | | 15% | 111% | 8.6% |
| IN | 10/1/2004 | 27% | 4/3/2006 | 35% | 8/27/2007 | 15% | | | | | | | | | 7/1/2019 | | 30% | 97% | 6.5% |
| CA | 11/5/2003 | 25% | 2/22/2006 | 25% | 7/25/2007 | 12% | 12/17/2009 | 25% | | | | | | | | | | 119% | 6.0% |
| MO | 7/12/2004 | 40% | 5/31/2006 | 40% | | | | | 10/26/2015 | 40% | 1/1/2017 | 30% | | | | | | 257% | 5.7% |
| PA | 10/8/2003 | 40% | 3/2/2006 | 40% | | | | | | | | | | | 4/1/2019 | | 30% | 96% | 5.6% |
| FL | 12/21/2006 | 28% | | | | | 8/13/2010 | 8% | | | | | | | 7/1/2019 | | 30% | 38% | 5.2% |
| IL | 12/4/2003 | 40% | 8/4/2006 | 40% | | | | | 8/13/2016 | 30% | 11/1/2017 | 30% | | | 5/1/2019 | | 30% | 231% | 4.5% |
| MI | 11/17/2003 | 40% | 3/10/2006 | 40% | | | | | 11/4/2015 | 60% | 1/1/2017 | 30% | 2/22/2018 | 30% | | | | 430% | 4.3% |
| VA | 3/18/2004 | 40% | | | | | | | | | 7/24/2017 | 27% | 8/1/2018 | 27% | 9/1/2019 | | 30% | 124% | 3.7% |
| GA | 4/9/2004 | 10% | 4/25/2006 | 10% | 6/27/2007 | 8% | 9/14/2009 | 10% | 3/15/2016 | 10% | 4/1/2017 | 12% | 2/13/2018 | 12% | 3/1/2019 | Approved | 12% | 122% | 3.3% |
| CT | 5/2/2005 | 10% | | | | | | | | | 2/1/2017 | 15% | 2/27/2018 | 9% | 2/27/2019 | Approved | 9% | 51% | 3.2% |
| IA | 12/10/2004 | 27% | 6/1/2006 | 33% | | | 1/6/2010 | 25% | 5/3/2016 | 10% | 7/1/2017 | 15% | 6/4/2018 | 9% | | | | 191% | 2.5% |
| TX | 2/9/2004 | 25% | 4/25/2006 | 30% | | | 10/26/2009 | 12% | | | | | | | 5/1/2019 | | 30% | 82% | 2.3% |
| TN | 7/8/2004 | 20% | 8/3/2006 | 30% | | | 2/9/2010 | 10% | 1/7/2016 | 30% | 4/1/2017 | 30% | 4/23/2018 | 15% | 8/1/2019 | Approved | 18% | 294% | 2.3% |
| CO | 12/22/2003 | 40% | 6/7/2006 | 40% | | | | | | | | | | | | | | 96% | 2.3% |
| NE | 10/21/2003 | 40% | 3/17/2006 | 40% | | | | | 12/3/2015 | 60% | | | | | 11/1/2019 | | 30% | 214% | 2.2% |
| WI | 5/21/2004 | 40% | 10/12/2006 | 20% | | | 10/8/2009 | 25% | 2/29/2016 | 10% | | | 5/7/2018 | 30% | 6/3/2019 | Approved | 30% | 290% | 2.1% |
| WA | 1/16/2004 | 15% | | | | | 11/4/2010 | 18% | 4/20/2016 | 17% | 7/1/2017 | 17% | 7/1/2018 | 17% | 5/1/2019 | | 30% | 117% | 1.6% |
| LA | 10/29/2003 | 40% | 12/22/2006 | 35% | | | | | 6/24/2016 | 15% | 7/1/2017 | 15% | 10/9/2018 | 10% | 11/1/2019 | | 30% | 175% | 1.5% |
| NJ | 7/9/2007 | 30% | | | | | 4/26/2010 | 35% | | | | | | | | | | 76% | 1.5% |
| AL | 8/24/2004 | 30% | 5/25/2006 | 30% | | | | | | | 2/1/2017 | 30% | | | 10/1/2019 | | 30% | 120% | 1.4% |
| KS | 8/31/2004 | 25% | 5/26/2006 | 25% | | | 9/30/2009 | 15% | 4/22/2016 | 12% | 5/1/2017 | 10% | 6/15/2018 | 11% | | | | 145% | 1.3% |
| SC | 12/9/2003 | 40% | 5/9/2006 | 40% | | | 10/28/2009 | 20% | 1/5/2016 | 20% | 5/1/2017 | 20% | | | | | | 239% | 1.3% |
| WY | 9/16/2003 | 40% | 3/28/2006 | 40% | | | 1/28/2010 | 25% | 1/27/2016 | 60% | 2/1/2017 | 30% | | | | | | 410% | 1.1% |
| HI | 6/22/2005 | 25% | 12/22/2006 | 25% | | | 12/14/2009 | 15% | | | | | | | | | | 80% | 1.1% |
| NC | 1/21/2005 | 20% | 5/30/2006 | 20% | | | 11/9/2009 | 12% | | | | | | | 9/1/2019 | | 25% | 61% | 1.1% |
| OR | 6/1/2007 | 28% | | | | | 9/30/2009 | 25% | | | | | | | | | | 60% | 1.1% |
| AZ | 10/12/2006 | 20% | | | | | 11/23/2009 | 15% | 9/22/2016 | 13% | | | | | | | | 56% | 0.9% |
| NM | 8/4/2004 | 40% | 10/24/2006 | 35% | | | | | 1/27/2016 | 15% | 3/24/2017 | 10% | 7/5/2018 | 15% | 8/1/2019 | Approved | 15% | 216% | 0.8% |
| MA | 7/21/2006 | 40% | | | | | 9/7/2011 | 40% | 1/20/2017 | 9% | 1/20/2018 | 9% | 1/20/2019 | 9% | 2/1/2020 | | 30% | 154% | 0.8% |
| DE | 4/16/2004 | 15% | 8/10/2006 | 15% | | | 3/25/2010 | 15% | 1/28/2016 | 25% | 2/1/2017 | 25% | 6/7/2018 | 25% | 7/1/2019 | Approved | 25% | 271% | 0.7% |
| KY | 9/9/2004 | 27% | 6/21/2006 | 30% | | | 1/27/2010 | 20% | 3/18/2016 | 15% | 4/1/2017 | 10% | 9/18/2018 | 20% | 10/1/2019 | | 30% | 201% | 0.7% |
| MS | 8/6/2004 | 25% | 2/22/2007 | 25% | | | 12/21/2009 | 25% | 10/30/2015 | 25% | 1/1/2017 | 10% | | | | | | 169% | 0.6% |
| OK | 2/19/2004 | 15% | 4/18/2006 | 15% | | | 11/9/2010 | 10% | 4/4/2016 | 10% | 5/1/2017 | 10% | 5/8/2018 | 10% | 6/1/2019 | Approved | 15% | 123% | 0.5% |
| DC | | | | | | | | | | | | | | | | | | 0% | 0.5% |
| WV | 2/16/2005 | 40% | 5/22/2006 | 40% | | | | | 3/9/2016 | 20% | | | | | 4/1/2020 | | 30% | 135% | 0.5% |
| UT | 5/16/2006 | 40% | | | | | 6/28/2010 | 40% | 2/10/2016 | 20% | | | | | | | | 135% | 0.4% |
| ID | 10/6/2004 | 40% | 7/24/2006 | 35% | | | | | | | | | | | | | | 89% | 0.3% |
| ME | 6/13/2006 | 40% | | | | | | | | | | | | | | | | 40% | 0.3% |
| SD | 12/10/2004 | 15% | 6/6/2006 | 20% | | | | | | | | | | | | | | 38% | 0.2% |
| NH | 8/3/2006 | 40% | | | | | | | | | | | | | | | | 40% | 0.2% |
| AR | 5/24/2005 | 40% | 2/15/2007 | 40% | | | | | | | | | | | | | | 96% | 0.1% |
| MT | 1/31/2005 | 40% | 11/9/2006 | 40% | | | | | | | | | | | | | | 96% | 0.1% |
| MN | 3/3/2004 | 25% | | | | | | | | | | | | | | | | 25% | 0.1% |
| VT | | | | | | | | | | | | | | | | | | 0% | 0.1% |
| RI | 10/22/2003 | 40% | 12/14/2006 | 40% | | | | | | | | | | | | | | 96% | 0.1% |
| NV | 1/22/2007 | 25% | | | | | | | | | | | | | | | | 25% | 0.0% |
| AK | 6/28/2006 | 40% | | | | | | | | | | | | | | | | 40% | 0.0% |
| ND | 10/17/2003 | 25% | 7/26/2006 | 25% | | | | | | | | | | | | | | 56% | 0.0% |
| NY | | | | | | | | | | | | | | | | | | 0% | 0.0% |

June 14, 2019

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 5-16-19.

**Objection 1**
**• Long Term Care Insurance Rate Request Summary (Supporting Document)**
**Comments: Please provide the SERFF Tracking Number and a brief narrative to summarize the key information used to develop the rates, including the main drivers for the revised rates. The narrative should be written in language that the consumer can understand.**

SERFF Tracking Number: TRST-131923253
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.

**Objection 2**
**• Exhibits A-E VA (Rate)**
**Comments: Rate/Rule Schedule**
**1. Please remove Exhibits A-E VA (Rate) from the Rate/Rule Schedule tab and place under the Supporting Documentation tab.**
**2. Provide the proposed revised rate schedule under the Rate/Rule Schedule "Attach Document" column and label each proposed rate sheet with the corresponding policy form to which the rates apply.**

The Exhibits and proposed revised rate schedules have been placed in the requested locations.

**Objection 3**
**Rate Exhibits A-G (Supporting Document)**
**Comments: HL-2550AA - Guaranteed Insurability Rider**
**In the previous rate request filing (TRST-130130738) the company advised that there were no HL-2550AA riders currently active in Virginia. Please confirm and remove the reference to HL-2550AA from Exhibit C in the Rate Exhibits A-G.**

We confirmed that that there are no HL-2550AA riders currently active in Virginia. Ex C has been updated.

**Objection 4**
**L&H Actuarial Memorandum (Supporting Document)**
**Comments: Provide the total cumulative nationwide rate increase percentage that has been approved by all states as of 12/31/2018.**

The total cumulative nationwide rate increase percentage for all states is in Ex E.

**Objection 5**
**• L&H Actuarial Memorandum (Supporting Document)**
**Comments: Provide the original anticipated lifetime loss ratio.**

The original filing loss ratios included ALR in the calculation and produced an anticipated lifetime loss ratio of 61.3%. This lifetime loss ratio increases to 70.7% when ALR is removed from the calculations, which is significantly higher than the minimum lifetime loss ratio of 60%.

**Objection 6**
**• L&H Actuarial Memorandum (Supporting Document)**
**Comments: Provide a comparison exhibit illustrating an actual to expected analysis of the original pricing assumptions to the current pricing assumptions. The actuarial memorandum only provides a comparison of actual to expected for Persistency.**

Please see enclosed "Termination Experience" and "Exhibit H" for A/E analysis.

**Objection 7**
**• Rate Exhibits A-G (Supporting Document)**
**Comments: Please update the Nationwide and Virginia historical experience, with and without the rate increase with data through 12/31/2018.**

Please see enclosed "Exhibits A-E 2018 Individual Excluding FPP & SC" for data through 12/31/2018.

**Objection 8**
**• L&H Actuarial Memorandum (Supporting Document)**
**• Rate Exhibits A-G (Supporting Document)**
**Comments: 1. Provide a demonstration of the sufficiency of the reported claim reserves. Include a discussion of how the incurred claims in the loss ratio exhibits are adjusted to remove any margins in the claim reserves.**

Claim reserves are calculated as the benefit amount multiplied by the benefit period less elimination period less any days paid, with benefit increases per year for policies with inflation protection. Lifetime benefits are reserved through policyholder age 100. Margins are separate from individual claim reserves and not included in the exhibits. Interest is at 5.5% for 1991-1992 claims, 5% for 1993-1994 claims, 4.5% for 1995-2005, 4% for 2006-2012, and 3.5% for 2013 and later claims.

**2. In accordance with 14VAC5-200-185 D which requires the provision of a contingent benefit upon lapse for all polices if the requested rate increase is approved. Provide the assumptions with respect to the election of the contingent benefit upon lapse in the projections in Exhibit B.**

No assumptions regarding contingent benefit upon lapse election have been included in Exhibit B. Since the average age of policyholders is 84, we are expected policyholders to hold their policies in anticipation of receiving benefits in the near future, and thus not electing to lapse their policies.

**3. In the previous rate revision filing, the company estimated the maximum benefits exposure on in force Virginia policyholders as 8 years for lifetime benefit policies. Please advise if this assumption has changed and provide a summary of the revised calculations, if any.**

No assumption change. The company is still estimating max benefit exposure on inforce Virginia policyholders as 8 years for lifetime benefit policies. Please see enclosed ex D – column titled "Maximum Benefits Exposure".

**4. In accordance with 14VAC5-200-150 B. 11. describe the valuation basis of the Active Life reserves for these policies. Please indicate the amount of reported Active Life reserves as of the projection date in the analyses.**

Active life reserves are calculated on a full preliminary term valuation basis. As of 12/31/18 the total Active Life reserve was $53,135,996.

**5. The Actuarial Memorandum does not indicate how the 4.5% interest rate was determined to calculate the anticipated loss ratio. In the previous rate revision filing, the company determined that the weighted average of the various interest rates was 4.833% which is higher than that used in the current calculations. Provide a description of how the interest rate was determined and modify any exhibits and loss ratio projections as necessary.**

The maximum valuation interest rate for years 1991-1994 was 5% and years 1995-1996 was 4.5%. The weighted average of these rates is 4.833%. The exhibits have been modified to use this rate for discounting purposes.

**6. Please recalculate the anticipated lifetime loss ratios. The Active Life reserves should be included in the determination of the Future Loss ratio as a reduction to the present value of future incurred claims.**

With Active Life reserves included, the anticipated lifetime loss ratio is 75.3%. Please see ex A 2018 ALR.

**Objection 9**
**Comments: Please advise if there are any partnership policies in force in Virginia.**

There are no partnership policies inforce in Virginia.

**Objection 10**
**• CBL Rider (Supporting Document)**
**Comments: Explain if the CBL Rider form (CBL VA) is the same as previously approved under TRST-130130738 and advise if any changes were made to the form.**

The CBL Rider form (CBL VA) is the same as previously approved.

**Objection 11**
**Comments: Does the company plan to offer the policyholder a revised policy schedule should the policyholder opt for the contingent benefit upon lapse or elect an eligible reduced benefit option? Please place a copy of the policy benefit schedule in Supporting Documentation and advise the SERFF Tracking # under which the revised policy schedule form was approved.**

No benefit changes are made to policies unless the policyholder agrees to those changes and submits a request in writing to have such changes made. When a policy change is made, a letter explaining the change with a revised schedule page is sent to the policyholder. The revised schedule page has an effective date of change. The letter informs them to keep the revised policy schedule with their policy records. The revised schedule page (SP- VA16) is the same as previously approved under TRST-130130738

**Objection 12**
**Comments: VA Policyholder Letter with and without WOP**
**1) How is the percentage of the premium increase communicated to the policyholder in the letter? We did not find in the proposed letter how the percentage of the increase or their current premium amount is communicated.**

Please see attached for revised policyholder letters.

**2) The 5th paragraph mentions, "...the enclosed Rider is made a part of your policy." Please provide the Rider to which the letter refers and the SERFF Tracking # under which the Rider form was approved.**

Please see attached for The CBL Rider form (CBL VA) which is the same as previously approved under TRST-130130738.

**3) Please explain how a policyholder communicates with the company to understand or select their reduced benefit options. The letter seems to state the only option is to telephone the company at the telephone number provided.**

No benefit changes are made to policies unless the policyholder agrees to those changes and submits a request in writing to have such changes made. When a policy change is made a letter explaining the change with a revised schedule page is sent to the policyholder.

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]

## REVISED POLICY SCHEDULE

Policy Number: TX1234

Effective Date: Feb 01, 1992

Effective Date of Change: Jan 01, 2018

John Doe
123 Address Lane
Lake Forest, IL 60045

Renewal Premium: $127.65

Issue Age: 46

Mode: semi-annual

| | | |
|---|---|---|
| LONG TERM CARE POLICY | Base Premium: | $65.82 |
| Nursing Home Maximum Daily Benefit | $80 maximum | |
| Nursing Home Deductible Period: | 20 days | |
| Policy Benefit Limit<br>(Policy limit for all benefits combined, including rider limits) | unlimited | |

Benefit Increase Option - through age 85
Do you have this option? - No

| | | |
|---|---|---|
| HOME & COMMUNITY CARE BENEFIT RIDER | | $42.36 |
| Basic Services Daily Benefit | $40 maximum | |
| Advanced Services Daily Benefit<br>(Maximum Daily Benefit for Basic and Advanced Services combined) | $80 maximum | |
| Adult Day Care Daily Benefit | $20 maximum | |
| Home & Community Care Deductible Period: | 20 days | |
| Home & Community Care Benefit Limit:<br>(Limit for Home and Community Care Benefits) | unlimited | |
| GUARANTEED INSURABILITY RIDER | | $19.47 |
| **Total Premium.....** | | $127.65 |

## REVISED POLICY SCHEDULE

Policy Number: TX1234

Effective Date: Feb 01, 1992

Effective Date of Change: Jan 01, 2018

John Doe
123 Address Lane
Lake Forest, IL 60045

Renewal Premium: $127.65

Issue Age: 46

Mode: semi-annual

| | | |
|---|---|---|
| LONG TERM CARE POLICY | Base Premium: | $65.82 |
| Nursing Home Maximum Daily Benefit | $80 maximum | |
| Nursing Home Deductible Period: | 20 days | |
| Policy Benefit Limit<br>(Policy limit for all benefits combined, including rider limits) | unlimited | |

Benefit Increase Option - through age 85
Do you have this option? - No

| | | |
|---|---|---|
| HOME & COMMUNITY CARE BENEFIT RIDER | | $42.36 |
| Basic Services Daily Benefit | $40 maximum | |
| Advanced Services Daily Benefit<br>(Maximum Daily Benefit for Basic and Advanced Services combined) | $80 maximum | |
| Adult Day Care Daily Benefit | $20 maximum | |
| Home & Community Care Deductible Period: | 20 days | |
| Home & Community Care Benefit Limit:<br>(Limit for Home and Community Care Benefits) | unlimited | |
| GUARANTEED INSURABILITY RIDER | | $19.47 |
| **Total Premium.....** | | $127.65 |

## REVISED POLICY SCHEDULE

Policy Number: {CONTRACT-NUMBER}

Effective Date: {CONTRACT-EFF-DATE}

Effective Date of Change: {CHANGE-EFF-DATE}

{INS-FIRST-NAME} {INS-MI} {INS-LAST-NAME}
{INS-ADDRESS-1}
{INS-ADDRESS-2}
{INS-ADDRESS-3}
{INS-ADDRESS-4}

Renewal Premium: {CURR-MODAL-PREMIUM}

Issue Age: {ISSUE-AGE}

Mode: {CURRENT-MODE}

LONG TERM CARE POLICY

Base Premium: {MBASE-PREM}

Nursing Home Maximum Daily Benefit {CC-DB-AMT}
Nursing Home Deductible Period: {ELIM-PERIOD}
Policy Benefit Limit {MAX-BEN-PERIOD}
(Policy limit for all benefits combined, including rider limits)

Benefit Increase Option - through age 85 {MBIO-PREM}
Do you have this option? - {YES-NO}

{HOME & COMMUNITY CARE BENEFIT RIDER {MHHC-PREM}

Basic Services Daily Benefit {BASIC-SVC-DB-AMT}
Advanced Services Daily Benefit {CC-DB-AMT}
(Maximum Daily Benefit for Basic and Advanced Services combined)

Adult Day Care Daily Benefit {ADC-DB-AMT}
Home & Community Care Deductible Period: {ELIM-PERIOD}
Home & Community Care Benefit Limit: {MAX-BEN-PERIOD}
(Limit for Home and Community Care Benefits) }

{GUARANTEED INSURABILITY RIDER {MGIR-PREM}}

**Total Premium.....** {CURR-MODAL-PREMIUM}

# STATEMENT OF VARIABILITY FOR POLICY SCHEDULE FORM SP-VA16

| Variable | Description | Example |
|---|---|---|
| {CONTRACT-NUMBER} | Trustmark policy number | " TX1234" |
| {CONTRACT-EFF-DATE} | Effective date of the policy | "Feb 01, 1992" |
| {CHANGE-EFF-DATE} | Effective change date of the policy | "Jan 01, 2018" |
| {INS-FIRST-NAME} {INS-MI} {INS-LAST-NAME} | Insured first name, middle initial, last name | "John Doe" |
| {INS-ADDRESS-1} {INS-ADDRESS-2} {INS-ADDRESS-3} {INS-ADDRESS-4} | The address of the policyholder | "John Doe<br>123 Address Lane<br>Lake Forest, IL 60045" |
| {CURR-MODAL-PREMIUM} | The modal premium of a policy | "$127.65" |
| {ISSUE-AGE} | The issue age of the policyholder | "46" |
| {CURRENT-MODE} | The current mode of the policy | "semi-annual" |
| {MBASE-PREM} | The base premium of the policy. | "$65.82" |
| {CC-DB-AMT} | Applicable Maximum Daily Limit | "$80 maximum" |
| {ELIM-PERIOD} | Elimination period in days | 0, 20, 60, 100, 180, or 365 days |
| {MAX-BEN-PERIOD} | Identifies the maximum benefit period (in days) of the policy. | 730 days, 1095 days, 1460 days, 1825 days, 2190 days, or unlimited days |
| {YES-NO} | If benefit increase option is chosen by the policyholder, this shows as a Yes on the Schedule The insured may not elect both the benefit increase option and the guaranteed insurability rider. | Indicates "yes" or "no" whether the policyholder has the option or not. |
| {MBIO-PREM} | If benefit increase option is chosen, this identifies the benefit increase option portion of the premium | "17.52" |

| | | |
|---|---|---|
| [HOME & COMMUNITY CARE BENEFIT RIDER] along with the rider details so this whole section is in brackets on the Schedule | If optional HCC rider is chosen by the policyholder, this entire section in brackets will appear on the Schedule. | N/A |
| {MHHC-PREM} | If optional HCC rider is chosen, this is the HCC rider premium | "42.36" |
| Basic Services Daily Benefit | Appears only if the optional HCC rider is chosen by the policyholder. | N/A |
| {BASIC-SVC-DB-AMT} | If optional HCC rider is chosen, this is the daily benefit for "Basic" home health care services | "$40 maximum" |
| Advanced Services Daily Benefit | Appears only if the optional HCC rider is chosen by the policyholder. Identifies the maximum daily benefit for Basic and Advanced Services combined. | N/A |
| Adult Day Care Daily Benefit | Appears only if the optional HCC rider is chosen by the policyholder. | N/A |
| {ADC-DB-AMT} | If optional HCC rider is chosen, this represents the maximum daily adult day care benefit. | "$20 maximum" |
| Home & Community Care Deductible Period: | Appears only if the optional HCC rider is chosen by the policyholder. | N/A |

| | | |
|---|---|---|
| Home & Community Care Benefit Limit: | Appears only if the optional HCC rider is chosen by the policyholder. | N/A |
| [Guarantee Insurability Rider] this whole section is in brackets on the Schedule | Appears only if the optional GIR rider is chosen by the policyholder. The insured may not elect both the benefit increase option and the guaranteed insurability rider. | N/A |
| {MGIR-PREM} | If the GIR is chosen, this identifies the GIR premium of the policy. | "$19.47" |

July 31, 2019

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 7-9-19. In your letter, you stated the following:

**Objection 1**
**• L&H Actuarial Memorandum (Supporting Document)**
**Comments: Please clarify whether the original lifetime loss ratio with ALR removed of 70.7% reflects the actual mix of business sold. If it does not, please state the original lifetime loss ratio, adjusted to reflect the actual mix of business sold.**

It does not reflect the actual mix of business sold. Unfortunately, due to the limited resources in this closed block of business, we are unable to provide the original lifetime loss ratio adjusted with actual mix of business sold.

**Objection 2**
**• L&H Actuarial Memorandum (Supporting Document)**
**Comments: Please provide a breakdown of the rate increase components showing the portion of the rate increase each component contributes to the requested rate increase of 30%.**

Again, unfortunately, due to limited resources, we are unable to provide a breakdown of the components for the requested increase. Although we are unable to provide the breakdown, lapses and mortality have a small impact while morbidity is the major reason for the requested 30% rate increase. More policyholders are staying inforce than initially expected. Given the advanced age of this closed block of business and the fact that insureds have had their policies for 20+ years, we expect more insureds to utilize their benefits sooner rather than later, and we expect them to stay on claim longer.

**Objection 3**
**• L&H Actuarial Memorandum (Supporting Document)**
**• Rate Exhibits A-E (Supporting Document)**
**Comments: Please state whether the experience projections are assuming future mortality improvement. If the experience projections assume future mortality improvement, please state the underlying assumption and explain the sources used to derive the assumption.**

No mortality improvements were assumed.

**Objection 4**
**• L&H Actuarial Memorandum (Supporting Document)**
**• Rate Exhibits A-E (Supporting Document)**
**Comments: Please state whether the experience projections are assuming future morbidity improvement. If the experience projections assume future morbidity improvement, please state the underlying assumption and explain the sources used to derive the assumption.**

No morbidity improvements were assumed.

**Objection 5**
**• Rate Exhibits A-E (Supporting Document)**
**Comments: Please explain the basis of the 'Expected Incurred Claims' column shown in Exhibit A (e.g., original expected pricing assumptions).**

The Expected Incurred Claims column in Exhibit A is based on original expected pricing assumptions.

**Objection 6**
**• L&H Actuarial Memorandum (Supporting Document)**
**Comments: Please clarify whether the ALR estimate of $53.1 million was calculated at the interest rate used to discount and accumulate cash flows in the underlying experience projection. If not, please provide the nationwide ALR estimate as of December 31, 2018, calculated at the interest rate used to discount and accumulate premiums and claims in the underlying experience projection.**

The ALR estimate of $53.1 million was reported in error and we apologize for this. The ALR estimate should have been $54,212,613. Please see updated Exhibit A 2018 – ALR with corrected information. This amount was calculated using a 3.5% interest rate.

Using the same interest rate (4.83%) as the underlying experience projection, the ALR estimate at 12/31/2018 is $51,424,158.

**Objection 7**
**• Rate Exhibits A-E (Supporting Document)**
**Comments: Please provide an exhibit similar to Exhibit A using the assumptions associated with the most recently approved rate filing to project the future experience so that we may understand how the projected premium and claims differ as a result of changes in the underlying assumptions. Please provide this for both nationwide and Virginia specific experience.**

There were no changes in the underlying assumptions since the most recently approved rate filing.

**Objection 8**
**• L&H Actuarial Memorandum (Supporting Document)**
**Comments: Please state the expectations with regard to future rate increases on these policy forms, assuming the full proposed rate increase is approved.**

If the submitted rate increase and assumptions are realized, we will continue to monitor emerging experience and review Virginia rates relative to nationwide rates in order to normalize the overall rate increase in Virginia. If lesser rate increases are realized nationwide we will wait until rates in other states are similar to Virginia before requesting future rate increases in the short term.

Additionally, in October 2018, the NAIC Long-term Care Pricing Subgroup proposed changes to NAIC Long-term Care Model Regulation to strengthen the pricing of LTC.

Prospective PV approach calculates an allowable rate increase using future projections to avoid recouping past losses. Regulators should consider modifications to the formula such as the Transition Provision for prior actuarially justified rate increases being voluntarily reduced by the company.

According to this approach, a rate increase of 224% is allowed, but we are asking for 30%.

Please see calculations below:

Using Nationwide data since VA Data is not credible:
Present value of future claims under current assumptions: 78,754,057
Present value of future claims under prior assumptions: 70,556,210
Present value of future premiums under current assumptions: 22,378,689
Present value of future premiums under prior assumptions: 11,264,812

The cumulative percent rate increase to date is 2.1.
The base calculated is -.014%.

Transition provision (for pre-rate stability products where the rate increase requests was voluntarily reduced by the company)

Transition rate increase%=(PV(premium justified)-PV(Premiums requested))/PVcurrent(Future earned premiums)

In the 2015 filing, 608% rate increase was needed to achieve the minimum loss ratio requirement, but we only requested a 60% rate increase.

The rate increase we can request using prospective present value calculation is base + transition = -.014% + 225.49%=224.02%.

**Objection 9**
**• L&H Actuarial Memorandum (Supporting Document)**
**Comments: Please provide the full credibility standard used to determine the credibility of the Virginia experience.**

Milliman assigned a credibility standard of a 90% confidence interval for the number of events with an error of plus or minus 10.0%. Based on these parameters, 271 events is the criterion for full credibility. The credibility percentage for each assumption was determined as (Number of Events / 271)1/2, with events defined as death count, derived lapse count, or claim count. No Virginia specific credibility factor was determined.

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]

September 5, 2019

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 8-19-19. In your letter, you stated the following:

**Objection 1**
**Comments: In your prior response to objection 7, you state there were no changes in the underlying assumptions. Please explain what is driving the requested 30% rate increase and how that was developed if no changes were made to the underlying assumptions that are used in the development of the proposed rate increase.**

Although assumptions have not changed, we did not receive the full required increase from last round. In the 2015 filing, 608% rate increase was needed to achieve the minimum loss ratio requirement, but we only requested a 60% rate increase and a 2 year 28.5% phased-in increase was approved.

Since we did not want to over burden our policyholder by requesting exorbitant rate increases, our strategies were to continue to monitor our experience and determine smaller rate increase as needed. It is still necessary for us to get currently requested rate increase so we could continue to work toward minimum loss ratio while monitoring our future expected losses such that we do not charge our insured more than necessary. The company is seeking this rate increase to minimize the financial impact of these increased claim costs. This block has been deteriorating in the past few years and the Company is expecting a large influx of claims as the average attained age per policyholder continues to grow beyond 84 years old. The rate increase is needed to prefund these expected future claims.

For this closed block of LTC business, it is important to implement rate increases sooner rather than later to stop the spiraling of the LTC rate problem so the collected premiums will be sufficient to pay for future claims that will be incurred by current inforce policyholders. Delays in the implementation of needed rate increases can lead to significantly higher rate increases later.

**Objection 2**
**Comments: In your prior response to objection 8 regarding future rate increases, you provide the prospective PV approach calculations. The following questions pertain to the response provided:**

**a. Please revise the calculation to reflect approved rate levels in Virginia and the cumulative approved rate increase in Virginia.**

Please see enclosed "Prospective PV Calculation" file, which shows the calculation was already using the approved rate levels in Virginia and the cumulative approved rate increase in Virginia.

**b. Please demonstrate quantitatively how each component of the Prospective Present Value calculation was determined (e.g., the cumulative percent rate increase to date).**

Prior to the last approved rate increase, 40% was approved in 2004. In 2017 there was a phased in increase of 26.5% approved and 26.5% approved for 2018. This is a total cumulative rate increase of 124%. The cumulative percent rate increase to date is calculated as cumulative rate increase divided by cumulative rate increase prior objection -1. This is 1.240315/.4 -1 = 2.1

Please refer to the "Prospective PV Calculation" for detailed quantitative calculations.

**c. Please provide the loss ratio exhibits by year that correspond to the values provided in the response. Please provide these in Excel with formulas intact.**

Details of our calculation can be found in the "Prospective PV Calculation" file. This file contains Exhibit I – Current Assumptions and Exhibit I – Prior Assumptions, which shows nationwide loss ratio exhibits by calendar year. Incurred claims cannot use ALR in this calculation.

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]

October 15, 2019

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 9-18-19. In your letter, you stated the following:

**Objection 1**

- **L&H Actuarial Memorandum (Supporting Document)**

**Comments: Please describe the experience that was used to develop the voluntary lapse assumption of 1.2%.**

Milliman used their extensive LTC database and reviewed our historical lapse rates and removed shock lapses resulting from prior rate filings in order to determine a lapse assumption of 1.2%.

**Objection 2**

- **L&H Actuarial Memorandum (Supporting Document)**

**Comments: Since the assumptions for voluntary lapse, morbidity, mortality, etc. underlying the proposed rate increase are the same as those underlying the prior rate increase, please revise the prospective PV calculation so that the prior assumptions reflect the most recent preceding filing that utilizes assumptions that are different from those underlying the projected experience associated with this filing. Please state the time period the assumptions were developed, revise the calculation to reflect approved rate levels in Virginia, and provide the loss ratio exhibits by year that correspond to the values provided in the response.**

**Please provide the exhibits in Excel with formulas intact.**

Attached is the Prospective Present Value calculation file in Excel format comparing projections using current versus original assumptions for current premium paying policyholders only. The original assumptions were developed by Lincoln actuaries prior to the sale of the product in 1991. The result from the PPV approach shows a total rate increase due of 172.34%. The current cumulative rate increase in Virginia is 124.03%, which is lower than the total rate increase due under the PPV approach when compared to original assumptions. It is also lower than our nationwide average increase that we have received from other states.

This block of long-term care business was originally sold by Lincoln 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.

Our current experience is close to current assumptions and as a result, we have not updated our assumptions. Although our assumptions have not changed since the prior filing, we are still owed a rate increase because we did not ask for the total rate increase that was justified. Prospective PV approach calculates an allowable rate increase using future projections to avoid recouping past losses. The base portion calculates the rate increase needed as a result of premium deficiency needed due to actuarial assumption changes while the transition provision is for prior actuarially justified rate increases being voluntarily reduced by the company.

**Objection 3**

- **L&H Actuarial Memorandum (Supporting Document)**

**Comments: Please demonstrate quantitatively how the Company determined a 608% rate increase could have been justified with the submission of the 2015 rate filing to achieve the minimum loss ratio.**

The 608% rate increase was incorporated into the future earned premium projections in the 2015 filing. Increasing future premiums by 608% resulted in a lifetime loss ratio of 60%. Without the 608% increase, the discounted lifetime earned premium was $236,179,542 while with the 608% increase, the discounted lifetime earned premium would be $319,966,733.

Loss Ratio without 608% increase: $191,978,505/$236,179,542 = 81%
Loss Ratio with 608% increase: $191,978,505/$319,966,733 = 60%

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]

**READABILITY CERTIFICATION**

**The Lincoln National Life Insurance**
**NAIC #65676 FEIN # 35-0472300**
**Policyholder Letters**

This is to certify to the following information:

| Form No. | Description | Flesch Score | Sentences | Words | Syllables |
|---|---|---|---|---|---|
| PL-VA18 | Policyholder Letter Without Waiver of Premium | 40.2 | 31 | 578 | 952 |
| PL-WOP-VA18 | Policyholder Letter with Waiver of Premium | 42.9 | 32 | 598 | 1010 |

The typeset of the above reference forms is 11 point type, Times New Roman font.

I also certify to the best of my knowledge and belief that the policy form is in compliance with Section 38.2-3404 of the code of Virginia and with the Rules and Regulations for Simplified and Readable Accident and Sickness Insurance Policies adopted pursuant thereto.

_____

Signature of Trustmark Insurance Company Officer as Reinsurer and Administrator on behalf of The Lincoln National Life Insurance Company

Elizabeth O'Brien

_____

Name

Vice President

_____

Title

2/3/2020

_____

Date

February 3, 2020

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 12-27-19. In your letter, you stated the following:

**Objection 1**
**• PL-VA18, Other, VA Policyholder Letter without WOP (Form)**
**• PLWOP-VA18, Other, VA Policyholder Letter with WOP (Form)**

**Comments:**
**1) Pursuant to 14 VAC5-100-50 2. the insurance company's name must be prominent. The current letter has "Trustmark Insurance Company" more prominently displayed than "The Lincoln National Life Insurance Company".**

The enclosed policyholder letter has been revised to have "The Lincoln National Life Insurance Company" be more prominently displayed.

**2) Please provide a Certificate of Compliance for each form filed under the Form Schedule in accordance with 14 VAC%-100-40-3.**

The Compliance Certification is included as a Supporting Document.

**3) Please provide a readability certification/Flesch Score for each form filed under the Form Schedule pursuant to 14 VAC5-110-60.**

The Readability Certification has been attached as a Supporting Document.

**4) The rate increase percentage should be variable in the last sentence of paragraph 1.**

Please see enclosed for revised policyholder letters and statement of variability. The rate increase percentage has been changed to be variable in the last sentence of paragraph 1.

**5) The current premium, prior to the rate increase, should be stated in the policyholder letter pursuant to 14 VAC5-200-75 A. 3.**

Please see enclosed for revised policyholder letters and statement of variability. The current premium prior to the rate increase has been included.

**6) 5th paragraph on page 1 states, "As a policyholder you have the right to a revised premium rate. In accordance with state law the enclosed Rider is made part of your policy." Please state the name of the "Rider" and clarify what is meant by a "revised premium rate".**

Please see enclosed for revised policyholder letters and statement of variability. The name of the "Rider" has been included and a clarification to "revised premium rate" has also been added.

**7) PL-VA18 contains the waiver of premium benefits in the first paragraph on page 2. Please clarify that this is the company's intent. This same paragraph is contained on form PLWOP-VA18. Explain the differences between these two forms?**

PLWOP-VA18 contains waiver of premium benefits language, but PL-VA18 does not. We send the PLWOP-VA18 version of the letter to insureds that are in waiver status and send PL-VA18 letter to insureds not in waiver status. If they are in waiver status, Trustmark is paying the premiums so they receive a different letter.

**8) Pursuant to 14 VAC5-200-75 A 2. provide an explanation of potential premium rate revisions, and the policyholder's option in the event of a premium rate revision. The current letter states, "Your policy may be subject to future premium adjustments" and does not provide a description of the policyholder's option(s) if this were to occur.**

Please see enclosed for revised policyholder letters and statement of variability. A sentence has been added to the end of paragraph 5 to include all future rate adjustments.

**9) The VA BOI recommends making phone, fax numbers, email addresses and customer service hours variable in the event of a future change.**

See attached for revised policy letters and statement of variability. These have been made variable.

**10) Please clarify if any enclosures are sent to the policyholder along with the policyholder notification letter. If so, these enclosures should be identified and can be variable.**

See attached for VA CBL rider.

**11) Please confirm the company will comply with 14 VAC5-200-75 D. and provide at least 75 days notice prior to implementation of the approved premium rate increase.**

We confirm that we provide policyholder letters to the insureds 75 days prior to implementing the rate increase.

**Objection 2**
**• Policyholder Letter Variability Statement (Supporting Document)**
**Comments:**

**The statement of variability refers to "Trustmark" account number and policy number. Explain why these are Trustmark numbers rather than those of "The Lincoln National Life Insurance Company".**

As administrators for this block, the policy numbers provided in the letters are Trustmark policy numbers, not The Lincoln National Life Insurance Company policy numbers. For this reason, the statement of variability refers to Trustmark policy numbers.

**Objection 3**
**Comments:**
**1) The previous rate increase was approved on 7/24/2017 for 26.5% increase for each of the next two years (60% total increase). Please state if the second increase had been fully implemented at the time of the current rate increase filing submitted on 5/13/2019.**

The first increase was implemented 11/1/17 and the second increase was implemented 11/1/18 so the second increase had not been fully implemented on 5/13/19. We send out the filing before it can be implemented to allow time for it to be approved. If the rate increase in this filing is approved, it will be implemented at least one year after the last rate increase was implemented.

**2) Please explain the reason for the filing of a new rate increase so soon after the previous increase, especially given that the average age of the VA policyholder is 84 and that there are only 61 policies remaining in the Virginia block. The VA BOI has a concern regarding a large increase on the few remaining, elderly policyholders.**

Given the nature of the block, where losses are expected at the tail end of the policies, we are working toward maintaining a minimum life time loss ratio of 60%. The company is seeking this rate increase to minimize the financial impact of these increased claim costs. This block has been deteriorating in the past few years and the Company is expecting a large influx of claims as the average attained age per policyholder continues to mature beyond 84 years old. The rate increase is needed to prefund these expected future claims.

For this closed block of LTC business, it is important to implement rate increases sooner rather than later to stop the spiraling of the LTC rate problem so the collected premiums will be sufficient to pay for future claims that will be incurred by current inforce policyholders. Delays in the implementation of needed rate increases can lead to significantly higher rate increases later.

**3) The Virginia Bureau of Insurance has a concern that the current requested rate increase request of 30%, if approved, would raise the cumulative rate increase total to 191.2%. The nationwide cumulative increase total would be 160.8%. Explain how state subsidization is avoided in this situation. In order for the Virginia cumulative rate increase total to equal the nationwide cumulative increase the requested increase would need to be reduced to 16% instead of 30%.**

Several states have approved rate increases since we provided the nationwide history of approved rate increases in Exhibit E. With the states we plan to file in for this upcoming year, our ultimate goal for nationwide cumulative rate increase is approximately 200% and then we do not plan to file for additional increases. We believe a 191% cumulative rate increase in Virginia is reasonable and would be in alignment with other states.

In addition, the premium used in our rate filings is provided on a state basis; therefore, the loss ratios reflect the amount of premium earned nationwide at that current state's rate level. The state basis anticipated nationwide lifetime loss ratio is used as justification for the rate increase requested in that state. We are not requesting a large enough increase in any of the states to lower the anticipated lifetime loss ratio below 60%. Cross-subsidization of rates is not occurring and all proposed increases are justified at this time since the minimum loss ratio is 60%. Failure to receive the full rate increase amount in a particular state would not result in larger rate increases requested in other states.

Furthermore, once a state has approved a reasonable rate increase or has a significantly higher rate increase than the nationwide average, we stop requesting rate increases until we receive rate increases from states that are below the nationwide average. This action will prevent cross-subsidization of rates.

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]

March 4, 2020

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 2-4-20. In your letter, you stated the following:

**<u>Objection 1</u>**

**• Policyholder Letter Variability Statement (Supporting Document)**

**Comments:**

**The Statement of Variability (SOV) is not consistent with the Policyholder Notification Letter forms PL-VA18 and PLWOP-VA18.**

**There are several variable fields that do not appear on the SOV (i.e. RETN_ADDR 3; RETN_ADDR 4; LETTER DATE; FM ACCOUNT; MODE; RERATE DATE; NEW RRT MODAL PREM).**

**There are several items on the SOV that are not applicable to the Policyholder Notification Letters (i.e. ISSUE-AGE; MBASE-PREM; CC_DB_AMT; ELIM-PERIOD, etc.).**

**Please review the SOV with each Policyholder Notification Letter and ensure that each variable field on the letters are fully explained. Please do not include variable fields that do not appear on either of the two Policyholder Notification forms. An SOV is required for each form and should follow the order in which the variances appear on the form.**

Please see enclosed for revised Statements of Variability, one for each Policyholder Letter. The variables have been corrected to only show those that appear on the Policyholder Letters and the order of the fields have been updated to follow the order in which the variables appear on the Policyholder Letters.

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]

March 31, 2020

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 3-6-20. In your letter, you stated the following:

**Objection 1**
**Applies To:**
**PL-VA18, Other, VA Policyholder Letter without WOP (Form)**
**PLWOP-VA18, Other, VA Policyholder Letter with WOP (Form)**

**Comments:**
**We are unclear regarding the 5th paragraph of the Policyholder Letter that states the following: "In accordance with state law the enclosed Contingent Benefit Upon Lapse Rider is made part of your policy. This Rider offers you the following two options in lieu of the above premium adjustment."**

**The confusion is caused by the statement, "...the enclosed Contingent Benefit Upon Lapse Rider is made part of your policy." which is premature since the policyholder has not made a decision concerning the options made available to them in this notice.**

**The VA Bureau of Insurance is concerned that the letter is not in compliance with 14VAC5-101-70 A. which states, "Each form submitted for review or approval shall be written in simplified language, logically and clearly arranged, printed in a legible format, and understandable to a person of average intelligence without special insurance knowledge or training.**

Please see enclosed revised letters. The sentence in question has been changed to the following:

"In accordance with state law, enclosed is the Contingent Benefit Upon Lapse Rider."

It is our hope that this addresses the concern of the state.

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.

Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]

April 22, 2020

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 4-3-20. In your letter, you stated the following:

**Objection 1**
**Applies To:**
- **PL-VA18, Other, VA Policyholder Letter without WOP (Form)**
- **PLWOP-VA18, Other, VA Policyholder Letter with WOP (Form)**

**Comments:**
**Please advise if there are any partnership policies among the active Virginia policies.**

There are no partnership policies where benefits are provided to the partner. Spouses would have their own policy.

**Objection 2**

**Applies To:**
- **PL-VA18, Other, VA Policyholder Letter without WOP (Form)**
- **PLWOP-VA18, Other, VA Policyholder Letter with WOP (Form)**

**Comments:**
**Please provide "John Doe" policyholder notification letters under the Supporting Documentation tab.**

"John Doe" policyholder letters have been provided under Supporting Documentation.

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]

**Trustmark**

**INSURANCE COMPANY**

***Long Term Care Administrator for***

# *The Lincoln National Life Insurance Company*

400 N. Field Drive, Lake Forest, IL 60045

April 22, 2020

John Doe
123 Address Lane
Apt 1
Lake Forest, IL 60045

Account No: TX1234
Policy No: TX1234

Dear Policyholder:

Maintaining adequate Long-Term Care coverage is essential to protect you and your family and is a concern for us all. As the administrator of your Long Term Care policy with **The Lincoln National Life Insurance Company**, we are responsible for keeping sufficient funds to cover your valuable policy benefits. Therefore, we requested a 30% rate increase on all policies issued in Virginia.

Your current premium, prior to the rate increase is $100.00 semi-annually. Effective August 1, 2020, the premium increase will be applied to all policyholders in your premium class. Your new premium will be $130.00 semi-annually. Please refer to your policy regarding premium adjustments for additional details, or call us should you have any questions.

The rate increase is necessary because the emerging experience reveals more insureds are keeping their policies in force than anticipated, resulting in higher than expected claim costs. This rate increase is necessary to ensure adequate funding of all future claim payments. Your policy may be subject to future premium adjustments. Please refer to your policy regarding premium adjustments for additional details.

If your premiums are paid by your employer through payroll deduction or by an annuity, please notify your payroll department or financial institution of the premium adjustment.

As a policyholder, you have the right to a revised premium rate. A revised premium rate can either be a lower premium by reducing your benefits, or opting for paid-up coverage which will require no further premium payments. In accordance with state law, enclosed is the Contingent Benefit Upon Lapse Rider. This Rider offers you the following two options in lieu of the above premium adjustment. **The reduced benefit options may not be of equal value of the original benefits.** All future rate adjustments will provide alternative options to offset your premium as described below and contained in the enclosed Contingent Benefit Upon Lapse Rider.

- One option allows you to reduce your level of benefit. Options include reduction in benefit period or benefit amount, extension of Elimination Period, elimination of riders, etc.
- The other option allows you to choose Contingent Benefit Upon Lapse. Your policy would be converted to paid-up insurance, with no further premium payments required. Your Policy Benefit Limit under this option will be reduced to an amount equal to the total premium paid under this policy less any

waived premium, no less than 30 times the daily nursing home benefit at the time of lapse. In no event will the paid up value exceed the maximum benefits which would be payable if the policy remained in a premium paying status. With the Contingent Benefit Upon Lapse, the annual Benefit Increase Option, Restoration of Benefits, and Guaranteed Insurability Rider are no longer available.

If you would like to keep your policy benefits as is, then there is no need to contact us. The new premium will go into effect on the date indicated above. If you choose to explore a reduction in benefits, or the contingent benefit upon lapse option, then please contact us at the telephone number below. Benefit changes may occur at any time, not just at the time of a rate increase.

Because our records indicate that you are currently receiving Waiver of Premium benefits for your long-term care coverage, you are not responsible for paying your premiums. If your Waiver of Premium benefits stop on or after August 1, 2020, you will then pay the premium of $130.00.

The rate increase request was reviewed by the Virginia State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at www.scc.virginia.gov/BOI.

We appreciate the opportunity to serve your insurance needs. If you have any questions, contact our Policyowner Services Department at (800) 554-1640, between 7:00 a.m. and 5:00 p.m. Central Standard Time, Monday through Thursday, and between 7:00 a.m. and 3:00 p.m. on Friday. You may also reach us by using our email address, DILTC_SERVICES@TRUSTMARKINS.COM.

Sincerely,

Policyowner Services Department
DI/LTC Division

**Trustmark**
INSURANCE COMPANY

***Long Term Care Administrator for***

# *The Lincoln National Life Insurance Company*

400 N. Field Drive, Lake Forest, IL 60045

April 22, 2020

John Doe
123 Address Lane
Apt 1
Lake Forest, IL 60045

Account No: TX1234
Policy No: TX1234

Dear Policyholder:

Maintaining adequate Long-Term Care coverage is essential to protect you and your family and is a concern for us all. As the administrator of your Long Term Care policy with **The Lincoln National Life Insurance Company**, we are responsible for keeping sufficient funds to cover your valuable policy benefits. Therefore, we requested a 30% rate increase on all policies issued in Virginia.

Your current premium, prior to the rate increase is $100.00 semi-annually. Effective August 1, 2020, the premium increase will be applied to all policyholders in your premium class. Your new premium will be $130.00 semi-annually. Please refer to your policy regarding premium adjustments for additional details, or call us should you have any questions.

The rate increase is necessary because the emerging experience reveals more insureds are keeping their policies in force than anticipated, resulting in higher than expected claim costs. This rate increase is necessary to ensure adequate funding of all future claim payments. Your policy may be subject to future premium adjustments. Please refer to your policy regarding premium adjustments for additional details.

If your premiums are paid by your employer through payroll deduction or by an annuity, please notify your payroll department or financial institution of the premium adjustment.

As a policyholder, you have the right to a revised premium rate. A revised premium rate can either be a lower premium by reducing your benefits, or opting for paid-up coverage which will require no further premium payments. In accordance with state law, enclosed is the Contingent Benefit Upon Lapse Rider. This Rider offers you the following two options in lieu of the above premium adjustment. **The reduced benefit options may not be of equal value of the original benefits.** All future rate adjustments will provide alternative options to offset your premium as described below and contained in the enclosed Contingent Benefit Upon Lapse Rider.

- One option allows you to reduce your level of benefit. Options include reduction in benefit period or benefit amount, extension of Elimination Period, elimination of riders, etc.
- The other option allows you to choose Contingent Benefit Upon Lapse. Your policy would be converted to paid-up insurance, with no further premium payments required. Your Policy Benefit Limit under this option will be reduced to an amount equal to the total premium paid under this policy less any

waived premium, no less than 30 times the daily nursing home benefit at the time of lapse. In no event will the paid up value exceed the maximum benefits which would be payable if the policy remained in a premium paying status. With the Contingent Benefit Upon Lapse, the annual Benefit Increase Option, Restoration of Benefits, and Guaranteed Insurability Rider are no longer available.

If you would like to keep your policy benefits as is, then there is no need to contact us. The new premium will go into effect on the date indicated above. If you choose to explore a reduction in benefits, or the contingent benefit upon lapse option, then please contact us at the telephone number below. Benefit changes may occur at any time, not just at the time of a rate increase.

The rate increase request was reviewed by the Virginia State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at www.scc.virginia.gov/BOI.

We appreciate the opportunity to serve your insurance needs. If you have any questions, contact our Policyowner Services Department at (800) 554-1640, between 7:00 a.m. and 5:00 p.m. Central Standard Time, Monday through Thursday, and between 7:00 a.m. and 3:00 p.m. on Friday. You may also reach us by using our email address, DILTC_SERVICES@TRUSTMARKINS.COM.

Sincerely,

Policyowner Services Department
DI/LTC Division

April 23, 2020

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 4-23-20. In your letter, you stated the following:

**Objection 1**

**Applies To:**
**Response to VA 5-3-20 (Supporting Document)**

**Comments: It is not clear from the Company's response to Objection #1 if the company understood the nature of the objection. The Virginia Long Term Care Insurance Partnership Program is outlined below. Please review and advise if the company has any policies active in Virginia that qualify under the Virginia long term care partnership program as described by the Virginia regulations.**

We apologize for misinterpreting the previous objection regarding partnership policies. There are not any partnership policies among the active Virginia policies.

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]

July 13, 2020

Virginia Department of Insurance
P.O. Box 1157
Richmond, VA 23218

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**
**FEIN # 35-0472300 NAIC # 0020-65676**
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**
**Rate Increase for Long Term Care Policy HL-2500AA (8/90)**
**Home and Community Care Rider HL-2525AA (8/90)**
**Long Term Care Policy HL-2950VA (7/92)**

Dear Bill Dismore:

This letter is in response to your objection letters dated 7-10-20. In your letters, you stated the following:

**Objection 1**
**Applies To:**
**PL-VA18, Other, VA Policyholder Letter without WOP (Form)**
**PLWOP-VA18, Other, VA Policyholder Letter with WOP (Form)**
**Comments: Second to last paragraph above signatory, please revise the following for both policyholder letter forms:**

**Please correct the VA BOI website to https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx**

This has been updated. Please see revised letters.

**Objection 1**
**Applies To:**
**Response to VA 2-3-20 (Supporting Document)**
**Comments: Please explain the company's intentions regarding a future rate increase if the proposed rates are approved in Virginia. Explain the triggers that would prompt a future rate increase.**

We will continue to monitor emerging experience and review Virginia rates relative to nationwide rates in order to normalize the overall rate increase in Virginia. If lesser rate increases are realized nationwide we will wait until rates in other states are similar to Virginia before requesting future rate increases in the short term. As previously stated, with the states we plan to file in for this upcoming year, our ultimate goal for nationwide cumulative rate increase is approximately 200% and then we do not plan to file for additional increases.

**Objection 2**
**Applies To:**
**PL-VA18, Other, VA Policyholder Letter without WOP (Form)**
**PLWOP-VA18, Other, VA Policyholder Letter with WOP (Form)**

**Comments: Please correct the VA BOI website. The correct website is: https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx**

This has been updated. Please see revised letters.

**Objection 3**
**Applies To:**
**"John Doe" Policyholder Letters (Supporting Document)**
**Comments: Please describe the notification process involving a policyholder that is on waiver of premium at the time the rate increase is announced. Please give a detailed description of the process (i.e. when the initial increase notification letter is sent, how much time does the policyholder have to respond once they come off of waiver of premium, what options are available to them, etc.).**

When the rate increase is implemented, the policyholder rate increase notification letter with waiver of premium would be generated and mailed to the insured 75 days prior to receiving the increase, which includes our contact information to discuss available options. We offer insureds the option to reduce their benefits or receive paid-up coverage once they come off waiver. This would vary by policyholder and be determined through a conversation with the insured to decide the reduced benefits. A revised schedule page would then be sent out to policyholder with the changes.

**Objection 4**
**Applies To:**
**CBL Rider (Supporting Document)**
**Comments: Please confirm if the signatory, Charles A. Brawley, III is still valid as Secretary of The Lincoln National Life Insurance Company. Please, through your response to this objection, request that TRST-130130738 be reopened.**

We are currently in the process of obtaining an updated document containing the current signatory. We have removed the comment under the CBL Rider in the Supporting Documentation tab that stated the CBL rider was the same as previously approved under TRST-130130738.

**Objection 1**
**Applies To:**
**PL-VA18, Other, VA Policyholder Letter without WOP (Form)**
**PLWOP-VA18, Other, VA Policyholder Letter with WOP (Form)**
**Comments: Page 1, 5th paragraph.**

**Please add the words "or rate schedule" to the end of the first sentence so that it reads, "As a policyholder, you have the right to a revised premium rate or rate schedule." to comply with the regulations.**

This has been updated. Please see revised letters.

We thank you for your review of our filing and look forward to hearing from you.

Sincerely,

Kristen Kim, F.S.A, M.A.A.A.
Executive Director and Actuary
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]