

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

Company Name and NAIC Number: Jackson National Life Insurance Company 65065

SERFF Tracking Number: IASL-130063188

Disposition: Approval

Approval Date: 10/18/2017

Revised Rates

Average Annual Premium Per Member: \$2,590

Average Requested Percentage Rate Change Per Member: 15.0%

Minimum Requested Percentage Rate Change Per Member: 15.0%

Maximum Requested Percentage Rate Change Per Member: 15.0%

Number of Policy Holders Affected: 47

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

Jackson National Life Insurance Company (the Company) submitted a 30% rate for its Long Term Care policies forms LTC 1/98 VA, QLTC 1/98 VA and HHC 1/98 VA and associated riders. This is an individual, closed block of business issued prior to the effective date of the rate stabilization requirement (October 1, 2003). This filing applies to pre stability policies issued prior to October 1, 2003 and is subject to the requirements of 14VAC5-200-150. As of December 31, 2014, there were 47 policies in Virginia. There have been 4 previous rates increases approved as follows: 11/2005 30%; 4/2008 27%; 29% 1/2012; and 11% 2/2013. Approval of the requested increase of 30% would produce a cumulative increase of 207% over the original premiums. After discussions with the Bureau of Insurance, the Company revised its proposed rate increase to 15%. With the rate increase, the projected loss ratios will be 112.2% in the future and 141% lifetime.

The primary reason for the rate increase is because fewer policyholders have terminated their policies than expected, which will result in higher claims than anticipated in the original pricing factors, and claims have been higher than originally anticipated. To ensure adequate funding to pay future claims because more insureds are expected to be on claim and for a longer period, premiums are being increased.

The projected lifetime loss ratio with the proposed rate increase is well in excess of the minimums under the requirements as set forth in 14VAC5-200-150. The Bureau's review, using actuarially accepted and justified assumptions, indicated the proposed rate increase meets the requirements set forth in Virginia law and regulation. Since the filing met the requirements of 14VAC5-200-150 after implementation of the rate increase, approval was recommended.

Policyholders have several available options to reduce or eliminate the premium increase by reducing coverage. Policyholders can lower daily benefits, decrease the benefit period, increase the elimination period, terminate riders or take a paid-up policy. The filing can be reviewed on the Bureau's webpage under the [Rate/Policy Form Search](http://www.scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx) at: <http://www.scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>.

This document is intended to help explain the rate filing and it is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing.