

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

**Company Name and NAIC Number:** Berkshire Life Insurance Company of America NAIC #71714

**SERFF Tracking Number:** LFCR- 129536537

**Disposition:** Approve

**Approval Date:** 8/22/2016

**Revised Rates**

**Average Annual Premium Per Member:** \$7,335

**Average Requested Percentage Rate Change Per Member:** 25%

**Minimum Requested Percentage Rate Change Per Member:** 25%

**Maximum Requested Percentage Rate Change Per Member:** 25%

**Number of Policy Holders Affected:** 175

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

Berkshire Life Insurance Company of America (the Company) submitted a rate increase request of 25% after discussion with the Bureau. The primary driver of the rate increase is due to the lapse rates for these policies being lower than expected. The expectation of more lives persisting to the older advanced ages will result in an increase in the expected future claims, and the expected loss ratios would not be sustainable under current premiums. This has resulted in higher loss ratios than assumed in the original pricing and as requested by Virginia law. This is the first rate increase for this block of business.

Since all of the policies were issued after the effective date of the rate stabilization requirements (10/1/2003), the Bureau reviewed this filing pursuant to the requirements of 14VAC5-200-153. This increase applies to the 175 policies in force in Virginia as of 12/31/2013. 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 14VAC5-200-153 after implementation of the rate increase, approval was recommended.

The company has certified that assuming the current underlying moderately adverse assumptions are realized, the current rates would need an increase of 50% (rather than the requested 25%) to bring the loss ratio down to a sustainable level 68%. The company is willing to implement a lesser increase of 25% now and agrees not to seek another rate increase on this policy form for a period of at least 36 months from the date of implementation.

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.

***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 filing can be reviewed on the Bureau's webpage under the [Rate/Policy Form Search](http://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx) at: <http://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>.

This document is intended to explain the decision made by the Bureau of Insurance and it is only a summary of the Bureau's review. 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.