

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

Company Name and NAIC Number: Lincoln Benefit Life Company - 65595

SERFF Tracking Number: LFCR-130038440

Disposition: Approve

Approval Date: 5/11/2017

Revised Rates

Average Annual Premium Per Member: \$4032

Average Requested Percentage Rate Change Per Member: 35%

Minimum Requested Percentage Rate Change Per Member: 35%

Maximum Requested Percentage Rate Change Per Member: 35%

Number of Policy Holders Affected: 257

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

Lincoln Benefit Life Insurance Company (the Company) submitted a 35% rate increase for policy forms LB-7000-P-VA(Q), LB-7000-P-VA(NQ) and associated riders. This is an individual, closed block of business issued from 2003 through 2006. It applies to the post rate stability policies issued on or after October 1, 2003 and is subject to the requirements of 14VAC5-200-153. (Rate increases applicable to the pre-stability block (policy forms issued prior to October 1, 2003) were filed under SERFF tracking # LFCR-130330207.) This is the first rate increase requested for these forms. As of the date of submission, there were 257 policies in Virginia and 5,854 policies nationwide.

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. 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 without an increase is 81.2%, which exceeds the original lifetime loss ratio with margin for adverse deviation of 72.2%, indicating the margins for moderately adverse experience have been exhausted.

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 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. Specific options are included in the letter sent to all policyholders notifying them of the rate increase or can be discussed with the company by calling it's customer service department at 888-503-8110.

The filing can be reviewed on the Bureau's webpage under the [Rate/Policy Form Search](http://www.scc.virginia.gov/boi/Rate/Policy%20Form%20Search) at:
<http://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>

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

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