

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

**Company Name and NAIC Number: Mutual of Omaha Insurance Company 71412**

**SERFF Tracking Number: MUTA-130706482**

**Disposition: Approved**

**Approval Date: November 30, 2017**

### **Revised Rates**

**Average Annual Premium Per Member: \$ 2,189**

**Average Requested Percentage Rate Change Per Member: 27.4%**

**Minimum Requested Percentage Rate Change Per Member: 0%**

**Maximum Requested Percentage Rate Change Per Member: 49.5%**

**Number of Policy Holders Affected: 1551**

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

Mutual of Omaha Insurance Company (the Company) requested a percentage increase ranging from 0% to 49.5% for policies with lifetime benefit resulting in an average overall increase of 27.4%. Policies with non-lifetime benefits will have no rate increase. The increase will be implemented in two stages with lifetime benefit policies receiving an initial increase of 30% and an additional 15% one year later, which results in a cumulative rate increase of 49.5%. This is an individual closed block of business issued from 1997 through 2004. Policies issued prior to October 1, 2003 are subject to the requirements of 14VAC5-200-150 and policies on or after October 1, 2003 are subject to the requirements of 14VAC5-200-153. As of the date of submission, there were 1331 policyholders in the pre-stability block of which 627 have lifetime benefits. There were 220 policyholders in the post stability block of which 86 have lifetime benefits.

There have been two prior increases approved. In 2007 a 29% increase was approved for all policy forms except LT50 and NH50. In 2013 a second increase for all policies averaging 43.5% was approved and implemented in two stages as follows: For limited benefit policies the increase was 20% in 2013 and 4.1% in 2014. For unlimited benefit policies the increase was 30% in 2013 and 20% in 2014.

The primary reason for the rate increase is to account for anticipated claims being significantly higher than expected when the policies were originally priced as a result of the combination of policyholders keeping their policies in force longer (lower lapse rates) and insureds staying on claim longer (longer claim continuance).

The Bureau reviewed the rate increase in accordance with the requirements of 14VAC5-200-150 B and 14VAC5-200-153. The company demonstrated to the Bureau's satisfaction, using actuarially justified assumptions, that the proposed rate increase was actuarially justified and that it met the requirements of Virginia's regulatory requirements after implementation of the rate increase. As a result, the Bureau of Insurance recommended approval of the rate increase.

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 its customer service department.

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 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.***