

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

**Company Name and NAIC Number:** Northwestern Long Term Care Insurance Company  
69000

**SERFF Tracking Number:** NWST-130932377

**Disposition:** Approved

**Approval Date:** 12/7/2017

### Revised Rates

**Average Annual Premium Per Member:** 3460

**Average Requested Percentage Rate Change Per Member:** 27%

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

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

**Number of Policy Holders Affected:** 2472

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

Northwestern Long Term Care Insurance Company (the Company) submitted a 27.0% rate for policy form TT.LTC.(1010) . This is an individual closed block of business issued from April 2011 through June 2013 and is subject to the requirements of 14VAC5-200-153. As of the date of submission, there were 2, 472 policies in Virginia and 74,594 policies nationwide. This is the first rate increase filed for the policies in Virginia.

Although the company could have justified a larger rate increase under the regulation, they intend to monitor the experience over the coming years and if the experience, or expectations regarding future experience, do not improve, may request a future increase. The company is requesting an average rate increase of 27% with the rate increase varying by benefit period and premium paying period for the TT.LTC.(1010) policy form. The requested rate increase for lifetime premium paying policies with 3 year benefit period is 10%, 6 year benefit period is 25% and lifetime benefit period is 30%. Rates are not being increased for issue age 75+ policies with a 3 year benefit period to ensure that inforce rates do not exceed new business rates. The requested rate increase for limited pay premium policies with a 3 year benefit period is 25%, 6 year benefit period is 27% and lifetime benefit period is 29%.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer than expected, and going on claim more frequently and staying on claim longer than originally assumed, resulting in higher claims than originally anticipated or priced. The Company determined a need to increase premiums on this policy series to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced.

The Bureau reviewed the rate increase in accordance with the requirements of 14VAC5-200-153 and the company demonstrated, using actuarially justified assumptions, that the filing met all of the requirements after implementation of the rate increase. And 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.

***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](#) 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.