

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

Company Name and NAIC Number: Lincoln National Life Insurance Company - 65676

SERFF Tracking Number: TRST-130130738

Disposition: Approve

Approval Date: 7/24/2017

Revised Rates

Average Annual Premium Per Member: \$1680 (HL-2500AA) & \$3,229 (HL2950VA (7/92))

Average Requested Percentage Rate Change Per Member: 60%

Minimum Requested Percentage Rate Change Per Member: 60%

Maximum Requested Percentage Rate Change Per Member: 60%

Number of Policy Holders Affected: 74

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

Lincoln National Life Insurance Company (the Company) submitted a 60% rate for policy forms HL2500AA (8/90) and HL-2950VA (7/92) and associated rider HL-2525AA (8/90), to be implemented over a two year period of 26.5% each, which results in a cumulative premium increase of 60%. This is an individual, closed block of business issued from 1991 through 1996. 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 the date of submission, there were 74 policies in Virginia and 1,928 policies nationwide. A prior rate increase 40% was approved in the state of Virginia in 2004.

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 with the proposed rate increase is expected to be 79.9% which exceeds the original projected lifetime loss ratio of 61.3% including active life reserves and 70.7% if active life reserves are removed.

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.

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 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 at 880-554-1640.

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>

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