Part 2 - Long Term Care Insurance Rate Request Summary

Completed by the Bureau of Insurance (Bureau) of the Virginia State Corporation Commission

Company Name and NAIC Number: Transamerica Life Insurance Company – NAIC # 86231

SERFF Tracking Number: AEGB-132893019

Disposition: Approved & Filed

Approval Date: 05/03/2022

Current Average Annual Premium Per Member: $1,982

Rate Changes:

Average Percentage Rate Change Per Member: 36.06%

Minimum Requested Percentage Rate Change Per Member: 36.06%

Maximum Requested Percentage Rate Change Per Member: 36.06%

Number of Virginia Policy Holders Affected: 487

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

The Company requested and the Bureau approved a rate increase of 36.06% for this block of individual long-term care insurance policy forms.

The Bureau and its consulting actuary reviewed the documentation and determined that this rate increase complies with the regulatory and actuarial requirements for a rate increase as set forth in 14VAC5-200-153 of the Virginia Administrative Code. The review indicated that the lifetime anticipated loss ratio after the increase will be 98%, which exceeds the minimum required loss ratio of 60%.

The Company has advised that they do not intend to request future rates increases on this block unless the actual experience is worse than projected.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer, which has resulted in more claims being filed than the Company anticipated when the policy was originally priced. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced and to ensure that sufficient funds are available to pay claims.

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, or a paid-up policy. Specific options are included in the letter sent to all policyholders notifying them of the rate increase and 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 at: https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx