

**The Prudential Insurance Company of America**  
**Dec 7, 2017****SERFF #s:** PRUD-131133082

Prudential is requesting approval to increase the premium on the ILTC-1 Series (forms GRP 98720, GRP 98721 & GRP 98722). The company is requesting different rate increases if the policy has a “cash” rider and if it has a lifetime benefit period rather than a limited benefit period.

- The company is requesting a 7.7% increase on the 150 policies with the cash rider and unlimited benefits.
- The company is requesting a 0.7% increase on the 189 policies with the cash rider and limited benefits.
- The company is requesting a 4.3% increase on the 528 policies without the cash rider and unlimited benefits.
- The company is requesting a 0.0% increase on the 1,527 policies without the cash rider and limited benefits.

The average requested rate increase is 1.8%. The Department approved the requested increases effective Dec 7, 2017.

**Effective date of rate change:** Renewals on and after 12/7/2017.

The current policies in place are not generating sufficient premium to pay future claims to policyholders. This is a common problem for a number of insurers nationwide because policyholders are keeping their policies longer than expected and are living longer than projected. As a result, policyholders are using more benefits on average than the company anticipated when the policies were originally sold. This means the company has to pay out more for benefits than it originally projected.

In making this decision, the Department considered the projected loss ratio for each block of policy forms, that is, the projected total amount of benefits paid out versus the total amount of premium collected, the reasonableness of the assumptions the company used in its projections, and the company’s financial situation. The Department also considered the financial impact this rate increase would pose to consumers, the past rate increases policyholders have faced, and the availability of options to limit the rate increase by reducing benefits.

This Rate Filing Decision Summary is a tool to help explain the rate filing and does not describe all the factors considered as part of the Department’s rate review.