

Allianz Life Insurance Company of North America Allianz Life Series
Sept 4, 2020

SERFF #: ALLB-132270506

Filing Summary:

Allianz Life Insurance Company of North America requested approval to increase the premium an aggregate 44% on 170 policyholders of the Allianz Life Future Select Plus (FSP) Series, the Allianz Future Choice (FCH) Series, and the Term LTC (TRM) Series.

- The Future Select Plus (FSP) Series contains the following forms: 7-P-Q-PA, 7-P-Q-PA-1, 7-P-F-Q-PA, and 7-P-F-Q-PA-1.
- The Future Choice (FCH) Series contains the following forms: N-4040-P-PA(Q), N-4040-P-PA(NQ), N-4041-P-PA(Q), and N-4041-P-PA(NQ).
- The Term LTC (TRM) Series contains the following forms: 8-P-Q-PA and 8-P-F-Q-PA.

The company issued these policy forms in Pennsylvania between 2001 and 2006.

The requested increase varies based upon the policy's benefit period (see table below).

Benefit Period	Requested Increase	# of Policies
2 - 4 years	20%	98
5 years	55%	47
Lifetime	75%	25
		170

The Pennsylvania Insurance Department approved a 20% increase for policies in this block with a 2-4 year benefit period.

The Department approved a series of two 20% increases for policies with a 5 year or lifetime benefit period. The two 20% increases, which are to be implemented no sooner than one year apart, will compound to 44%.

Effective date of rate change: Renewals on and after 9/4/2020.

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.

The company is offering ways for policyholders to limit the rate increase by reducing benefits. The company will let you know your options when they contact you directly about this premium increase.



Long-Term Care Insurance Rate Decision
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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.