

Blue Cross of Northeastern Pennsylvania
Dec 4, 2018

SERFF #s: MILL-131567828 and MILL-131614386

Filing Summary:

The company requested an average 43.5% increase on 97 PA policyholders of individual LTC forms NTQ11-337-PA-998, LTQ11-Revised-336-PA-998, FLQ11-336-PA-998, and HTQ11-338-PA-998. The actual request was for a 40.9% increase on 96 policies with non-lifetime benefits and a 139.2% increase on 1 policy with lifetime benefits.

The company also requested a 40.9% increase on 10 PA policyholders of group LTC form GRP11-342-PA-1100.

The Department approved a 20% increase on all forms.

Effective date of rate change: Renewals on and after 12/4/2018.

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 may be 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.

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.