

**Continental General Insurance Company**  
**May 24, 2018**

**SERFF #:** GLTC-131230492

**Filing Summary:**

Continental General requested approval to increase the premium on 1,292 policyholders of individual LTC forms 1LTCIP0001(PA), 1LTCIP0002(PA), 2LTCIP0001(PA), and 4LTCIP0002-PA. These policies were sold by Great American. United Teachers Associates purchased the business. Later, United Teachers was merged into Continental General.

The company requested a 153.8% increase on the 119 policyholders with forms 1LTCIP0001(PA) and 1LTCIP0002(PA). They requested a 69.6% increase on the 729 policyholders with form 2LTCIP0001(PA). Finally, they requested a 35.6% increase on the 444 policyholders with form 4LTCIP0001(PA).

The Department approved the following.

1. Three increases of 15.73%, each to be implemented no sooner than one year apart, on the 119 policyholders with forms 1LTCIP0001(PA) and 1LTCIP0002(PA).
2. A single increase of 20% on the 729 policyholders with form 2LTCIP0001(PA).
3. A single increase of 20% on the 444 policyholders with form 4LTCIP0001(PA).

**Effective date of rate change:** Renewals on and after 5/24/2018.

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 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.

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.