

Continental General Insurance Company
March 10, 2020

SERFF #s: GLTC-132113533

Filing Summary:

Continental General Insurance Company requested a 19% increase on the base policy and a 214% increase on the inflation rider surcharge on individual LTC forms 405, 420, and 432. This translated to an average requested increase of 57.4%. This filing affected 123 PA policyholders.

The Department did not approve an increase.

Effective date of rate change: Renewals on and after 3/10/2020.

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.

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.