

**Continental Casualty Company**  
**April 10, 2020**

**SERFF #:** CNAB-132209522

**Filing Summary:**

Continental Casualty Company requested an average 28.5% rate increase on the following group LTC forms in Pennsylvania: “GLTC1” or P1-43636-A, “GLTC2” or the SR-LTCP-Series, and “Independent Solutions” or GLTC-3-P-xx-01. The requested increase varies by the inflation status of the form.

Form	# of Policies	Inflation Status	Requested Increase
P1-43636-A, SR-LTCP-Series, & GLTC-3-P-xx-01	3,103	Without Standard Lifetime ABI	19.1%
P1-43636-A, SR-LTCP-Series, & GLTC-3-P-xx-01	121	With Standard Lifetime ABI	69.9%
	3,224		28.50%

The Department approved the following.

1. For the 3,103 policies without the standard lifetime ABI (the inflation rider), the Department approved the requested 19.1% increase.
2. For the 121 policies with the standard lifetime ABI, the Department approves a 20% increase.

**Effective date of rate change:** Renewals on and after 4/10/2020.

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.

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.