

John Hancock Life Insurance Company (USA)
April 10, 2020

SERFF #: MULF-131962004

Filing Summary:

John Hancock Life Insurance Company (USA) requested approval to increase the premium on 5,313 policyholders from two blocks of Long Term Care policies: the Advantage series and the Gold series. The number of policies, average requested increase, and actual range of the requested increase are shown in the table below.

Series	Forms	# of PA Policies	Requested Increase
Advantage	LTC-PA-91, NH-PA-91, LTC-94 PA, LTC-94 PA 2/95, NH-94 PA, NH-94 PA 2/95	1,119	30.7% (varies from 9.5% to 120.9%)
Gold	LTC-96 PA 9/96, LTC-96 PA 6/98, LTC-98FR PA 6/98, LTC-96CL PA 9/96, NH-99 PA 4/99, NH-99FR PA 4/99, LTC2000 PA 4/00	4,194	48.9% (varies from 9.5% to 118%)

The Department approved the following:

1. For the 1,119 PA policyholders of the Advantage Series, The Department did not approve an increase.
2. For the 229 PA policyholders of the Gold Series whose policy was issued after 9/15/2002, we approved a 20% increase.
3. For the 3,965 PA policyholders of the Gold Series whose policy was issued prior to 9/16/2002, we approved a 9% 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.