

**John Hancock Life Insurance Company (USA)**

Aug 27, 2019

**SERFF #s:** MULF-131964637

John Hancock Life Insurance Company (USA) requested approval to increase the premium on 10,691 policyholders from three blocks of Long Term Care policies: the Custom Care I series, the Custom Care II series, and the Custom Care II (2007) series.

**Filing Summary**

On the Custom Care I Series (forms LTC-02 PA, BSC-02 PA, LTC-02FR PA, BSC-02FR PA) the company requested an average increase of 18.7% (proposed increases ranged from 9.8% to 60.6%). The Department approved a capped 20% increase. In other words, policyholders that were scheduled to receive increases from 0% to 20% can receive their full increase but those scheduled to receive increases greater than 20% are limited to a maximum increase of 20%.

On the Custom Care II Series (forms LTC-03 PA, LTC-03FR PA, BSC-03 PA, BSC-03FR PA) the company requested an average increase of 14.3% (proposed increases ranged from 13.3% to 14.3%). The Department approved the requested increase.

On the Custom Care II (2007) Series (forms LTC-03 PA (2007), LTC-03FR PA (2007)) the company requested an average increase of 7.2% (proposed increases ranged from 7.1% to 7.3%). The Department approved the requested increase.

**Effective date of rate change:** Renewals on and after 8/27/2019.

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.