

John Hancock Life Insurance Company (USA)
April 27, 2017

SERFF #s: MULF-130816976

John Hancock requested approval to increase the premium on Group Long Term Care policy forms GPB-COV-0002, P-GLTC(2002-2) PA, and P-FACE(2004) PA. The details of the request are shown in the table below.

Group Certificate	# of PA Policies	Requested Increase
GPB-COV-0002	46	8.40%
P-GLTC(2002-2) PA	4,305	15.80%
P-FACE(2004) PA	1,254	28.40%
	5,605	18.60%

- We approved the average 8.4% increase as requested on the 46 GPB-COV-002 certificates in PA.
- We approved the average 15.8% increase as requested on the 4,305 P-GLTC(2002-2)PA certificates.
- We approved the average 28.4% increase as requested on the 552 landing spot eligible P-FACE(2004)PA certificates.
- We approved a capped 20% increase on the 702 landing spot ineligible P-FACE(2004)PA certificates.

Effective date of rate change: Renewals on and after 4/27/2017.

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.