

Lincoln National Life Insurance Company
Jan 14, 2020**SERFF #s:** TRST-132155312**Filing Summary:**

Lincoln National Life Insurance Company requested a 30% rate increase on the following LTC forms: HL-2500PA, HL-2500AA, HS-2500AA, HS-2500PA, HL-2950PA, and HL-2950PAFR. The policies were issued in PA from 1991 through 1996.

The Department approved an 11% increase on these forms.

Effective date of rate change: Renewals on and after 1/14/2019.

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.

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.