

The Prudential Insurance Company of America
November 10, 2022

SERFF #s: PRUD-133315768

Filing Summary:

The Prudential Insurance Company of America requested approval to increase the premium an average of 26.3% on 797 policies from individual LTC forms GRP 98720, GRP 98721, and GRP 98722 (i.e. forms known as ILTC-1). The actual request is broken out by inflation status, benefit type, and benefit period in the table below.

ILTC-1 Policy Type	# of Policies	Requested Increase
No Inflation/Cash/Unlimited	6	40.9%
No Inflation/Cash/Limited	10	0.0%
No Inflation/Reimbursement/Unlimited	13	27.2%
No Inflation/Reimbursement/Limited	90	0.0%
Auto Inflation/Cash/Unlimited	49	70.4%
Auto Inflation/Cash/Limited	29	27.9%
Auto Inflation/Reimbursement/Unlimited	184	36.3%
Auto Inflation/Reimbursement/Limited	416	15.5%
All	797	26.3%

The Department approved the requested increase spread over one to three years.

Effective date of rate change: Renewals on and after 11/10/2022.

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.