

**Union Security Insurance Company**  
**April 6, 2020**

**SERFF #:** MULF-131791176

**Filing Summary:**

Union Security Insurance Company filed for an LTC rate increase on 1/31/19. They were seeking increases on the 6000 Series, 7060-PA, and 7062-PA. In 2000, John Hancock entered into an agreement whereby it would administer and reinsure the Union Security blocks.

Block Name	Forms	Number of PA Policies	No. of PA Post-RS Policies	Requested Average Increase	Actual Requested Range
Union Security 4060 - 6073 Block	6034-PA, 6035-PA, 6036-PA, 6060-PA, 6062-PA, 6063-PA, 6072-PA, and 6073-PA	2,827	29	95.10%	20.2% to 171.2%
Union Security	7060-PA & 7062-PA	379	83	66.40%	20.9% to 115.5%
Totals		3,206	112		

The Department approved a 20% increase on the 2,827 Pennsylvania policyholders of forms 6034-PA, 6035-PA, 6036-PA, 6060-PA, 6062-PA, 6063-PA, 6072-PA, 6073-PA, and 7060-PA.

For the 379 PA policyholders of forms 7060-PA, and 7062-PA, the Department approved a 10% increase on policies issued prior to 9/16/2002 and a 20% increase on policies issued on or after 9/16/2002.

**Effective date of rate change:** Renewals on and after 4/6/2020.

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.



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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.