

Continental General Insurance Company
Feb 7, 2022**SERFF #s:** GLTC-133013622**Filing Summary:**

Continental General Insurance Company requested approval to increase the premium an average of 6.9% on 137 policies from individual LTC forms 405, 420, and 432. The actual request was a 11% premium rate increase on 64 policies with an active inflation guard rider, and 0% for the other 73 policies.

	# of PA Policies	Requested Increase
Policies without inflation benefits	73	0%
Policies with inflation benefits	64	11%

The Department approved a capped 11% increase. In other words, policyholders that were scheduled to receive increases from 0% to 11% will receive their full increase but those scheduled to receive increases greater than 11% are limited to a maximum increase of 11%.

Effective date of rate change: Renewals on and after 2/7/2022.

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.