

**Unum Life Insurance Company**  
**Oct 21, 2021**

**SERFF #s:** UNUM-133000783

**Filing Summary:**

Unum Life Insurance Company of America requested approval to increase the premium an average of 9.4% on 4,586 policies from group LTC forms GLTC04 and RGGLTC04. The actual request was a 34.5% premium rate increase on 142 policies with compound inflation, 0% for the other 4,444 policies.

Forms	# of Policies	Requested Increase
GLTC04 & RGGLTC04	4,586	Aggregate 9.4%, but actually 34.5% on 142 policies, 0% otherwise

	Requested Rate Increase	Number of Insureds	Annualized Premium
5% Compound Uncapped Inflation	34.50%	142	453,220
5% Simple Uncapped Inflation	0%	174	183,482
No Inflation	0%	4,270	1,025,684
	9.4%	4,586	1,662,386

The Department approved a capped 20% increase. In other words, policyholders that were scheduled to receive increases from 0% to 20% will receive their full increase but those scheduled to receive increases greater than 20% are limited to a maximum increase of 20%.

**Effective date of rate change:** Renewals on and after 10/21/2021.

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.



## **Long-Term Care Insurance Rate Decision**

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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.