

**State:** Pennsylvania **Filing Company:** Lincoln National Life Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified  
**Product Name:** LTC Rate Increase  
**Project Name/Number:** LTC Rate Increase /

## Filing at a Glance

Company: Lincoln National Life Insurance Company  
Product Name: LTC Rate Increase  
State: Pennsylvania  
TOI: LTC03I Individual Long Term Care  
Sub-TOI: LTC03I.002 Non Qualified  
Filing Type: Rate - M.U. (Medically underwritten)  
Date Submitted: 12/20/2017  
SERFF Tr Num: TRST-131168803  
SERFF Status: Assigned  
State Tr Num: TRST-131168803  
State Status: Received Review in Progress  
Co Tr Num: 17.00149

Implementation: On Approval  
Date Requested:  
Author(s): Traci Hawkins, Dawn Dyer, Karen Ficcardi, Dalila Dominguez-Zarinana  
Reviewer(s): Jim Laverty (primary)  
Disposition Date:  
Disposition Status:  
Implementation Date:

### State Filing Description:

Proposed 30% increase on 91 policyholders of Lincoln National LTC forms HL-2500AA (8/90), HL-2525AA (8/90), HL-2550AA (8/90), HL-2950PA (5/94), and HL-2950PAFR (2/95).

**State:** Pennsylvania **Filing Company:** Lincoln National Life Insurance Company  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified  
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## General Information

Project Name: LTC Rate Increase  
Project Number:  
Requested Filing Mode: Review & Approval  
Explanation for Combination/Other:  
Submission Type: New Submission  
Overall Rate Impact:  
Deemer Date:  
Submitted By: Karen Ficcardi

Status of Filing in Domicile:  
Date Approved in Domicile:  
Domicile Status Comments:  
Market Type: Individual  
Individual Market Type:  
Filing Status Changed: 12/20/2017  
State Status Changed: 12/20/2017  
Created By: Dalila Dominguez-Zarinana  
Corresponding Filing Tracking Number:  
State TOI: LTC03I Individual Long Term Care

### Filing Description:

Please see cover letter attached under Supporting Documentation Tab.

If you have questions concerning this filing, please contact me at (800) 666-6977 ext. 32246, or at KFiccardi@trustmarkins.com.

Sincerely,

Karen Ficcardi  
Compliance Analyst

## Company and Contact

### Filing Contact Information

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400 N. Field Drive  
Lake Forest, IL 60045

karen.ficcardi@trustmarkins.com  
800-666-6977 [Phone] 32246 [Ext]  
847-615-3872 [FAX]

### Filing Company Information

Lincoln National Life Insurance Company  
1300 S. Clinton Street  
Fort Wayne, IN 46801  
(260) 455-3244 ext. [Phone]

CoCode: 65676  
Group Code: 20  
Group Name:  
FEIN Number: 35-0472300

State of Domicile: Indiana  
Company Type:  
State ID Number:

## Filing Fees

Fee Required? Yes  
Fee Amount: \$35.00  
Retaliatory? Yes  
Fee Explanation: Indiana's rate filing fee is \$35.00  
Per Company: Yes

**State:** Pennsylvania **Filing Company:** Lincoln National Life Insurance Company  
**TOI/Sub-TOI:** LTC031 Individual Long Term Care/LTC031.002 Non Qualified  
**Product Name:** LTC Rate Increase  
**Project Name/Number:** LTC Rate Increase /

Company	Amount	Date Processed	Transaction #
Lincoln National Life Insurance Company	\$35.00	12/20/2017	132797755

SERFF Tracking #:

TRST-131168803

State Tracking #:

TRST-131168803

Company Tracking #:

17.00149

State: Pennsylvania

Filing Company: Lincoln National Life Insurance Company

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.002 Non Qualified

Product Name: LTC Rate Increase

Project Name/Number: LTC Rate Increase /

## Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 40.000%

Effective Date of Last Rate Revision: 03/02/2006

Filing Method of Last Filing: paper

SERFF Tracking Number of Last Filing:

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Lincoln National Life Insurance Company	405.000%	30.000%	\$69,872	93	\$232,907	30.000%	30.000%

**SERFF Tracking #:**

TRST-131168803

**State Tracking #:**

TRST-131168803

**Company Tracking #:**

17.00149

**State:** Pennsylvania**Filing Company:**

Lincoln National Life Insurance Company

**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.002 Non Qualified**Product Name:** LTC Rate Increase**Project Name/Number:** LTC Rate Increase /

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		PA Exhibits A-E	HL-2500PA (1/91), HL-2525AA (8/90), HL-2550AA (8/90), HS-2500AA (8/90), HS-2525AA (8/90), HL-2950PA (2/95), HL-2950PAFR (2/95), HL-2950AA (7/92)	New		Exhibits A-E PA.PDF,

Exhibit A - 2016

Future Voluntary Lapse Rate  
 Future Mortality from Annuity 2000 mortality table

1.2%

**Lincoln National Life Insurance Company**  
**LTC policies issued from 1991-1996**  
**Nationwide Actual and Projected Experience without Rate Increase**

Cal Year	Actual	State	Before Any	Claims paid	Outstanding Reserve	Incurred	State Basis	Actual Basis	Expected	Expected	A/E	A/E
	Earned Premium	Basis *Earned Premium	Rate Increase Earned Premium	Through 12/31/16 for given Incurred Year			As of 12/31/16	Incurred Loss Ratio				
1991	399,385	399,385	399,385	2,480	-	2,480	0.6%	0.6%	37,045	9.3%	0.07	0.07
1992	1,628,531	1,628,531	1,628,531	7,304	-	7,304	0.4%	0.4%	217,224	13.3%	0.03	0.03
1993	3,186,821	3,186,821	3,186,821	798,400	-	798,400	25.1%	25.1%	529,099	16.6%	1.51	1.51
1994	4,658,753	4,658,753	4,658,753	725,100	-	725,100	15.6%	15.6%	958,055	20.6%	0.76	0.76
1995	5,854,590	5,854,590	5,854,590	474,637	-	474,637	8.1%	8.1%	1,547,105	26.4%	0.31	0.31
1996	7,069,098	7,069,098	7,069,098	1,909,961	-	1,909,961	27.0%	27.0%	2,303,081	32.6%	0.83	0.83
1997	7,175,093	7,175,093	7,175,093	2,668,130	-	2,668,130	37.2%	37.2%	3,054,088	42.6%	0.87	0.87
1998	6,718,390	6,718,390	6,718,390	1,486,886	-	1,486,886	22.1%	22.1%	3,758,008	55.9%	0.40	0.40
1999	6,443,275	6,443,275	6,443,275	2,695,388	-	2,695,388	41.8%	41.8%	4,464,571	69.3%	0.60	0.60
2000	6,144,372	6,144,372	6,144,372	3,288,978	-	3,288,978	53.5%	53.5%	5,018,175	81.7%	0.66	0.66
2001	5,804,152	5,804,152	5,804,152	2,970,853	-	2,970,853	51.2%	51.2%	5,369,158	92.5%	0.55	0.55
2002	5,544,280	5,544,280	5,544,280	2,856,981	-	2,856,981	51.5%	51.5%	5,710,376	103.0%	0.50	0.50
2003	5,259,872	5,610,530	5,259,872	3,867,673	-	3,867,673	68.9%	73.5%	5,969,567	113.5%	0.61	0.65
2004	5,440,186	6,967,513	4,976,795	3,623,465	13,660	3,637,125	52.2%	66.9%	6,186,683	124.3%	0.42	0.59
2005	5,632,590	6,514,920	4,653,514	3,856,322	72,934	3,929,256	60.3%	69.8%	6,309,732	135.6%	0.44	0.62
2006	5,655,857	8,007,016	4,399,459	5,672,799	133,362	5,806,161	72.5%	102.7%	6,462,217	146.9%	0.49	0.90
2007	6,088,853	8,075,542	4,120,174	4,224,586	285,973	4,510,559	55.9%	74.1%	6,519,621	158.2%	0.35	0.69
2008	6,025,464	7,592,670	3,873,811	5,076,512	-	5,076,512	66.9%	84.3%	6,587,632	170.1%	0.39	0.77
2009	5,682,801	7,108,136	3,626,600	4,336,174	105,223	4,441,397	62.5%	78.2%	6,605,085	182.1%	0.34	0.67
2010	5,526,937	6,567,667	3,350,850	3,938,620	28,927	3,967,547	60.4%	71.8%	6,539,433	195.2%	0.31	0.61
2011	5,315,721	6,096,525	3,110,472	3,697,024	897,246	4,594,270	75.4%	86.4%	6,481,628	208.4%	0.36	0.71
2012	4,959,006	5,689,684	2,902,900	3,789,410	819,599	4,609,009	81.0%	92.9%	6,464,630	222.7%	0.36	0.71
2013	4,625,663	5,298,497	2,703,315	4,056,546	1,454,663	5,511,209	104.0%	119.1%	6,412,672	237.2%	0.44	0.86
2014	4,283,854	4,863,569	2,481,413	2,918,004	3,265,818	6,183,822	127.1%	144.4%	6,299,468	253.9%	0.50	0.98
2015	3,949,906	4,464,800	2,277,959	3,557,174	6,221,233	9,778,408	219.0%	247.6%	6,209,494	272.6%	0.80	1.57
2016	3,749,506	4,145,412	2,115,006	569,548	6,486,562	7,056,110	170.2%	188.2%	6,174,502	291.9%	0.58	1.14
2017	3,347,131	3,700,550	1,888,036	-	-	8,432,703	227.9%	251.9%	5,483,405	290.4%	0.78	1.54
2018	3,026,663	3,346,245	1,707,268	-	-	8,436,074	252.1%	278.7%	5,302,077	310.6%	0.81	1.59
2019	2,714,192	3,000,781	1,531,010	-	-	8,330,593	277.6%	306.9%	5,031,885	328.7%	0.84	1.66
2020	2,421,972	2,677,705	1,366,176	-	-	8,146,281	304.2%	336.3%	4,844,297	354.6%	0.86	1.68
2021	2,150,079	2,377,104	1,212,808	-	-	7,893,720	332.1%	367.1%	4,627,779	381.6%	0.87	1.71
2022	1,899,216	2,099,752	1,071,302	-	-	7,583,590	361.2%	399.3%	4,359,021	406.9%	0.89	1.74
2023	1,669,890	1,846,212	941,945	-	-	7,229,403	391.6%	432.9%	4,093,757	434.6%	0.90	1.77
2024	1,461,628	1,615,959	824,469	-	-	6,842,899	423.5%	468.2%	3,772,091	457.5%	0.93	1.81
2025	1,273,427	1,407,887	718,309	-	-	6,433,426	457.0%	505.2%	3,569,938	497.0%	0.92	1.80
2026	1,104,131	1,220,715	622,814	-	-	6,011,417	492.5%	544.4%	3,366,834	540.6%	0.91	1.79
2027	952,208	1,052,750	537,118	-	-	5,578,107	529.9%	585.8%	3,103,756	577.9%	0.92	1.80
2028	816,406	902,609	460,515	-	-	5,142,926	569.8%	629.9%	2,845,260	617.8%	0.92	1.81
2029	696,077	769,575	392,640	-	-	4,711,364	612.2%	676.8%	2,560,290	652.1%	0.94	1.84
2030	590,020	652,319	332,816	-	-	4,288,119	657.4%	726.8%	2,327,937	699.5%	0.94	1.84
2031	497,051	549,534	280,375	-	-	3,874,632	705.1%	779.5%	2,118,224	755.5%	0.93	1.83
2032	416,113	460,049	234,719	-	-	3,477,202	755.8%	835.6%	1,858,397	791.8%	0.95	1.87
2033	346,151	382,700	195,255	-	-	3,097,234	809.3%	894.8%	1,604,747	821.9%	0.98	1.93
2034	286,165	316,380	161,419	-	-	2,736,632	865.0%	956.3%	1,370,510	849.0%	1.02	2.00
2035	235,099	259,923	132,614	-	-	2,397,127	922.2%	1019.6%	1,155,102	871.0%	1.06	2.08
2036	191,900	212,163	108,246	-	-	2,079,834	980.3%	1083.8%	969,774	895.9%	1.09	2.14
2037	155,667	172,104	87,808	-	-	1,793,063	1041.9%	1151.9%	792,626	902.7%	1.15	2.26
2038	125,522	138,776	70,804	-	-	1,534,737	1105.9%	1222.7%	639,136	902.7%	1.23	2.40
2039	100,617	111,241	56,756	-	-	1,303,752	1172.0%	1295.8%	512,323	902.7%	1.30	2.54
2040	80,193	88,661	45,235	-	-	1,099,328	1239.9%	1370.8%	408,330	902.7%	1.37	2.69
2041	63,547	70,257	35,845	-	-	920,602	1310.3%	1448.7%	323,568	902.7%	1.45	2.85
2042	50,064	55,351	28,240	-	-	765,553	1383.1%	1529.1%	254,918	902.7%	1.53	3.00
2043	39,219	43,360	22,122	-	-	630,528	1454.2%	1607.7%	199,695	902.7%	1.61	3.16
2044	30,550	33,776	17,232	-	-	515,722	1526.9%	1688.1%	155,555	902.7%	1.69	3.32
2045	23,659	26,157	13,345	-	-	419,206	1602.7%	1771.9%	120,466	902.7%	1.78	3.48
2046	18,234	20,160	10,286	-	-	338,927	1681.2%	1858.7%	92,846	902.7%	1.86	3.65
2047	14,004	15,482	7,899	-	-	272,013	1756.9%	1942.4%	71,305	902.7%	1.95	3.81
2048	10,721	11,853	6,047	-	-	217,189	1832.3%	2025.8%	54,589	902.7%	2.03	3.98
2049	8,186	9,050	4,617	-	-	173,153	1913.3%	2115.3%	41,679	902.7%	2.12	4.15
2050	6,237	6,895	3,518	-	-	137,852	1999.2%	2210.3%	31,756	902.7%	2.21	4.34
2051	4,737	5,237	2,672	-	-	109,499	2090.7%	2311.5%	24,121	902.7%	2.32	4.54
2052	3,592	3,971	2,026	-	-	86,674	2182.8%	2413.2%	18,288	902.7%	2.42	4.74
2053	2,712	2,999	1,530	-	-	68,389	2280.7%	2521.6%	13,810	902.7%	2.53	4.95
2054	2,038	2,253	1,149	-	-	53,700	2383.6%	2635.3%	10,376	902.7%	2.64	5.18
2055	-	-	-	-	-	-	-	-	-	-	-	-
Past		147,629,219				92,854,155	62.9%		122,188,349	82.8%	76.0%	
Future		29,668,495				123,163,171	415.1%		68,130,470	229.6%	180.8%	
Lifetime		177,297,714				216,017,326	121.8%		190,318,819	107.3%	113.5%	
Interest	4.5%											
Past		263,751,512				140,922,681	53.4%		194,863,858	73.9%	72.3%	
Future		23,013,938				85,550,034	371.7%		48,817,333	212.1%	175.2%	
Lifetime		286,765,450				226,472,715	79.0%		243,681,191	85.0%	92.9%	

Note: Loss ratios do not include the change in active life reserves.  
 \*Earned premium is a Pennsylvania rate basis.

12/31/2016 BRI EP  
 LTC-1 249,513  
 LTC-2 1,865,493

**Exhibit B**

Proposed Rate Increase effective 3/1/2018 30%  
 Future Voluntary Lapse Rate 1.2%  
 Future Mortality from Annuity 2000 mortality table

**Lincoln National Life Insurance Company**  
**LTC policies issued from 1991-1996**  
**Nationwide Actual and Projected Experience with Rate Increase**

Cal Year	*Earned Premium	Claims paid Through BRI EP for given Incurred Year	Outstanding Reserve As of BRI EP	Incurred Claims	Incurred Loss Ratio
1991	399,385	2,480	-	2,480	0.6%
1992	1,628,531	7,304	-	7,304	0.4%
1993	3,186,821	798,400	-	798,400	25.1%
1994	4,658,753	725,100	-	725,100	15.6%
1995	5,854,590	474,637	-	474,637	8.1%
1996	7,069,098	1,909,961	-	1,909,961	27.0%
1997	7,175,093	2,668,130	-	2,668,130	37.2%
1998	6,718,390	1,486,886	-	1,486,886	22.1%
1999	6,443,275	2,695,388	-	2,695,388	41.8%
2000	6,144,372	3,288,978	-	3,288,978	53.5%
2001	5,804,152	2,970,853	-	2,970,853	51.2%
2002	5,544,280	2,856,981	-	2,856,981	51.5%
2003	5,610,530	3,867,673	-	3,867,673	68.9%
2004	6,967,513	3,623,465	13,660	3,637,125	52.2%
2005	6,514,920	3,856,322	72,934	3,929,256	60.3%
2006	8,007,016	5,672,799	133,362	5,806,161	72.5%
2007	8,075,542	4,224,586	285,973	4,510,559	55.9%
2008	7,592,670	5,076,512	-	5,076,512	66.9%
2009	7,108,136	4,336,174	105,223	4,441,397	62.5%
2010	6,567,667	3,938,620	28,927	3,967,547	60.4%
2011	6,096,525	3,697,024	897,246	4,594,270	75.4%
2012	5,689,684	3,789,410	819,599	4,609,009	81.0%
2013	5,298,497	4,056,546	1,454,663	5,511,209	104.0%
2014	4,863,569	2,918,004	3,265,818	6,183,822	127.1%
2015	4,464,800	3,557,174	6,221,233	9,778,408	219.0%
2016	4,145,412	569,548	6,486,562	7,056,110	170.2%
2017	4,625,688			8,432,703	182.3%
2018	4,350,118			8,436,074	193.9%
2019	3,901,015			8,330,593	213.5%
2020	3,481,017			8,146,281	234.0%
2021	3,090,235			7,893,720	255.4%
2022	2,729,678			7,583,590	277.8%
2023	2,400,076			7,229,403	301.2%
2024	2,100,747			6,842,899	325.7%
2025	1,830,253			6,433,426	351.5%
2026	1,586,929			6,011,417	378.8%
2027	1,368,576			5,578,107	407.6%
2028	1,173,391			5,142,926	438.3%
2029	1,000,448			4,711,364	470.9%
2030	848,015			4,288,119	505.7%
2031	714,395			3,874,632	542.4%
2032	598,064			3,477,202	581.4%
2033	497,510			3,097,234	622.5%
2034	411,295			2,736,632	665.4%
2035	337,900			2,397,127	709.4%
2036	275,811			2,079,834	754.1%
2037	223,735			1,793,063	801.4%
2038	180,409			1,534,737	850.7%
2039	144,614			1,303,752	901.5%
2040	115,259			1,099,328	953.8%
2041	91,334			920,602	1008.0%
2042	71,956			765,553	1063.9%
2043	56,368			630,528	1118.6%
2044	43,908			515,722	1174.5%
2045	34,004			419,206	1232.8%
2046	26,208			338,927	1293.2%
2047	20,127			272,013	1351.5%
2048	15,409			217,189	1409.5%
2049	11,765			173,153	1471.8%
2050	8,964			137,852	1537.9%
2051	6,809			109,499	1608.3%
2052	5,162			86,674	1679.0%
2053	3,898			68,389	1754.4%
2054	2,929			53,700	1833.6%
2055	-			-	-
Past	147,629,219			92,854,155	62.9%
Future	38,384,015			123,163,171	320.9%
Lifetime	186,013,234			216,017,326	116.1%
Interest 4.5%					
Past	263,751,512			140,922,681	53.4%
Future	29,737,120			85,550,034	287.7%
Lifetime	293,488,632			226,472,715	77.2%

Note: Loss ratios do not include the change in active life reserves.  
 \*Earned premium is a Pennsylvania rate basis.

## Exhibit C

### Series LTC-1

HL-2500AA (8/90) Long Term Care Policy  
HL-2525AA (8/90) Home & Community Care Rider  
HL-2550AA (8/90) Guaranteed Insurability Rider

HL-2500CA (6/91)  
HL-2525CA (6/91)  
HL-2500CT (10/90)  
HL-2500DE (10/90)  
HL-2500DC (8/90)  
HL-2525DC (8/90)  
HL-2550DC (8/90)  
HL-2500FL (8/90)  
HL-2525FL (1/91)  
HL-2500GA (9/91)  
HL-2525GA (9/91)  
HL-2550GA (9/91)  
HL-2500GU (8/90)  
HL-2500KS (7/91)  
HL-2525KS (7/91)  
HL-2500MD (2/91)  
HL-2525MD (1/91)  
HL-2500MI (1/91)  
HL-2500MO  
HL-2525MO  
HL-2500NH  
HL-2500NM  
HL-2500NC (5/91)  
HL-2525NC (5/91)  
HL-2500ND (9/90)  
HL-2502OK (11/90)  
HL-2500OR (8/90)  
HL-2525OR (8/90)  
HL-2500PA (1/91)  
HL-2500SC (1/91)  
HL-2525SC (1/91)  
HL-2526SC (1/91)  
HL-2525SD (7/91)  
HL-2500TX (8/91)  
HL-2525TX (8/91)  
HL-2500WA (11/91)  
HL-2525WA (11/91)  
HL-2500WI (7/91)

Series LTG-1  
26540 (10/91)

### Series LTC-2

HL-2950AA (7/92) Long Term Care Policy

HL-2950AZ (7/92)  
HL-2950CA (6/95)  
HL-2950CT (9/94)  
HL-2950DE (3/96)  
HL-2950FL (10/96)  
HL-2950GA (7/92)  
HL-2950GU (7/92)  
HL-2950HI (7/92)  
HL-2950ID (7/92)  
HL-2950IL (7/95)  
HL-2950IN (3/93)  
HL-2950IA (6/94)  
HL-2950KS (2/96)  
HL-2950MD (2/95)  
HL-2950MA (7/92)  
HL-2950MI (11/93)  
HL-2950MN (8/95)  
HL-2950MS (7/92)  
HL-2950MO (7/92)  
HL-2950NE (7/92)  
HL-2950NV (5/95)  
HL-2950NH (7/92)  
HL-2950NJ (7/92)  
HL-2950NM (7/92)  
HL-2950NC (7/92)  
HL-2950ND (8/94)  
HL-2950OH (5/94)  
HL-2950OR (7/92)  
HL-2950PA (2/95)  
HL-2950PAFR (2/95)  
HL-2950RI (8/94)  
HL-2950SC (7/92)  
HL-2950TN (7/92)  
HL-2950TX-1 (7/92)  
HL-2950TX-2 (7/92)  
HL-2950UT (7/94)  
HL-2950VT (7/92)  
HL-2950VA (7/92)  
HL-2950WA (1/96)  
HL-2950WI (7/92)

Series LTG-1

Note: Variations between policy forms are small and are based on state requirements.





Exhibit D

N 0 N Y 60 100 100% N 99999 LIFE PA PA 51 SC LTC-1 12 A \$ 969.61 \$ 1,260.49

Exhibit E

State	1st Approval Date	1st Approval Percent	2nd Approval Date	2nd Approval Percent	3rd Approval Date	3rd Approval Percent	4th Approval Date	4th Approval Percent	5th Approval Date	5th Approval Percent	6th Approval Date	6th Approval Percent	Filed/Anticipated Date	Filing Status	Filing Percent	Cumulative Approved Rate Increase	12/31/2016 Inforce Policies	12/31/2016 Annualized Premium	Percent of Total Premium
OH	10/7/2003	33%	3/1/2006	20%			8/13/2009	20%	2/23/2016	15%	12/5/2017	15%	12/5/2018		15%	153%	150	303,650	8.2%
MD	12/19/2003	15%	7/27/2006	15%			10/27/2009	15%	1/27/2016	15%	6/29/2017	15%	7/1/2018		15%	101%	143	296,709	8.0%
IN	10/1/2004	27%	4/3/2006	35%	8/27/2007	15%										97%	126	247,615	6.7%
CA	11/5/2003	25%	2/22/2006	25%	7/25/2007	12%	12/17/2009	25%								119%	90	237,210	6.4%
FL	12/21/2006	28%					8/13/2010	8%								38%	115	235,795	6.4%
PA	10/8/2003	40%	3/2/2006	40%									3/1/2018		30%	96%	93	232,907	6.3%
IL	12/4/2003	40%	8/4/2006	40%					8/13/2016	30%	11/1/2017	30%				231%	62	174,870	4.7%
MO	7/12/2004	40%	5/31/2006	40%					10/26/2015	40%	1/1/2017	30%	1/1/2018		30%	257%	61	168,254	4.5%
MI	11/17/2003	40%	3/10/2006	40%					11/4/2015	60%	1/1/2017	30%	1/1/2018		30%	308%	38	164,132	4.4%
VA	3/18/2004	40%									7/24/2017	27%	8/1/2018	Approved	27%	124%	71	136,807	3.7%
CT	5/2/2005	10%									2/1/2017	15%	2/1/2018		30%	27%	54	109,859	3.0%
GA	4/9/2004	10%	4/25/2006	10%	6/27/2007	8%	9/14/2009	10%	3/15/2016	10%	4/1/2017	12%	4/1/2018		30%	77%	55	109,635	3.0%
CO	12/22/2003	40%	6/7/2006	40%									3/1/2018		30%	96%	41	92,516	2.5%
TX	2/9/2004	25%	4/25/2006	30%			10/26/2009	12%								82%	48	92,261	2.5%
IA	12/10/2004	27%	6/1/2006	33%			1/6/2010	25%	5/3/2016	10%	7/1/2017	15%	7/1/2018		30%	167%	29	83,674	2.3%
NE	10/21/2003	40%	3/17/2006	40%					12/3/2015	60%	2/29/2016	10%	3/1/2018		30%	214%	38	79,417	2.1%
WI	5/21/2004	40%	10/12/2006	20%			10/8/2009	25%	2/29/2016	10%	4/1/2017	30%	4/1/2018		30%	131%	26	78,584	2.1%
TN	7/8/2004	20%	8/3/2006	30%			2/9/2010	10%	1/7/2016	30%	4/1/2017	30%	4/1/2018		30%	190%	35	71,951	1.9%
WA	1/16/2004	15%					11/4/2010	18%	4/20/2016	17%	7/1/2017	17%	7/1/2018	Approved	17%	117%	36	63,335	1.7%
NJ	7/9/2007	30%					4/26/2010	35%					3/1/2018		30%	76%	21	61,389	1.7%
LA	10/29/2003	40%	12/22/2006	35%					6/24/2016	15%	7/1/2017	15%	7/1/2018		30%	150%	31	57,482	1.5%
KS	8/31/2004	25%	5/26/2006	25%			9/30/2009	15%	4/22/2016	12%	5/1/2017	10%	5/1/2018		30%	121%	28	56,094	1.5%
OR	6/1/2007	28%					9/30/2009	25%								60%	23	48,842	1.3%
AL	8/24/2004	30%	5/25/2006	30%							2/1/2017	30%	2/1/2018		30%	120%	32	44,567	1.2%
NC	1/21/2005	20%	5/30/2006	20%			11/9/2009	12%					3/1/2018		25%	61%	26	42,311	1.1%
HI	6/22/2005	25%	12/22/2006	25%			12/14/2009	15%								80%	15	42,293	1.1%
WY	9/16/2003	40%	3/28/2006	40%			1/28/2010	25%	1/27/2016	60%	2/1/2017	30%				410%	6	39,781	1.1%
NM	8/4/2004	40%	10/24/2006	35%					1/27/2016	15%	3/24/2017	10%	4/1/2018		30%	139%	20	37,723	1.0%
SC	12/9/2003	40%	5/9/2006	40%			10/28/2009	20%	1/5/2016	20%	5/1/2017	20%	5/1/2018		30%	239%	14	36,596	1.0%
AZ	10/12/2006	20%					11/23/2009	15%	9/22/2016	13%	11/23/2009	15%	3/1/2018		30%	56%	18	32,125	0.9%
MS	8/6/2004	25%	2/22/2007	25%			12/21/2009	25%	10/30/2015	25%	1/1/2017	10%	1/1/2018		30%	169%	9	29,259	0.8%
DE	4/16/2004	15%	8/10/2006	15%			3/25/2010	15%	1/28/2016	25%	2/1/2017	25%	2/1/2018		25%	138%	11	26,164	0.7%
WV	2/16/2005	40%	5/22/2006	40%					3/9/2016	20%	4/1/2018	20%	4/1/2018		20%	135%	8	24,771	0.7%
MA	7/21/2006	40%					9/7/2011	40%	1/20/2017	9%	1/20/2018	9%	1/20/2019	Approved	9%	154%	10	24,560	0.7%
KY	9/9/2004	27%	6/21/2006	30%			1/27/2010	20%	3/18/2016	15%	4/1/2017	10%	4/1/2018		30%	151%	11	21,851	0.6%
OK	2/19/2004	15%	4/18/2006	15%			11/9/2010	10%	4/4/2016	10%	5/1/2017	10%	5/1/2018		30%	76%	9	16,883	0.5%
DC																0%	3	16,220	0.4%
UT	5/16/2006	40%					6/28/2010	40%	2/10/2016	20%						135%	6	14,214	0.4%
ID	10/6/2004	40%	7/24/2006	35%												89%	4	12,148	0.3%
ME	6/13/2006	40%														40%	5	9,060	0.2%
MN	3/3/2004	25%														25%	4	7,996	0.2%
SD	12/10/2004	15%	6/6/2006	20%												38%	5	6,658	0.2%
NH	8/3/2006	40%														40%	3	6,387	0.2%
NV	1/22/2007	25%														25%	1	4,587	0.1%
AR	5/24/2005	40%	2/15/2007	40%												96%	3	4,483	0.1%
MT	1/31/2005	40%	11/9/2006	40%												96%	1	3,330	0.1%
VT																0%	2	2,478	0.1%
RI	10/22/2003	40%	12/14/2006	40%												96%	2	2,468	0.1%
AK	6/28/2006	40%														40%	0	-	0.0%
ND	10/17/2003	25%	7/26/2006	25%												56%	0	-	0.0%
NY																0%	0	-	0.0%

SERFF Tracking #:

TRST-131168803

State Tracking #:

TRST-131168803

Company Tracking #:

17.00149

State: Pennsylvania

Filing Company:

Lincoln National Life Insurance Company

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.002 Non Qualified

Product Name: LTC Rate Increase

Project Name/Number: LTC Rate Increase /

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Transmittal Letter (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA Cover Letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Certification (A&H)
<b>Bypass Reason:</b>	N/A, this is not a new forms filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum and Explanatory Information (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	PA Actuarial Memorandum.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Advertisements (A&H)
<b>Bypass Reason:</b>	This is not an Advertising filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Authorization to File (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	LNL filing authorization letter.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Insert Page Explanation (A&H)
<b>Bypass Reason:</b>	This is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

**SERFF Tracking #:**

TRST-131168803

**State Tracking #:**

TRST-131168803

**Company Tracking #:**

17.00149

**State:**

Pennsylvania

**Filing Company:**

Lincoln National Life Insurance Company

**TOI/Sub-TOI:**

LTC03I Individual Long Term Care/LTC03I.002 Non Qualified

**Product Name:**

LTC Rate Increase

**Project Name/Number:**

LTC Rate Increase /

<b>Bypassed - Item:</b>	Rate Table (A&H)
<b>Bypass Reason:</b>	This is not a new form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Replacement Form with Highlighted Changes (A&H)
<b>Bypass Reason:</b>	This is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Reserve Calculation (A&H)
<b>Comments:</b>	
<b>Attachment(s):</b>	ALR and DLR Calculation.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Variability Explanation (A&H)
<b>Bypass Reason:</b>	This is not a form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

November 27, 2017

Pennsylvania Department of Insurance  
1311 Strawberry Square  
Harrisburg, PA 17120

**Re: LINCOLN NATIONAL LIFE INSURANCE COMPANY**  
**FEIN # 35-0472300      NAIC # 0020-65676**  
**INDIVIDUAL ACCIDENT AND HEALTH INSURANCE**  
**Rate Increase for Long Term Care Policy HL-2500PA (1/91)**  
**Home and Community Care Rider HL-2525AA (8/90)**  
**Guaranteed Insurability Rider HL-2550AA (8/90)**  
**Long Term Care Policy HS-2500AA (8/90)**  
**Home and Community Care Rider HS-2525AA (8/90)**  
**Long Term Care Policy HL-2950PA (2/95)**  
**Long Term Care Policy HL-2950PAFR (2/95)**  
**Long Term Care Policy HL-2950AA (7/92)**

Dear Sir or Madam:

On behalf of Lincoln National Life Insurance Company, we at Trustmark Insurance Company are submitting the enclosed actuarial memorandum for your review and approval. A letter authorizing Trustmark Insurance Company to make this rate filing on behalf of Lincoln National Life is attached.

The above long term care policies were marketed and issued by Lincoln National in the early 1990's. Lincoln National ceased marketing of the product in 1996 and Trustmark Insurance began administering this closed block of Lincoln National business in 1997. The enclosed actuarial memorandum details the request for a 30% increase in the rates for Lincoln National's long term care policy forms and associated riders noted above and in exhibit C. We recently retained Milliman to evaluate the size of the block and review the experience, which then allowed for Milliman to assist in preparation of this rate increase request and anticipate future claims projection. Based on this information it is expected that past and future projected claims experience will produce a lifetime loss ratio that exceeds the minimum required loss ratio. This filing includes all the Long Term Care policies sold by Lincoln National.

We trust that you will find our filing to be in order and hope that you will grant your Department's approval to this submission. Our fax number is (847) 615-3940. If you have any questions or would like to discuss any of the materials included in this submission, please feel free to call me toll free at 1-800-877-9077, extension 33402. You may also send an email to [kristen.kim@trustmarkins.com](mailto:kristen.kim@trustmarkins.com).

We look forward to hearing from you.

Sincerely,



Kristen Kim, F.S.A., M.A.A.A.  
Executive Director and Actuary  
Trustmark Insurance Company, DI/LTC Division

[ENCLOSURES]



# Lincoln National Life Insurance Company

## Actuarial Justification of Premium Rate Increase Long Term Care Policies

### 1. PURPOSE AND SCOPE OF FILING

This is a rate increase filing for Lincoln National Life Insurance existing Long Term Care policy forms. The purpose of this filing is to demonstrate that the anticipated loss ratio of these forms meets the minimum requirements of this state. This rate filing is not intended to be used for any other purposes.

This rate filing is a request for a 30% increase, effective upon approval by the state, on all of the company's Long Term Care policy forms and rider forms as summarized below and in Exhibit C. The rate increase will apply to all insureds covered under the referenced policy series in Pennsylvania. Exhibit C is included for those policies that were not issued in Pennsylvania but currently reside in Pennsylvania as increases are given on a resident state basis.

The company will provide two alternative options in lieu of the rate increase. One option is a reduction in policy benefit limit and nursing home daily benefit maximum amounts. The other option is paid-up coverage, where the policy is converted to paid-up insurance with no further premium payments required. The policy benefit limit under this option will be reduced to an amount equal to the total premium paid under this policy less any waived premium and paid claims. With the paid-up coverage, the annual Benefit Increase Option, Restoration of Benefits and Guaranteed Insurability Rider are no longer available.

Lincoln National sold Long Term Care policies from 1991-1996. All inforce policies subject to this proposed rate increase were issued prior to August 1, 1996. Lincoln then ceded out 100% of the risk to GenRe who then ceded out 50% of the risk to Trustmark Insurance Company who also administers this block.

#### *Series LTC1*

*Lincoln National Life Insurance Company*  
Long Term Care Policy HL-2500PA (1/91)  
Home and Community Care Rider HL-2525AA (8/90)  
Guaranteed Insurability Rider HL-2550AA (8/90)

*Security Connecticut Life Insurance Company*  
Long Term Care Policy HS-2500AA (8/90)  
Home and Community Care Rider HS-2525AA (8/90)

#### *Series LTC2*

*Lincoln National Life Insurance Company*  
Long Term Care Policy HL-2950PA (2/95)



## Lincoln National Life Insurance Company

### Actuarial Justification of Premium Rate Increase Long Term Care Policies

Long Term Care Policy HL-2950PAFR (2/95)

Long Term Care Policy HL-2950AA (7/92)

The rate increase will apply to all insureds covered under the referenced policy series in this state. The rate increase is necessary because the emerging experience reveals morbidity and policy persistency levels that produce lifetime loss ratios above the minimum required loss ratio.

## 2. BENEFITS

### *LTCI*

This policy provides daily benefits for confinement in a nursing home. Optional riders are available to provide: (1) daily home health care and adult day care benefits, and (2) a guaranteed insurability privilege allowing an annual increase of 5% of the initial daily benefit through age 85.

Nursing home benefits begin after the insured has satisfied a deductible period (elimination period) and continue while the insured remains confined until the policy benefit limit has been reached. Home health care and adult day care benefits are subject to a separate deductible period and benefit limit. However, any day used to satisfy the nursing home deductible period also satisfies the home health care/adult day care deductible period. Each day of benefit, whether provided for nursing home confinement or home health care/adult day care, counts toward the policy benefit limit.

Benefit options include:

<u>Benefit Feature</u>	<u>Nursing Home</u>	<u>Home Health/ Adult Day Care</u>
Deductible Periods	0, 20, 60, 100 days	0, 20, 60, 100 days
Benefit Limits	730 days	730 days
	1,095 days	1,095 days
	1,460 days	1,460 days
	1,825 days	1,825 days
	2,190 days	2,190 days
	Unlimited	Unlimited

The maximum daily home health care benefit equals the maximum daily benefit for nursing home confinement. However, no more than 50% of the maximum daily nursing home benefit will be paid for “basic” home health care services, as defined in the rider.

## Lincoln National Life Insurance Company

### Actuarial Justification of Premium Rate Increase Long Term Care Policies

The maximum daily adult day care benefit is 25% of the maximum daily nursing home benefit.

A benefit increase option is also available. The benefit increase option provides a 5% compounded increase in the daily benefit limits each year through the anniversary on or after the insured's 85th birthday or for 10 years, whichever period is longer. The benefit increase applies even when the policy is in claim status. If this option is elected a higher level premium is charged for the lifetime of the policy. The insured may not elect both the benefit increase option and the guaranteed insurability rider.

#### *LTC2*

This policy provides daily benefit for confinement in a nursing home or other confined care facility. This policy has an option, which may be elected, to provide home health and community care benefits.

Benefits begin after the insured has satisfied an elimination period, and continue while the insured remains confined or, if applicable, receives home health or community care services, until the policy benefit limit has been reached. Benefits paid for confined care and home health and community care all count toward the policy benefit limit. The policy benefit limit is a dollar amount that is calculated as the selected benefit period multiplied by the selected daily limit.

Benefit options include:

<u>Benefit Feature</u>	<u>Options</u>
Elimination Periods	0, 20, 60, 100, 180, 365 days
Benefit Limits	730 days 1,095 days 1,460 days 1,825 days 2,190 days Unlimited

The normal daily limit for home health and community care benefits is 60% of the daily limit for confined care benefits. The maximum daily limit for home health and community care benefits equal 100% of the daily limit for confined care benefits. However, no more than 80% of the actual charges will be paid for home health care basic services, adult day care, respite care, alternate care or equipment, and confined care outside of a nursing home, as defined in the policy.

## Lincoln National Life Insurance Company

### Actuarial Justification of Premium Rate Increase Long Term Care Policies

Two annual increase optional benefits are included. The first provides a 5% equal annual increase in the daily limit and remaining benefit limit each year that the policy is in force. The second provides a 5% compounded annual increase in the daily limit and remaining benefit limit each year that the policy is in force. The annual increase applies even when the policy is in claim status. Premiums are expected to remain level from issue under both increase options.

A return of premium option is also included. Upon death of the insured, termination of the policy, or a decrease in the daily limit and policy benefit limit, it provides for the payment of a return of premium as described in the policy.

#### 3. RENEWABILITY

These policy forms are guaranteed renewable for life subject to the company's right to change premium rates.

#### 4. APPLICABILITY

This filing applies to inforce insureds as these forms are no longer actively marketed. The premium change will be applicable to the base forms and to all riders associated with the base forms.

#### 5. MORBIDITY

The Minnesota Milliman office projected future incurred claims based on the claim experience of these policy forms, the current demographics of the block, the original underwriting of the business, and their projection models. The ultimate claim costs represent best estimate values and do not include an explicit provision for moderately adverse conditions.

#### 6. MORTALITY

The Annuity 2000 mortality table was used for projecting future mortality.

#### 7. PERSISTENCY

Experience to date –

Policy Duration	Expected Termination Rate	Actual Termination Rate	Actual / Expected
2/1	15%	10%	67%
3/2	13%	8%	61%
4/3	12%	5%	45%

## Lincoln National Life Insurance Company

### Actuarial Justification of Premium Rate Increase Long Term Care Policies

5/4	12%	6%	47%
6/5	11%	5%	46%
7/6	11%	5%	43%
8/7	11%	4%	37%
9/8	12%	5%	41%
10/9	14%	6%	42%
11/10	15%	6%	38%
12/11	15%	5%	34%
13/12	16%	7%	44%
14/13	16%	6%	38%
15/14	18%	5%	28%
16/15	19%	5%	39%
17/16	20%	5%	21%
18/17	21%	5%	24%
19/18	22%	6%	27%
20/19	22%	5%	23%
21/20	23%	6%	27%
22/21	24%	7%	31%
23/22	24%	8%	31%
24/23	30%	7%	22%
25/24	24%	9%	38%
26/25	25%	5%	22%

Note: As policies were issued in different years, not all policies have reached durations 22 and beyond. To account for this, the shaded numbers do not include policies that have not completed the given duration. Terminations include voluntary lapses and deaths. Future voluntary lapse rates are assumed to be 1.2%.

#### 8. EXPENSES

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

#### 9. MARKETING

These policy forms were marketed by the companies' agents and marketing companies.

#### 10. UNDERWRITING

These policies were fully underwritten. Attending physician statements were generally obtained.

#### 11. PREMIUMS

## Lincoln National Life Insurance Company

### Actuarial Justification of Premium Rate Increase Long Term Care Policies

Premiums vary by original issue age, benefit option selected, and risk class (with and without spousal discount). A factor of **1.30** will be applied to the currently filed and approved rates.

#### 12. ISSUE AGE RANGE

The maximum issue age is 85; however, only a limited selection of benefit options was available over issue age 79.

#### 13. AREA FACTORS

These policies were not area rated.

#### 14. AVERAGE ANNUAL PREMIUM

<u>Plan</u>	<u>Before Increase</u>	<u>After Increase</u> (Pennsylvania Rate Basis)
Pennsylvania		
LTC1	\$2,284	\$2,969
LTC2	\$2,565	\$3,334
Nationwide		
LTC1	\$2,186	\$2,842
LTC2	\$2,258	\$2,935

#### 15. PREMIUM MODALIZATION RULES

The following modal factors were applied to the annual premiums.

<u>Premium Mode</u>	<u>Modal Factor</u>
Annual	1.000
Semi-annual	0.520
Quarterly	0.265
Monthly	0.089

#### 16. CLAIM LIABILITY AND RESERVES

Claim reserves and liabilities are calculated on a seriatim basis for known claims, plus an IBNR provision. These are based on continuation factors developed by Lincoln National Life for Home Care vs. Nursing Home, by sex and by whether or not bathing is a benefit trigger. Interest is at 5.5% for 1991-1992 claims, 5% for 1993-1994 claims, and 4.5% for 1995-2005, 4% for 2006-2012, and 3.5% for 2013 and later claims. Maximum benefits range from 2 years to lifetime.

## Lincoln National Life Insurance Company

### Actuarial Justification of Premium Rate Increase Long Term Care Policies

#### 17. ACTIVE LIFE RESERVE

Active life reserves were not necessary to demonstrate compliance with the minimum 60% loss ratio.

#### 18. TREND ASSUMPTIONS

We have assumed that daily benefits will increase by 5% each policy year for plans with compound inflation protection. Plans without inflation protection do not include any trend.

#### 19. MINIMUM REQUIRED LOSS RATIO

The minimum required loss ratio for these forms is 60%.

#### 20. ANTICIPATED LOSS RATIO

The anticipated lifetime loss ratio for this book of business without the current proposed rate increase is 79% shown in Exhibit A. This is based on a 4.5% interest rate.

#### 21. DISTRIBUTION OF BUSINESS - Nationwide

Distribution of Issues by Age –

Issue Age	Distribution
<50	8.6%
50-54	14.4%
55-59	22.5%
60-64	31.4%
65-69	17.4%
70-74	4.7%
75-79	0.8%
80+	0.1%
Total	100.0%
Average Age	59

Distribution of Issues by Plan –

Plan	Distribution
LTC1	13.4%
LTC2	86.6%

## Lincoln National Life Insurance Company

### Actuarial Justification of Premium Rate Increase Long Term Care Policies

Distribution of Issues by Gender –

<b>Gender</b>	<b>Distribution</b>
Male	35.3%
Female	64.7%

Distribution of Issues by Benefit Period –

<b>Benefit Period (years)</b>	<b>Distribution</b>
2	4.4%
3	15.9%
4	20.6%
5	7.1%
6	2.3%
Unlimited	49.6%

Distribution of Issues by Elimination Period –

<b>Elimination Period (days)</b>	<b>Distribution</b>
20	32.4%
60	22.8%
100	42.7%
365	2.1%

Distribution of Issues by Home Health Care Percentage –

<b>Home Health Care Percentage</b>	<b>Distribution</b>
0%	17.2%
60%	16.2%
75%	0.2%
100%	66.4%

Distribution of Issues by Risk Class –

<b>Risk Class</b>	<b>Distribution</b>
With spousal discount	66.8%
Without spousal discount	33.2%

Distribution of Issues by Optional Rider –

<b>Optional Rider</b>	<b>% Electing</b>
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## Lincoln National Life Insurance Company

### Actuarial Justification of Premium Rate Increase Long Term Care Policies

Compound Inflation	19.8%
Simple Inflation	18.7%
Guaranteed Insurability	0.4%
Return of Premium	9.0%

#### 22. CONTINGENCY AND RISK MARGINS

Contingency and risk margins have not been included in the justification for this rate increase.

#### 23. EXPERIENCE OF THE FORM

See Exhibit A for calendar year historical experience through December 31, 2016 as well as projected future experience. Historical incurred claims reflect claim payment runoff through December 31, 2016 plus the claim reserve estimate as of December 31, 2016 (as described in Section 16 above).

Exhibit B provides projected future experience including the proposed rate increase. The assumed implementation date is February 1, 2018.

Future claims experience data is from a recently completed analysis of this block of business performed by the Minnesota Milliman office.

#### 24. LIFETIME LOSS RATIO

The lifetime anticipated loss ratio is 79%. See Exhibit A for the calculation.

#### 25. HISTORY OF RATE ADJUSTMENTS

A 40% rate increase was approved in the state of Pennsylvania in 2003, and a 40% rate increase in 2006.

#### 26. NUMBER OF POLICYHOLDERS

The number of policyholders and annualized inforce premium as of 12/31/2016 are shown below.

Company	Plan	Annualized Premium	Inforce
Pennsylvania Only			
LNL	LTC1	\$43,716	18
LNL	LTC2	\$187,230	73

Nationwide



## Lincoln National Life Insurance Company

### Actuarial Justification of Premium Rate Increase

#### Long Term Care Policies

LNL	LTC1	\$428,812	189
	LTC2	\$3,258,777	1,441
	LTG1	\$27,626	21
	LTG2	\$3,614	4
FPP	LTC1	\$13,856	7
	LTC2	\$0	0
SC	LTC1	\$17,240	6
	LTC2	\$0	0

Note: In other sections, LTG1 and LTG2 are grouped with LTC1 and LTC2 respectively as they have similar policy provisions. LTG policies are group policies while the LTC policies are individual policies.

#### 27. PROPOSED EFFECTIVE DATE

The proposed 30% increase will be implemented as soon as possible following approval after fulfillment of all statutory and contractual requirements. The assumed implementation in Exhibit B is February 1, 2018.

#### 28. ACTUARIAL CERTIFICATION

I hereby certify to the best of my knowledge and judgment, the entire rate filing submitted herein is in compliance with all applicable laws of this state, the rules of the Department of Insurance, and Actuarial Standard of Practice Number 8 as adopted by the Actuarial Standards Board. In my opinion, the rates are not excessive or unfairly discriminatory. This filing will enhance premium adequacy, but future rate action may be necessary. Therefore, benefits cannot be certified reasonable in relation to premium.

Respectfully submitted,



Kristen S. Kim, F.S.A, M.A.A.A.  
Executive Director and Actuary  
Trustmark Insurance Company, DI/LTC Division



Financial Group®

Lincoln Life

The Lincoln National Life Insurance Company  
1300 South Clinton Street  
Fort Wayne IN 46802

November 1, 2017

To Whom It May Concern:

This is to authorize Trustmark Insurance Company to make state rate filings on Lincoln National Life Insurance Company's behalf in regard to the Long Term Care policy forms LTC1 and LTC2.

Please feel free to contact me directly at (260) 455-5542 should there be any questions regarding this authorization.

Sincerely,

Lincoln National Life Insurance Company

A handwritten signature in black ink that reads "Brandy Ness". The signature is written in a cursive style with a large initial "B".

Brandy Ness

AVP, Reinsurance Accounting & Administration

**ALR Calculation**

Method: 1yr FPT, claims paid at mid-year  
Mortality: 1958 CSO ANB Female mortality  
Morbidity: based on 1995 Trans. SOA (1985 NNHS for Nursing Home, Home healthcare costs are loaded by a factor of 1.6)  
ROP: Uses the Return percentage table in the LTC-2 policy. Return of Premium is provided upon death or lapse. Also assumes that the premium is returned at age 100.  
Interest: 3.5%  
Terminal age:  $\omega=100$ .

**Specific Adjustments**

Reserves contained specific loads based on policy level information as described below, which were incorporated into our ALR calculation.

Form Factor:	LTC1	1.22	
	LTC2	1.00	
Spouse Discount:	LTC1	0.78	
	LTC2 (w/o ROP rider)	0.75	
	LTC2 (w/ ROP rider)	0.80	
Issue State:	TX, CA	1.22	
	Others	1.00	
Benefit Period:	Lifetime	1.10	
	2 years	0.97	
	Others	1.00	
Selection Factors:	LTC1	LTC2	
	Year 1:	.3	.2
	Year 2:	.5	.3
	Year 3:	.65	.45
	Year 4:	.85	.65
	Year 5:	1	.85
	Year 6:	1	.95
	Year 7+:	1	1

Benefit Increase Options are reserved starting in the year of purchase.

**DLR Calculation**

Claim reserves are calculated using average length of stay information that comes from the 1985 National Nursing Home Survey (Spence and Wiener, The Brookings Institutions, 1989) that varies by benefit. The nursing home claim costs were adjusted to reflect insured lives and the

underwriting methods anticipated. Home health care/adult day care claim costs were derived by means of loadings (varying by attained age and benefit limit) on the basic nursing home costs. The interest rate used is based on claim incurred year and are as follows:

Incurred Year	Interest Rate
2004 - 2005	4.50%
2006-2012	4.00%
2013-2017	3.50%