

Transamerica Life Insurance Company

Aug 28, 2021

SERFF #s: AEGB-132758770

Filing Summary:

Transamerica Life filed for a 114% rate increase on the following LTC policies: 1-812 44-190, 1-820 44-991, 1-822 44-991, LTC-104-194-PA, LTC-105-194-PA, LTC-106-194-PA, LTC 124-197-PA, LTC 224-197-PA, LTC125-197-PA, LTC 225-197-PA, LTC 126-197-PA, LTC 226-197-PA, LTC 304-198-PA, and LTC 305-198-PA. These policies were approved for sale in PA between Feb 1993 and June 1999.

The policy forms were originally sold by Transamerica Occidental Life Insurance Company (TOLIC). TOLIC was merged into Transamerica Life Insurance Company in October 2008. As a result, TOLIC no longer exists as separate statutory entity. Therefore, all of the policy forms shown above are being filed on Transamerica Life letterhead.

The Department approved a 20% increase on 1,480 PA policyholders.

Effective date of rate change: Renewals on and after 8/28/2021.

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.

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.