

**The Prudential Insurance Company of America**  
Sept 9, 2021

**SERFF #:** PRUD-132798393

**Filing Summary:**

Prudential requested approval to increase the premium on the ILTC-1 Series (forms GRP 98720, GRP 98721 & GRP 98722). The aggregate requested increase was 19.6% but the company is requesting different rate increases if the policy has a lifetime benefit period rather than a limited benefit period, also if it has auto inflation or not. The policies were offered in PA from August 1999 through December 2008 but the 917 policies in this filing were all issued prior to 9/16/2002.

	Policies In Force	Requested Increase
No Inflation/Cash/Unlimited	12	53.7%
No Inflation/Cash/Limited	19	0.0%
No Inflation/Reimbursement/Unlimited	35	38.8%
No Inflation/Reimbursement/Limited	126	0.0%
Auto Inflation/Cash/Unlimited	42	123.1%
Auto Inflation/Cash/Limited	60	53.8%
Auto Inflation/Reimbursement/Unlimited	169	78.5%
Auto Inflation/Reimbursement/Limited	454	38.9%
# of Policies=	917	

The Pennsylvania Insurance Department approved a capped 20% increase on the block. In other words, policyholders that were scheduled to receive increases from 0% to 20% can receive their full scheduled 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 9/9/2021.

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.



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