

The Prudential Insurance Company of America
January 26, 2023

SERFF #s: PRUD-133505176

Filing Summary:

The Prudential Insurance Company of America requested approval to increase the premium an average of 24.13% on 796 policies from individual LTC forms GRP 98720, GRP 98721, and GRP 98722 (i.e. forms known as ILTC-1). The actual request is broken out by inflation status, benefit type, and benefit period in the table below.

ILTC-1 Policy Type	# of Policies	Requested Increase
No Inflation/Cash/Lifetime	10	28.1%
No Inflation/Cash/Less Than 10 Years	11	0.0%
No Inflation/Reimbursement/Lifetime	33	15.7%
No Inflation/Reimbursement/Less Than 10 Years	93	0.0%
Auto Inflation/Cash/Lifetime	34	85.9%
Auto Inflation/Cash/Less Than 10 Years	54	28.2%
Auto Inflation/Reimbursement/Lifetime	151	48.8%
Auto Inflation/Reimbursement/Less Than 10 Years	410	15.8%
All	796	24.1%

The Department approved the requested increase spread over one to three years.

Effective date of rate change: Renewals on and after 1/25/2023.

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.